



安達環球集團有限公司

ATTA ATTA GLOBAL GROUP BERHAD

Registration No.: 198101012950 (79082-V)

Annual Report

2021

Breakthrough  
of Sustainability



# Breakthrough of Sustainability

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.

## CONTENTS

Notice of Annual General Meeting	2	Statement on Risk Management and Internal Control	35	Independent Auditors' Report to the Members	62
Corporate Information	7	Audit Committee Report	37	Statements of Financial Position	66
Corporate Structure	8	Additional Compliance Information	40	Statements of Comprehensive Income	68
Chairman's Statement	9	Properties Owned by the Group	41	Consolidated Statement of Changes In Equity	69
Profile of The Directors	10	Statistics on Shareholdings	43	Statement of Changes In Equity	70
Profile of Key Senior Management	13	Analysis of Warrants B Holdings	46	Statements of Cash Flows	71
Financial Highlights	14	Analysis of Warrants C Holdings	48	Notes to the Financial Statements	76
Management Discussion and Analysis	15	Analysis of ICULS Holdings	50	Form of Proxy	enclosed
Sustainability Statement	21	Analysis of ICPS Holdings	52		
Corporate Governance Overview Statement	26	<b>REPORT AND FINANCIAL STATEMENTS 30 JUNE 2021</b>			
Corporate Social Responsibility	33	Directors' Report	55		
Statement of Directors' Responsibility	34	Directors' Statement	61		
		Statutory Declaration	61		



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Fortieth (40th) Annual General Meeting ("40th AGM and/or "AGM") of the Company will be held at The Light Hotel, Lebuh Tenggiri 2, 13700 Seberang Jaya, Pulau Pinang on Wednesday, 15 December 2021 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 year ended 30 June 2021, together with the Directors' and Auditors' Reports thereon. (Please refer to Note 2)	
2. To approve the payment of Directors' fees of RM225,000 in respect of the financial year ended 30 June 2021.	1
3. To approve the payment of Directors' benefits to Non-Executive Directors up to an amount of RM80,000 from the 40th AGM 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. Tan Kim Hee	3
4.2 Mr. Chow Choon Hoong	4
5. To re-elect Mr. Ravi Chandran A/L Subash Chandran who was appointed during the year and retires in accordance with the Company's Constitution.	5
6. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	6
<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> - Mr. Sudesh A/L K.V. Sankaran	7
"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".	
<b>7.2 AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016</b>	8
"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)

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

## 7.3 PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

9

"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 accumulated losses of the Company based on its audited financial statements as at 30 June 2021 is RM18,229,515.
- (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.

# Notice of Annual General Meeting (Cont'd)

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

## 7.3 PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY (Cont'd)

9

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.

**FURTHER NOTICE IS HEREBY GIVEN THAT** only members whose names appear on the Record of Depositors as at 6 December 2021 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 2021

## 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.

# Notice of Annual General Meeting (Cont'd)

## NOTES: (Cont'd)

### 1. PROXY (Cont'd)

Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agrees and consents that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

### 2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 year ended 30 June 2021

Resolution 2: Payment of Directors' benefits from the 40th AGM until the next AGM of the Company

The Directors' benefits payable to the Non-Executive Directors from the 40th AGM 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.

### 4. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Ordinary Resolution 7 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 seventeen (17) 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.

Pursuant to the Malaysian Code on Corporate Governance, the Company would seek shareholders' approval through a two-tier voting process 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 8 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.

# Notice of Annual General Meeting (Cont'd)

---

## NOTES: (Cont'd)

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

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 28 December 2020. 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 9 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 2021 Annual Report.

## Annual Report 2021 and Corporate Governance Report 2021

The Annual Report 2021 and Corporate Governance Report 2021 may be downloaded at [www.attaglobalgroup.com](http://www.attaglobalgroup.com)

# 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)

**Goh Chin Heng**  
(Executive Director)

**Chow Choon Hoong**  
(Executive Director)

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

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

**Ravi Chandran A/L Subash Chandran**  
(Independent Non-Executive Director)

### Audit Committee

Loh Yee Sing (Chairman) (Appointed on 24 June 2021)  
Sudesh A/L K.V. Sankaran  
Ravi Chandran A/L Subash Chandran  
(Appointed on 24 June 2021)

### Nominating Committee

Sudesh A/L K.V. Sankaran (Chairman)  
Loh Yee Sing  
Ravi Chandran A/L Subash Chandran  
(Appointed on 24 June 2021)

### Remuneration Committee

Sudesh A/L K.V. Sankaran (Chairman)  
Goh Chin Heng (Appointed on 18 March 2021)  
Ravi Chandran A/L Subash Chandran  
(Appointed on 24 June 2021)

### ESOS Committee

Tan Kim Hee (Chairman) (Appointed on 28 September 2021)  
Goh Chin Heng (Appointed on 28 September 2021)  
Siva Raman A/L S. Ramasamy Pattar

### Risk Management Committee

Chow Choon Hoong (Chairman)  
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 Malaysia PLT (AF:0737)  
Chartered Accountants  
Level 5, Menara BHL,  
51, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia  
Tel No.: 604-2287828  
Fax No.: 604-2279828

### Principal Bankers

AmBank (M) Berhad  
AmIslamic 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



100%

## SMPC INDUSTRIES SDN. BHD.

- Shearing
- Reshearing
- Slitting
- Slitted Flat Bars
- Trading

## SMPC MARKETING SDN. BHD.

- Dormant

### 100% PROGEREX SDN. BHD.

- Investment Holding
- Shredding, processing and trading of ferrous and non-ferrous scrap metals

## SMPC DEXON SDN. BHD.

- Manufacturing Steel Furniture
- Trading Steel Furniture

## KEMBANG KARTIKA SDN. BHD.

- Property Development

## SANTRO MATCH SDN. BHD.

- Property Investment

## SYARIKAT PERKILANGAN BESI GAYA SDN. BHD.

- Processing and Trading of Wire
- Shredding, Processing and Trading of Ferrous and Compressed Scrap Metals

## PARK AVENUE CONSTRUCTION SDN. BHD.

- Investment Holding

### 100% SUNGGUH GEMILANG DEVELOPMENT SDN. BHD.

- Property Development

### 100% SPARKLE GATEWAY SDN. BHD.

- Investment Holding

## ATTA PROPERTIES SDN. BHD.

- Property Investment
- Investment Holding

### 100% EMINENT POTENTIAL SDN. BHD.

- Property Development

### 100% SCANRITE SDN. BHD.

- Property Development

## CLIMATE ATTITUDE SDN. BHD.

- Property Investment

## MPSB VENTURE SDN. BHD.

- Property Development

80%

## SUNRISE MANNER SDN. BHD.

- Property Development

### 100% SUNRISE CONCEPT SDN. BHD.

- Dormant

70%

## EDIT SYSTEMS (M) SDN. BHD.

- Dormant

60%

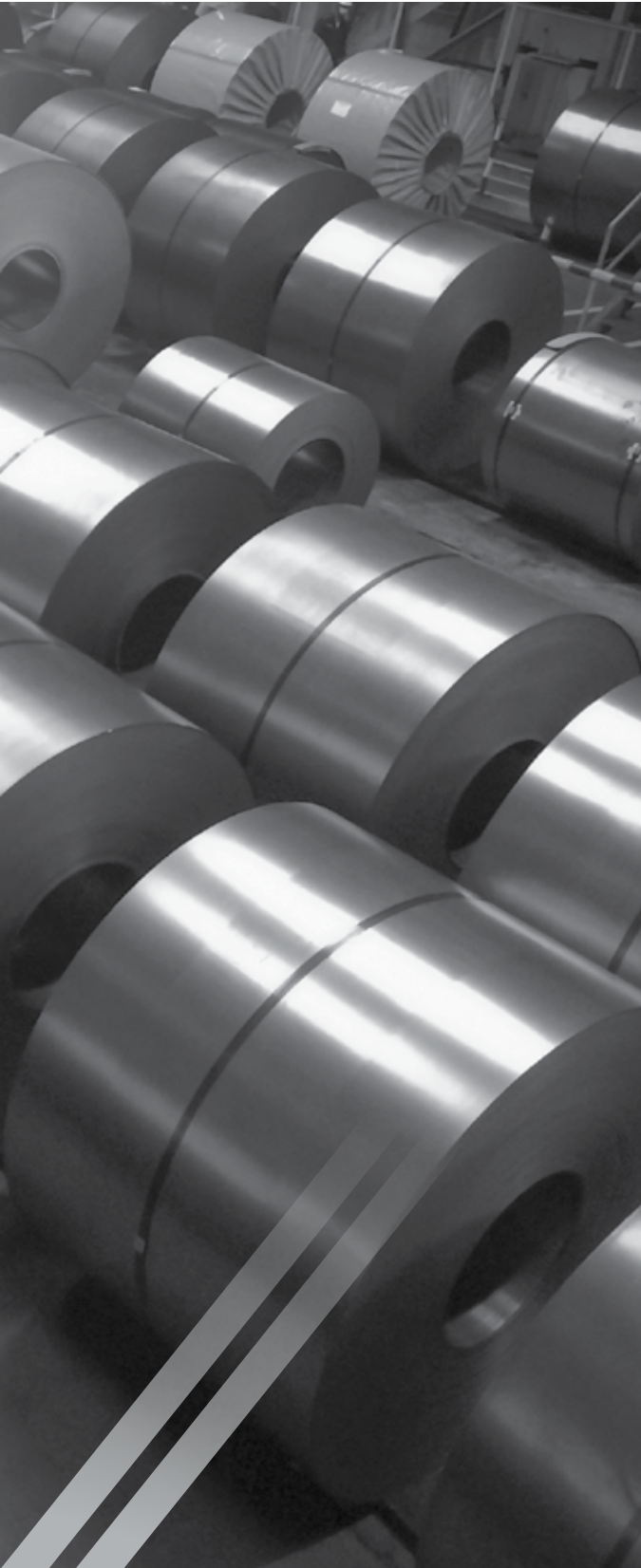
## METAL PERFORATORS (MALAYSIA) SDN. BHD.

- Manufacturing & Marketing of Perforated Metal, Cables Support
- Systems & Screen Plates
- Hardware items

## DURO METAL INDUSTRIAL (M) SDN. BHD.

- Steel Roofing
- Wall Cladding
- Structural Floor Decking

# Chairman's Statement



Dear shareholders and friends of ATTA Global,

In this unprecedented time of uncertainty that poses real risks to lives and livelihoods, my first message as the Group Chairman to you is to convey my sincere hope that you and your families are keeping well and staying safe.

Coming on board as the Group Chairman amidst a pandemic, the roadmap ahead must take into consideration the challenges and opportunities which will shape our priorities.

A proactive and pragmatic approach that takes into consideration on individual and collective, local and global fronts is imperative in this "new normal" for society and economy at large.

On ATTA's front, the manufacturing sector has not been spared from the impact of COVID-19 with weaker global consumption of steel and volatility in steel price while the property development segment continues to weather a prolonged downturn.

Having served the Royal Malaysia Police for 33 years, it has given me the confidence to work closely alongside my fellow directors as we ensure that we continue demonstrating and adopting the highest standards of corporate governance practices, advocating integrity and ensuring strict compliance to all relevant laws and regulations.

We will also continue to prudently control capital expenditure and retain flexibility over our technical, operational and development capabilities so that we can retain the Group's market position and adapt our approach as the longer-term impact of COVID-19 towards the competitive landscape becomes clearer.

Our heartfelt gratitude to the relevant authorities for concluding the investigation in a timely manner, thereby lifting the suspension of ATTA's securities trading in Bursa Malaysia on 4 Jan 2021. With our final batch of accounts and assets released on 12 Mar 2021, our daily operation has since been ongoing without any impediment.

I wish to put on record my sincere appreciation to the Board of Directors, our management team and all employees for the dedication, contribution and commitment towards ATTA's foundation laid to date, and to the financiers for their unrelenting support.

Finally, to our valued shareholders and stakeholders, I thank you for your trust and confidence. It is on your expectations that we pledge to not only uphold the brand of ATTA Global, but strive to raise the benchmark further.

**Dato' Sri Tajudin Bin Md Isa**  
*Chairman*

# 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 62

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 holds 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 57

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. He was appointed as the Chairman of the ESOS Committee on 28 September 2021.

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



## Profile of The Directors (Cont'd)

### Goh Chin Heng

(Executive Director)  
Male, Malaysian, aged 44

Goh Chin Heng was appointed to the Board of ATTA as a Non-Independent Non-Executive Director on 1 October 2020. He was re-designated as an Executive Director on 18 March 2021. He was appointed as a member of the Remuneration Committee and ESOS Committee on 18 March 2021 and 28 September 2021 respectively.

He founded G Reka Management 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 was formerly an Executive Director of Jade Marvel Group 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., a substantial shareholder of ATTA.

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

### Chow Choon Hoong

(Executive Director)  
Male, Malaysian, aged 57

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 71

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

## 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. She was appointed as the Chairman of the Audit Committee on 24 June 2021. She is also a member of the 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

### Ravi Chandran A/L Subash Chandran

(Independent Non-Executive Director)  
Male, Malaysian, aged 58

Ravi Chandran A/L Subash Chandran was appointed to the Board of ATTA as an Independent Non-Executive Director on 13 April 2021. Subsequent, he was appointed as a member of the Audit Committee, Nominating Committee and Remuneration Committee on 24 June 2021.

He began his career in 1991 by joining Solectron Technologies Sdn. Bhd. as a Senior Manager until 1998 when he joined G-Technologies Inc to hold a leadership position as a Regional Manager (SE Asia). In 2003, he was admitted to the High Court of Malaya as an advocate and solicitor. At the same year, he served as a legal assistant in Mohd Imtiaz Choong & Partners for 2 years. Following that he joined K. Mano & Associates as a partner between 2005 to 2008.

He then continued his career as a sole proprietor of SC Ravi & Associates in 2008 and has since been remained the same.

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

#### Notes:

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

None of the Directors has any family relationship with the other Directors and/or Major Shareholders of the Company.

**ii. Conflict of Interest**

None of the Directors has any conflict of interest with the Company.

**iii. Non-conviction of Offences**

None of the Directors has 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 57

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

## Goh Chin Heng

(Executive Director)  
Male, Malaysian, aged 44

Ø Refer to the Profile of the Board of Directors on page 11}.

## Chow Choon Hoong

(Executive Director)  
Male, Malaysian, aged 57

Ø Refer to the Profile of the Board of Directors on page 11}.

## Siva Raman A/L S. Ramasamy Pattar

(Group Financial Controller)  
Male, Malaysian, aged 58

Siva Raman A/L S. Ramasamy Pattar, joined the Group formerly known as SMPC in 1985 in the Accounts Department after completing his Diploma in Accounting from the London Chamber of Commerce and Industries. He graduated with a Master of Business Administration ("MBA") specialized in Finance from the 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.

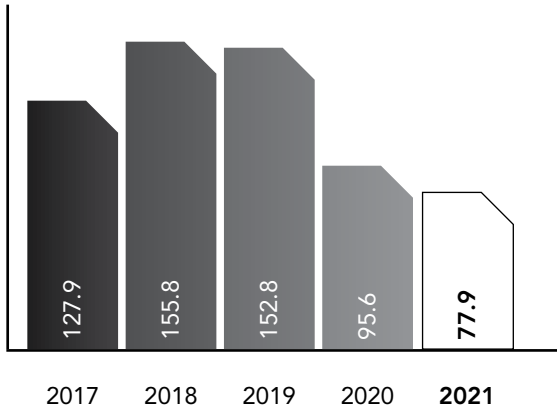
He is responsible for the Group's financial reporting, corporate finance, financial planning and management, treasury, investor relation, tax planning and compliance.

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.

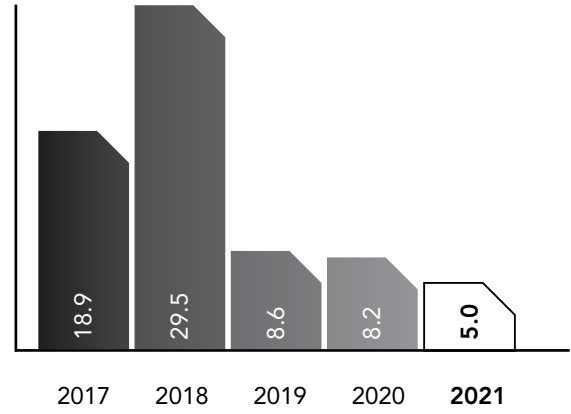


# Financial Highlights

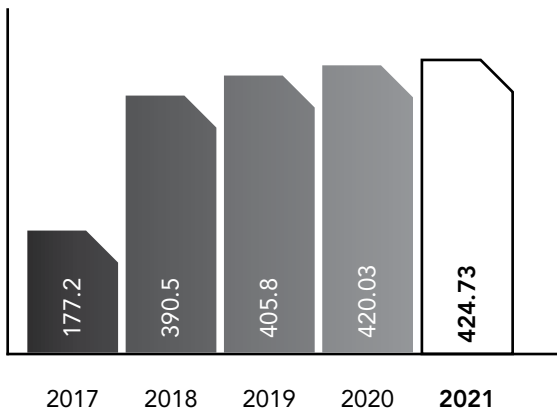
Revenue (RM Million)



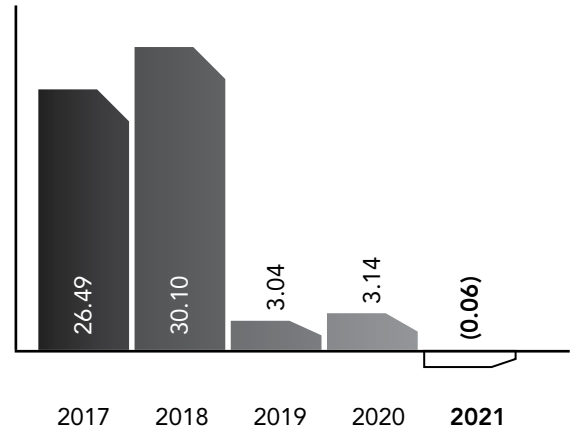
Profit/(Loss) Before Tax (RM Million)



Total Assets (RM Million)



Earning/(Loss) Per Share (RM Million)



# Management Discussion and Analysis

## OVERVIEW

### Business and Operations

Atta Global Group Berhad ("ATTA") and its subsidiaries (collectively referred to 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, 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, Property Development, Construction and Property Investment sector including letting of industrial and commercial assets, provision of management consultancy.

## REVIEW OF FINANCIAL PERFORMANCE

### Sales Revenue

For the financial year ended ("FYE") 30 June 2021, ATTA generated lower revenue of approximately RM76.93 million. The soft market condition were primarily due to the implementation of the MCO imposed by the Malaysian government from mid-march to May 2020 and pandemic related disruption to supply chain adversely impacting steel demand. Manufacturing segment contributed about RM46.79 million or 60.82%, Property Development segment contributed about RM27.19 million or 35.34%, Rental and others segment contributed about RM2.67 million or 3.47% and Trading segment contributed about 0.28 million or 0.37%.

### Earnings

The Group recorded a profit before tax of RM5.03 million for the FYE 30 June 2021. The profit is mainly attributed by property development division 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 2021. The Group's net assets per share stood at RM1.74 whilst cash and bank balances stood at RM23.9 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.
- **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.



# Management Discussion and Analysis (Cont'd)

## REVIEW OF OPERATIONS (Cont'd)

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

- **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 year.

- **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 towers 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 Gross Development Value ("GDV") of approximately RM257 Million with completion expected by 2022.

## Property Development (Cont'd)

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

### Marminton Homes



The Condominium is 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 comprises 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 RM70 million with completion expected by 2021.

## 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 trade receivables. Trade receivables could give rise to credit risk which The Group manages its credit risk exposure of receivables by assessing company's financial standings on an ongoing basis, Ask for references, setting and monitoring trade debtors purchasing limits and credit terms.

### **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

As the COVID-19 pandemic is still evolving, ATTA Group will closely monitor developments to ascertain the magnitude of the impact and has taken proactive measures to mitigate the impact such as by adopting stricter cost control measures, improving asset utilisation and aligning ATTA Group's cost structure with current operation levels.

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.

## INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

### Overview and outlook of Malaysian economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (4Q 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electronic and electrical products. Growth was also supported by the continued policy measures. The imposition of the second movement control order ("MCO 2.0") and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity.

Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. Governor Datuk Nor Shamsiah said "The better overall performance reflects the improvement in domestic demand and the strength in our exports." All economic sectors registered an improvement, particularly in the manufacturing sector.

In terms of sectoral performance, all economic sectors registered an improvement. The manufacturing sector expanded at a higher pace of 6.6% (4Q 2020: 3.0%), driven by the robust electronic and electrical production and continued recovery in the consumer-, primary- and construction related clusters.

Gross exports grew at a faster pace of 18.2% (4Q 2020: 5.1%), driven by robust manufactured exports. Gross imports turned around to register a positive growth of 10.8% (4Q 2020: -4.5%), due to a broad-based improvement in all import categories. Manufactured exports increased by 21.9% (4Q 2020: 7.6%).

Domestic demand recorded a smaller decline of 1.0% (4Q 2020: -4.5%) in the first quarter of 2021, weighed down by the contraction in private sector expenditure amid the imposition of MCO 2.0. However, the impact of MCO 2.0 was smaller given that most economic sectors were allowed to operate and with continued policy support for households and businesses.

Private consumption contracted by 1.5% during the quarter (4Q 2020: -3.5%). Although household spending was affected by the imposition of MCO 2.0, the impact was smaller compared to the movement control order last year amid relatively less restrictive containment measures. While wage and employment growth remain in contraction, the overall growth improved, as most businesses continued to operate, which lent support to household spending. Spending on online platforms also continued to increase, cushioning the impact of the drop of in-store spending, as reflected in the expansion of the index of online retail sales (1Q 2021: 22.8%; 4Q 2020: 30.4%).

*(Source: Quarterly Bulletin for the 1<sup>st</sup> Quarter of 2021, Bank Negara Malaysia)*

### Overview and outlook of the manufacturing industry in Malaysia

The manufacturing sector expanded at a higher pace of 6.6% (4Q 2020: 3.0%), driven by the robust electrical and electronics ("E&E") production and continued recovery in the consumer-, primary- and construction related clusters. The strong performance of the E&E subsectors reflected the higher global demand for semiconductors components, as reflected by the improvement in the World Semiconductor Trade Statistics. Despite the imposition of MCO 2.0, the consumer- and primary-related manufacturing also recorded higher growth, as most manufacturing sectors were allowed to operate while adhering to stringent standard operating procedures ("SOPs"). Global concerns surrounding electronic-chip shortages on the automotive sector had only a limited impact on the strong domestic passenger car production due to the lower chip intensity of most mass market vehicles.

*(Source: Quarterly Bulletin for the 1<sup>st</sup> Quarter of 2021, Bank Negara Malaysia)*

Despite a volatile first-half of 2020, the manufacturing sector recovered in the second-half of the year especially for sub-sectors that relied on exports and in tandem with the growth of the sector. Malaysia's manufacturing sector brought in investments worth RM91.3 billion (2019: RM82.7 billion) across 1,049 (2019: 988) projects. Of these, RM34.7 billion or 38 per cent (2019: RM28.3 billion, 34.2%) were from domestic investments, while RM56.6 billion or 62 per cent (2019: RM54.4 billion, 65.8%) were from foreign sources.

## INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS (Cont'd)

### Overview and outlook of the manufacturing industry in Malaysia (Cont'd)

The manufacturing sector contributed RM25.2 billion or 67.4 per cent to the total approved investments of RM37.4 billion in the first quarter of 2020. In the second quarter, the manufacturing sector's share decreased to 55.1 per cent, whereby it only contributed RM10.5 billion to the total approved investments of RM27.4 billion. However, by the third quarter of 2020, the manufacturing sector saw a clear turnaround. From the RM35.7 billion worth of investments that it had brought in for the first half of the year, the third quarter alone had the manufacturing sector contribute an astonishing RM29.6 billion more, bringing the sector's total approved investments figure to RM65.3 billion at the end of the third quarter. By the end of the year, Malaysia's manufacturing sector had brought in total investments worth RM91.3 billion across 1,049 projects. This is a significant increase from 2019's figures of RM82.7 billion across 988 projects; an incredible performance by any measure, much less in light of COVID-19.

While foreign direct investment ("FDI") continued to form the majority of investments at RM56.6 billion (62%), domestic investors pumped in over RM6 billion more than they did in 2019, bringing domestic direct investments ("DDI") in 2020 to RM34.7 billion (38%). Overall, new projects made up 66.9 per cent of approved manufacturing projects, a 12.2 percentage point increase from 2019. This underlined Malaysia's competitiveness as the preferred location for high value-added manufacturing activities in the region, as supply chains realigned post-pandemic.

The metal industry plays a vital role in economic development, as it processes metals that can be indefinitely recycled into products that are depended on by all economic sectors. In particular, the Malaysian basic metal products industry has played a major role in the development of the manufacturing (e.g. Mechanical and electrical ("M&E"), E&E and transport equipment) and construction sectors. The industry covers the manufacturing of both ferrous (iron and steel) and non-ferrous (aluminium, tin, copper, zinc, lead, etc.) metal products, with products classified into two major groups; namely, flat products and long products. Flat products are used as intermediate raw materials for downstream applications in the E&E, transport, oil and gas, furniture, M&E and fabricated metal products sectors. Long products are primarily used for construction and civil engineering purposes.

The COVID-19 pandemic weighed on steel production in 2020, with production dropping by up to 10 per cent. However, the global steel price traded on the London Metal Exchange increased over the past 15 months, with significant impact on industry players. The Malaysian basic metals industry recorded a resurgence in 2020. There were 13 projects approved involving the manufacture of basic metal products with investments totalling RM14.4 billion, an incredible jump from 2019's figure of RM694.4 million.

Of these, new projects dominated the investments, with eight new projects involving investments worth RM14.3 billion, or an astounding 140 times of 2019's new investments of RM101.5 million, with the remainder being expansion/diversification projects involving investments worth RM75.7 million. The majority of the investments approved were from foreign sources amounting to RM14.1 billion. These projects are expected to generate 4,572 employment opportunities, or over triple that of 2019's job additions of 1,417. Most of these approvals are related to products for use in the construction sector. The basic metal industry is transitioning from focusing on the construction sector towards higher-end industries such as medical devices, aerospace, oil and gas, advanced engineering, and others. The Government is undertaking a review to enhance and identify the way forward for this strategic sector. Given the Government's efforts, prospective investors can consider the production of higher quality steel products that are both high-value added and environmentally sustainable, which accommodates the needs of other higher-end niche industries.

*(Source: Malaysia Investment Performance Report 2020, Malaysian Industrial Development Authority)*

### Overview and outlook of the construction and property industry in Malaysia

In the first quarter of 2021, the construction sector contracted by a smaller rate of 10.4% (4Q 2020: -13.9%). Activity was supported by the ramp up of construction works in commercial projects that are nearing completion and the continued implementation of small-scale projects. This resulted in a strong positive growth in the special trade subsector. However, activity in the residential, non-residential and civil engineering subsectors remained weak, affected by labour shortages and site shutdowns due to COVID-19 outbreaks. The implementation of MCO 2.0 also weighed on growth, as activity in construction sites that did not meet the conditions to operate were halted.

*(Source: Quarterly Bulletin for the 1<sup>st</sup> Quarter of 2021, Bank Negara Malaysia)*

The construction sector contracted by 25.9% in the first half of 2020 and is expected to shrink by 11.8% in the second half of 2020 with all segments declining significantly. At the same time, prolonged property overhangs continue to weigh down the performance of the sector. However, civil engineering and specialised construction activities subsectors are expected to improve gradually, cushioned by various measures under the economic stimulus packages. Overall, for the year 2020, the sector is projected to contract by 18.7%.

# Management Discussion and Analysis (Cont'd)

## INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS (Cont'd)

### Overview and outlook of the construction and property industry in Malaysia (Cont'd)

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector. Among the major infrastructure projects include Mass Rapid Transit 2 ("MRT2"), Light Rail Transit 3 ("LRT3"), West Coast Expressway ("WCE") and Bayan Lepas Light Rail Transit ("LRT") as well as Pan Borneo and Coastal Highways in Sarawak. Utility projects include the Langat 2 Water Treatment Plant, Baleh Hydroelectric Dam and Sarawak Water Supply Grid Programme (Phase 1).

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign ("HOC"), exemption of Real Property Gains Tax ("RPGT"), the introduction of Rent-to-Own ("RTO") scheme as well as reduction of foreign ownership threshold. The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects, including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

*(Source: Economic Outlook 2021, Ministry of Finance Malaysia)*

### Prospects of ATTA Group

ATTA Group is principally involved in the iron & steel industry in upstream and downstream sectors of 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 are property development, construction and property investment sector including letting of industrial and commercial assets, provision of management consultancy.

The Board is of the view that the business environment for the manufacturing and trading of steel products will continue to be challenging due to a significant drop in demand and volatility in steel prices. The property market demand is expected to remain soft and many developers are expected to miss completion deadlines for their construction and/or property development projects due to various movement control orders implemented by the Government of Malaysia to contain the spread of the COVID-19 virus. Unlike the first movement control order in March 2020 which caught all Malaysians off-guard and put a halt on almost all business sectors, more business sectors, including construction, are allowed to operate during MCO 2.0 which has somewhat alleviated the economic impact on the construction and property development industries.

As the COVID-19 pandemic is still evolving, ATTA Group will closely monitor developments to ascertain the magnitude of the impact and has taken proactive measures to mitigate the impact such as by adopting stricter cost control measures, improving asset utilisation and aligning ATTA Group's cost structure with current operation levels. ATTA Group is cautiously optimistic that it will be able to navigate through these headwinds. The management is of the view that ATTA Group will be able to deliver positive results and in turn, enhance shareholders' value in ATTA.

### DIVIDEND

The Board does not recommend any dividend for the FYE 30 June 2021.

# Sustainability Statement

## ABOUT THIS STATEMENT

This statement focuses on ATTA's business operations in Malaysia and ATTA's principal business in the iron and steel industry and property segment. The statement contains sustainability data from 1 July 2020 to 30 June 2021, with one year of comparative historical data wherever applicable. This Sustainability Statement has been prepared in adherence to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statements in Annual Reports. Through this report, we aim to provide our stakeholders with updated economic, environmental and social ("EES") information about the Group to mitigate business risk, apply new and innovative technologies, manage our resources and environment as well as support Corporate Social Responsibility ("CSR") sustainability in the long term. We assure our stakeholders that we are reporting fully, honestly and transparently. Our data collection and management processes are continuously reviewed, and will include external assurances in the future. Stakeholders are welcome to submit queries or comments on this report, or suggestions to improve future reports at [rsviva@attaglobal.com.my](mailto:rsviva@attaglobal.com.my).

## SUSTAINABILITY POLICY

The Group explores and implements sustainable practices across the business whilst attempting to achieve the right balance between economic success, the requirements of our stakeholders and larger society. The Group's Sustainability Policy aims to integrate the principles of sustainability into the Group's strategies, policies and procedures. Additionally, we strive to cultivate a culture of sustainability within the Group and the wider community, with an emphasis on incorporating economic, environmental, social, and governance considerations into decision-making and in the delivery of outcomes.

## GOVERNANCE STRUCTURE

We uphold the belief that commitment to high standards of corporate governance is essential to ensure the sustainability of the Company and its subsidiaries, charting the way forward through local and global challenges and risks of now and the future apart from safeguarding the interests of shareholders and delivering long-term value.

This is reflected in our sustainability governance structure which permeates across key levels of the Group, as illustrated in Figure 1.

Figure 1: Sustainability Governance Structure in ATTA

<b>Board of Directors</b>	The Board of Directors undertakes an oversight role over the Group's sustainability efforts, including setting key elements of the sustainability strategies and management of material sustainability issues through the Risk Management Committee. Chaired by the Chairman of Risk Management Committee, the board meets on a quarterly basis to discuss material issues and strategies pertaining to the Group, including sustainability-related matters.
<b>Risk Management Committee</b>	The Risk Management Committee reviews the Sustainability Statement, oversees the implementation of sustainability strategy, evaluates overall sustainability risks and opportunities, and makes recommendations to the Board for approval.
<b>Head of Department</b>	The Head of Departments forms the working group that focuses on driving engagement on the sustainability agenda and proposes ideas on sustainability-focused activities for continuous improvement. While this working group reports and monitors the implementation of ongoing projects and initiatives on sustainability, each department manages its own set of sustainability initiatives and data collection.

## SCOPE

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

We are committed to driving responsible business practices throughout the organisation by instilling the principles of sustainability into our strategies, policies and procedures, whilst integrating economic, environmental, social and governance considerations into our decision-making.

# Sustainability Statement (Cont'd)

## STAKEHOLDER ENGAGEMENT

One of the core principles in driving sustainability is effective stakeholder engagement. Our stakeholders consist of groups who are impacted by, or have a vested interest in our business operations and performance. The Board of Directors recognises that the Directors can make better progress in their sustainability journey by collaborating with the stakeholders.

Continuous engagement with our stakeholder groups is vital for us to better understand and manage their expectations as well as appreciate how our actions impact them. This in turn allows us to align our business objectives, social goals, and conduct in a more effective manner. We continuously strive to improve our engagement with stakeholders so as to be better equipped to manage emerging issues and drive change on the ground.

A summary of engagement activities with our stakeholders is shown here (Figure 2).

Figure 2: Summary of Engagement with Stakeholders

Stakeholder Engagement	Channel	Engagement Frequency	Stakeholders' Concerns	Response To Stakeholders' Concerns
Customers (existing and potential)	<ul style="list-style-type: none"> <li>Marketing materials</li> <li>Marketing events and roadshows</li> <li>Sales galleries</li> <li>Corporate announcements &amp; publications</li> <li>Customer Careline</li> <li>Written communications</li> <li>Corporate website and social media channels</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Operational concerns</li> <li>Customer satisfaction</li> </ul>	We aim to create stronger market integrity by upholding our proven track record of delivering products of high quality and standards whilst ensuring our responsiveness to the concerns of our customers in an efficient and timely manner.
Financiers / Investors / Shareholders	<ul style="list-style-type: none"> <li>Annual General Meetings ("AGMs")</li> <li>Analyst briefings</li> <li>Corporate announcements</li> <li>Dedicated Investor Relations team</li> <li>Media engagements</li> <li>News releases/ announcements</li> <li>Corporate website and social media channels</li> <li>Periodic site visit</li> <li>Annual report</li> </ul>	Annual, quarterly, ongoing	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Business risks</li> <li>Corporate governance</li> </ul>	<p>We assist in making informed investment decisions by providing timely updates on financial performance and corporate developments.</p> <p>We ensure that our financial statements are duly reviewed and audited as an assurance that we provide reliable disclosures.</p>
Regulatory Authorities and Local Governments	<ul style="list-style-type: none"> <li>Regular consultation and meetings</li> <li>Reporting</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Local community/ public interests</li> </ul>	<p>We maintain close consultations with, and provide regular updates to, the regulatory authorities and local governments.</p> <p>In so doing, we ensure that we are continuously in compliance with the law and are supporting the broader State and National objectives.</p>

# Sustainability Statement (Cont'd)

## STAKEHOLDER ENGAGEMENT (Cont'd)

Figure 2: Summary of Engagement with Stakeholders (Cont'd)

Stakeholder Engagement	Channel	Engagement Frequency	Stakeholders' Concerns	Response To Stakeholders' Concerns
Employees	<ul style="list-style-type: none"> <li>Internal emails</li> <li>Departmental briefing</li> </ul>	Annual, ongoing	<ul style="list-style-type: none"> <li>Training and development</li> <li>Work-life balance</li> <li>Employee benefits and welfare</li> </ul>	<p>We engage with our employees to understand their interests and needs.</p> <p>Through our HR initiatives, we strive to create a safe and healthy workplace with relevant training to address their specific needs in increasing work process efficiencies.</p>
Local Communities	<ul style="list-style-type: none"> <li>Engagement sessions</li> <li>Volunteerism</li> </ul>	Ongoing, ad-hoc	<ul style="list-style-type: none"> <li>Livelihood</li> <li>Personal well-being</li> </ul>	<p>We are committed to achieving long-term meaningful community engagement, including providing meaningful support in the aspects of economic, environmental and social development.</p>
Suppliers / Vendors	<ul style="list-style-type: none"> <li>Meetings and discussions</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Payment</li> <li>Compliance issues</li> </ul>	<p>We engage closely with our suppliers and vendors to facilitate compliance with the relevant requirements, including regulatory requirements.</p> <p>We have established standard operating procedures to ensure timely disbursement of payments.</p>

## 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 have also diversified the business into property development.

We recognise the importance of understanding our economic, environmental and social priority areas. It forms the basis of our sustainability initiatives, the impact of which is aligned to the Group's strategies. We identified our material sustainability matters by conducting a materiality assessment exercise and continued to focus on managing these material sustainability matters as they remain as our priority areas.

### Occupational Health & Safety

The nature of our business exposes our employees to occupational health and safety ("OHS") risks. We are therefore vigilant in safeguarding the well-being, health and safety of employees and the public at large during production activities. Our OHS initiatives are aimed at avoiding incidences of occupational injury and fatality, as well as downtime due to injuries on site. To demonstrate our commitment to improve our safety performance, we have put in place a Safety Policy which has been endorsed by top management and communicated to all relevant staff members through various platforms, such as the Company's intranet and newsletters, to instil the importance of safety and to promote safe behaviour at the workplace.

All employees are required to attend health and safety training designed to increase safety awareness and reduce the risk of injury.



# Sustainability Statement (Cont'd)

## MATERIAL SUSTAINABILITY MATTERS (Cont'd)

### Occupational Health & Safety (Cont'd)

In view of the COVID-19 pandemic, training on COVID-19 standard operating procedures such as social distancing and maintaining personal hygiene were also given to employees to ensure strict compliance, ultimately ensuring their health and safety.

### Corporate Governance

Apart from prudent financial management, we believe that full commitment to high standards of corporate governance is essential to ensure the sustainability of the Group, as well as to safeguard shareholders' interests and maximise long-term shareholder value.

The Company has adopted, where appropriate, the principles and practices as set out in the Malaysian Code of Corporate Governance 2017 ("MCCG"). These standards include having clear policies, best practices, and sound internal controls as well as a system of continuous improvement. The overview of the Company's application of the principles as set out in the MCCG is disclosed in the Corporate Governance Overview Statement in this Annual Report.

The Group aims to achieve the highest level of business ethics and prevent any occurrence of corruption activities. We have established an Anti-Corruption Framework comprising key policies and procedures that, together with general internal controls of the Group, are aimed at mitigating overall corruption risks. The Anti-Corruption Policy sets out the Group's expectations for internal and external parties working with and for the Group in upholding the Group's zero-tolerance stance against corruption. This policy, together with the Whistleblowing Policy, are accessible by all employees via the company intranet and by the external stakeholders through the corporate website. Training has been provided to internal and external stakeholders to reinforce their understanding of the Group's stance on anti-corruption, as well as relevant policies and procedures.

### Compliance with Regulatory Authorities

ATTA is committed to comply with all laws, regulations and voluntary codes concerning:

1. Construction and development activities
2. Occupational health and safety standards
3. Environment
4. Labour practices
5. Marketing communications
6. Product health and safety and labelling

By ensuring compliance with the regulatory requirements in these areas, we are able to operate smoothly and without disruption.

Internal systems and processes have been put in place to monitor our compliance with relevant laws and regulations. Additionally, we remain in close consultation with the relevant authorities to ensure that we clearly understand our compliance obligations.

There were no instances of non-compliance that resulted in significant fines or penalties in FY2021. We continue to review our policies and procedures to identify areas for improvement, while fostering closer engagement with the authorities and consultants, with the aim of maintaining the current status of zero legal notices with regards to non-compliance.

### 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. Our key objective is to create economic value from all our business segments. At the same time, we plan, execute, and operate our business according to sustainable fiscal strategies by emphasising on long-term planning, cost savings, prudent investment, and good business ethics.

### Customers

We place high priority on customer satisfaction with timely delivery, effective quality management and frequent engagement. We have a proven track record for excellence, and it is vital that we uphold this reputation for the sustainability of our business. ATTA is committed to delivering products of high quality and standards.

### Talent Attraction and Retention

The Group understands that its employee is its most valuable asset. Our hiring practices 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.

Managing changes in business operations and workforce dynamics were a key thrust of the Group's focus during the COVID-19 pandemic. We quickly adapted our workforce to new ways of working in order to maintain business continuity and productivity. Over 80% of computer users in our workforce were equipped to work remotely with cloud-based delivery applications, whilst remaining staff members were able to access data or internal communication via mobile devices during this pandemic.

We also continued to re-assess our workforce configuration and resource requirements from time to time without compromising the company's business continuity and operations.

## MATERIAL SUSTAINABILITY MATTERS (Cont'd)

### Training and Development

A critical priority at this time is to accelerate the upskilling of our staff members to be able to effectively carry out work tasks on a digital platform, in view of the multiple movement control orders in place as a result of the COVID-19 pandemic. In FY2021, we shifted our training focus to self-learning and encouraged employees to participate in virtual learning or online webinars.

### Employee Engagement

The health and wellbeing of our staff members remained firmly on the company's radar through this period of change and the challenges of operating in this new normal. We have strived to keep communication lines open and equipped employees with tips and techniques on how to work effectively from home.

### Waste Management

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. We endeavour to consume material responsibly and reduce wastage in our operations by employing the 3R concept – Reduce, Reuse and Recycle. Employees and contractors are encouraged to reduce waste generation and to ensure the proper handling of unavoidable waste.

### Energy Conservation

The Group's carbon emissions include direct emissions from fuel and loss of refrigerant in air conditioning systems, indirect emissions due to purchased electricity consumed at investment properties, manufacturing facilities, as well as other indirect emissions arising from employees' daily activities.

A considerable amount of energy in the form of electricity and the use of generators is required for the running of our manufacturing facilities and investment properties. In line with Malaysia's commitment to reduce 45% of its greenhouse gas intensity by 2030, we strive to manage our energy usage by improving efficiency, reducing emissions and conserving resources through energy management and data collection policies.

The imposition of various movement control orders and slowdown in business activities as a result of the COVID-19 pandemic have observed a reduction in energy consumption. We will continue with our efforts to identify energy and water saving opportunities whilst raising awareness on responsible consumption amongst employees, visitors and guests.

## Contributing to Society

As a responsible manufacturer, the Group is committed to in fulfilling its Corporate Social Responsibility ("CSR") by integrating it into the Group's business operations. In navigating the impact of the ongoing pandemic, the Group's CSR initiatives have also moved in tandem to focus on safeguarding the well-being of our community.

For the year under review, ATTA continued to provide assistance to charitable organisations and schools by providing products manufactured by the Group such as furniture and roofing. The Group also provides practical industrial training to students from the public and private institutions of higher learning to give them on-the-job exposure before they enter the corporate world.

# 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 year ended 30 June 2021. 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 28 October 2021 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 the 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
- Anti-Bribery and Corruption Policy

### Board Composition and Independence

The Board of the Company consists of eight (8) Directors comprising four (4) Executive Directors and four (4) 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 four (4) 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.

# Corporate Governance Overview Statement (Cont'd)

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

### 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.

There were five (5) Board Meetings held during the financial year ended 30 June 2021.

Name of Directors		No. of Meetings Attended
Dato' Sri Tajudin Md Isa (Appointed on 1 October 2020)	- Chairman/Independent Non-Executive Director	4/4
Tan Kim Hee	- Executive Director	5/5
Goh Chin Heng (Appointed on 1 October 2020)	- Executive Director (Redesignated from Non-Independent Non-Executive to Executive on 18 March 2021)	4/4
Chow Choon Hoong	- Executive Director	5/5
Sudesh A/L K.V. Sankaran	- Independent Non-Executive Director	5/5
Loh Yee Sing	- Independent Non-Executive Director	5/5
Ravi Chandran A/L Subash Chandran (Appointed on 13 April 2021)	- Independent Non-Executive Director	1/1
Dato' Dennis Chuah (Resigned on 3 May 2021)	- Independent Non-Executive Director	4/4
Ng Chin Nam (Resigned on 30 July 2021)	- Executive Director	5/5
Chiok Kian Chau (Resigned on 13 October 2020)	- Executive Director	1/2

### 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 year ended 30 June 2021:

#### Name of Course

- Mandatory Accreditation Programme (MAP) Course attended by the newly appointed Directors namely, Dato' Sri Tajudin Bin Md Isa and Mr Ravi Chandran A/L Subash Chandran
- Understanding Board Decision – Making Process
- Risk Management & S.17A of MACC (Amendments) Act 2018
- EY Malaysia Budget 2021
- MIA Webinar Series: Budget 2021: Key Updates and Changes for Corporate Accountants
- Digitalisation & Intelligence in Financial Industry
- The Malaysian Transfer Pricing Developments

# Corporate Governance Overview Statement (Cont'd)

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

### Training for Directors (Cont'd)

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. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards and legislation that affect the Company's financial statements during the financial year.

### 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 comprises all Independent Non-Executive Directors and is chaired by Ms. Loh Yee Sing.

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)
Loh Yee Sing	- Independent Non-Executive Director	(Member)
Ravi Chandran A/L Subash Chandran (Appointed on 24 June 2021)	- Independent Non-Executive Director	(Member)
Dato' Dennis Chuah (Cessation of Office on 3 May 2021 as he resigned as Director on 3 May 2021)	- Independent Non-Executive Director	(Member)

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 Nominating Committee had three (3) meetings in the financial year under review and all the members attended the meetings and had undertaken the following activities/actions during the financial year are as follows:

- (a) Nominated the appointment of Chairman of the Board and appointments of new Directors for Board's approval.
- (b) Assessed the qualification of Mr. Tan Kim Hee acting as an Executive Director in terms of his character, integrity, suitability and competence to effectively discharge his role as a Director pursuant to Paragraph 2.02A and 15.05 of the Bursa Malaysia Listing Requirements in view of the announcement made by the Company on 12 January 2021 pertaining to the Police Investigation against him.
- (c) Reviewed the performance of the Directors who will be retiring at the forthcoming AGM in Year 2021 prior to recommending them for Board's approval.
- (d) Reviewed and assessed the Board balance and composition of the Directors, the Directors' contribution and the effectiveness of the Board as a whole.
- (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.

# Corporate Governance Overview Statement (Cont'd)

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

### Board Committees (Cont'd)

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

- (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 year ended 30 June 2021 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)
Goh Chin Heng (Appointed on 18 March 2021)	- Executive Director	(Member)
Ravi Chandran A/L Subash Chandran (Appointed on 24 June 2021)	- Independent Non-Executive Director	(Member)
Dato' Dennis Chuah (Cessation of Office on 3 May 2021 as he resigned as Director on 3 May 2021)	- Independent Non-Executive Director	(Member)
Chiok Kian Chau (Cessation of Office on 13 October 2020 as he resigned as Director on 13 October 2020)	- Executive Director	(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 year under review and all members attended the meetings.

# 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:

Tan Kim Hee (Appointed on 28 September 2021)	- Executive Director	(Chairman)
Goh Chin Heng (Appointed on 28 September 2021)	- Executive Director	(Member)
Siva Raman A/L S. Ramasamy Pattar	- Group Financial Controller	(Member)
Ng Chin Nam (Cessation of Office on 30 July 2021 as he resigned as Director on 30 July 2021)	- Executive Director	(Member)
Chiok Kian Chau (Cessation of Office on 13 October 2020 as he resigned as Director on 13 October 2020)	- Executive Director	(Chairman)

### 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 Directors</b>					
Tan Kim Hee	255,000	-	25,000	33,600	-
Goh Chin Heng (Re-designated from Non-Independent Non-Executive to Executive Director on 18 March 2021)	100,000	-	2,000	12,000	-
Chow Choon Hoong	-	-	-	-	-
Ng Chin Nam (Resigned on 30 July 2021)	104,040	-	-	12,540	-
Chiok Kian Chau (Resigned on 13 October 2020)	70,000	-	-	8,400	-
<b>Non-Executive Directors</b>					
Dato' Sri Tajuddin Bin Md Isa (Appointed on 1 October 2020)	-	162,000	51,000	-	-
Sudesh A/L K.V. Sankaran	-	18,000	7,000	-	-
Loh Yee Sing	-	18,000	6,000	-	-
Ravi Chandran A/L Subash Chandran (Appointed on 13 April 2021)	-	4,500	-	-	-
Goh Chin Heng (Re-designated from Non-Independent Non-Executive to Executive Director on 18 March 2021)	-	7,500	-	-	-
Dato' Dennis Chuah (Resigned on 3 May 2021)	-	15,000	7,000	-	-

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (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 Directors</b>					
Tan Kim Hee	255,000	-	25,000	33,600	-
Goh Chin Heng (Re-designated from Non-Independent Non-Executive to Executive Director on 18 March 2021)	100,000	-	2,000	12,000	-
Chow Choon Hoong	247,500	-	-	35,280	-
Ng Chin Nam (Resigned on 30 July 2021)	250,560	-	14,040	31,644	-
Chiok Kian Chau (Resigned on 13 October 2020)	70,000	-	-	8,400	-
<b>Non-Executive Directors</b>					
Dato' Sri Tajuddin Bin Md Isa (Appointed on 1 October 2020)	-	162,000	51,000	-	-
Sudesh A/L K.V. Sankaran	-	18,000	7,000	-	-
Loh Yee Sing	-	18,000	6,000	-	-
Ravi Chandran A/L Subash Chandran (Appointed on 13 April 2021)	-	4,500	-	-	-
Goh Chin Heng (Re-designated from Non-Independent Non-Executive to Executive Director on 18 March 2021)	-	7,500	-	-	-
Dato' Dennis Chuah (Resigned on 3 May 2021)	-	15,000	7,000	-	-

The fees payable to the Directors by the Company will be recommended by the Board for approval by shareholders at the forthcoming AGM scheduled to be held on 15 December 2021.

## 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 MCGG 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.



# Corporate Governance Overview Statement (Cont'd)

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

### 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.

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

The Audit Committee ("AC") had on 24 June 2021 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 Malaysia PLT ("Grant Thornton") as EA of the Company for the financial year ending 30 June 2022. 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 2022.

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 shareholders, 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 Group is committed to in fulfilling its CSR by integrating it into the Group's business operations. In navigating the impact of the ongoing pandemic, the Group's CSR initiatives have also moved in tandem to focus on safeguarding the well-being of our community.

The rising expectations for a sustainable business practice 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.

For the year under review, ATTA continued to provide assistance to charitable organisations and schools by providing products manufactured by the Group such as furniture and roofing. The Group also provides practical industrial training to students from the public and private institutions of higher learning to give them on-the-job exposure before they enter the corporate world.

On an environmental point of view, the Group always maintain good manufacturing practices and adhere to government environmental policies at all times whereby all our manufacturing units maintain their 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.

# 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

Risk Management Working Committee ("RMWC") was established and tasked with the responsibility of identifying, evaluating, monitoring and managing key risk areas which could potentially affect the achievement of the Group's business objectives and strategies. Identification of risk appetite which commensurate with the structure, risk profile, complexity, activities and size of the Group is also performed by the RMWC. RMWC is made up of key management staff and Executive Directors, while further assisted by respective Heads of Department.

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.

- 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.

# Statement on Risk Management and Internal Control (Cont'd)

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

### 3. Internal Audit Function

The Group's Internal Audit function was outsourced to Baker Tilly MH ("BT"), a chartered accounting firm. The outsourced Internal Auditors reports directly to AC and assist the Board via the AC in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system.

The summary of work conducted by the Internal Auditors and to be reported on the next scheduled Audit Committee Meeting are as follows:

- Assessment of the effectiveness of the control in place in project management, including costing and tendering, monitoring of cost controls, contractor and maintenance activities on one of the Group's subsidiaries – Sunrise Manner Sdn. Bhd.
- Proposal of a strategic Internal Audit plan to the AC.

The fee for Internal Audit function of the Group for the financial year ended 30 June 2021 was RM 15,000.

## 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 2021 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 28 October 2021.

# 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 year ended 30 June 2021 in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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 which complies with Paragraph 15.09(1) of the Main LR of Bursa Malaysia.

The Chairman of 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. Ms Loh Yee Sing is not the Chairman of the Board which is in line with Practice 9.1 under the Malaysian Code of Corporate Governance ("the Code").

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 five (5) AC Meetings were held during the financial year ended 30 June 2021 and the details of the attendance were as follows:

Name of Members			No. of Meetings Attended
Loh Yee Sing (appointed as Chairman of AC on 24 June 2021)	- Independent Non-Executive Director	(Chairman)	5/5
Sudesh A/L K.V. Sankaran	- Independent Non-Executive Director	(Member)	5/5
Ravi Chandran A/L Subash Chandran (appointed on 24 June 2021)	- Independent Non-Executive Director	(Member)	1/1
Dato' Dennis Chuah (Resigned on 3 May 2021)	- Independent Non-Executive Director	(Chairman)	4/4

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. 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 in the quarterly presentations.

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 TOR of the AC, the following activities were carried out by the AC during the financial year ended 30 June 2021 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 ended 30 June 2021 prior to recommending to the Board for approval.
- (ii) Reviewed with the EA on audit materiality and setting of materially thresholds for the financial ended 2021 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 at the AC Meeting held on 27 August 2020 and 24 June 2021 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 especially on Emphasis of Matter with regards to the suspension of trading of Company's securities in Bursa Malaysia in relating to the investigation by the Police DiRaja Malaysia of an offence under the Dangerous Drug 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. EA has 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 requirements 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 year ended 2021;
  - 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 year ended 2021.

# Audit Committee Report (Cont'd)

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

### (c) Internal Audit

- (i) Proposed changed of Internal Auditors to Baker Tilly MH (Penang) as the existing IA did not meet the expectation of the AC in relation to the internal works and report;

### (d) Related Party Transactions

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

### (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) Others

- (i) Appointment of external consultant, Moore Stephens Associates PLT to conduct training of Risk Management and review on the Compliance with Corporate Liability under Section 17A of the MACC Act together with training;
- (ii) Appointment of Chairman of the AC in accordance with the TOR of the AC.

## 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 year ended 30 June 2021 amounted to approximately RM10,500.

During the financial year ended 30 June 2021, the AC has appointed Baker Tilly Monteiro Heng PLT as internal auditors in place of the existing internal auditors. 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. However, due to the Federal Government's announcement on the nationwide reinstatement of Movement Control Order 3.0 in May 2021 and subsequently full lockdown from 1 June 2021, Baker Tilly Monteiro Heng PLT could only manage to table its first Internal Audit Report on 28 September 2021.

The following activities were carried out by the Internal Audit Function:

- (i) Assessment of the effectiveness of the control in place in project management, including costing and tendering, monitoring of cost controls, contractor and maintenance activities on one of the Group's subsidiaries – Sunrise Manner Sdn. Bhd. and attended AC meetings to table the Internal Audit Report on the findings assessment, highlighted the risk and implications, and recommendations for improvements.
- (ii) Proposal of a strategic Internal Audit plan to the AC.

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 2021:

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	7,669	2,331
Working capital	50,244	49,325	919
Expenses in relation to the Proposal (ICPS)	1,000	763	237
Total:	<u>97,794</u>	<u>91,805</u>	<u>5,989</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 RM156,000 and RM68,000 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 RM35,100 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 2021

Location	Description	Tenure	Area	No. of Years Held	Age of Building	Carrying Amount RM	Year of Valuation
<b>ATTA Global Group Berhad</b>							
Lot 10140, Mukim 15, Daerah Seberang Perai Utara, Pulau Pinang	1 <sup>1/2</sup> Storey Semi Detached Light Industrial Building	Freehold	756sf	1	1	2,396,150	2021
<b>ATTA Global Group Berhad</b>							
Lot 10141, Mukim 15, Daerah Seberang Perai Utara, Pulau Pinang	1 <sup>1/2</sup> Storey Semi Detached Light Industrial Building	Freehold	874sf	1	1	2,596,150	2021
<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	35	18,880,833	2021
<b>ATTA Global Group Berhad SMPC Industries Sdn. Bhd.</b>							
P.T. Nos. 1460 & 1444 H.S. (D) Nos. 2719 & 2706 Mukim 1, Province Wellesley Central, Penang	Factory Office	60 years lease to 2045	4.01338 acres	25	30	22,619,167	2021
<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	24	25,946,673	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	28	25	4,357,875	2021
Lot no. 3793, Mukim 6, Daerah Seberang Perai Tengah, Penang	6 Units of Apartment	Freehold	-	7	-	300,000	2021
Lot No. 4661, Mukim 7, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5708 Hectares	7	-	300,000	2021
Lot No. 4707, Mukim 3, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5837 Hectares	7	-	250,000	2021
Lot No. 10084, Bandar Gurun Daerah Kuala Mudah, Negeri Kedah	Factory Office	Freehold	7,041sm	5	-	3,200,000	2021
Lot No. 1242, Seksyen 13, Bandar George Town, Daerah Timor Laut, Pulau Pinang	Office	Freehold	7,447m2	3	-	1,402,500	-
<b>SMPC Marketing Sdn. Bhd.</b>							
Lot 176, Tempat Macang Kudung Mukim Jabi, Daerah Pokok Sena, Kedah	Vacant Land	Freehold	2.257 acres	2	-	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	22	22	129,498	1999

# Properties Owned by the Group

As at 30 June 2021 (Cont'd)

Location	Description	Tenure	Area	No. of Years Held	Age of Building	Carrying Amount RM	Year of Valuation
<b>Duro Metal Industries Sdn. Bhd.</b>							
Zone 5A, Parcel 2, Lot 5418, Mukim Senai-Kulai, Johor Darul Takzim	Apartment	Freehold	885sf	21	21	47,038	2001
<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	49 & 51	39	2,384,162	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	8	-	15,500,000	2020
<b>Park Avenue Construction Sdn. Bhd.</b>							
Lot No. 410, Mukim 2, Daerah Barat Daya, Penang	Vacant Land	Freehold	23,725sf	9	-	1,913,608	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	3	-	85,127,297	2018
<b>Climate Attitude Sdn. Bhd.</b>							
No. 6879A, Jalan Raja Uda, 12300 Butterworth, Pulau Pinang.	Real Estate / Leased Propertiy	Freehold	16,414.5010 sm	2	-	37,487,682	2019
<b>Eminent Potential Sdn. Bhd.</b>							
Lot No. 576, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Property Development	Freehold	3,065.4889 sm	3	-	2,556,704	2017
<b>Scanrite Sdn. Bhd.</b>							
Lot No. 3018 & 3019 Seksyen 42, Bandar Kulim, Daerah Kulim, Kedah.	Property Development	Freehold	8,907.000 sm	3	-	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	3	-	24,872,242	2018
<b>Santro Match Sdn. Bhd.</b>							
Lot 1587, Seksyen 12, Bandar George town, Pulau Pinang	Properties Investment	Freehold	1,459.3661 sm	2	-	15,000,000	2019
<b>MPSB Venture Sdn. Bhd.</b>							
Lot 20354 Mukim 13, North East District Penang	Property Development	Freehold	13,492 sm	2	-	34,864,971	2019

# Statistics on Shareholdings

As at 30 September 2021

Total Number of Shares Issued	: 214,593,736 (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	289	10.06	9,128	0.00
100 - 1,000	1,008	35.10	334,055	0.16
1,001 - 10,000	940	32.74	4,916,588	2.29
10,001 - 100,000	560	19.50	17,615,051	8.21
100,001 to 10,729,647 (*)	72	2.50	77,551,746	36.14
10,729,648 and above (**)	3	0.10	114,167,168	53.20
<b>Total</b>	<b>2,872</b>	<b>100.00</b>	<b>214,593,736</b>	<b>100.00</b>

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

## DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest		No. of Shares		Total Interest	
		(A)	%	(B)	%	(A+B)	%
1	DATO' SRI TAJUDIN BIN MD ISA	-	-	-	-	-	-
2	TAN KIM HEE	46,500,000	21.67	-	-	46,500,000	21.67
3	CHOW CHOON HOONG	-	-	-	-	-	-
4	SUDESH A/L K.V SANKARAN	52,000	0.02	-	-	52,000	0.02
5	LOH YEE SING	-	-	-	-	-	-
6	GOH CHIN HENG	-	-	50,020,000 <sup>1</sup>	23.31	50,020,000	23.31
7	RAVI CHANDRAN A/L SUBASH CHANDRAN	-	-	-	-	-	-

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:

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

# Statistics on Shareholdings

As at 30 September 2021 (Cont'd)

## 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	Direct Interest		No. of Shares		Total Interest	
		(A)	%	(B)	%	(A+B)	%
1	G REKA MANAGEMENT SDN. BHD.	50,020,000	23.31	-	-	50,020,000	23.31
2	GOH CHIN HENG	-	-	50,020,000 <sup>1</sup>	23.31	50,020,000	23.31
3	TAN KIM HEE	46,500,000	21.67	-	-	46,500,000	21.67
4	OOI CHIENG SIM	21,980,985	10.24	-	-	21,980,985	10.24

Notes:

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

## 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	G REKA MANAGEMENT SDN. BHD.	50,020,000	23.31
2	TAN KIM HEE	42,500,000	19.80
3	OOI CHIENG SIM	21,647,168	10.09
4	MONT PRISTINE DEVELOPMENT SDN. BHD.	9,980,000	4.65
5	A1 CAPITAL SDN. BHD.	9,509,100	4.43
6	HLS PROPERTIES SDN. BHD.	8,765,900	4.08
7	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	6,000,000	2.80
8	LIM KEAN WAH	5,550,000	2.59
9	KANG KHOON SENG	4,268,300	1.99
10	TAN KIM HEE	4,000,000	1.86
11	GAINFACTOR SDN. BHD.	2,450,000	1.14
12	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BOEY CHEE KUN	1,475,900	0.69
13	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD. ( A/C CLIENTS )	1,400,000	0.65
14	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	1,380,119	0.64
15	LIM SIU LUAN	1,300,000	0.61
16	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOW WOUI HUAT (STA 2)	1,156,200	0.54
17	HLS PROPERTIES SDN. BHD.	1,106,100	0.52
18	KHOON WENG REALTY SDN. BHD.	1,000,200	0.47
19	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	989,500	0.46

# Statistics on Shareholdings

As at 30 September 2021 (Cont'd)

## 30 LARGEST SHAREHOLDERS (Cont'd)

No.	Name of Shareholders	No. of Shares	%
20	OOI HUNG HOCK	960,554	0.45
21	KANG KHOON HUA	901,000	0.42
22	TEH SWEE KIM @ OOI SWEE KIM	820,000	0.38
23	WONG NGA YANG	810,900	0.38
24	NG KWENG CHAN	770,000	0.36
25	KANG KHOON SENG	613,900	0.29
26	TEH KIM CHYE	580,000	0.27
27	METALINK INDUSTRIES SDN. BHD.	570,000	0.27
28	OGW BIO RESOURCES SDN.BHD.	506,625	0.24
29	ONG CHIN KANG	500,000	0.23
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	495,872	0.23
	<b>TOTAL</b>	<b>182,027,338</b>	<b>84.84</b>

# Analysis of Warrants B Holdings

As at 30 September 2021

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 Warrants B	% of Warrant B Issued
Less than 100	311	28.22	12,203	0.05
100 - 1,000	138	12.52	63,479	0.26
1,001 - 10,000	263	23.87	1,549,753	6.29
10,001 - 100,000	337	30.58	11,646,685	47.31
100,001 to 1,230,982 (*)	53	4.81	11,347,554	46.09
1,230,983 and above (**)	-	-	-	-
Total	1,102	100.00	24,619,674	100.00

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

## DIRECTORS' INTERESTS

No.	Name of Directors	Direct No. of Warrant B	Direct %	Deemed No. of Warrant B	Deemed %
1	DATO' SRI TAJUDIN BIN MD ISA	-	-	-	-
2	TAN KIM HEE	-	-	-	-
3	CHOW CHOON HOONG	-	-	-	-
4	SUDESH A/L K.V SANKARAN	-	-	-	-
5	LOH YEE SING	-	-	-	-
6	GOH CHIN HENG	-	-	-	-
7	RAVI CHANDRAN A/L SUBASH CHANDRAN	-	-	-	-

# Analysis of Warrants B Holdings

As at 30 September 2021 (Cont'd)

## 30 LARGEST WARRANT B HOLDERS

No.	Name of Holders	Holdings	%
1	SAW GUAT NGOH	710,300	2.89
2	LAI THIAM POH	677,100	2.75
3	LEONG HON WAH	605,400	2.46
4	MEGAT AKMAL FAIZ BIN MEGAT KAMIL AZMAN	601,100	2.44
5	CHEW CHEE YOONG	374,100	1.52
6	LIM KAM YOKE	345,600	1.40
7	NORZAITOLAINI BINTI OSMAN	324,000	1.32
8	LIAW MENG HUI	315,000	1.28
9	RIDZUAN BIN HJ HUSIN	310,100	1.26
10	LAW MENG WAI	310,000	1.26
11	HLS PROPERTIES SDN. BHD.	300,000	1.22
12	ONG JIAN LOON	298,400	1.21
13	TAN GEOK TEE	250,200	1.02
14	FONG JUAT HOON	200,000	0.81
15	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN SUN PING	200,000	0.81
16	MOHD FAIZAL BIN RAMLEY	200,000	0.81
17	NICHOLAS TEOH CHEE KEONG	200,000	0.81
18	SIOE ING (BOEDIJANNY) BUDIMAN	200,000	0.81
19	AZMAN BIN ABU BAKAR	196,900	0.80
20	ABD HAZIS BIN OMAR	185,000	0.75
21	MAYBANK NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR RUSTOM FRAMROZE CHOTHIA	182,034	0.74
22	MARGARET LOH SIM EE	180,000	0.73
23	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG KOK KUAN (E-TSA)	175,000	0.71
24	TAN EE HUNG	170,600	0.69
25	ANUAR BIN MD JUNUS	159,400	0.65
26	KUMPULAN PITCHAI SDN. BHD.	157,504	0.64
27	THAM NGAN CHAN	154,600	0.63
28	HENG CHEA TENG	150,000	0.61
29	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN BHD FOR LAKBIR SINGH A/L RAM SINGH	150,000	0.61
30	NAZRI BIN AHMAD	150,000	0.61
	<b>TOTAL</b>	<b>8,432,338</b>	<b>34.25</b>



# Analysis of Warrants C Holdings

As at 30 September 2021

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 Warrantholdings	No. of Warrant C Holders	% of Warrant C Holders	No. of Warrants C	% of Warrant C Issued
Less than 100	51	24.17	2,167	0.04
100 - 1,000	33	15.64	12,944	0.27
1,001 - 10,000	53	25.11	242,695	5.02
10,001 - 100,000	63	29.86	2,374,444	49.09
100,001 to 241,851 (*)	9	4.27	1,318,601	27.26
241,852 and above (**)	2	0.95	886,202	18.32
Total	211	100.00	4,837,053	100.00

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

## DIRECTORS' INTERESTS

No.	Name of Directors	Direct No. of Warrant C	Direct %	Deemed No. of Warrant C	Deemed %
1	DATO' SRI TAJUDIN BIN MD ISA	-	-	-	-
2	TAN KIM HEE	-	-	-	-
3	CHOW CHOON HOONG	-	-	-	-
4	SUDESH A/L K.V SANKARAN	-	-	-	-
5	LOH YEE SING	-	-	-	-
6	GOH CHIN HENG	-	-	-	-
7	RAVI CHANDRAN A/L SUBASH CHANDRAN	-	-	-	-

# Analysis of Warrants C Holdings

As at 30 September 2021 (Cont'd)

## 30 LARGEST WARRANT C HOLDERS

No.	Name of Holders	Holdings	%
1	CHARLES ROSS MCKINNON	518,100	10.71
2	LIEW JIEW CHOO	368,102	7.61
3	TAN SEE EAN	200,000	4.13
4	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR CHEAH CHEE SIONG (PB)	175,081	3.62
5	NG SOOK KIN	169,800	3.51
6	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ABDUL RASIK BIN TALIP (E-KKU)	159,800	3.30
7	WU SONG SEE @ GOH SONG SEE	142,111	2.94
8	SAW GUAT NGOH	134,700	2.78
9	OOI HUNG HOCK	115,138	2.38
10	POH CHONG JOO	115,138	2.38
11	LOH CHEE KONG	106,833	2.21
12	KHOO POH CHYE	94,413	1.95
13	TAN EE HUNG	92,569	1.91
14	EWE HONG KHOON	90,250	1.87
15	LEONG HON WAH	86,354	1.79
16	KENANGA NOMINEES (TEMPATAN) SDN. BHD. ABDUL RASIK BIN TALIP (012)	85,600	1.77
17	LEE FOOK ON	79,990	1.65
18	SJ SEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN BOON YOK (SMT)	77,585	1.60
19	HOO SENG JOO	73,252	1.51
20	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	70,000	1.45
21	LEE FOONG SIEN	69,083	1.43
22	YAP KANG THAI @ YAP LEAN	65,266	1.35
23	TEE HOCK SENG	60,068	1.24
24	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO AH KHOW	57,569	1.19
25	CHAI SAD LIAN	56,000	1.16
26	LOH KIAN JOO	50,270	1.04
27	HLS PROPERTIES SDN. BHD.	50,000	1.03
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. CHEONG CHUNG WAI (8110207)	48,128	0.99
29	LOH CHEE KONG	47,897	0.99
30	GAN SOO HONG	46,055	0.95
TOTAL		3,505,152	72.44

# Analysis of ICULS Holdings

As at 30 September 2021

Class of Securities	: Zero Coupon, 10-Year, Irredeemable Convertible Unsecured Loan Stock ("ICULS")
No. of ICULS Issued	: 230,934,880
No. of Outstanding ICULS	: 112,399,109
Voting Rights	: 1 vote per ICULS Holder in respect of a meeting of ICULS Holders

## ANALYSIS OF ICULS HOLDINGS

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS	% of ICULS Issued
Less than 100	2	0.30	180	0.00
100 - 1,000	32	4.84	15,891	0.01
1,001 - 10,000	172	26.02	1,108,598	0.99
10,001 - 100,000	310	46.90	13,121,440	11.67
100,001 to 5,619,954 (*)	143	21.64	82,426,900	73.33
5,619,955 and above (**)	2	0.30	15,726,100	14.00
<b>Total</b>	<b>661</b>	<b>100.00</b>	<b>112,399,109</b>	<b>100.00</b>

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

## DIRECTORS' INTERESTS

No.	Name of Directors	Direct No. of ICULS	%	Deemed No. of ICULS	%
1	DATO' SRI TAJUDIN BIN MD ISA	-	-	-	-
2	TAN KIM HEE	-	-	-	-
3	CHOW CHOON HOONG	-	-	-	-
4	SUDESH A/L K.V SANKARAN	-	-	-	-
5	LOH YEE SING	-	-	-	-
6	GOH CHIN HENG	-	-	-	-
7	RAVI CHANDRAN A/L SUBASH CHANDRAN	-	-	-	-

# Analysis of ICULS Holdings

As at 30 September 2021 (Cont'd)

## 30 LARGEST ICULS HOLDERS

No.	Name of Holders	Holdings	%
1	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	9,418,600	8.38
2	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	6,307,500	5.61
3	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN ING KIONG	4,964,300	4.42
4	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SHER KHAN BIN KHAN MOHAMAD (CEB)	4,464,500	3.97
5	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	4,322,700	3.85
6	HLS PROPERTIES SDN. BHD.	4,119,800	3.67
7	LIM SEOW CHIN	3,854,500	3.43
8	POH HONG SWEE	3,273,300	2.91
9	CHEW SAW BEE	2,500,000	2.22
10	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	2,500,000	2.22
11	LIM SIU LUAN	2,350,000	2.09
12	CHARLES ROSS MCKINNON	2,252,700	2.00
13	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR CHEAH CHEE SIONG (PB)	1,966,000	1.75
14	LIM SHIOU GHAY	1,499,000	1.33
15	A1 CAPITAL SDN. BHD.	1,350,000	1.20
16	CHIOK KIAN CHAU	1,119,400	1.00
17	WONG NGA YANG	1,087,100	0.97
18	KHOW ENG GUAN	1,085,000	0.97
19	TAN FOOK CHIN	1,083,800	0.96
20	A1 CAPITAL SDN. BHD.	1,000,000	0.89
21	TING DIOUNG YUAN	983,600	0.88
22	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM YEE YIK (MY3081)	900,000	0.80
23	WONG SOK YENG	895,000	0.80
24	CHIANG TECK SOO	815,000	0.73
25	LIM YEN EE	800,000	0.71
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TUANG YUET HWA	771,000	0.69
27	LE CHANG LOW	770,000	0.69
28	LEE QUEE CHIOW	731,900	0.65
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO KEE AIK	700,000	0.62
30	LIEW KEM YOONG	670,100	0.60
TOTAL		68,554,800	61.01

# Analysis of ICPS Holdings

As at 30 September 2021

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 ICPS Holdings	No. of ICPS holders	% of ICPS holders	No. of ICPS	% of ICPS issued
Less than 100	14	2.97	848	0.00
100 - 1,000	28	5.93	17,920	0.00
1,001 - 10,000	85	18.00	460,540	0.04
10,001 - 100,000	196	41.53	8,146,296	0.70
100,001 to 58,598,085 (*)	143	30.30	406,751,244	34.70
58,598,086 and above (**)	6	1.27	756,584,872	64.56
<b>Total</b>	<b>472</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	Direct No. of ICPS	%	Deemed No. of ICPS	%
1	DATO' SRI TAJUDIN BIN MD ISA	-	-	-	-
2	TAN KIM HEE	-	-	-	-
3	CHOW CHOON HOONG	-	-	-	-
4	SUDESH A/L K.V SANKARAN	-	-	-	-
5	LOH YEE SING	-	-	-	-
6	GOH CHIN HENG	-	-	-	-
7	RAVI CHANDRAN A/L SUBASH CHANDRAN	-	-	-	-

# Analysis of ICPS Holdings

As at 30 September 2021 (Cont'd)

## 30 LARGEST ICPS HOLDERS

No.	Name of Holders	Holdings	%
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	TAWAKAR ENTERPRISE SDN. BHD.	10,000,000	0.85
18	LIM SHIOU GHAY	9,996,800	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	TAN FOOK CHIN	6,840,600	0.58
23	CHARLES ROSS MCKINNON	6,416,700	0.55
24	TAWAKAR ENTERPRISE SDN. BHD.	5,700,000	0.49
25	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. KELVIN TAN CHYE HOCK	4,000,000	0.34
26	NG SIEW FONG	3,894,900	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)	2,500,000	0.21
29	LAU SENG KHIANG	2,454,900	0.21
30	TEH SWEE KIM @ OOI SWEE KIM	2,366,600	0.20
<b>TOTAL</b>		<b>1,106,958,200</b>	<b>94.45</b>

# CONTENTS

## Reports and Financial Statements 30 June 2021

Directors' Report	55	Consolidated Statement of Changes In Equity	69
Directors' Statement	61	Statement of Changes In Equity	70
Statutory Declaration	61	Statements of Cash Flows	71
Independent Auditors' Report to the Members	62	Notes to the Financial Statements	76
Statements of Financial Position	66	Form of Proxy	enclosed
Statements of Comprehensive Income	68		



# Directors' Report

For the financial year ended 30 June 2021

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **30 June 2021**.

## 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 year.

## RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) after tax for the financial year	<u>861,153</u>	<u>(21,426,521)</u>
Attributable to:		
Owners of the Company	(132,612)	(21,426,521)
Non-controlling interests	<u>993,765</u>	<u>-</u>
	<u>861,153</u>	<u>(21,426,521)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **30 June 2021** have not been substantially affected by any item, transaction or event of a material and unusual nature, save for a one-off impairment of amount due from subsidiaries amounting to RM11,412,248.

## DIVIDENDS

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

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

## RESERVES AND PROVISIONS

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

## SHARE CAPITAL AND DEBENTURE

During the financial year, the issued share capital of the Company was increased by RM473,106 to RM212,676,478 via issuance of 543,800 new ordinary shares pursuant to the conversion of 4,731,060 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a conversion price of RM0.87 each.

The new share rank pari passu in all respects with the existing ordinary shares of the Company in issue.

## TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market.

As at 30 June 2021, the Company held a total of 774 treasury shares out of its 213,862,736 issued ordinary shares. Further relevant details are disclosed in Note 19.1 to the financial statements.



# Directors' Report

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

## 5-YEAR IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS"), 10-YEAR 0% 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 year are as follows:

Grant date	Exercise price	Number of ESOS over ordinary shares			Balance at 30.6.2021
		Balance at 1.7.2020	Exercised	Lapsed	
9.10.2013	RM0.87	695,110	-	(54,596)	640,514
14.10.2014	RM0.87	190,779	-	(10,000)	180,779
15.2.2016	RM0.87	1,710,577	-	(94,015)	1,616,562

The salient features of the ESOS are disclosed in Note 37 to the financial statements.

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

## DIRECTORS

The directors in office during the financial year and during the period from the end of 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)

\* Tan Kim Hee

Goh Chin Heng (appointed on 1.10.2020)

\* Chow Choon Hoong

Sudesh A/L K.V. Sankaran

Loh Yee Sing

Ravi Chandran A/L Subash Chandran (appointed on 13.4.2021)

Chiok Kian Chau (resigned on 13.10.2020)

Dato' Dennis Chuah (resigned on 3.5.2021)

\* Ng Chin Nam (resigned on 30.7.2021)

### *Directors of the subsidiaries:*

Pursuant to Section 253 of the Companies Act 2016, the list of directors of the subsidiaries (excluding directors who are also directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of the Report are as follows:

Dhanabalan A/L M. Pitchai Chetty

Tang Tiam Hok

Mahendrakumar A/L Dhanabalan

Siva Raman A/L S. Ramasamy Pattar

Goh Chin Heng

Tan Kim Hee (appointed on 4.1.2021)

Chiok Kian Chau (resigned on 4.1.2021)

\* also director of subsidiaries

# Directors' Report

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

## 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 year in shares in the Company and or its related corporations during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.7.2020	Bought	Sold	Balance at 30.6.2021
<b>The Company</b>				
<b>Direct Interest:</b>				
<sup>1</sup> Tan Kim Hee	46,500,000	-	-	46,500,000
Ng Chin Nam	187,193	-	-	187,193
Sudesh A/L K.V. Sankaran	52,000	-	-	52,000
<b>Deemed Interest:</b>				
<sup>2</sup> Ng Chin Nam	3,582	-	-	3,582
<sup>3</sup> Goh Chin Heng	50,020,000	-	-	50,020,000

	Number of 5-year 0% ICPS			
	Balance at 1.7.2020	Bought	Sold	Balance at 30.6.2021
<b>The Company</b>				
<b>Deemed Interest:</b>				
<sup>2</sup> Ng Chin Nam	30,000	-	-	30,000

	Number of Warrants B			
	Balance at 1.7.2020	Bought	Sold	Balance at 30.6.2021
<b>The Company</b>				
<b>Direct Interest:</b>				
Ng Chin Nam	3,979	-	-	3,979

	Number of Warrants C			
	Balance at 1.7.2020	Bought	Sold	Balance at 30.6.2021
<b>The Company</b>				
<b>Direct Interest:</b>				
Ng Chin Nam	2,787	-	-	2,787

# Directors' Report

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

## DIRECTORS' INTERESTS (Cont'd)

	----- Number of ESOS over ordinary shares-----			Balance at 30.6.2021
	Balance at 1.7.2020	Exercised	Lapsed	
Chow Choon Hoong	74,624	-	-	74,624
Sudesh A/L K.V. Sankaran	569	-	-	569

Notes:

<sup>1</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>2</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 year had any interest in shares in the Company or its related corporations during the financial year.

<sup>3</sup> At date of appointment, by virtue of his interest in G Reka Management Sdn Bhd. ("GRMSB"), he is deemed to have interest in the shares of the Company and in the shares of all subsidiaries that are held by GRMSB.

## DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, 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	225,000	225,000
Salaries and allowance	1,617,950	627,040
Defined contribution plans	181,607	66,540
	<u>2,024,557</u>	<u>918,580</u>

Since the end of the previous financial period, 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.

During and at the end of the financial year, 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.

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

## OTHER STATUTORY INFORMATION

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

- (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.

# Directors' Report

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

## OTHER STATUTORY INFORMATION (Cont'd)

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, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (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 year 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 year.

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 year 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 year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

## SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 38 to the financial statements.

## EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 39 to the financial statements.

# Directors' Report

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

---

## AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 June 2021 is disclosed in Note 28 to the financial statements.

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

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

.....  
Tan Kim Hee

.....  
Goh Chin Heng

Penang,

Date: 28 October 2021

# Directors' Statement

In the opinion of the directors, the financial statements set out on pages 66 to 141 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 2021** and of their financial performance and cash flows for the financial year then ended.

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

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

.....  
**Goh Chin Heng**

**Date: 28 October 2021**

## Statutory Declaration

I, **Tan Kim Hee**, the director primarily responsible for the financial management of **Atta Global Group Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 66 to 141 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 28th )  
day of October 2021. )

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

Before me,

.....  
**Liew Juan Leng**  
**Commissioner for Oaths**

# Independent Auditors' Report

to the Members of ATTA GLOBAL GROUP BERHAD  
Registration 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 2021** 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 year then ended, and notes to the financial statements, including the summary of accounting policies, as set out on pages 66 to 141.

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

### Basis for Opinion

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

### Emphasis of Matter

#### Investigation under the Dangerous Drugs Act, 1952

We refer to the significant event which occurred at the beginning of 2020, details of which are disclosed in Note 38(i) to the financial statements. The Company has been implicated in an offence under the Dangerous Drugs Act, 1952 by the remand of its former 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 vehicles) 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 evidence provided. Following the case management held on 12 March 2021, the Court was informed that the Attorney General Chamber had accepted the Letter of Representation by the Company's Solicitors and instructed to release all the assets previously seized without terms and conditions save for a motor vehicle and for a property owned by the Company to be remained sealed for the purpose of exhibit and view by the Court in relation to a criminal trial.

As at the date of this report, neither the Company nor any of its subsidiaries have been formally charged in the Court for any illegal activity connected with this investigation.

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

to the Members of ATTA GLOBAL GROUP BERHAD  
 Registration No. 198101012950 (79082-V) (Incorporated in Malaysia)  
 (Cont'd)

## 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 year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Revenue and cost of sales recognition in respect of property development activities</b>  <i>(Note 6 and 23 to the financial statements)</i></p> <p>Included in the inventories of the Group is property development costs ("PDC") amounting to RM143.31 million and constitutes approximately 70% of the Group's total inventories.</p> <p>Revenue and cost of sales recognised from property development activities amounted to RM27.16 million and RM19.23 million respectively.</p> <p>In respect of PDC, there is a risk overstatement due to non-qualifying PDC cost are capitalised as part of PDC. Determining the qualified PDC cost is subject to management's judgement.</p> <p>In respect of revenue and cost of sales recognised under PDC, management estimates in determining the stage of completion, extent of PDC incurred to date and estimated total PDC.</p>	<p>Our audit procedures in relation to addressing the key audit matter include:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the Group's control over the measurement and recognition of PDC.</li> <li>• Performing test of details on a sampling basis on PDC by substantiating cost incurred to award letters, architect certificates, supplier invoices and payment certificates to verify that they meet the definition of PDC and are allocated to the appropriate development projects.</li> <li>• We have checked the stage of completion of property development activities computed by the project manager against third-party architect certification of work completed to date and performed site visit on all ongoing development projects to ascertain the reasonableness of the percentage of completion estimated by the project manager. As part of our work done, we have also discussed the stage of the project with the project manager to ascertain whether the possibility variation order to the original award letter is expected to occur and if such variation order is already accounted for in the updated budgeted PDC.</li> <li>• Performing test of details on a sampling basis on property development revenue by substantiating revenue recognised against supporting documents and reconciliations, including stamped sales and purchase agreements, approved loan agreements, progress billings issued and receipts from customer (for cash purchase) and financial institution (loan customer).</li> </ul>
<p><b>Allowance for expected credit losses on trade and other receivables</b>  <i>(Note 10 to the financial statements)</i></p> <p>The Group has significant trade receivables as at 30 June 2021 and it is subject to credit risk exposure.</p> <p>The Company has significant exposure to credit risk due mainly from the non-trade advances provided to its subsidiaries.</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 addressing the key audit matter include:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of:             <ul style="list-style-type: none"> <li>- the Group's control over customers collection process;</li> <li>- how the Group identifies and assesses the expected credit losses on trade receivables; and</li> <li>- how the Group makes the accounting estimate for allowance for expected credit losses;</li> </ul> </li> <li>• Reviewing the aging analysis of trade receivables and testing the reliability thereof.</li> <li>• Reviewing the application of the Group's policy for expected credit losses.</li> <li>• Assessing the estimated future cash flows by examining the historical repayment records, historical loss rate of receivables, information regarding the current creditworthiness and any significant changes in credit quality of the debtor, evidence of subsequent settlements and other relevant information.</li> <li>• Comparing the assumptions used to estimate the provision for impairment with the available industry data.</li> <li>• In respect of non-impairment of amount due from subsidiaries, assessed recoverability through discussing with management and assessing the potential realisation value should the subsidiaries liquidate its non-current assets against the amount owing by the subsidiaries.</li> </ul>



# Independent Auditors' Report

to the Members of ATTA GLOBAL GROUP BERHAD  
Registration No. 198101012950 (79082-V) (Incorporated in Malaysia)  
(Cont'd)

---

## 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.

## 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.

# Independent Auditors' Report

to the Members of ATTA GLOBAL GROUP BERHAD  
Registration No. 198101012950 (79082-V) (Incorporated in Malaysia)  
(Cont'd)

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

- 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 Matters

- (i) 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.
- (ii) The financial statements for the preceding period ended 30 June 2020 were audited by **Grant Thornton** whose report dated 23 October 2020, expressed an unqualified opinion with emphasis of matter relating to an offence under the Dangerous Drugs Act, 1952 in which the Company and its Subsidiaries were implicated by the remand of the former Executive Chairman of the Company. The practice of **Grant Thornton** has merged with **Grant Thornton Malaysia PLT** effective from 1 January 2021.

Grant Thornton Malaysia PLT  
AF: 0737  
201906003682 (LLP0022494-LCA)  
Chartered Accountants

Terence Lau Han Wen  
No. 03298/04/2023 J  
Chartered Accountant

Penang

Date: 28 October 2021

# Statements of Financial Position

as at 30 June 2021

	NOTE	GROUP		COMPANY	
		30.6.2021 RM	(Restated) 30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	<b>66,469,386</b>	63,997,054	<b>5,272,006</b>	557,819
Right-of-use assets	5	<b>29,082</b>	105,801	-	-
Inventories	6	<b>47,708,297</b>	48,647,629	-	-
Investment properties	7	<b>64,800,000</b>	63,300,000	<b>31,103,297</b>	29,603,297
Investment in subsidiaries	8	-	-	<b>73,956,121</b>	73,956,121
Goodwill on consolidation	9	-	261,312	-	-
Trade and other receivables	10	-	-	<b>194,325,485</b>	-
		<b>179,006,765</b>	176,311,796	<b>304,656,909</b>	104,117,237
<b>Current assets</b>					
Inventories	6	<b>160,642,008</b>	137,436,006	-	-
Trade and other receivables	10	<b>27,221,285</b>	34,446,412	<b>682,672</b>	221,964,019
Contract assets	11	<b>245,897</b>	3,590,895	-	-
Current tax assets		<b>2,497,310</b>	1,726,872	-	-
Other investments	12	<b>31,189,404</b>	22,155,091	-	-
Fixed deposits with licensed banks	13	<b>4,329,431</b>	4,504,232	<b>640,151</b>	625,384
Cash and bank balances	14	<b>19,601,588</b>	21,859,183	<b>7,447,591</b>	8,124,797
		<b>245,726,923</b>	225,718,691	<b>8,770,414</b>	230,714,200
Non-current asset held for sale	15	-	18,000,000	-	-
<b>TOTAL ASSETS</b>		<b>424,733,688</b>	420,030,487	<b>313,427,323</b>	334,831,437

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

# Statements of Financial Position

as at 30 June 2021 (Cont'd)

	NOTE	GROUP		COMPANY	
		30.6.2021 RM	(Restated) 30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	208,553,888	208,080,782	208,553,888	208,080,782
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	11,875,881	12,348,987	11,875,881	12,348,987
Other reserves	19	4,068,382	4,072,088	11,776,128	11,779,834
Retained profits/(Accumulated losses)		30,891,720	31,020,626	(18,229,515)	3,193,300
		<u>349,858,170</u>	<u>349,990,782</u>	<u>307,733,320</u>	<u>329,159,841</u>
Non-controlling interests		21,060,191	20,066,426	-	-
<b>Total equity</b>		<u>370,207,000</u>	<u>369,345,847</u>	<u>307,733,320</u>	<u>329,159,841</u>
<b>Non-current liabilities</b>					
Borrowings	20	665,247	1,387,569	-	588,034
Lease liabilities	5	-	29,739	-	-
Deferred tax liabilities	21	4,263,777	4,901,054	1,980,121	2,432,682
		<u>4,929,024</u>	<u>6,318,362</u>	<u>1,980,121</u>	<u>3,020,716</u>
<b>Current liabilities</b>					
Trade and other payables	22	41,951,357	38,725,471	2,143,762	475,546
Contract liabilities	11	5,325,107	2,170,845	-	-
Borrowings	20	700,135	2,848,332	-	1,762,893
Lease liabilities	5	29,739	77,021	-	-
Current tax liabilities		1,591,326	544,609	1,570,120	412,441
		<u>49,597,664</u>	<u>44,366,278</u>	<u>3,713,882</u>	<u>2,650,880</u>
<b>Total liabilities</b>		<u>54,526,688</u>	<u>50,684,640</u>	<u>5,694,003</u>	<u>5,671,596</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>424,733,688</u>	<u>420,030,487</u>	<u>313,427,323</u>	<u>334,831,437</u>

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

# Statements of Comprehensive Income

for the financial year ended 30 June 2021

	NOTE	GROUP		COMPANY	
		1.7.2020 To 30.6.2021 (12 months) RM	1.4.2019 To 30.6.2020 (15 months) RM	1.7.2020 To 30.6.2021 (12 months) RM	1.4.2019 To 30.6.2020 (15 months) RM
Revenue	23	<b>77,866,317</b>	95,601,267	<b>3,686,676</b>	4,082,142
Other income	24	<b>13,723,840</b>	30,680,891	<b>76,328</b>	5,510,508
Changes in inventories of work in progress, trading inventories and finished goods		<b>1,360,811</b>	(392,926)	-	-
Raw materials and consumables used		<b>(31,026,883)</b>	(30,942,590)	-	-
Trading goods purchased		-	(19,568,951)	-	-
Property development costs		<b>(19,232,803)</b>	(14,889,088)	-	-
Employee benefits expense	25	<b>(11,482,643)</b>	(14,232,107)	<b>(1,654,235)</b>	(1,159,941)
Depreciation	26	<b>(3,428,957)</b>	(5,344,725)	<b>(178,675)</b>	(300,978)
Other operating expenses		<b>(22,568,628)</b>	(32,159,487)	<b>(20,253,284)</b>	(12,854,645)
<b>Operating profit/(loss)</b>		<b>5,211,054</b>	8,752,284	<b>(18,323,190)</b>	(4,722,914)
Finance costs	27	<b>(180,670)</b>	(505,442)	<b>(76,416)</b>	(299,530)
<b>Profit/(Loss) before tax</b>	28	<b>5,030,384</b>	8,246,842	<b>(18,399,606)</b>	(5,022,444)
Tax expense	29	<b>(4,169,231)</b>	(1,679,584)	<b>(3,026,915)</b>	(1,639,012)
<b>Profit/(Loss) for the year/period, representing total comprehensive income/(loss) for the financial year/period</b>		<b>861,153</b>	6,567,258	<b>(21,426,521)</b>	(6,661,456)
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		<b>(132,612)</b>	6,697,120	<b>(21,426,521)</b>	(6,661,456)
Non-controlling interests		<b>993,765</b>	(129,862)	-	-
		<b>861,153</b>	6,567,258	<b>(21,426,521)</b>	(6,661,456)
<b>(Loss)/earnings per share attributable to owners of the Company (sen)</b>					
- Basic	30.1	<b>(0.06)</b>	3.14		
- Diluted	30.2	<b>(0.06)</b>	3.14		

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

# Consolidated Statement of Changes In Equity

for the financial year ended 30 June 2021

NOTE	Attributable to Owners of the Company										Total Equity RM	
	Share Capital RM	ICPS RM	ICULS RM	Treasury Shares RM	Warrants Reserve RM	Capital Reserve RM	ESOS Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM		
<b>30.6.2021</b>												
Balance at beginning	208,080,782	93,756,938	12,348,987	(406)	4,203,130	(262,746)	132,110	31,020,626	349,990,782	20,066,426	369,345,847	
Total comprehensive income for financial year	-	-	-	-	-	-	-	(132,612)	(132,612)	993,765	861,153	
<i>Transactions with owners:</i>												
Issuance of shares pursuant to conversion of ICULS	473,106	-	(473,106)	-	-	-	-	-	-	-	-	
Share option lapsed	-	-	-	-	-	-	(3,706)	3,706	-	-	-	
Total transactions with owners	473,106	-	(473,106)	-	-	-	(3,706)	3,706	-	-	-	
Balance at end	208,553,888	93,756,938	11,875,881	(406)	4,203,130	(262,746)	128,404	30,891,720	349,858,170	21,060,191	370,207,000	
(Restated)												
30.6.2020												
Balance at beginning	208,080,782	93,756,938	12,348,987	(406)	4,203,130	(262,746)	133,895	24,321,721	343,293,662	20,443,079	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)	
Balance at end	208,080,782	93,756,938	12,348,987	(406)	4,203,130	(262,746)	132,110	31,020,626	349,990,782	20,066,426	369,345,847	

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

# Statement of Changes In Equity

for the financial year ended 30 June 2021

NOTE	Share Capital RM	ICPS RM	ICULS RM	Treasury Shares RM	Warrants Reserve RM	Capital Reserve RM	ESOS Reserve RM	Distributable (Accumulated losses)/ Retained Profits RM	Total Equity RM
<b>30.6.2021</b>									
Balance at beginning	208,080,782	93,756,938	12,348,987	(406)	4,203,130	7,445,000	132,110	3,193,300	329,159,841
Total comprehensive income for the financial year	-	-	-	-	-	-	-	(21,426,521)	(21,426,521)
<i>Transactions with owners:</i>									
Conversion of ICULS	473,106	-	(473,106)	-	-	-	-	-	-
Share option lapsed	-	-	-	-	-	-	(3,706)	3,706	-
<b>Balance at end</b>	<b>208,553,888</b>	<b>93,756,938</b>	<b>11,875,881</b>	<b>(406)</b>	<b>4,203,130</b>	<b>7,445,000</b>	<b>128,404</b>	<b>(18,229,515)</b>	<b>307,733,320</b>
<b>30.6.2020</b>									
Balance at beginning	208,080,782	93,756,938	12,348,987	(406)	4,203,130	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	-
<b>Balance at end</b>	<b>208,080,782</b>	<b>93,756,938</b>	<b>12,348,987</b>	<b>(406)</b>	<b>4,203,130</b>	<b>7,445,000</b>	<b>132,110</b>	<b>3,193,300</b>	<b>329,159,841</b>

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

# Statements of Cash Flows

for the financial year ended 30 June 2021

	GROUP		COMPANY	
	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	<b>5,030,384</b>	8,246,842	<b>(18,399,606)</b>	(5,022,444)
Adjustments for:				
Allowance for expected credit losses on receivables	<b>528,573</b>	282,649	-	15,650
Bad debts	<b>1,477,010</b>	1,235,409	<b>22,700</b>	1,164,765
Debt waived by trade and other creditors	-	(1,821,125)	-	(1,707,227)
Deemed gain on deconsolidation of a subsidiary	-	(3,790,420)	-	-
Deposit forfeited	-	(10,000)	-	-
Depreciation of property, plant and equipment	<b>3,352,238</b>	5,297,088	<b>178,675</b>	300,978
Depreciation of right-of-use assets	<b>76,719</b>	47,637	-	-
Dividend income	<b>(140,630)</b>	(32,854)	-	-
Employee retirement benefits obligation	<b>4,753</b>	20,841	-	-
Fair value loss on investment properties	<b>258,480</b>	6,997,509	<b>258,480</b>	7,077,509
Fair value (gain)/loss on adjustment on other investments	<b>(10,230,970)</b>	4,231,009	-	-
Gain on bargain purchase of subsidiaries	-	(18,479,298)	-	-
Gain on disposal of property, plant and equipment	<b>(104,114)</b>	(2,425,533)	<b>(61,353)</b>	(19,244)
Gain on disposal of a subsidiary	-	-	-	(3,762,500)
Gain on disposal of other investments	<b>(1,545,403)</b>	(1,568,883)	-	-
Gain on disposal of land held for development	<b>(177,293)</b>	-	-	-
Goodwill impaired	<b>261,312</b>	-	-	-
Impairment loss on investment in subsidiaries	-	-	-	3,280,927
Impairment loss on property, plant and equipment	-	2,091,692	-	-
Interest expense	<b>180,670</b>	505,442	<b>76,416</b>	299,530
Interest income	<b>(197,646)</b>	(701,549)	<b>(14,975)</b>	(21,537)
Inventories written down	<b>389,502</b>	696,257	-	-
Inventories write off	-	1,456,793	-	-
(Gain)/Loss on disposal of investment properties	<b>(100,000)</b>	261,480	-	-
Property, plant and equipment written off	<b>1</b>	1	-	-
Reversal of allowance for expected credit losses on receivables	<b>(9,075)</b>	(109,489)	-	-
Reversal of inventories written down	<b>(27,070)</b>	(37,756)	-	-
Operating profit before working capital changes carried forward	<b>(972,559)</b>	2,393,742	<b>(17,939,663)</b>	1,606,407

The accompanying notes form an integral part of these financial statements



# Statements of Cash Flows

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

	GROUP		COMPANY	
	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating profit before working capital changes bought forward	(972,559)	2,393,742	(17,939,663)	1,606,407
Increase in inventories	(24,223,978)	(25,623,266)	-	-
Decrease in receivables	5,082,639	14,008,438	11,661,550	17,124,830
Decrease/(Increase) in contract assets	3,344,998	(2,900,656)	-	-
Increase/(Decrease) in payables	3,221,133	(44,795,431)	1,668,216	(25,440)
Increase in contract liabilities	3,154,262	2,107,273	-	-
Cash (used in)/from operations	(10,393,505)	(54,809,900)	(4,609,897)	18,705,797
Income tax paid	(4,595,093)	(2,807,332)	(2,321,797)	(576,072)
Income tax refunded	64,864	945,461	-	37,382
Real property gains tax paid	-	(134,660)	-	-
Interest paid	(177,291)	(502,320)	(76,416)	(299,530)
Net cash (used in)/from operating activities	(15,101,025)	(57,308,751)	(7,008,110)	17,867,577
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(i) Cash flows from acquisition of subsidiaries	-	(2,924,905)	-	-
(ii) Cash flows from disposal of a subsidiary	-	4,964,533	-	-
Dividends received	140,630	32,854	-	-
Interest received	218,427	567,819	208	3,197
Proceeds from disposal of investment property	18,100,000	10,000,000	-	-
Proceeds from disposal of land held for development	1,772,169	-	-	-
Proceeds from disposal of other investments	2,742,060	8,503,565	-	-
Proceeds from disposal of property, plant and equipment	242,003	5,734,304	182,000	50,000
Proceeds from disposal of subsidiary	-	-	-	5,000,000
Purchase of other investments	-	(16,328,128)	-	-
Purchase of investment in subsidiaries	-	-	-	(3,000,004)
Purchase of investment properties	(1,758,480)	(1,126,808)	(1,758,480)	(1,126,808)
(iii) Purchase of property, plant and equipment	(5,562,460)	(509,473)	(5,013,509)	(9,583)
Net cash used in investing activities carried forward	15,894,349	8,913,761	(6,589,781)	916,802

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

# Statements of Cash Flows

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

	GROUP		COMPANY	
	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM
Net cash used in investing activities bought forward	<b>15,894,349</b>	8,913,761	<b>(6,589,781)</b>	916,802
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net change in subsidiaries' balances	-	-	<b>15,271,612</b>	(9,065,133)
Placement of fixed deposits	-	(2,380,540)	-	-
Repayment of bankers acceptance	-	(344,000)	-	-
Repayment of principal portion of lease liabilities	<b>(80,400)</b>	(49,800)	-	-
Repayment of hire purchase loans	<b>(723,257)</b>	(1,990,509)	<b>(103,103)</b>	(211,760)
Repayment of term loan	<b>(2,247,824)</b>	(1,916,668)	<b>(2,247,824)</b>	(1,916,668)
Net cash (used in)/from financing activities	<b>(3,051,481)</b>	(6,681,517)	<b>12,920,685</b>	(11,193,561)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,258,157)</b>	(55,076,507)	<b>(677,206)</b>	7,590,818
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>21,669,423</b>	76,745,930	<b>8,124,797</b>	533,979
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>19,411,266</b>	21,669,423	<b>7,447,591</b>	8,124,797
<b>Represented by:</b>				
Fixed deposits with licensed banks	<b>4,329,431</b>	4,504,232	<b>640,151</b>	625,384
Cash and bank balances	<b>19,601,588</b>	21,859,183	<b>7,447,591</b>	8,124,797
Bank overdrafts	<b>(190,322)</b>	(489,760)	-	-
	<b>23,740,697</b>	25,873,655	<b>8,087,742</b>	8,750,181
Less: Fixed deposits pledged	<b>(4,329,431)</b>	(4,204,232)	<b>(640,151)</b>	(625,384)
	<b>19,411,266</b>	21,669,423	<b>7,447,591</b>	8,124,797

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

# Statements of Cash Flows

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

	GROUP		COMPANY	
	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.7.2020 to 30.6.2021 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM
<b>(i) Cash flows from acquisition of subsidiaries</b>				
Investment properties	-	15,000,000	-	-
Inventories	-	73,368,845	-	-
Receivables	-	36,000	-	-
Cash at bank	-	75,099	-	-
Current tax assets	-	2,255	-	-
Payables	-	(67,002,897)	-	-
Net tangible assets	-	21,479,302	-	-
Gain on bargain purchase	-	(18,479,298)	-	-
Total purchase consideration	-	3,000,004	-	-
Less: Cash and cash equivalents	-	(75,099)	-	-
Net cash outflows from acquisition	-	2,924,905	-	-
<b>(ii) Cash flows from disposal of a subsidiary</b>				
Property, plant and equipment	-	9,662,320	-	-
Receivables	-	2,217,581	-	-
Cash at bank	-	35,467	-	-
Amount due from related companies	-	196,115	-	-
Payables	-	(4,090,538)	-	-
Amount to from related companies	-	(7,469,326)	-	-
Current tax liabilities	-	(4,468)	-	-
Net tangible assets	-	547,151	-	-
Non-controlling interests	-	(246,791)	-	-
Gain on disposal of investment in a subsidiary	-	4,699,640	-	-
Total sale consideration	-	5,000,000	-	-
Less: Cash and cash equivalents	-	(35,467)	-	-
Net cash inflows from disposal	-	4,964,533	-	-
<b>(iii) Purchase of property, plant and equipment</b>				
Total acquisition cost	5,962,460	1,731,473	5,013,509	9,583
Acquired under finance lease	(400,000)	(1,222,000)	-	-
Total cash acquisition	5,562,460	509,473	5,013,509	9,583

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

# Statements of Cash Flows

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

## (iv) Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Addition RM	Others RM	Net cash flows RM	Balance at end RM
<b>Group</b>					
<b>30.6.2021</b>					
Hire purchase loans	1,498,317	400,000	-	(723,257)	1,175,060
Term loan	2,247,824	-	-	(2,247,824)	-
Lease liabilities	106,760	-	3,379	(84,000)	26,139
<i>Total liabilities from financing activities</i>	<u>3,852,901</u>	<u>400,000</u>	<u>3,379</u>	<u>(3,055,081)</u>	<u>1,201,199</u>
<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
Lease liabilities	-	153,438	3,122	(49,800)	106,760
<i>Total liabilities from financing activities</i>	<u>6,775,318</u>	<u>1,375,438</u>	<u>3,122</u>	<u>(4,300,977)</u>	<u>3,852,901</u>
<b>Company</b>					
<b>30.6.2021</b>					
Hire purchase loans	103,103	-	-	(103,103)	-
Term loan	2,247,824	-	-	(2,247,824)	-
<i>Total liabilities from financing activities</i>	<u>2,350,927</u>	<u>-</u>	<u>-</u>	<u>(2,350,927)</u>	<u>-</u>
<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>	<u>4,479,355</u>	<u>-</u>	<u>-</u>	<u>(2,128,428)</u>	<u>2,350,927</u>

Notes:

<sup>1</sup> The amount represents the additions of hire purchase loans and lease liabilities during the year.

<sup>2</sup> The amount represents the accretion of interest during the year.

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

# Notes to the Financial Statements

30 June 2021

## 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 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 28 October 2021.

### 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 year.

## 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 ("IFRS") 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 under Note 3 to the financial statements.

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

### 2.2 Basis of Measurement (Cont'd)

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

### 2.3 Functional and Presentation Currency

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

### 2.4 Adoption of Amendments to MFRS

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial period except for the adoption of the following standards that are mandatory for the current financial year:

#### **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**

*Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concession*

Initial application for the above new amendments to MFRS did not have any material impact to the financial statements of the Group and of the Company upon adoption.

### 2.5 Standards Issued But Not Yet Effective

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

#### **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*

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

*Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021*

#### **Effective for annual periods beginning on or after 1 January 2022**

*Amendments to MFRS 3 Business Combination: 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*

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

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

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

*MFRS 17 Insurance Contracts*

*Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*

*Amendments to MFRS 17 Insurance Contracts*

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

*Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*

*Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

*Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### **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 to the financial statements of the Group and of the Company upon adoption.

### 2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements 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.

#### **Key sources of estimation uncertainty and judgements made**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and critical judgement in applying accounting policies are discussed below:

#### **(i) Useful lives of depreciable assets**

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the plant and equipment to be 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and equipment. Therefore, future depreciation charges could be revised.

The depreciation charges of the Group's property, plant and equipment are disclosed in Note 4 to the financial statements.

#### **(ii) 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.

The carrying amount of the Group's property, plant and equipment is disclosed in Note 4 to the financial statements.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

### 2.6 Significant Accounting Estimates and Judgements (Cont'd)

#### (iii) Inventories

Inventories are measured at the lower of cost and net realisable value ("NRV"). 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.

#### Land held for property development

NRV in respect of land held for property development is assessed with reference to market prices as at the end of the reporting period for similar land, less estimated costs necessary to make the sale or where applicable, engaging a firm of independent valuers to estimate the fair value of these land.

#### 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 inventories are disclosed in Note 6 to the financial statements.

#### (iv) 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 of the 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.

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

The Group and the Company measure their investment properties at fair value with changes in fair value being 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 and the Company determine the fair value of such investment properties by reference to the selling prices of recent transacted 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 investment properties.

The carrying amount of the Group's and the Company's investment properties is disclosed in Note 7 to the financial statements.



# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

### 2.6 Significant Accounting Estimates and Judgements (Cont'd)

#### (vi) Provision for expected credit loss ("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.

The provision for ECL during the financial year is disclosed in Note 10 to the financial statements.

## 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 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.

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) Basis of consolidation

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.15 to the financial statements.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.1 Consolidation (Cont'd)

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

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the value of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in the other capital reserves.

#### (iii) 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.

#### (iv) 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.

#### (v) 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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.1 Consolidation (Cont'd)

#### (vi) 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.

#### (vii) 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.

### 3.2 Goodwill Arising on Consolidation

Goodwill arising from the acquisition of subsidiaries represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### 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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.3 Property, Plant and Equipment (Cont'd)

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.

### 3.5 Leases

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.

#### 3.5.1 Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### 3.5.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as disclosed in Note 3.3 to the financial statements.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as detailed in Note 3.6 to the financial statements.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.5 Leases (Cont'd)

#### 3.5.1 Group as lessee (Cont'd)

##### 3.5.1.2 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.

##### 3.5.1.3 Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of hostel and factory (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 machine, crane and equipment that are considered to be 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.

#### 3.5.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.6 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. 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 of 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 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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.7 Financial Instruments

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

#### 3.7.1 Financial assets

##### (i) Initial recognition and measurement

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

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

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

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

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

##### (ii) Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### Financial assets at AC

Financial assets are measured at AC if the assets meet the following conditions (and are not designated as FVTPL):

- 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 assets are measured at AC using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.7 Financial Instruments (Cont'd)

#### 3.7.1 Financial assets (Cont'd)

##### (ii) Subsequent measurement (Cont'd)

###### Financial assets at 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 FVTPL. 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.

##### (iii) Derecognition

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

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

##### (iv) Impairment

The Group and the Company recognise allowance for expected credit losses ("ECL") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. ECL are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.7 Financial Instruments (Cont'd)

#### 3.7.1 Financial assets (Cont'd)

##### (iv) Impairment (Cont'd)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts owing. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

#### 3.7.2 Financial liabilities

##### (i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and borrowings.

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss

The Group and the Company do not have any financial liabilities at fair value through profit or loss as at the end of the reporting period.

##### Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of comprehensive income.



# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.7 Financial Instruments (Cont'd)

#### 3.7.2 Financial liabilities (Cont'd)

##### (iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of comprehensive income.

#### 3.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is 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.

#### 3.7.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Fair value arising from the issuance of financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

## 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.

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 of 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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.8 Inventories (Cont'd)

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

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 land held for development 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.

- (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.

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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.12 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:

#### Revenue from sale of metal products

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

#### 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.

#### 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.

#### 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.

#### 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.

#### Dividend income

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

#### Interest income

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

#### 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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.12 Revenue Recognition (Cont'd)

#### 3.12.1 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 amount 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 amount due to customers on contracts.

### 3.13 Employee Benefits

#### Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year 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.

#### 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").

#### Employee share options scheme

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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.13 Employee Benefits (Cont'd)

#### 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 of 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.

### 3.14 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.

### 3.15 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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 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.

Any outstanding ICULS 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 ICULS for one new share without any additional consideration required from ICULS holder.

### 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

Incremental external costs directly 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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 3. ACCOUNTING POLICIES (Cont'd)

### 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.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

The shares cancelled and the adjustments made to reserves should be shown as a movement in equity.

### 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

30 June 2021 (Cont'd)

## 4. PROPERTY, PLANT AND EQUIPMENT

### GROUP

	Freehold land and buildings and condominium RM	Leasehold land and buildings RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital work-in-progress RM	Total RM
<b>30.6.2021</b>						
<b>At cost</b>						
Balance at beginning	55,166,805	3,200,000	61,297,204	17,620,588	-	137,284,597
Additions	5,000,000	-	224,299	738,161	-	5,962,460
Disposals	-	-	(340,000)	(354,366)	-	(694,366)
Written off	-	-	-	(2,896)	-	(2,896)
Balance at end	60,166,805	3,200,000	61,181,503	18,001,487	-	142,549,795
<b>Accumulated depreciation</b>						
Balance at beginning	9,786,737	733,105	46,013,971	13,818,750	-	70,352,563
Current charge	608,484	26,210	1,731,338	986,206	-	3,352,238
Disposals	-	-	(323,000)	(233,477)	-	(556,477)
Written off	-	-	-	(2,895)	-	(2,895)
Balance at end	10,395,221	759,315	47,422,309	14,568,584	-	73,145,429
<b>Accumulated impairment loss</b>						
Balance at beginning	-	-	2,934,980	-	-	2,934,980
Carrying amount	49,771,584	2,440,685	10,824,214	3,432,903	-	66,469,386



# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 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	Fittings, equipment, motor vehicles and renovation RM	Capital work-in-progress RM	Total RM
30.6.2020						
At cost						
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
Accumulated depreciation						
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
Accumulated impairment losses						
Balance at beginning	-	-	843,288	-	-	843,288
Current year	-	-	2,091,692	-	-	2,091,692
Balance at end	-	-	2,934,980	-	-	2,934,980
Carrying amount	45,380,068	2,466,895	12,348,253	3,801,838	-	63,997,054

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

### COMPANY

	Freehold Land RM	Buildings RM	Fittings, equipment, and office equipment RM	Motor vehicles RM	Total RM
<b>30.6.2021</b>					
<b>At cost</b>					
Balance at beginning	-	-	4,000,252	864,202	4,864,454
Additions	3,460,000	1,540,000	10,509	3,000	5,013,509
Disposal	-	-	-	(344,706)	(344,706)
Balance at end	<u>3,460,000</u>	<u>1,540,000</u>	<u>4,010,761</u>	<u>522,496</u>	<u>9,533,257</u>
<b>Accumulated depreciation</b>					
Balance at beginning	-	-	3,828,233	478,402	4,306,635
Current charge	-	7,700	47,548	123,427	178,675
Disposal	-	-	-	(224,059)	(224,059)
Balance at end	<u>-</u>	<u>7,700</u>	<u>3,875,781</u>	<u>377,770</u>	<u>4,261,251</u>
<b>Carrying amount</b>	<u>3,460,000</u>	<u>1,532,300</u>	<u>134,980</u>	<u>144,726</u>	<u>5,272,006</u>
<b>30.6.2020</b>					
<b>At cost</b>					
Balance at beginning	-	-	3,990,669	1,233,274	5,223,943
Additions	-	-	9,583	-	9,583
Disposal	-	-	-	(369,072)	(369,072)
Balance at end	<u>-</u>	<u>-</u>	<u>4,000,252</u>	<u>864,202</u>	<u>4,864,454</u>
<b>Accumulated depreciation</b>					
Balance at beginning	-	-	3,741,612	602,361	4,343,973
Current charge	-	-	86,621	214,357	300,978
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(338,316)</u>	<u>(338,316)</u>
Balance at end	<u>-</u>	<u>-</u>	<u>3,828,233</u>	<u>478,402</u>	<u>4,306,635</u>
<b>Carrying amount</b>	<u>-</u>	<u>-</u>	<u>172,019</u>	<u>385,800</u>	<u>557,819</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

### COMPANY (Cont'd)

(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 **RM2,325,188** (2020: RM2,373,398).

(ii) The carrying amount of the property, plant and equipment being acquired under hire purchase loans are as follows:

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Plant and machinery	1,350,220	1,432,257	-	-
Motor vehicles	1,304,640	1,395,791	-	385,800
	<u>2,654,860</u>	<u>2,828,048</u>	<u>-</u>	<u>385,800</u>

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

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Leasehold land and building	2,440,685	2,466,895	-	-
Plant and machinery	1,350,220	1,432,257	-	-
Motor vehicles	1,304,640	1,395,791	-	385,800
	<u>5,095,545</u>	<u>5,294,943</u>	<u>-</u>	<u>385,800</u>

## 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.

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

	Premises RM	Machinery RM	Total RM
<b>Right-of-use assets</b>			
<b>30.6.2021</b>			
Balance at beginning	59,412	46,389	105,801
Depreciation	<u>(39,608)</u>	<u>(37,111)</u>	<u>(76,719)</u>
Balance at end	<u>19,804</u>	<u>9,278</u>	<u>29,082</u>
<b>30.6.2020</b>			
Additions	79,216	74,222	153,438
Depreciation	<u>(19,804)</u>	<u>(27,833)</u>	<u>(47,637)</u>
Balance at end	<u>59,412</u>	<u>46,389</u>	<u>105,801</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

	Premises RM	Machinery RM	Total RM
<b>Lease liabilities</b>			
<b>30.6.2021</b>			
Balance at beginning	59,800	46,960	106,760
Accretion of interest	2,392	987	3,379
Payment	(42,000)	(38,400)	(80,400)
Balance at end	<u>20,192</u>	<u>9,547</u>	<u>29,739</u>
<b>30.6.2020</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>

	30.6.2021 RM	30.6.2020 RM
Represented by:		
Non-current liabilities	-	29,739
Current liabilities	<u>29,739</u>	<u>77,021</u>
	<u>29,739</u>	<u>106,760</u>

	1.7.2020 to 30.6.2021 (12 months) RM	1.1.2019 to 31.3.2020 (15 months) RM
The following are the amounts recognised in profit or loss:		

Depreciation of right-of-use assets	76,719	47,637
Interest expense on lease liabilities	3,379	3,122
Expenses relating to short term leases	222,000	300,800
Expenses relating to lease of low value assets	<u>262,708</u>	<u>202,592</u>
Total amount recognised in profit or loss	<u>564,806</u>	<u>554,151</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 6. INVENTORIES

		GROUP	
	Note	30.6.2021 RM	(Restated) 30.6.2020 RM
<b>Non-current assets</b>			
Land held for development	6.1	<u>47,708,297</u>	<u>48,647,629</u>
Represented by:			
Freehold land		44,925,137	46,520,013
Development costs		<u>2,783,160</u>	<u>2,127,616</u>
		<u>47,708,297</u>	<u>48,647,629</u>
<b>Current assets</b>			
Property development costs	6.2	143,315,462	114,459,394
Completed development units	6.3	3,158,311	9,311,444
Raw materials		11,216,065	11,520,909
Work-in-progress		1,776,744	587,666
Finished goods		1,175,426	1,411,490
Trading goods		-	145,103
		<u>160,642,008</u>	<u>137,436,006</u>
Total inventories		<u>208,350,305</u>	<u>179,546,251</u>

		GROUP	
		30.6.2021 RM	30.6.2020 RM
Recognised in profit or loss during the financial year/year:			
Inventories recognised as cost of sales		48,536,443	63,678,261
Inventories written down		389,502	696,257
Inventories written off		-	1,456,793
Reversal of inventories written down		<u>(27,070)</u>	<u>(37,756)</u>

### 6.1 Land held for development

The movements of land held for development are as follows:

		GROUP	
		30.6.2021 RM	(Restated) 30.6.2020 RM
Balance at beginning		48,647,629	9,955,615
Arising from acquisition of subsidiaries		-	38,692,014
Addition		655,544	-
Disposal		<u>(1,594,876)</u>	<u>-</u>
Balance at end		<u>47,708,297</u>	<u>48,647,629</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 6. INVENTORIES (Cont'd)

### 6.1 Land held for development (Cont'd)

On 25 September 2020, Climate Attitude Sdn. Bhd. a wholly-owned subsidiary of the Company had received a notice together with Form K dated 22 September 2020 from Pejabat Daerah Dan Tanah Seberang Perai Utara indicating that formal possession has been taken on a portion of a piece of land owned by the Company in return for a total consideration of RM1,772,169 under Section 22 of Land Acquisition Act 1960. The transaction has been completed during the financial year.

### 6.2 Property development costs

The movements of property development costs are as follows:

	GROUP	
	30.6.2021 RM	(Restated) 30.6.2020 RM
Balance at beginning	126,239,589	66,190,934
Arising from acquisition of subsidiaries	-	34,861,991
Development costs incurred during the financial year/period	48,088,871	58,721,097
Disposal of a subsidiary, TGSB	-	(20,685,664)
Reversal of completed development	-	(3,537,325)
Transfer to inventories	-	(9,311,444)
	<b>174,328,460</b>	<b>126,239,589</b>
Cost recognised in profit or loss		
Balance at beginning	(11,780,195)	(428,432)
Recognised during the financial year/period	(19,232,803)	(14,889,088)
Reversal of completed development	-	3,537,325
Balance at end	(31,012,998)	(11,780,195)
Balance at end	<b>143,315,462</b>	<b>114,459,394</b>
Represented by:		
Freehold land	60,816,132	61,897,447
Development costs	82,499,330	52,561,947
	<b>143,315,462</b>	<b>114,459,394</b>

### 6.3 Completed development units

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

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 7. INVESTMENT PROPERTIES

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

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
At fair value:				
Balance at beginning	63,300,000	82,432,181	29,603,297	35,553,998
Acquisition of subsidiaries	-	15,000,000	-	-
Additions	1,758,480	1,126,808	1,758,480	1,126,808
Disposal	-	(10,261,480)	-	-
Loss on fair value adjustment	(258,480)	(6,997,509)	(258,480)	(7,077,509)
Transfer to non-current asset held for sale	-	(18,000,000)	-	-
Balance at end	<u>64,800,000</u>	<u>63,300,000</u>	<u>31,103,297</u>	<u>29,603,297</u>

The investment properties consist of the following:

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Commercial properties	64,500,000	63,000,000	31,103,297	29,603,297
Non-commercial properties	300,000	300,000	-	-
	<u>64,800,000</u>	<u>63,300,000</u>	<u>31,103,297</u>	<u>29,603,297</u>

(i) Certain investment properties of Group and the Company with carrying amount of **RM41,500,000** (30.6.2020: RM40,000,000) and **RM31,103,297** (30.6.2020: RM29,603,297) respectively are pledged to financial institutions for banking facilities granted to the Company and certain subsidiaries as disclosed in Note 20 to the financial statements.

(ii) The following amounts are recognised in profit or loss in respect of the investment properties:

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Rental income from rental generating properties	2,946,524	3,235,523	2,668,176	3,003,120
Direct operating expenses arising from:				
- Rental generating properties	270,540	250,185	203,752	198,971
- Non-rental generating properties	29,405	124,910	-	-

(iii) Fair value measurement of the investment properties is disclosed in Note 35 to the financial statements.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 8. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	30.6.2021 RM	30.6.2020 RM
Unquoted shares, at cost	134,660,736	134,660,736
Less: Accumulated impairment losses	(60,704,615)	(60,704,615)
	<u>73,956,121</u>	<u>73,956,121</u>

The movements of accumulated impairment losses are as follows:

	COMPANY	
	30.6.2021 RM	30.6.2020 RM
Balance at beginning	60,704,615	57,423,688
Current year, net	-	3,280,927
Balance at end	<u>60,704,615</u>	<u>60,704,615</u>

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

Name of Entity	Effective Equity Interest		Principal Activities
	30.6.2021 %	30.6.2020 %	
<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	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.	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.
* Sunrise Manner Sdn. Bhd. ("SMSB")	80	80	Property development.
* MPSB Venture Sdn. Bhd.	100	100	Property development.
* Climate Attitude Sdn. Bhd.	100	100	Property investment.
* Santro Match Sdn. Bhd.	100	100	Property investment.



# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 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
	30.6.2021 %	30.6.2020 %	
<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 Malaysia PLT.

### 30.6.2021

(i) The Company is in the process of striking off Edit Systems (M) Sdn. Bhd. ("ESSB") via application to the Companies Commission of Malaysia and accordingly, the Company has written off its investment in ESSB during the financial year. The deconsolidation of ESSB did not have a material effect on the financial results and position of the Group as ESSB was dormant.

### 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 Tetap Gembira Development Sdn. Bhd. 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

30 June 2021 (Cont'd)

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

### Subsidiaries with material non-controlling interests

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

	Carrying amount of NCI RM	Profit allocated to NCI RM	Equity interest held by non-controlling interests	
			30.6.2021 %	30.6.2020 %
DMI	4,645,173	68,301	40	40
MPM	5,822,312	16,933	40	40
SMSB	10,592,706	803,712	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	SMSB RM	Total RM
<b>As at 30 June 2021</b>				
Non-current assets	3,058,686	5,976,904	857,301	9,892,891
Non-current liabilities	(300,000)	(1,668,637)	(6,000)	(1,974,637)
Current assets	18,058,618	15,235,420	103,891,989	137,186,027
Current liabilities	(9,204,372)	(4,987,907)	(51,779,759)	(65,972,038)
Net assets	11,612,932	14,555,780	52,963,531	79,132,243
<b>Year ended 30 June 2021</b>				
Revenue	23,629,793	14,293,302	27,163,803	65,086,898
Profit for the financial year, representing total comprehensive income for the financial year	170,752	42,333	4,018,558	4,231,643
Net cash generated from/(used in):				
Operating activities	(1,484,176)	1,048,679	(885,664)	(1,321,161)
Investing activities	(3,880)	(262,102)	112,404	(153,578)
Financing activities	201,465	(301,222)	-	(99,757)
Net change in cash and cash equivalents	(1,286,591)	485,355	(773,260)	(1,574,496)

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

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

	DMI RM	MPM 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
Period ended 30 June 2020				
Revenue	24,489,125	13,978,454	21,296,330	59,763,909
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	(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)

## 9. GOODWILL ON CONSOLIDATION

	GROUP	
	30.6.2021 RM	(Restated) 30.6.2020 RM
Balance at beginning	261,312	1,170,532
Arising from disposal of a subsidiary	-	(909,220)
Impairment loss	(261,312)	-
Balance at end	-	261,312

### 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.

Following management's assessment, impairment loss is recognised as the carrying amount of goodwill is in excess of its value-in-use. The impairment loss is recorded in the profit or loss.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 10. TRADE AND OTHER RECEIVABLES

	Note	GROUP		COMPANY	
		30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Non-current assets</b>					
<b>Amount due from subsidiaries</b>					
Gross amount	10.1	-	-	205,737,733	-
Less: Allowance for expected credit losses		-	-	(11,412,248)	-
Net amount		-	-	194,325,485	-
<b>Current assets</b>					
<b>Trade receivables</b>					
Third parties	10.2	23,196,760	18,110,373	-	-
Less: Allowance for expected credit losses		(3,431,967)	(3,300,302)	-	-
Trade receivables, net		19,764,793	14,810,071	-	-
<b>Other receivables</b>					
Third parties	10.3	5,947,423	7,584,653	16,339	1,279,894
Less: Allowance for expected credit losses		(531,937)	(1,371,239)	-	(15,650)
Other receivables, net		5,415,486	6,213,414	16,339	1,264,244
Advance to suppliers		398,719	915,236	-	-
Earnest deposit	10.4	-	10,400,000	-	10,400,000
Deposits		878,180	891,742	73,961	68,501
Prepayments		724,163	1,174,396	132,025	151,130
GST receivables		39,944	41,553	-	-
Amount due from subsidiaries	10.1	-	-	460,347	210,080,144
		7,456,492	19,636,341	682,672	210,080,144
		27,221,285	34,446,412	682,672	221,964,019
<b>Total trade and other receivables</b>		27,221,285	34,446,412	195,008,157	221,964,019

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

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Ringgit Malaysia	26,706,776	34,290,524	195,008,157	221,964,019
US Dollar	281,556	18,944	-	-
Singapore Dollar	232,953	136,944	-	-
	27,221,285	34,446,412	195,008,157	221,964,019

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

### 10.1 Amount due from subsidiaries

#### COMPANY

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

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

	30.6.2021 RM
Balance at beginning	-
Current year	<b>11,412,248</b>
Balance at end	<b>11,412,248</b>

### 10.2 Trade receivables

#### GROUP

- (i) Trade receivables are non-interest bearing and are generally given **14 to 120 days** (30.6.2020: 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** (30.6.2020: RM609,723) 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:

	30.6.2021 RM	30.6.2020 RM
Balance at beginning	<b>3,300,302</b>	3,282,227
Current year	<b>278,617</b>	18,075
Reversal	<b>(9,075)</b>	-
Written off	<b>(137,877)</b>	-
Balance at end	<b>3,431,967</b>	3,300,302

### 10.3 Other receivables

#### GROUP

Included herein is an amount of **RM Nil** (30.6.2020: 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	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Balance at beginning	<b>1,371,239</b>	1,216,154	<b>15,650</b>	-
Current year	<b>249,956</b>	264,574	-	15,650
Reversal	-	(109,489)	-	-
Written off	<b>(1,089,258)</b>	-	<b>(15,650)</b>	-
Balance at end	<b>531,937</b>	1,371,239	-	15,650

# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

### 10.4 Earnest deposit

#### GROUP AND COMPANY

The earnest deposit of **RM Nil** (30.6.2020: RM10,400,000) 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 year and the Company had recovered the balance deposit during the financial year.

## 11. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Note	GROUP	
		30.6.2021 RM	30.6.2020 RM
<b>Contract assets</b>			
- Excess of cumulative revenue recognised over billings to-date	11.1	<u>245,897</u>	<u>3,590,895</u>
<b>Contract liabilities</b>			
- Excess of billings to-date over cumulative revenue recognised	11.1	<u>3,896,563</u>	<u>2,001,193</u>
- Deposits received from customers for sales orders	11.2	<u>1,428,544</u>	<u>169,652</u>
		<u>5,325,107</u>	<u>2,170,845</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	
	30.6.2021 RM	30.6.2020 RM
Revenue recognised to-date	<u>29,568,772</u>	<u>14,716,170</u>
Progress billings to-date	<u>(33,219,438)</u>	<u>(13,126,468)</u>
	<u>(3,650,666)</u>	<u>1,589,702</u>
Represented by:		
Contract assets	<u>245,897</u>	<u>3,590,895</u>
Contract liabilities	<u>(3,896,563)</u>	<u>(2,001,193)</u>
	<u>(3,650,666)</u>	<u>1,589,702</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

30 June 2021 (Cont'd)

## 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	
	30.6.2021 RM	30.6.2020 RM
Balance at beginning	169,652	63,572
Decrease on recognition of revenue	(169,652)	(63,572)
Increase on receiving deposits for sales orders	1,428,544	169,652
Balance at end	<u>1,428,544</u>	<u>169,652</u>

## 12. OTHER INVESTMENTS

	GROUP	
	30.6.2021 RM	30.6.2020 RM
<b>Financial assets at fair value through profit or loss</b>		
Securities quoted in Malaysia	25,187,681	17,268,146
Loan stocks quoted in Malaysia	6,001,723	4,886,945
	<u>31,189,404</u>	<u>22,155,091</u>

## 13. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Encumbered	4,329,431	4,204,232	640,151	625,384
Unencumbered	-	300,000	-	-
	<u>4,329,431</u>	<u>4,504,232</u>	<u>640,151</u>	<u>625,384</u>

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 **1.85% to 2.35%** (30.6.2020: 2.45% to 3.10%) per annum.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 14. CASH AND BANK BALANCES

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

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Ringgit Malaysia	19,601,526	21,754,656	7,447,591	8,124,797
US Dollar	62	104,527	-	-
	<u>19,601,588</u>	<u>21,859,183</u>	<u>7,447,591</u>	<u>8,124,797</u>

## 15. NON-CURRENT ASSET HELD FOR SALE

	GROUP	
	30.6.2021 RM	30.6.2020 RM
<b>Freehold land and building</b>		
Balance at beginning	18,000,000	-
Reclassified from investment properties	-	18,000,000
Disposal	(18,000,000)	-
Balance at end	<u>-</u>	<u>18,000,000</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.

## 16. SHARE CAPITAL

	Number of ordinary shares		Amount	
	30.6.2021	30.6.2020	30.6.2021 RM	(Restated)* 30.6.2020 RM
<b>Issued and fully paid with no par value:</b>				
Balance at beginning	213,318,936	213,318,936	208,080,782	208,080,782
Arising from conversion of ICULS	543,800	-	473,106	-
Balance at end	<u>213,862,736</u>	<u>213,318,936</u>	<u>208,553,888</u>	<u>208,080,782</u>

### 2021

During the financial year, the Company had issued 543,800 new ordinary shares pursuant to the conversion of 4,731,060 ICULS at a conversion price of RM0.87 each amounted to RM473,106.

\* Discount on shares has been included in the share capital pursuant to no par value regime.



# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

	Number of ICPS of RM0.08 each		Amount	
	30.6.2021	30.6.2020	30.6.2021 RM	30.6.2020 RM
Balance at beginning/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	
	30.6.2021	30.6.2020	30.6.2021 RM	30.6.2020 RM
Balance at beginning	<u>123,489,869</u>	<u>123,489,869</u>	<u>12,348,987</u>	<u>12,348,987</u>
Converted to ordinary shares	<u>(4,731,060)</u>	<u>-</u>	<u>(473,106)</u>	<u>-</u>
Balance at end	<u>118,758,809</u>	<u>123,489,869</u>	<u>11,875,881</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

30 June 2021 (Cont'd)

## 19. OTHER RESERVES

	Note	GROUP		COMPANY	
		30.6.2021 RM	(Restated)* 30.6.2020 RM	30.6.2021 RM	(Restated)* 30.6.2020 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
Capital reserve	19.3	(262,746)	(262,746)	7,445,000	7,445,000
ESOS reserve	19.4	128,404	132,110	128,404	132,110
		<u>(4,068,382)</u>	<u>(4,072,088)</u>	<u>11,776,128</u>	<u>11,779,834</u>

\* Discount on shares has been included in the share capital pursuant to no par value regime.

### 19.1 Treasury shares

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

	30.6.2021		30.6.2020	
	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 **213,862,736** (30.6.2020: 213,318,936) issued ordinary shares as at 30 June 2021, **774** (30.6.2020: 774) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue is therefore **213,862,962** (30.6.2020: 213,318,162) ordinary shares.

### 19.2 Warrants reserve

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

	GROUP AND COMPANY	
	30.6.2021 RM	30.6.2020 RM
Warrants B expiring 9 May 2022 (Note (i))	<b>3,186,005</b>	3,186,005
Warrants C expiring 24 November 2024 (Note (ii))	<b>1,017,125</b>	1,017,125
	<u><b>4,203,130</b></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 2021, there was a total of 24,619,674 unexercised Warrants B.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 19. OTHER RESERVES (Cont'd)

### 19.2 Warrants reserve (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 2021, 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 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.

### 19.4 ESOS reserve

	GROUP AND COMPANY	
	30.6.2021	30.6.2020
	RM	RM
Balance at beginning	132,110	133,895
Share options lapsed	(3,706)	(1,785)
Balance at end	<u>128,404</u>	<u>132,110</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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 20. BORROWINGS

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Non-current liabilities</b>				
<u>Hire purchase loans</u>				
Minimum payment:				
Within 1 year	555,150	760,839	-	105,605
Later than 1 year but not later than 2 years	482,152	440,136	-	100
Later than 2 years but not later than 5 years	230,504	408,436	-	-
	<b>1,267,806</b>	<b>1,609,411</b>	<b>-</b>	<b>105,705</b>
Future finance charges	(92,746)	(111,094)	-	(2,602)
	<b>1,175,060</b>	<b>1,498,317</b>	<b>-</b>	<b>103,103</b>
Amount due within 1 year included under current liabilities	(509,813)	(698,707)	-	(103,028)
	<b>665,247</b>	<b>799,610</b>	<b>-</b>	<b>75</b>
<u>Term loan</u>				
Total amount repayable	-	2,247,824	-	2,247,824
Amount due within 1 year included under current liabilities	-	(1,659,865)	-	(1,659,865)
	<b>-</b>	<b>587,959</b>	<b>-</b>	<b>587,959</b>
	<b>665,247</b>	<b>1,387,569</b>	<b>-</b>	<b>588,034</b>

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Current liabilities</b>				
Bank overdraft	190,322	489,760	-	-
Hire purchase loans	509,813	698,707	-	103,028
Term loan	-	1,659,865	-	1,659,865
	<b>700,135</b>	<b>2,848,332</b>	<b>-</b>	<b>1,762,893</b>
<b>Total borrowings</b>	<b>1,365,382</b>	<b>4,235,901</b>	<b>-</b>	<b>2,350,927</b>

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).

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 20. BORROWINGS (Cont'd)

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>30.6.2021</b>					
Bank overdraft	7.64	190,322	190,322	-	-
Hire purchase loans	2.13 to 4.39	1,175,060	509,813	458,960	206,287
<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>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	-

## 21. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Revaluation surplus</b>				
Balance at beginning	1,751,135	2,588,147	811,402	859,963
Recognised in profit or loss	(93,012)	(837,012)	(48,561)	(48,561)
Balance at end	<u>1,658,123</u>	<u>1,751,135</u>	<u>762,841</u>	<u>811,402</u>
<b>Other temporary differences</b>				
Balance at beginning	3,149,919	2,384,919	1,621,280	678,280
Recognised in profit or loss	79,000	504,000	(17,000)	724,000
	<u>3,228,919</u>	<u>2,888,919</u>	<u>1,604,280</u>	<u>1,402,280</u>
Over/(Under) provision in prior year	(623,265)	261,000	(387,000)	219,000
Balance at end	<u>2,605,654</u>	<u>3,149,919</u>	<u>1,217,280</u>	<u>1,621,280</u>
	<u>4,263,777</u>	<u>4,901,054</u>	<u>1,980,121</u>	<u>2,432,682</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 21. DEFERRED TAX LIABILITIES (Cont'd)

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

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Revaluation surplus	1,658,123	1,751,135	762,841	811,402
Property, plant and equipment	3,022,000	2,899,000	2,029,000	1,929,000
Surplus on fair value of investment properties	763,654	1,014,919	305,280	305,280
Unabsorbed tax losses	(239,000)	(236,000)	(176,000)	(176,000)
Unabsorbed capital allowances	(941,000)	(528,000)	(941,000)	(437,000)
	<u>4,263,777</u>	<u>4,901,054</u>	<u>1,980,121</u>	<u>2,432,682</u>

## 22. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Trade payables</b>					
Third parties	22.1	21,273,303	19,992,673	-	-
<b>Other payables</b>					
Third parties		8,981,359	6,886,138	1,726,170	86,454
Accruals		1,111,105	1,621,417	73,000	44,500
Prepayments and deposits received for letting of properties		2,569,343	920,607	344,592	344,592
Deposits received for disposal of investment property		495,607	1,778,995	-	-
Amount due to directors	22.2	5,520,640	5,525,641	-	-
Amount due to a related party	22.3	2,000,000	2,000,000	-	-
		<u>20,678,054</u>	<u>18,732,798</u>	<u>2,143,762</u>	<u>475,546</u>
		<u>41,951,357</u>	<u>38,725,471</u>	<u>2,143,762</u>	<u>475,546</u>

### 22.1 Trade payables

#### GROUP

The trade payables are non-interest bearing and are normally settled within **30 to 90 days** (30.6.2020: 30 to 90 days) credit terms.

### 22.2 Amount due to directors

#### GROUP

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

### 22.3 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

30 June 2021 (Cont'd)

## 23. REVENUE

### Disaggregated revenue information

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Types of goods or services:</b>				
Sale of metal products	40,790,225	65,717,414	-	-
Shearing services	5,105,264	5,151,606	-	-
Steel roofing installation work	2,114,849	402,775	-	-
Property development	27,163,803	21,296,330	-	-
Rental of industrial and commercial assets	2,692,176	3,015,120	2,668,176	3,003,120
Gross dividend income from investments in quoted securities	-	18,000	-	-
Management fee from subsidiaries	-	-	1,018,500	1,079,000
Miscellaneous income	-	22	-	22
	<b>77,866,317</b>	<b>95,601,267</b>	<b>3,686,676</b>	<b>4,082,142</b>

### Timing of revenue recognition

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Revenue recognised at a point in time	48,587,665	73,902,162	2,668,176	3,003,142
Revenue recognised over time	29,278,652	21,699,105	1,018,500	1,079,000
	<b>77,866,317</b>	<b>95,601,267</b>	<b>3,686,676</b>	<b>4,082,142</b>

### Geographical segments

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Malaysia	72,693,155	89,923,178	3,686,676	4,082,142
Others	5,173,162	5,678,089	-	-
	<b>77,866,317</b>	<b>95,601,267</b>	<b>3,686,676</b>	<b>4,082,142</b>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 24. OTHER INCOME

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Debts waived	-	1,821,125	-	1,707,227
Deemed gain on deconsolidation of a subsidiary	-	3,790,420	-	-
Deposit forfeited	-	10,000	-	-
Dividend income	140,630	14,854	-	-
Fair value gain on other investment	10,230,970	400	-	-
Fair value gain on investment properties	-	80,000	-	-
Forwarding income	-	80,000	-	-
Gain on bargain purchase of subsidiaries	-	18,479,298	-	-
Gain on disposal of investment property	100,000	-	-	-
Gain on disposal of other investments	1,545,403	1,568,883	-	-
Gain on disposal of property, plant and equipment	104,353	2,425,533	61,353	19,244
Gain on disposal of land held for development	177,293	-	-	-
Gain on disposal of a subsidiary	-	-	-	3,762,500
Government incentive	63,600	-	-	-
Insurance claim	-	27,411	-	-
Interest income	197,646	701,549	14,975	21,537
Realised gain on foreign exchange	159,056	402,531	-	-
Rental income from machinery	24,076	471,840	-	-
Rental income from rental generating properties	254,348	220,403	-	-
Reversal of expected credit losses on receivables	9,075	109,489	-	-
Others	717,390	477,155	-	-
	<b>13,723,840</b>	<b>30,680,891</b>	<b>76,328</b>	<b>5,510,508</b>

## 25. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Wages, salaries and bonus	10,097,449	12,551,420	1,406,771	996,310
Contributions to defined contribution plan	907,706	1,134,398	149,231	114,967
Employment insurance system	9,479	12,180	1,036	624
Social security contributions	92,224	114,324	10,318	8,432
Other benefits	375,785	419,785	86,879	39,608
	<b>11,482,643</b>	<b>14,232,107</b>	<b>1,654,235</b>	<b>1,159,941</b>



# Notes to the Financial Statements

30 June 2021 (Cont'd)

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

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to **RM1,799,557** (30.6.2020: RM2,027,743) and **RM693,580** (30.6.2020: RM556,653) respectively as disclosed below.

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Executive directors:</b>				
<b>Directors of the Company</b>				
Salaries and other emoluments	1,393,950	966,500	627,040	498,940
Defined contribution plans	152,487	113,289	66,540	57,713
	<b>1,546,437</b>	<b>1,079,789</b>	<b>693,580</b>	<b>556,653</b>
<b>Directors of subsidiaries:</b>				
Salaries and other emoluments	224,000	856,400	-	-
Defined contribution plans	29,120	91,554	-	-
	<b>253,120</b>	<b>947,954</b>	<b>-</b>	<b>-</b>
<b>Total executive directors' remuneration</b>	<b>1,799,557</b>	<b>2,027,743</b>	<b>693,580</b>	<b>556,653</b>
<b>Non-executive directors:</b>				
<b>Directors of the Company</b>				
Directors' fee	225,000	87,000	225,000	87,000
<b>Total directors' remuneration</b>	<b>2,024,557</b>	<b>2,114,743</b>	<b>918,580</b>	<b>643,653</b>
Represented by:				
Present directors	1,807,577	1,892,983	701,600	643,653
Past directors	216,980	221,760	216,980	-
	<b>2,024,557</b>	<b>2,114,743</b>	<b>918,580</b>	<b>643,653</b>

## 26. DEPRECIATION

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Depreciation on:				
- property, plant and equipment	3,352,238	5,297,088	178,675	300,978
- right-of-use assets	76,719	47,637	-	-
	<b>3,428,957</b>	<b>5,344,725</b>	<b>178,675</b>	<b>300,978</b>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 27. FINANCE COSTS

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Interest expenses on:				
- bank overdraft	31,524	52,127	-	-
- bankers' acceptance	-	16,466	-	-
- hire purchase loans	71,953	146,629	2,602	12,432
- lease liabilities	3,379	3,122	-	-
- term loan	73,814	287,098	73,814	287,098
	<b>180,670</b>	<b>505,442</b>	<b>76,416</b>	<b>299,530</b>

## 28. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
After charging:				
Allowance for expected credit losses on receivables	528,573	282,649	-	15,650
Allowance for expected credit losses on amount due from subsidiaries	-	-	11,412,248	-
Audit fee				
- Statutory audit				
- Company's auditor				
- current year	156,000	165,000	65,000	50,000
- under provision in prior year	1,000	7,000	-	5,000
- Other auditors				
- current year	62,200	55,804	-	-
- under/(over) provision in prior year	(1,503)	500	-	-
- Non-audit fee				
- Company's auditor	3,000	3,000	3,000	3,000
- Other auditors (HDA)	6,000	-	-	-
Bad debts	1,477,010	1,235,409	22,700	1,164,765
Expenses relating to short term leases	222,000	300,800	-	-
Expenses relating to lease of low value assets	262,708	202,592	-	-
Fair value loss on other investments	-	4,231,409	-	-
Fair value loss on investment properties	258,480	7,077,509	258,480	7,077,509
Goodwill impairment	261,312	-	-	-
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	389,502	1,456,793	-	-

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 28. PROFIT/(LOSS) BEFORE TAX (Cont'd)

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Loss on disposal of investment properties	-	261,480	-	-
Loss on disposal of property, plant and equipment	239	-	-	-
Property, plant and equipment written off	1	1	-	-
Realised loss on foreign exchange	584	5,025	-	-
Reversal of inventories written down	<u>(27,070)</u>	<u>(37,756)</u>	<u>-</u>	<u>-</u>

## 29. TAX EXPENSE

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Malaysian income tax:				
Based on results for the financial year/period				
- Current tax	(1,436,924)	(1,754,550)	(51,000)	(596,000)
- Deferred tax relating to the origination and reversal of temporary differences	13,012	333,012	65,561	(675,439)
	<u>(1,423,912)</u>	<u>(1,421,538)</u>	<u>14,561</u>	<u>(1,271,439)</u>
Real property gains tax	-	(134,660)	-	-
(Under)/Over provision in prior period/years				
- Current tax	(3,369,584)	137,614	(3,428,476)	(148,573)
- Deferred tax	624,265	(261,000)	387,000	(219,000)
	<u>(2,745,319)</u>	<u>(123,386)</u>	<u>(3,041,476)</u>	<u>(367,573)</u>
	<u>(4,169,231)</u>	<u>(1,679,584)</u>	<u>(3,026,915)</u>	<u>(1,639,012)</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 29. TAX EXPENSE (Cont'd)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Profit/(Loss) before tax	<b>5,030,384</b>	8,246,842	<b>(18,399,606)</b>	(5,022,444)
Income tax at Malaysian statutory tax rate of 24%	<b>(1,207,292)</b>	(1,979,240)	<b>4,415,905</b>	1,205,387
Income not subject to tax	<b>2,568,268</b>	4,895,348	<b>12,589</b>	195,515
Expenses not deductible for tax purposes	<b>(2,080,846)</b>	(3,174,658)	<b>(4,462,494)</b>	(2,720,902)
Net deferred tax assets not recognised	<b>(797,054)</b>	(2,184,612)	-	-
Utilisation of unabsorbed tax losses and capital allowances	-	184,612	-	-
Crystallisation of deferred tax on revaluation upon disposal	-	744,000	-	-
Annual crystallisation of deferred tax on revaluation	<b>93,012</b>	93,012	<b>48,561</b>	48,561
	<b>(1,423,912)</b>	(1,421,538)	<b>14,561</b>	(1,271,439)
Real property gains tax	-	(134,660)	-	-
Under provision in prior years	<b>(2,745,319)</b>	(123,386)	<b>(3,041,476)</b>	(367,573)
	<b>(4,169,231)</b>	(1,679,584)	<b>(3,026,915)</b>	(1,639,012)

As at the reporting date, the Group has not recognised the following net deferred tax (assets)/liabilities:

	GROUP	
	30.6.2021 RM	30.6.2020 RM
Property, plant and equipment	<b>17,657,481</b>	17,140,866
Unabsorbed tax losses	<b>(67,813,701)</b>	(65,883,862)
Unabsorbed capital allowances	<b>(11,162,574)</b>	(9,385,937)
Unabsorbed reinvestment allowance	<b>(8,838,146)</b>	(8,838,146)
Unabsorbed allowance for increase in export	<b>(1,978,598)</b>	(1,978,598)
Others	<b>(157,847)</b>	(26,649)
	<b>(72,293,385)</b>	(68,972,326)

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	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Unabsorbed tax losses	<b>67,813,701</b>	65,883,862	<b>734,774</b>	734,774
Unabsorbed capital allowances	<b>11,162,574</b>	9,385,937	<b>3,919,866</b>	3,417,168
Unabsorbed reinvestment allowance	<b>8,838,146</b>	8,838,146	-	-
Unabsorbed allowance for increase in export	<b>1,978,598</b>	1,978,598	-	-

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 29. TAX EXPENSE (Cont'd)

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 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	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Unabsorbed tax losses</b>				
Year of assessment 2025	<b>60,877,869</b>	60,732,571	<b>734,774</b>	734,774
Year of assessment 2026	<b>425,825</b>	419,085	-	-
Year of assessment 2027	<b>4,513,501</b>	4,732,206	-	-
Year of assessment 2028	<b>1,996,506</b>	-	-	-
	<b><u>67,813,701</u></b>	<u>65,883,862</u>	<b><u>734,774</u></b>	<u>734,774</u>
<b>Unabsorbed reinvestment allowance</b>				
Year of assessment 2025	<b><u>8,838,146</u></b>	<u>8,838,146</u>	-	-
<b>Unabsorbed allowance for increase in export</b>				
Year of assessment 2025	<b><u>1,978,598</u></b>	<u>1,978,598</u>	-	-

## 30. (LOSS)/EARNINGS PER SHARE

### GROUP

#### 30.1 Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company and on the weighted average number of shares in issue during the financial year, excluding treasury shares.

	GROUP	
	30.6.2021 RM	30.6.2020 RM
(Loss)/Profit for the financial year (RM)	<b><u>(132,612)</u></b>	<u>6,697,120</u>
Weighted average number of shares	<b><u>212,978,903</u></b>	<u>213,318,936</u>
Basic (loss)/earnings per share (sen)	<b><u>(0.06)</u></b>	<u>3.14</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 30. (LOSS)/EARNINGS PER SHARE (Cont'd)

### GROUP

#### 30.2 Diluted (loss)/earnings per share

The diluted (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year 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	
	30.6.2021 RM	30.6.2020 RM
(Loss)/Profit for the financial year (RM)	<u>(132,612)</u>	<u>6,697,120</u>
Weighted average number of shares	<u>212,978,903</u>	<u>213,318,936</u>
Diluted (loss)/earnings per share (sen)	<u>(0.06)</u>	<u>3.14</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.

## 31. 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

30 June 2021 (Cont'd)

## 31. SEGMENTAL INFORMATION (Cont'd)

### By business segments

	Manufacturing		Trading		Property development		Others		Elimination		Total	
	1.7.2020	1.4.2019	1.7.2020	1.4.2019	1.7.2020	1.4.2019	1.7.2020	1.4.2019	1.7.2020	1.4.2019	1.7.2020	1.4.2019
	To	To	To	To	To	To	To	To	To	To	To	To
External sales	46,426,483	69,982,365	1,583,855	1,289,430	27,163,803	21,308,330	2,692,176	3,021,142	-	-	77,866,317	95,601,267
Inter-segment sales	246,573	1,157,150	-	228,494	-	-	1,018,500	1,079,000	(1,265,073)	(2,464,644)	-	-
<b>Total revenue</b>	<b>46,673,056</b>	<b>71,139,515</b>	<b>1,583,855</b>	<b>1,517,924</b>	<b>27,163,803</b>	<b>21,308,330</b>	<b>3,710,676</b>	<b>4,100,142</b>	<b>(1,265,073)</b>	<b>(2,464,644)</b>	<b>77,866,317</b>	<b>95,601,267</b>
<b>Results</b>												
Segment results	(2,263,963)	(8,884,072)	(1,052,353)	(386,164)	4,804,989	3,317,976	(7,626,201)	(8,025,149)	11,150,936	22,028,144	5,013,408	8,050,735
Interest income	4,165	13,711	4,459	2,834	93,260	305,274	95,762	379,730	-	-	197,646	701,549
Interest expense	(88,380)	(172,872)	(13,482)	(18,325)	(2,392)	(1,584)	(76,416)	(312,661)	-	-	(180,670)	(505,442)
Tax expense	(119,619)	204,807	-	1,549	(1,299,408)	(820,807)	(2,750,204)	(1,065,133)	-	-	(4,169,231)	(1,679,584)
<b>Profit/(Loss) for the financial year</b>	<b>(2,467,797)</b>	<b>(8,838,426)</b>	<b>(1,061,376)</b>	<b>(400,106)</b>	<b>3,596,449</b>	<b>2,800,859</b>	<b>(10,357,059)</b>	<b>(9,023,213)</b>	<b>11,150,936</b>	<b>22,028,144</b>	<b>861,153</b>	<b>6,567,258</b>
<b>Assets</b>												
Segment assets	81,361,329	82,344,377	23,308,830	22,808,354	162,050,789	138,999,064	447,947,840	488,290,587	(316,363,429)	(340,502,182)	398,305,359	391,940,200
Current tax assets	1,006,833	609,936	-	-	1,480,154	1,051,654	10,323	65,282	-	-	2,497,310	1,726,872
Fixed deposits with licensed banks	-	-	-	-	3,689,280	3,878,848	640,151	625,384	-	-	4,329,431	4,504,232
Cash and bank balances	5,441,668	6,138,368	314,124	2,627,004	3,241,955	3,559,640	10,603,841	9,534,171	-	-	19,601,588	21,859,183
<b>Total assets</b>	<b>87,809,830</b>	<b>89,092,681</b>	<b>23,622,954</b>	<b>25,435,358</b>	<b>170,462,178</b>	<b>147,489,206</b>	<b>459,202,155</b>	<b>498,515,424</b>	<b>(316,363,429)</b>	<b>(340,502,182)</b>	<b>424,733,688</b>	<b>420,030,487</b>
<b>Liabilities</b>												
Segment liabilities	38,165,428	35,447,674	42,293,960	43,893,805	107,133,688	87,756,165	121,418,939	148,599,061	(261,705,812)	(274,693,629)	47,306,203	41,003,076
Deferred tax liabilities	1,819,282	1,751,733	199,609	99,803	6,000	7,000	2,238,886	3,042,518	-	-	4,263,777	4,201,054
Current tax liabilities	-	-	1,190	1,243	19,570	19,570	1,599,566	552,796	(29,000)	(29,000)	1,591,326	544,609
Borrowings	786,210	1,566,906	579,172	318,068	-	-	-	2,350,927	-	-	1,365,382	4,235,901
<b>Total liabilities</b>	<b>40,770,920</b>	<b>38,766,313</b>	<b>43,073,931</b>	<b>44,312,919</b>	<b>107,159,258</b>	<b>87,782,735</b>	<b>125,257,391</b>	<b>154,545,302</b>	<b>(261,734,812)</b>	<b>(274,722,629)</b>	<b>54,526,688</b>	<b>50,684,640</b>
<b>Other information</b>												
Additions to non-current assets	934,744	1,099,538	3,110	399,162	11,097	33,275	5,013,509	1,326,305	-	-	5,962,460	2,858,280
Depreciation	2,685,816	3,741,311	165,791	179,719	96,630	57,525	480,720	1,366,170	-	-	3,428,957	5,344,725
Non-cash (income)/expenses other than depreciation	2,352,532	3,407,205	-	(4,650)	1	-	(11,626,827)	8,142,298	-	(22,513,717)	(9,274,294)	(10,968,864)

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 31. 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	
	30.6.2021 RM	30.6.2020 RM
Allowance for expected credit losses on receivables	528,573	282,649
Bad debts	1,477,010	1,235,409
Debts waived	-	(1,821,125)
Deemed gain on deconsolidation of a subsidiary	-	(3,790,420)
Deposit forfeited	-	(10,000)
Employees retirement benefits obligation	4,753	20,841
Fair value loss on investment properties	258,480	6,997,509
Fair value loss on other investments	(10,230,970)	4,231,009
Gain on bargain purchase of subsidiaries	-	(18,479,298)
(Gain)/Loss on disposal of investment properties	(100,000)	261,480
Gain on disposal of land held for development	(177,293)	-
Gain on disposal of other investments	(1,545,403)	(1,568,883)
Gain on disposal of property, plant and equipment	(104,114)	(2,425,533)
Impairment losses on property, plant and equipment	-	2,091,692
Impairment of goodwill	261,312	-
Inventories written down	389,502	696,257
Inventories written off	-	1,456,793
Property, plant and equipment written off	1	1
Reversal of expected credit losses on receivables	(9,075)	(109,489)
Reversal of inventories written down	(27,070)	(37,756)
	<u>(9,274,294)</u>	<u>(10,968,864)</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	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Malaysia	72,693,155	89,923,178	180,610,508	177,915,539
Others	5,173,162	5,678,089	-	-
	<u>77,866,317</u>	<u>95,601,267</u>	<u>180,610,508</u>	<u>177,915,539</u>



# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 31. 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:

	30.6.2021 RM	30.6.2020 RM
Property, plant and equipment	66,469,386	63,997,054
Right-of-use assets	29,082	105,801
Inventories	47,708,297	48,647,629
Investment properties	64,800,000	63,300,000
Goodwill on consolidation	-	261,312
	<u>179,006,765</u>	<u>176,311,796</u>

### Information about major customers

Total revenue from Nil (30.6.2020: 1) major customer which contributed more than 10% of the Group revenue amounted to RM Nil (30.6.2020: RM20,362,072) during the financial year/period.

## 32. RELATED PARTY DISCLOSURES

### (i) Identity of related parties

The Group and the Company have related party relationship with its subsidiaries, key management personnel.

### (ii) Related party transactions

	COMPANY	
	30.6.2021 RM	30.6.2020 RM
Management fee received from subsidiaries	<u>1,018,500</u>	<u>1,079,000</u>

### (iii) Compensation of key management personnel

The remuneration of the directors and other key management personnel during the financial year are as follows:

	GROUP		COMPANY	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Directors (Note 25)	1,799,557	2,027,743	693,580	556,653
Other key management personnel:				
- Salaries and allowances	360,840	164,835	127,340	164,835
- Defined contribution plan	48,912	17,652	15,312	17,652
	<u>409,752</u>	<u>182,487</u>	<u>142,652</u>	<u>182,487</u>
	<u>2,209,309</u>	<u>2,210,230</u>	<u>836,232</u>	<u>739,140</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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 33. COMMITMENTS

### (i) Capital commitment

	GROUP AND COMPANY	
	30.6.2021 RM	30.6.2020 RM
Contracted but not provided for:		
- Property, plant and equipment	-	113,000
- Investment properties (Renovation)	<u>179,000</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	
	30.6.2021 RM	30.6.2020 RM
Within 1 year	<u>1,378,368</u>	2,756,736
More than 1 year and less than 2 years	-	<u>1,378,368</u>
	<u>1,378,368</u>	<u>4,135,104</u>

## 34. FINANCIAL INSTRUMENTS

### 34.1 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>30.6.2021</b>			
<b>Financial assets</b>			
Trade and other receivables	26,058,459	26,058,459	-
Other investments	31,189,404	-	31,189,404
Fixed deposits with licensed banks	4,329,431	4,329,431	-
Cash and bank balances	19,601,588	19,601,588	-
	<u>81,178,882</u>	<u>49,989,478</u>	<u>31,189,404</u>
<b>Financial liabilities</b>			
Trade and other payables	38,886,407	38,886,407	-
Borrowings	1,365,382	1,365,382	-
	<u>40,251,789</u>	<u>40,251,789</u>	<u>-</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 34. FINANCIAL INSTRUMENTS (Cont'd)

### 34.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
<b>COMPANY</b>			
<b>Financial assets</b>			
Other receivables	194,876,132	194,876,132	-
Fixed deposits with licensed banks	640,151	640,151	-
Cash and bank balances	7,447,591	7,447,591	-
	<b>202,963,874</b>	<b>202,963,874</b>	-
<b>Financial liabilities</b>			
Other payables	2,143,762	2,143,762	-
<b>GROUP</b>			
30.6.2020			
<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>COMPANY</b>			
30.6.2020			
<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>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>	-

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 34. FINANCIAL INSTRUMENTS (Cont'd)

### 34.2 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.

### 34.3 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 creditworthiness. 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>30.6.2021</b>			
Not past due	3,805,148	-	3,805,148
Past due 1 - 30 days	4,132,605	-	4,132,605
Past due 31 - 60 days	4,532,222	-	4,532,222
Past due 61 - 90 days	550,137	-	550,137
Past due more than 90 days	6,744,681	-	6,744,681
	15,959,645	-	15,959,645
Individually impaired	3,431,967	(3,431,967)	-
	<u>23,196,760</u>	<u>(3,431,967)</u>	<u>19,764,793</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 34. FINANCIAL INSTRUMENTS (Cont'd)

### 34.3 Credit risk (Cont'd)

#### (i) Trade receivables (Cont'd)

The ageing of trade receivables of the Group is as follows: (Cont'd)

	Gross RM	Expected credit losses RM	Net RM
30.6.2020			
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	7,455,257	-	7,455,257
	10,106,852	-	10,106,852
Individually impaired	3,300,302	(3,300,302)	-
	<u>18,110,373</u>	<u>(3,300,302)</u>	<u>14,810,071</u>

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 year.

The Group has trade receivables amounting to **RM15,959,645** (30.6.2020: RM10,106,852) 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.

The Group has significant concentration of credit risk in the form of outstanding balance due from **Nil** (30.6.2020: 2) customers representing **Nil** (30.6.2020: 24%) 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	
	30.6.2021 RM	30.6.2020 RM
Guarantees given to financial institutions for credit facilities granted to certain subsidiaries	<b>954,454</b>	2,285,346
Guarantees given to third parties for supply of goods and services to certain subsidiaries	-	437,928
	<u><b>954,454</b></u>	<u>2,723,274</u>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 34. FINANCIAL INSTRUMENTS (Cont'd)

### 34.3 Credit risk (Cont'd)

#### (iii) Financial guarantees (Cont'd)

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.

### 34.4 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>30.6.2021</b>					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	1,365,382	1,458,128	745,472	482,152	230,504
Lease liabilities	29,739	30,600	30,600	-	-
Trade and other payables	38,886,407	38,886,407	38,886,407	-	-
	<b>40,281,528</b>	<b>40,375,135</b>	<b>39,662,479</b>	<b>482,152</b>	<b>230,504</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>

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 34. FINANCIAL INSTRUMENTS (Cont'd)

### 34.4 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
<b>COMPANY</b>				
<b>30.6.2021</b>				
<i>Non-derivative financial liabilities</i>				
Other payables	2,143,762	2,143,762	2,143,762	-
Financial guarantees *	-	954,454	954,454	-
	<u>2,143,762</u>	<u>3,098,216</u>	<u>3,098,216</u>	<u>-</u>
<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	-
	<u>2,826,473</u>	<u>5,750,040</u>	<u>5,064,537</u>	<u>685,503</u>

\* This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystallised.

### 34.5 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	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
<b>Fixed rate instruments</b>				
Financial assets	4,329,431	4,504,232	640,151	625,384
Financial liabilities	<u>1,175,060</u>	<u>1,498,317</u>	<u>-</u>	<u>103,103</u>
<b>Floating rate instruments</b>				
Financial liabilities	<u>190,322</u>	<u>2,737,584</u>	<u>-</u>	<u>2,247,824</u>

#### 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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 34. FINANCIAL INSTRUMENTS (Cont'd)

### 34.5 Interest rate risk (Cont'd)

#### 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	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Decrease in profit before tax	<u>1,032</u>	<u>12,365</u>	<u>-</u>	<u>10,713</u>

### 34.6 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	
	30.6.2021 RM	30.6.2020 RM
US Dollar	<u>28,162</u>	12,347
Singapore Dollar	<u>23,295</u>	13,694
Decrease in profit before tax	<u>51,457</u>	<u>26,041</u>

## 35. FAIR VALUE MEASUREMENT

### 35.1 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.



# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 35. FAIR VALUE MEASUREMENT (Cont'd)

### 35.1 Fair value measurement of financial instruments (Cont'd)

#### (a) Non-financial assets that are measured at fair value (Cont'd)

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 year.

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>30.6.2021</b>					
Investment properties	-	-	64,800,000	64,800,000	64,800,000
<b>30.6.2020</b>					
Investment properties	-	-	63,300,000	63,300,000	63,300,000
<b>COMPANY</b>					
<b>30.6.2021</b>					
Investment properties	-	-	31,103,297	31,103,297	31,103,297
<b>30.6.2020</b>					
Investment properties	-	-	29,603,297	29,603,297	29,603,297

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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 35. FAIR VALUE MEASUREMENT (Cont'd)

### 35.1 Fair value measurement of financial instruments (Cont'd)

#### (a) Non-financial assets that are measured at fair value (Cont'd)

##### 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 analysis 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>30.6.2021</b>					
<b>Financial assets</b>					
Other investments	<u>31,189,404</u>	-	-	<u>31,189,404</u>	<u>31,189,404</u>
<b>30.6.2020</b>					
<b>Financial assets</b>					
Other investments	<u>22,155,091</u>	-	-	<u>22,155,091</u>	<u>22,155,091</u>

#### 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 year.

## 36. 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 year under review as compared to the previous financial year.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 36. CAPITAL MANAGEMENT (Cont'd)

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	
	30.6.2021 RM	30.6.2020 RM	30.6.2021 RM	30.6.2020 RM
Total equity	370,207,000	369,345,847	307,733,320	329,159,841
Borrowings	1,365,382	4,235,901	-	2,350,927
Debt-to-equity ratio	0.01	0.01	-	0.01

There were no gearing covenants imposed on the Group and the Company as at the end of the reporting period.

## 37. 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.

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 1.7.2020	Exercised	Lapsed	Balance at 30.6.2021
9.10.2013	RM0.87	695,110	-	(54,596)	640,514
14.10.2014	RM0.87	190,779	-	(10,000)	180,779
15.2.2016	RM0.87	1,710,577	-	(94,015)	1,616,562

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.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 37. EMPLOYEES SHARE OPTIONS SCHEME ("ESOS")

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.

## 38. SIGNIFICANT EVENTS

### (i) Investigation under the Dangerous Drugs Act, 1952

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.

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.

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 evidence provided.

During the financial year, the securities of Atta Global Group Berhad ("the Company") has been requoted on 4 January 2021 pursuant to instructions obtained from the Securities Commission Malaysia vide its letter dated 30 December 2020.

Following the case management held on 12 March 2021, the Court was informed that the Attorney General Chamber had accepted the Letter of Representation by the Company's Solicitors and instructed to release all the assets previously seized without terms and conditions save for a property owned by the Company to be remained sealed for the purpose of exhibit and view by the Court in relation to a criminal trial.

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

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 38. SIGNIFICANT EVENTS (Cont'd)

### (ii) COVID-2019 Pandemic

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in view of the rapid spread of the virus globally. To contain the spread of the virus locally, the Federal Government of Malaysia introduced movement control measures by gazetting the Movement Control Order ("MCO") which restricts the movement of people from 18 March 2020. The MCO was relaxed subsequently when infectious cases were contained. However, towards the end of 2020, there was a sudden spike in infectious cases and the government reimposed the MCO from 13 January 2021 and which is still in force as at the date of this report.

This pandemic has significantly disrupted many business operations and caused uncertainties around the world, including the markets where the Group is operating. While the Group has been experiencing the business disruptions during this pandemic, there are still opportunities in iron and steel and property development industries in which the Group is able to take advantage. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on the Group's businesses. Cost cutting measures have been taken to minimise the impact arising from this pandemic.

The Group will monitor closely the development of COVID-19 situation closely and continue exercising cost control and operation efficiency in order to enhance productivity and to stay competitive in a "new normal" environment whilst adhering strictly to government health guidelines to safeguard the employees from the COVID-19 pandemic. As at the end of the reporting period, the Group has sufficient working capital to sustain its operations for the next twelve months.

## 39. EVENT AFTER THE REPORTING PERIOD

### Conversion of ICULS

Subsequent to the end of the financial year, the Company had increased its issued and paid up share capital by RM780,912 to RM209,334,800 pursuant to the conversion of 7,809,120 ICULS at a nominal value of RM0.10 to 897,600 new ordinary shares at conversion price of RM0.87 each.

# Notes to the Financial Statements

30 June 2021 (Cont'd)

## 40. COMPARATIVE FIGURES

The financial statements of the Group have been retrospectively restated due to the followings:

- (i) Surplus paid for the acquisition of certain subsidiaries in 2019 involved in the property development division were allocated to goodwill instead of the fair value of the land held for development; and
- (ii) The allocation of non-controlling interest from retained profits.

The effects of the above reclassifications to the financial statements of the Group are as follows:

	As previously stated RM	Reclassification RM	Restated RM
<b>Statements of financial position</b>			
<b>30.6.2020</b>			
<b>GROUP</b>			
<b>Non-current assets</b>			
Inventories	43,713,988	4,933,641	48,647,629
Goodwill on consolidation	6,798,696	(6,537,384)	261,312
<b>Current assets</b>			
Inventories	135,832,263	1,603,743	137,436,006
<b>Consolidated Statement Of Changes In Equity</b>			
<b>30.6.2020</b>			
<b>GROUP</b>			
<b>Equity</b>			
Retained profits	25,033,082	(711,361)	24,321,721
Non-controlling interests	19,355,065	711,361	20,066,426

This page has been intentionally left blank

# 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.	Email Address	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 Fortieth (40th) Annual General Meeting of the Company to be held on 15 December 2021 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. Tan Kim Hee		
4	Mr. Chow Choon Hoong		
5	Mr. Ravi Chandran A/L Subash Chandran		
6	The re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors and authority to Directors to fix their remuneration		
	Special Business		
7	Retention of Independent Non-Executive Director		
8	Authority to allot and issue shares in general pursuant to Section 76 of the Companies Act, 2016		
9	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  
 (Common Seal & Signatures)

## NOTES:

- Only members whose names appear on the Record of Depositors as at 6 December 2021 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.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agrees and consents that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.



Please fold across the line and close

---

**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

---

Please fold across the line and close

## **ATTA GLOBAL GROUP BERHAD**

Registration No.: 198101012950 (79082-V)

No. 2521, Tingkat Perusahaan 6  
Prai Industrial Estate,  
13600 Prai,  
Pulau Pinang, Malaysia

Tel : +604 685 7304  
Fax : +604 685 7306



[www.attaglobalgroup.com](http://www.attaglobalgroup.com)