MALPAC

Malpac Holdings Berhad
(197424-V)

ANNUAL REPORT 2019

CONTENTS

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(197424-V)

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Ninth Annual General Meeting of the Company will be held at Dewan Tan Sri Hamzah The Royal Selangor Club Kiara Sports Annexe, Bukit Kiara Sports Annexe Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 28 November 2019 at 11.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of the Directors and Auditors thereon. **Please see Note 2**

2. To approve the payment of Directors' fees of RM60,000.00 for the financial year ended 30 June 2019. **Resolution 1**

3. To approve the payment of Directors' benefits of up to RM400,000.00 for the period from the conclusion of the Twenty-Ninth Annual General Meeting till the next Annual General Meeting of the Company. **Please see Note 3** **Resolution 2**

4. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:- **Please see Note 4**

   (i) Chew Loy Chee; and **Resolution 3**
   (ii) Kan Ah Chun **Resolution 4**

5. To re-appoint Messrs PKF as Auditors of the Company and to authorise the Directors to fix their remuneration. **Please see Note 5** **Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:-

6. **ORDINARY RESOLUTION**
   AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 **Please see Note 6**

   "THAT subject always to the Companies Act, 2016 ("the Act"), the Articles of Association of the Company (and the Constitution of the Company being adopted upon the passing of the Special Resolution below), Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirement and the approvals of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem 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 (excluding treasury shares) of the Company for the time being and THAT the Directors be and are hereby also authorised to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company 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 earlier, unless such approval is revoked or varied by the Company at a general meeting." **Resolution 6**

7. **ORDINARY RESOLUTION**
   PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES **Please see Note 7**

   "THAT, subject always to the Companies Act 2016 ("Act"), the provision of the Articles of Association of the Company (and the Constitution of the Company being adopted upon the passing of the Special Resolution below), Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued 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 interest of the Company provided that:- **Resolution 7**

   (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and

   (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

   ("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting.

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

i. To cancel all or part of the Purchased Shares;

ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;

iv. To resell all or part of the treasury shares;

v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;

vi. To transfer all or part of the treasury shares as purchase consideration;

vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or

viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."

8. **ORDINARY RESOLUTIONS**
CONTINUATION IN OFFICE AS INDEPENDENT DIRECTORS **Please see Note 8**

(i) "THAT approval be and is hereby given to Encik Johari Low Bin Abdullah who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company." **Resolution 8**

(ii) "THAT approval be and is hereby given to Encik Muhayuddin Bin Musa who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company." **Resolution 9**

9. **SPECIAL RESOLUTION**
PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION ("PROPOSED ALTERATION") **Please see Note 9**

"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution as set out in the Annexure A attached to the Annual Report 2019 with effect from the date of passing this special resolution. **Resolution 10**

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

10. To consider any other business of which due notice shall have been given.

By Order of the Board,

WONG WAI FOONG (MAICSA 7001358)
NG BEE LIAN (MAICSA 7041392)
YAP SIT LEE (MAICSA 7028098)
Company Secretaries

Kuala Lumpur
29 October 2019

NOTES:-

1. APPOINTMENT OF PROXY

(a) A proxy need not be a Member of the Company.

(b) To be valid, the form of proxy, duly completed must be deposited at the Registered Office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.

(c) A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proxies shall not be valid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

(f) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(g) Only members whose names appear in the Record of Depositors as at 18 November 2019 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only. They do not require shareholders' approval and hence, will not be put forward for voting by shareholders of the Company.

3. PAYMENT OF DIRECTORS' BENEFITS

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The proposed Resolution 2, if approved, will authorize the payment of Directors' Benefits comprises allowance and other emoluments/benefits payable to Chairman and the Non-Executive Directors. The current board remuneration policy is set out below:-

DESCRIPTION	RM
Monthly allowance (per month)	1,000.00
Meeting allowance (per Board of Directors meeting)	1,500.00
Other Benefits	Medical and health care coverage; Business Travel and Accommodation and other benefits

Note: The Group's Executive Directors do not receive the above said Directors' Benefits other than those specified in the service contract of the respective Executive Director of the Group.

The estimated amount from the conclusion of the 29th Annual General Meeting until the next annual general meeting in 2020 is RM400,000.00. In the event that the proposed Directors' Benefits are insufficient, approval will be sought at the next annual general meeting for the shortfall.

4. RE-ELECTION OF DIRECTORS

Mr. Chew Loy Chee and Mr Kan Ah Chun are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Annual General Meeting.

The Board of Directors ("the Board") has through the Nomination Committee, considered the assessment of the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements ("the MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

5. RE-APPOINTMENT OF AUDITORS

The Audit Committee ("AC") has assessed the suitability and independence of the External Auditors and recommend the re-appointment of Messrs PKF as External Auditors of the Company for the financial year ending 30 June 2020. The Board has in turn reviewed the recommendation of the AC and recommended the same to be tabled for approval at the forthcoming 29th Annual General Meeting of the Company under Resolution 5.

6. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The proposed Resolution 6 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). As at the date of this Notice, the Company did not allot and issue any shares pursuant to the mandate granted to the Directors at the Twenty-Eighth Annual General Meeting held on 28 November 2018 as there were no requirement for such fund raising activities.

The proposed Resolution 6, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company 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 earlier.

7. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

The proposed Resolution 7, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 29 October 2019 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

8. CONTINUATION IN OFFICE AS INDEPENDENT DIRECTORS

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine years.

The Board of Directors had assessed the independence of Encik Johari Low Bin Abdullah and Encik Muhayuddin Bin Musa and recommended them to continue to act as Independent Directors of the Company based on the following justifications:-

(i) they have fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and are therefore able to bring independent and objective judgment to the Board;

(ii) they have been with the Company for many years and are familiar with the Company's business operations, thus enabling them to contribute actively and effectively during deliberations or discussions at Board meetings;

(iii) their length of service on the Board does not in any way interfered with their exercise of independent judgement. They have remained objective and independent in expressing their views and participating in deliberation and decision making of the Board and Board Committees;

(iv) their vast experience in accounting, finance and banking and business management enables them to provide the Board, as the case may be, with pertinent expertise, skills and competence;

(v) they have continued to exercise their independence and due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders; and

(vi) they have devoted sufficient time and commitment to discharge their responsibilities as Independent Directors.

The proposed Resolutions 8 and 9, if passed, will enable Encik Johari Low Bin Abdullah and Encik Muhayuddin Bin Musa to continue to act as Independent Directors of the Company.

9. SPECIAL RESOLUTION ON PROPOSED ALTERATION

This proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016, relevant amendments of Chapter 7 and other Chapters of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and other provisions of laws and regulations that are applicable to the Company.

For further information on the Proposed Alteration, please refer to the Annexure A attached to the Annual Report 2019 of the Company.

CORPORATE INFORMATION

Board Of Directors

Encik Muhayuddin Bin Musa *(Chairman)*	Independent Non-Executive Director
Mr Chew Loy Chee *(Deputy Chairman)*	Non-Independent Non-Executive Director
Mr Lim Hong Liang	Non-Independent Executive Director
Mr Kan Ah Chun	Non-Independent Executive Director
Mr Tan Chon Sing @ Tan Kim Tieng	Non-Independent Executive Director
Mr Gan Teck Chong @ Gan Kwan Chong	Non-Independent Non-Executive Director
Encik Johari Low Bin Abdullah	Senior Independent Non-Executive Director

Chief Executive Officer
Mr Ang Poo Guan

Audit Committee
Chairman: Encik Johari Low Bin Abdullah
Members: Encik Muhayuddin Bin Musa
Mr Gan Teck Chong @ Gan Kwan Chong

Remuneration Committee
Chairman: Encik Muhayuddin Bin Musa
Members: Encik Johari Low Bin Abdullah
Mr Gan Teck Chong @ Gan Kwan Chong

Nomination Committee
Chairman: Encik Johari Low Bin Abdullah
Members: Encik Muhayuddin Bin Musa
Mr Gan Teck Chong @ Gan Kwan Chong

Investment Committee
Chairman: Mr Lim Hong Liang
Members: Mr Tan Chon Sing @ Tan Kim Tieng
Mr Kan Ah Chun
Mr Ang Poo Guan

Risk Management Committee
Chairman: Mr Lim Hong Liang
Members: Encik Muhayuddin Bin Musa
Encik Johari Low Bin Abdullah

Company Secretary
Ms Ng Bee Lian (MAICSA 7041392)
Ms Wong Wai Foong (MAICSA 7001358)
Ms Yap Sit Lee (MAICSA 7028098)

Registered Office
Unit 30-01, Level 30, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel : 03-27839191
Fax : 03-27839111

Principal Place Of Business
2nd Floor, No. 23, Jalan Kong Sang
70000 Seremban, Negeri Sembilan Darul Khusus
Tel : 06-7653816 & 7653836
Fax : 06-7653815

Auditors
PKF Malaysia
Accountants & Business Advisers (AF 0911)
Level 33, Menara 1MK
Kompleks 1 Mont' Kiara
No. 1, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Tax Consultant
PKF Tax Services Sdn Bhd
Level 33, Menara 1MK
Kompleks 1 Mont' Kiara
No. 1, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Solicitors
Logan Sabapathy & Co
Weng & Co
Leong & Partners
Sreenevasan Young
Malik Imtiaz Sarwar Advocates & Solicitors

Share Registrar
Sectrars Management Sdn Bhd
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpur
Tel : 03-22766138
Fax : 03-22766131

Principal Bankers
CIMB Bank Berhad
Hong Leong Islamic Bank Berhad
Alliance Bank Malaysia Berhad

Stock Exchange Listing
Bursa Malaysia Securities Berhad Main Market
Stock Name : Malpac
Stock Code : 4936

Company Website
http://www.malpac.com.my

ENCIK MUHAYUDDIN BIN MUSA

Chairman

Encik Muhayuddin Bin Musa, Malaysian, male, aged 56, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 March 2005 and re-designated as Independent & Non-Executive Chairman on 14 August 2012. He is the Chairman of the Remuneration Committee and member of the Audit, Nomination and Risk Management Committees of the Company. He graduated with a Bachelor of Commerce (Hons) degree from the Carleton University, Ottawa, Canada. He started his career as a Financial Officer with Lembaga Letrik Negara ('LLN') (1985 – 1987). Thereafter, he joined the banking industry and has held various positions in both local and foreign banks. Subsequently, in 1993 he joined Federal Furniture Holdings (M) Berhad as Corporate Affairs Manager and Managing Director of a subsidiary of Federal Furniture Holdings (M) Berhad. Encik Muhayuddin is currently the Executive Director/Chief Executive Officer of Computer Forms (Malaysia) Berhad, a post he continues to hold till today since 1998.

Encik Muhayuddin attended all the four (4) Board Meetings held in the financial year ended 30 June 2019.

MR CHEW LOY CHEE

Deputy Chairman

Mr. Chew Loy Chee, Singaporean/Malaysian Permanent Resident, male, aged 83, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board as Deputy Chairman on 31 May 1990. He was engaged in the commercial banking sector for twenty years prior to being involved in the stockbroking industry and was a member of the KLSE (now known as Bursa Malaysia) from 1976 to 2001. He started as a senior partner of a stockbroking firm in Seremban from 1976 to March 1987. The firm was converted into a private limited company in April 1987 and he was appointed a director of the company till to date. The stockbroking business of the company was disposed to a third party in 2001. He served as a remisier in the new stockbroking outfit from 2001 to October 2016. He also sits on the Board of several other companies within the Malpac Group.

Mr. Chew attended three (3) out of four (4) Board Meetings held in the financial year ended 30 June 2019.

MR TAN CHON SING @ TAN KIM TIENG

Mr. Tan Chon Sing @ Tan Kim Tieng, Malaysian, male, aged 80, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He is a member of the Investment Committee of the Company. He graduated from Nanyang University in 1963 with a Bachelor of Commerce degree and was a banker for eleven years before joining the stockbroking industry in 1976 as Manager in a stockbroking firm in Seremban which was converted into a private limited company in 1987 and he was duly appointed a director of the company. The stockbroking business was disposed to a third party in 2001 and his position was converted to that of a remisier in the new outfit till October 2017. His directorship in other public listed company is in Three-A Resources Bhd. He also sits on the Board of several other companies within the Malpac Group as well as a few other private limited companies.

Mr. Tan attended all the four (4) Board Meetings held in the financial year ended 30 June 2019.

MR GAN TECK CHONG @ GAN KWAN CHONG

Mr. Gan Teck Chong @ Gan Kwan Chong, Malaysian, male, aged 72, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He is a member of the Audit, Remuneration and Nomination Committees of the Company. He has been in the stockbroking business for more than forty years. He commenced his career as a remisier in a stockbroking firm in Melaka and subsequently appointed as a partner of a stockbroking firm in Seremban. He was then appointed as director of the same stockbroking firm when it was converted into a private limited company in April 1987. The stockbroking business of the company was disposed to a third party in 2001 and his position was then converted to that of a remisier in the new outfit. He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative license under the Securities Industry Act, 1983.

Mr. Gan attended three (3) out of the four (4) Board Meetings held in the financial year ended 30 June 2019.

MR LIM HONG LIANG

Mr. Lim Hong Liang, Malaysian, male, aged 60, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 16 October 1990. He is the Chairman of the Investment and Risk Management Committees of the Company. He holds a Bachelor of Commerce (Accounting) and Master of Commerce from University of New South Wales, Sydney. Before joining Malpac, he was employed in the commercial banking sector for six years. He is a director of a public listed company, APB Resources Berhad and also sits on the Board of few other companies within the Malpac Group as well as several other private limited companies.

Mr. Lim attended all the four (4) Board Meetings held in the financial year ended 30 June 2019.

MR KAN AH CHUN

Mr. Kan Ah Chun, Malaysian, male, aged 66, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 10 September 1996. He is a member of the Investment Committee of the Company. After graduating from University of Malaya with a Bachelor of Science (Hons) Degree in 1977, he was attached to the teaching profession from 1978 to 1982. He then joined a commercial bank until 1996 when he joined Malpac Securities Sdn. Bhd. He also sits on the Board of a company within the Malpac Group as well as several other private limited companies.

Mr. Kan attended three (3) out of four (4) Board Meetings held in the financial year ended 30 June 2019.

ENCIK JOHARI LOW BIN ABDULLAH

Encik Johari Low Bin Abdullah, Malaysian, male, aged 68, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 May 2007. He is also the Chairman of the Audit and Nomination Committees and a member of the Remuneration and Risk Management Committees of the Company. Encik Johari is a Fellow Member of The Institute of Chartered Accountants (England & Wales), the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a member of Mensa International. He was previously an auditor with Coopers Lybrand London and Deloitte Kuala Lumpur, Executive Director of Ambank Group, Group Managing Director of Berjaya Group Berhad, CEO of KFC Holdings (M) Berhad and Deputy Chairman of Anglo Eastern Plantations PLC. He is currently the Chairman of the Rockwills International Group, a leading estate planning group in Malaysia.

Encik Johari attended all the four (4) Board Meetings held in the financial year ended 30 June 2019.

NONE OF THE DIRECTORS HAS:

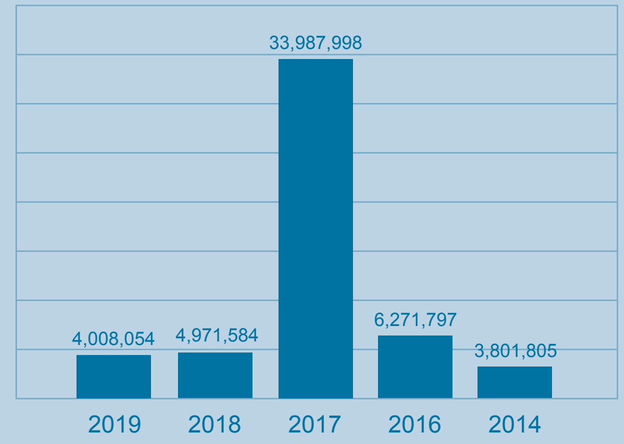
- Any family relationship with any other Director and/or major shareholder of Malpac Holdings Berhad.
- Any conflict of interest with Malpac Holdings Berhad.
- Any conviction for offences within the past five years other than traffic offences or any public sanction or penalty imposed by the regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

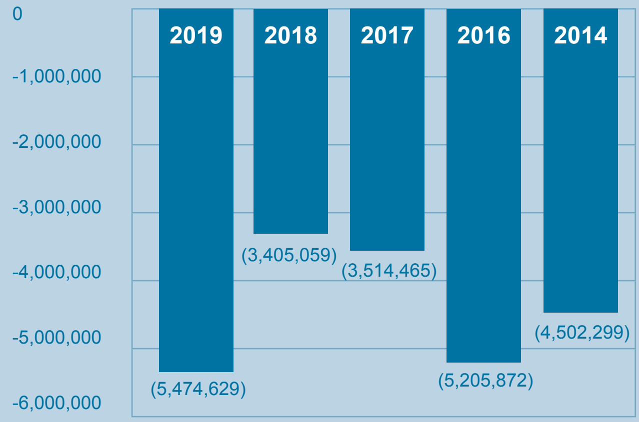
MR ANG POO GUAN
Chief Executive Officer

Mr. Ang Poo Guan, Malaysian, male, aged 70, was appointed as Chief Executive Officer of Malpac Holdings Berhad on 1 March 2002. He also holds directorships in a few subsidiary companies of the Group. He is a member of the Investment Committee of the Company. He graduated from the University of Malaya in 1972 with a Bachelor of Agric. Sc. (Hon.) degree. He joined a plantation management company for a short stint before joining an agricultural development bank in 1973. In 1980 he joined a foreign commercial bank where he rose to the position of Senior Vice President. In 1996, he left the banking sector to join Malpac Management Sdn. Bhd., a subsidiary of Malpac Holdings Berhad, where he was appointed Chief Executive Officer cum Director. He is also a director of several private limited companies. Mr Ang holds 168,500 (0.22%) shares indirectly in Malpac Holdings Berhad. He does not have any family relationship with any director and/or major shareholder of Malpac Holdings Berhad, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years or any public sanction or penalty imposed by the regulatory bodies during the financial year.

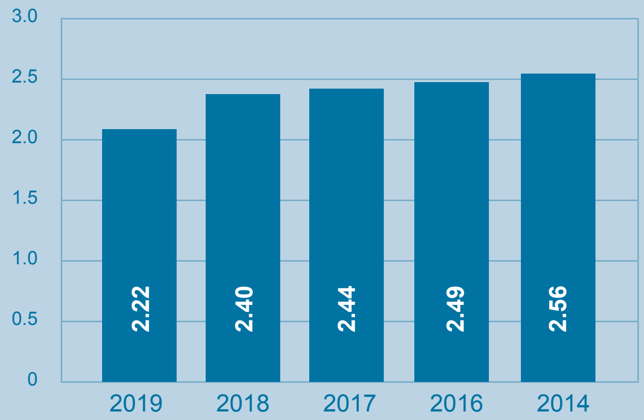
REVENUE (inclusive of Other Income)
(Ringgit Malaysia)



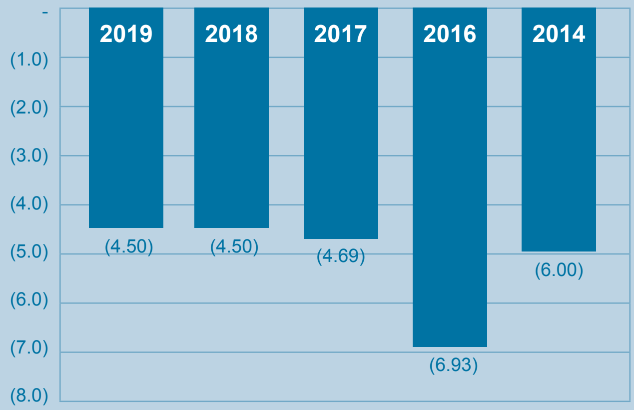
PROFIT AFTER TAX
(Ringgit Malaysia)



NET ASSET PER SHARE
(Ringgit Malaysia)



BASIC EARNINGS PER SHARE
(Ringgit Malaysia)



5-YEAR FINANCIAL HIGHLIGHTS (Ringgit Malaysia)	2019	2018	2017	2016	2014
A STATEMENT OF COMPREHENSIVE INCOME					
1 Revenue	4,008,054	4,971,584	33,987,998	6,271,797	3,801,805
2 EBITDA	(5,093,420)	(3,082,949)	(1,407,551)	(1,965,353)	(2,151,548)
3 (Loss)/Profit before tax	(5,474,444)	(3,405,059)	(3,514,208)	(5,382,532)	(4,507,835)
4 Profit after tax	(5,474,629)	(3,411,349)	(3,514,465)	(5,205,872)	(4,502,299)
5 Net (loss)/profit attributable to equity holders	(5,474,629)	(3,411,349)	(3,514,465)	(5,205,872)	(4,502,299)
B STATEMENT OF FINANCIAL POSITION					
1 Total assets	211,052,046	221,595,903	218,853,137	194,930,148	200,572,287
2 Total liabilities	44,371,237	41,940,465	35,786,350	8,348,896	8 ,785,163
3 Shareholders' equity	166,680,809	179,655,438	183,066,787	186,581,252	191,787,124
C FINANCIAL INDICATORS					
1 Return on equity (%)	(3.28)	(1.90)	(1.92)	(2.79)	(2.35)
2 Return on total assets (%)	(2.59)	(1.54)	(1.61)	(2.67)	(2.24)
3 (Loss)/Earnings per share (sen)	(4.50)	(4.50)	(4.69)	(6.94)	(6.00)
4 Net assets per share (RM)	2.22	2.40	2.44	2.49	2.56
5 Price earning (PE) ratio (times)	(17.56)	(21.11)	(28.17)	(23.09)	(30.00)
6 Share price as at the financial year/period end (RM)	0.79	0.95	1.32	1.60	1.80

Review of Operating Activities and Legal Suit(s)

The Group's wholly-owned subsidiary Malpac Capital Sdn Bhd ("MCSB") had lost a legal suit in Federal Court in September 2013 whereby two individuals ("purchasers") had vide Ipoh High Court Suit No. 22-109-2007 sued for specific performance of a conditional shares sale agreement of Radiant Response Sdn Bhd ("RRSB") shares signed in 2002 ("the Original Agreement"). The sale was not completed within the stipulated time frame due to non-compliance of conditions precedent.

In September 2013, MCSB was ordered by the Federal Court to "… menyempurnakan perjanjian-perjanjian yang bertarikh 5th April 2002" ("2013 Court Order"). Thereafter, the purchasers also demanded among others that MCSB surrender and transfer a further 99,998 shares in RRSB which were issued in 2005 and which were not covered by the Original Agreement. In an effort to comply with the 2013 Court Order and also the further demands of the purchasers, the Group had appointed corporate legal advisors and an investment bank advisor ("Advisers") to advise on the legal implications if any which may arise in complying with the 2013 Court Order and the purchasers' demands. The summary of the advice by the Advisers is as follows:

(i) Events subsequent to agreement dated 5th April 2002: The proposed disposal of 100% of RRSB in 2002 only comprised 2 ordinary shares of RM1.00 each and the settlement of a shareholder's loan from MCSB of RM30.6 million. RRSB is the registered owner of two parcels of leasehold plantation lands in Teluk Intan. After the conditional shares sale agreement lapsed in October 2002, several significant, irreversible events then took place: -

(a) In 2003, the transfer price for the plantation lands from Danaharta-appointed Special Administrators to MCSB was increased from RM30.6 million to RM47.3 million as a result of a fresh valuation ordered by the Securities Commission;

(b) RRSB not only became the registered owner of the two parcels of plantation lands but also became the distinct registered owner of a palm oil mill, which was separately purchased outright from the Special Administrators only in 2004, which palm oil mill was not included in the Original Agreement;

(c) In 2005, 99,998 new ordinary shares in RRSB were issued with the knowledge of the purchasers that such new shares were not covered by the Original Agreement, and the purchasers were formally informed that MCSB did not undertake to dispose of the newly issued shares to them and that the new capitalization would have to be considered and dealt with in intended discussions going forward;

(d) The shareholder's loan of RM30.6 million in the Original Agreement was no longer in existence or captured in RRSB's book in 2007/2013, the structure of the RRSB had been irreversibly changed and since 2003/2004 RRSB had held the assets on trust for MCSB without any loans;

(e) By reason of these subsequent developments, the core business and/or principal activity of the Group was changed from financial services to the cultivation and milling of oil palm under the plantation sector;

(f) The total consideration for any new agreement would have been RM53.1 million for 100% of RRSB as compared to the original consideration of RM30.6 million shareholder's loan settlement and RM2.00 for 100% of RRSB as contained in the Original Agreement and the 2002 shareholders' resolution approved;

(ii) Material Variations to the 2002 Shareholders' Approval: The shareholders' approval obtained in year 2002 merely mandated the directors to transfer 100% of RRSB comprising of two (2) RRSB shares then at a total consideration of RM2.00, upon repayment and settlement of a shareholders' loan of RM30.6 million (2002 Shareholders' Approval). The above mentioned intervening events had materially varied the nature and scope of the transaction as originally envisaged when the 2002 Shareholders' Approval was passed.

(iii) The Board was categorically advised and cautioned by the Advisers that it was mandatory to seek fresh shareholders' approval before the 2013 Court Order could be complied with based on the following: -

(a) Fresh shareholders' approval requirement 1 (Companies Act 1965): Pursuant to Section 132(c)(1A) of Companies Act 1965, the Board shall not carry into effect any arrangement for the disposal of a substantial portion of the company's undertaking or property unless the arrangement has been approved by the company in a general meeting, whereby the term 'substantial portion' shall mean the same value prescribed by the provisions in the Main Market Listing Requirements ("MMLR") which relates to disposals by a company or its subsidiaries to which such provision applies and which would require the approval of shareholders at a general meeting in accordance with the provisions of the MMLR;

(b) Fresh shareholders' approval requirement 2 (MMLR Chapter 10): Pursuant to Chapter 10.07(1)(b) of MMLR, where any one of the percentage ratios of a transaction is 25% or more, in addition to the requirements of paragraph 10.06, the listed issuer must seek shareholder approval of the transaction in a general meeting. At the material time in 2013, the aggregate consideration for the disposal of the 100% of RRSB shares to comply with the 2013 Court Order represented 27% of the Group's total assets;

(c) Fresh shareholders' approval requirement 3 (MMLR Chapter 8): Pursuant to paragraph 8.22(1) of the MMLR, where a proposal has been approved by shareholders in general meeting and a listed issuer proposes to make a material amendment, modification or variation to such proposal, the listed issuer must issue a circular to its shareholders and seek its shareholder approval of such material amendment, modification or variation. The subsequent events as enumerated in (i) above without doubt fell within the ambit of MMLR Chapter 8 as material variations to the resolutions approved by shareholders in 2002;

(d) MMLR Chapter 2: Pursuant to section 2.05 of MMLR, listed issuers are required to comply with the MMLR both in spirit and in form.

(iv) The Advisers advised MCSB to deliver the two (2) RRSB shares pursuant to the 2002 Shareholders' Approval to the purchasers, and also the Group to simultaneously seek fresh shareholders' approval on the substantial transaction and the material variations for the surrendering of the 99,998 subsequent additional RRSB shares, the palm oil mill asset, the change in total consideration and structure that were not covered by the 2002 agreement in order to comply with the demands of the purchasers.

An Extraordinary General Meeting ("EGM") was then held in July 2014 to seek such fresh shareholders' approvals for the proposed arrangement for surrender and disposal. The proposal was overwhelmingly rejected by the shareholders at the said July 2014 EGM. In light of the rejection of the proposal by the shareholders at the July 2014 EGM, the Group and its directors were placed in a very precarious position whereby non-compliance and contravention of Section 132C of the Companies Act 1965 and the Bursa Listing Requirements could result in the Group and its directors being exposed to potential criminal and civil liability including a jail sentence.

MHB then filed proceedings in Kuala Lumpur High Court ("KLHC") seeking assistance and guidance of the court, as well as various declaratory and injunctive relief, arising from the aforesaid outcome of the July 2014 EGM and in the context of Section 132C of the Companies Act 1965 and the Bursa Listing Requirements. MHB took the position that MHB also sought inter alia an order from the Court for the company and the directors to be relieved from any liability whatsoever under Section 132C of the Companies Act 1965 should MCSB be required to transfer the RRSB shares and the plantation assets to the purchasers in the absence of fresh shareholders' approval.

On 31 May 2017, the KLHC dismissed MCSB's counterclaim in total while allowing the purchasers' claim for abuse of process and conspiracy to injure against not only MHB and MCSB but also the directors and CEO as well and award the purchasers special damages of RM29.4 million, general damages of RM1 million, exemplary damages of RM250,000, interest and costs. The Group is now appealing to the Court of Appeal against the abovementioned decisions of the KLHC.

As highlighted by one of our shareholders during the 2018 AGM, the Board took note of the shareholders' concerns on the legal suits' outcome. After much deliberation and discussion with the existing counsels, the Board had decided to engage additional legal advisors to provide independent fresh views on the Group's legal suits. The Board had appointed two new senior counsels and a Queen's Counsel ("QC") in London to assist the Board on the legal suits. The Court of Appeal hearing was held on 10 and 11 September 2019 and the Court of Appeal dismissed all the appeals of the Group on the same day of the hearing itself. The Board of Directors is in consultation with the counsels and advisors on the way moving forward.

Review of Financial Results

The Group continue to report zero revenue generated from its oil palm businesses. For the financial year ended ("FYE") 30 June 2019, the pre-tax loss was RM5.47 million compared with RM3.41 million in the same period of preceding year. A significant portion of the loss was accounted for by fair value loss on investment in quoted shares held due to unfavorable stock market conditions. The higher loss for the current year was due mainly to various factors including lower unit trusts income after the RM7.5 million was declared as an interim dividend in October 2018, lower dividend income, higher provision on post-judgement interest, higher legal fees, coupled with a one-off gain on termination on a joint venture agreement in the preceding year.

In the FYE 2019, the Group's investment properties in Osaka, Japan were fully occupied and have been generating gross rental yield of 4.30% per annum with net of interest cost yield of 2.40% per annum. The Group will continue to be on the lookout for more investment properties both locally and abroad..

ANTICIPATED RISKS

In light of the recent Court of Appeal decisions and notwithstanding the appeals to the Federal Court, the Board is constrained to recognize that the Group is exposed to the significant legal risk of losing the plantation and mill. In compliance with the orders of the Ipoh High Court, MCSB was recently compelled to deliver all documents relating to its wholly-owned subsidiary RRSB to the purchasers. In the worst-case scenario, should the Group finally lose legal ownership of RRSB after exhausting all legal avenues, the Group may fall within the provisions of the Chapter 8.03A framework of the MMLR.

FORWARD LOOKING STATEMENT

The Group will continue to adopt highly prudent practices to protect the shareholder's best interest despite the uncertainties ahead. Demand for crude palm oil is expected to remain stable due to consumption growth and expansion of downstream applications of crude palm oil. The demand growth is however offset by higher number of mature estates particularly in Indonesia. It is expected that the crude palm oil price will remain resilient despite all the uncertainties and gloomy economic outlook. The property landscape is uncertain locally and abroad with oversupply of all types of properties. The Group believes selective property prices, especially the high-rise apartments and offices in Johor Bahru will be stagnant and/or experience material decline over the next few years.

In view of uncertainties facing the Group, the Board of Directors does not recommend any dividend pay-out for the financial year ended 30 June 2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") hereby discloses the corporate governance practices in accordance to the guidelines set out in the Malaysian Code on Corporate Governance ("MCCG") and governance standards prescribed in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the financial year ended 30 June 2019. This Corporate Governance Overview Statement shall be read in conjunction with the Corporate Governance Report ("CG Report") which furnishes the detail application for each practice as set out in the MCCG.

A. BOARD LEADERSHIP AND EFFECTIVENESS

1. Board's Leadership on Governance and Objectives

The Board is responsible for the overall governance of the Group and discharges its responsibility through compliance with relevant rules, laws, regulations, directives and guidelines in addition to adopting the best practices in the MCCG. The Directors collectively combine their diverse experiences and qualifications to discharge their duties and responsibilities.

1.1 Responsibilities of the Board

The principal function of the Board is to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board's roles are:

(i) Accountability to the shareholders
Understand and consider the interests of shareholders and relevant stakeholders for the business directions and crucial decision making relating to the Group. The Board is also responsible to ensure that the communications both to and from the shareholders and relevant stakeholders are effective;

(ii) Set Strategy Goals
Determine and review the overall strategic goals, determines strategic director and significant policies. The Board review and evaluate the present and future opportunities, threats and risk in the external environment, evaluate the strengths and weaknesses of the company structure and the principal risks relating to the Group;

(iii) Delegate to Management & Internal Control
To review the adequacy and the integrity of the Group's internal control systems to ensure that all levels within the Group comply with the applicable laws, regulations, guidelines and requirements;

(iv) Ensures good corporate governance practice and incorporate it as the Group and Company's culture;

(v) Oversees the business conduct and code of ethics of the Group and Company;

(vi) Responsible for corporate sustainability; and

(vii) Oversees succession plans.

1.2 Board Meetings and Board Papers

The Board meeting papers are furnished to the Board members at least five (5) working days prior to dates of meetings to ensure that the Directors have enough time and information to make an informed decision at each meeting. The Company however allows exceptional cases whereby the meeting materials are furnished to Board members of less than five (5) working days on urgent and for extraordinary matter(s), whereby there is insufficient time in collating relevant information and details. Upon conclusion of the meeting, the minutes are reviewed by the Chairman in a timely manner before circulation to the Board. Senior management is invited to attend Board or Committee Meetings to present the financial performances, reports or other proposals as at when and where necessary. The Directors have direct access to the advices and services of the Company Secretaries who are responsible for ensuring that Board procedures are followed, and the regulatory requirements are met. The Directors are also given access to seek independent professional advice when necessary at the Company's expense.

1.3 Board Charter

The Company has formalized a Board Charter which clearly set out the composition, roles and responsibilities of the Board, Board Committees and management. The Board Charter serves as a primary reference for Board members of their fiduciary duties as Directors and the functions of the Board Committees. The details of the Board Charter are available for reference on the Company's website at www.malpac.com.my.

1.4 Board Gender Diversity Policies

At present, there is no female director on the Board of the Company. The Board does not for the moment intend to make it mandatory to achieve 30% women directors in the Board as per the MCCG for large companies except as and when an opportunity arises. However, the Board in its gender diversity policy, supports the initiative to include female participations in achieving a more gender diversified Board. The Board agrees to give equal priority to female candidates who are competent, possess leadership qualities and meet the Company's requirements for such appointment in future.

1.5 Code of Conduct and Ethics

The Company's Code of Conduct and Ethics has been updated periodically to guide the Group's Directors and employees towards ethical and responsible business dealings. The employees of the Group are required to adhere to the guidelines set-out in the code. The Code of Conduct and Ethics can be viewed on the Company's website at www.malpac.com.my.

1.6 Whistle-Blowing Policy

The Company has in place a whistle-blowing policy through which stakeholders of the Group may raise concerns, in confidence, on improper conduct or other matters to the Audit Committee, where applicable. The whistle-blowing policy can be viewed on the Company's website at www.malpac.com.my.

1.7 Qualified and Competent Company Secretaries

The Company Secretaries of the Company are qualified company secretaries under Section 235 of the Companies Act 2016. The Company Secretaries play an advisory role to the Board, particularly with regard to the Company's Constitution and Board policies and procedures as well as compliance with relevant rules and regulations. The Company Secretaries record, prepare and circulate the minutes of the meetings of the Board and Board Committees on timely basis and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required.

2. Board Composition

The existing Board consists of seven (7) directors:

- Two (2) or 28.6% are Non-Executive Independent Directors;
- Two (2) or 28.6% are Non-Executive Non-Independent Directors; and
- Three (3) or 42.8% are Executive Directors.

Consequently, the constitution of the Independent Directors at the Company level is less than half (50%) and do not comply with the MCCG Practice 4.1 requirement. The Board and Nomination Committee are aware of such departure and are diligently identifying the right candidates, especially female candidate base on the criteria set out. Despite the departure of the said requirement, there is a balance of power and authority in the Board and the Board decisions are made objectively.

2.1 Appointment of New Director

Appointment of new Directors are undertaken by the Board after considering the recommendations by the Nomination Committee. Nonetheless, there is no restriction imposed on the Board to identify suitably qualified candidates from independent sources. There was no new appointment for the financial year ended 30 June 2019.

2.2 Re-Election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years. Retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments.

2.3 The Board Committees

The Board delegates certain authorities to five (5) Board Committees that operate under clearly defined written terms of reference and operating procedures duly approved by the Board. The various Committees report the outcome of their meetings to the Board which are then incorporated in the Board's minutes. The five (5) Board Committees are (i) Audit Committee, (ii) Nomination Committee, (iii) Remuneration Committee, (iv) Risk Management Committee and (v) Investment Committee.

2.4 Nomination Committee ("NC")

NC is setup to ensure that the Company follows the criteria set-out in 2.20A of MMLR in recruiting, retaining, training and developing the best available executive and non-executive Directors, as well as directing and managing board renewal and succession effectively. The NC assess the contributions of each Director and Chief Executive Officer ("CEO") independently based on the nomination and election on an annual basis. For the financial year ended 30 June 2019, the Committee met once (1) and the composition of the NC and attendance of meetings are as follow:

Membership	Name	Attendance
Chairman Independent Non-Executive Director	Encik Johari Low Bin Abdullah	1/1
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	0/1
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa	1/1

During its annual evaluation done on 30 May 2019 and the NC had briefed the Board on the results on the following:

- reviewed the composition, effectiveness, mix of skills and experience of respective Board Committees of the Company to ensure its effectiveness;
- reviewed the re-election of retiring Directors to the Board pursuant to the Company's Articles of Association;
- assessed the contribution of each Director; and;
- assessed the annual performance of CEO.

2.5 Remuneration Committee

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Directors and Senior Management. The Directors are not allowed to participate in discussions or decisions concerning their own remuneration packages. For the financial year ended 30 June 2019, the Committee met twice (2) and the composition of the Remuneration Committee and attendance of meetings are as follows:

Membership	Name	Attendance
Chairman Independent Non-Executive Director	Encik Muhayuddin Bin Musa	2/2
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	1/2
Member Independent Non-Executive Director	Encik Johari Low Bin Abdullah	2/2

For the financial year ended 30 June 2019, the Remuneration Committee reviewed and recommended to maintain the remuneration packages of the Directors, Senior Management and bonus of the employees to be the same as the previous years. The Remuneration Committee took into consideration that the Company is going through the rough patch at the moment but acknowledged that retaining the right talents is equally important.

2.6 Remuneration of Directors

The Executive Directors remuneration packages are tied to the Company's and respective individual performances. As for Non-Executive Directors, the annual remuneration reflects the experience and level of responsibilities undertaken by the respective Non-Executive Directors. Details of remuneration received/receivable by the respective Directors from the Company and the Group for the financial year ended 30 June 2019 are as follows:

	Fee (RM)	Salaries & Allowance (RM)	Other Emoluments, EPF & Benefits (RM)	Total (RM)
<u>Company</u>				
Executive Directors	36,000	316,000	77,745	429,745
Non-Executive Directors	24,000	105,000	12,000	141,000
<u>Group</u>				
Executive Directors	36,000	316,000	95,841	447,841
Non-Executive Directors	24,000	105,000	25,325	154,325

	Fees (RM'000)	Salary and Other Emoluments (RM'000)	Company Total (RM'000)	Benefits-in-Kind (RM'000)	Other Emoluments (RM'000)	Group Total (RM'000)
Non-Executive Directors						
Muhayuddin Bin Musa	-	34.50	34.50	-	-	34.50
Johari Low Bin Abdullah	-	34.50	34.50	-	-	34.50
Chew Loy Chee	12.00	24.00	36.00	-	-	36.00
Gan Teck Chong @ Gan Kwan Chong	12.00	24.00	36.00	13.33	-	49.33
Executive Directors						
Lim Hong Liang	12.00	211.36	223.36	13.33	-	236.69
Kan Ah Chun	12.00	90.11	102.11	-	-	102.11
Tan Chon Sing @ Tan Kim Tieng	12.00	92.27	104.27	4.77	-	109.04

The Board recommends Directors' fee of RM36,000 for Executive Directors and RM24,000 for Non-Executive Directors to be payable for the financial year ended 30 June 2019 subject to shareholders' approval at the forthcoming AGM.

2.7 Investment Committee

The Investment Committee is empowered to assist the Board to analyze and to make decision on significant investment matters. The material issues and actions deliberated and decided in the Committee are tabled to the Board for review and approval. The Investment Committee meets as and when required and adheres to approving authority stipulated in the terms of references strictly. There was one (1) meeting held during the financial year ended 30 June 2019. The composition and attendance of the Committee members are as follow:

Membership	Name	Attendance
Chairman Non-Independent Executive Director	Mr. Lim Hong Liang	1/1
Member Non-Independent Executive Director	Mr. Tan Chon Sing @ Tan Kim Tieng	1/1
Member Non-Independent Executive Director	Mr. Kan Ah Chun	1/1
Member Chief Executive Officer	Ang Poo Guan	1/1

2.8 Risk Management Committee

The Committee consists of Non-Executive and Executive Directors. The composition of the Risk Management Committee and the meeting held during the financial year ended 30 June 2019 are as follow:

Membership	Name	Attendance
Chairman Non-Independent Executive Director	Mr. Lim Hong Liang	1/1
Member Independent Non-Executive Director	Encik Johari Bin Abdullah	1/1
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa	1/1

The role of the Risk Management Committee is to assist the Board to identify, evaluate and manage various risks and monitor these risks constantly to ensure that risk profiles are actively updated and effectively managed. The Risk Management Committee meets as and when required or at least once a year.

3. Independence of the Board

The Board recognizes the importance of the roles of Chairman and Chief Executive Officer ("CEO") to be held by separate persons and the roles be segregated. The Board has appointed Encik Muhayuddin Bin Musa, an Independent Non-Executive Director as the Chairman. The roles of the independent Non-Executive Chairman include:

- leading the Board to ensure its effectiveness of all aspects of its role and setting the meeting agenda;
- ensuring that Directors receive complete, accurate and timely information on matters relating to the Group;
- leading the Board meetings to ensure appropriate discussion takes place;
- ensuring effective communication with shareholders; and
- promoting high standards of corporate governance and compliance with the MMLR.

The Chief Executive Officer are responsible for day-to-day running of business and implementation of Board collective decisions and policies. The Executive and Non-Executive Directors jointly ensure that the strategies proposed by the management are objectively evaluated and examined and the long-term interests of the shareholders.

There are two (2) Independent Non-Executive directors on the Board, whereby the Independent Directors provide the check and balance and play a pivotal role in introducing objectivity to the Board's deliberations and decision-making. Both Independent Directors of the Company, Encik Johari Low Bin Abdullah and Encik Muhayuddin Bin Musa have served the Board for more than nine (9) years. The Board assessed the independence of the Independent Director who has served on the Board for more than nine (9) years from the date of his appointment, the Board has taken into consideration the following factors:

(i) they have fulfilled the criteria under the definition on Independent Director as stated in the MMLR and are therefore able to bring independent and objective judgment to the Board;

(ii) they have been with the Company for many years and are familiar with the Company's business operations, thus enabling them to contribute actively and effectively during deliberations or discussions at Board meetings;

(iii) their length of service on the Board does not in any way interfere with their exercise of independent judgment. They have remained objective and independent in expressing their views and participating in deliberation and decision making of the Board and Board Committees;

(iv) their vast experience in accounting, finance and banking and business management enable them to provide the Board, as the case may be, with pertinent expertise, skills and competence;

(v) they have continued to exercise their independence and due care during their tenure as Independent Non-Executive Directors of the Company and carried out their duties in the interest of the Company and shareholders; and

(vi) they have devoted sufficient time and commitment to discharge their responsibilities as Independent Directors.

In its annual review, the Board was of the view that Encik Johari Low Bin Abdullah and Encik Muhayuddin Bin Musa are objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees and thus are independent.

3.1 Board Meetings

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at the Board and Board Committee meetings for the financial year ended 30 June 2019, as set out in the table below:

	Board of Directors Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Investment Committee Meeting	Risk Management Committee Meeting
Muhayuddin Bin Musa	4/4	4/4	1/1	2/2	N/A	1/1
Chew Loy Chee	3/4	N/A	N/A	N/A	N/A	N/A
Lim Hong Liang	4/4	N/A	N/A	N/A	1/1	1/1
Tan Chon Sing @ Tan Kim Tieng	4/4	N/A	N/A	N/A	1/1	N/A
Gan Teck Chong @ Gan Kwan Chong	3/4	3/4	0/1	1/2	N/A	N/A
Kan Ah Chun	3/4	N/A	N/A	N/A	1/1	N/A
Johari Low Bin Abdullah	4/4	4/4	1/1	2/2	N/A	1/1

The Board meets at least once in every quarter and on other occasions, as and when necessary, to inter alia approve quarterly financial results, statutory financial statement, the annual report, business plans as well as to review the performance of the Company and its operating subsidiaries. Board papers are usually circulated to the Board members five (5) working days prior to the Board meetings so as to provide the Directors with relevant and timely information to enable them to have a proper deliberation on issues raised during Board meetings. All Directors have complied with the minimum requirement of 50% attendance at Board meetings as stipulated in the MMLR.

To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, the Directors must not hold directorship at more than five (5) public listed companies (as prescribed in Paragraph 15.06 of the MMLR of Bursa Securities) and must be able to devote sufficient time to the Company matters. The Directors are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

3.2 Directors' Training & Education

During the financial year ended 30 June 2019, all Directors have completed the mandatory accreditation programmes pursuant to the requirements of MMLR. The Board has assessed the training requirements for each Directors and recommended the training opportunities suitable for each Directors to continuously develop and maintain their skills and knowledge.

The Directors are mindful of the need for continuous training to keep abreast of the relevant changes in laws, regulations and the business environment to effectively discharge their responsibilities and are encouraged to attend forums, trainings and seminars in accordance to their respective needs in discharging their duties as Directors. The Company Secretaries also provide updates to the Directors from time to time on relevant guidelines and regulatory requirements. The training programmes attended by the Directors in financial year ended 30 June 2019 are as follows:

Director	Courses/Seminars/Workshop attended	Date Attended
Johari Low Bin Abdullah	• PLC Director's Training - Latest Listing Requirements & Companies Act 2016. • AML/CFT Training	09.11.2018 20.06.2019
Chew Loy Chee Lim Hong Liang Kan Ah Chun	• PLC Director's Training - Latest Listing Requirements & Companies Act 2016	09.11.2018
Tan Chon Sing @ Tan Kim Tieng	• PLC Director's Training - Latest Listing Requirements & Companies Act 2016. • Anti Money Laundering & Anti Terrorism Financing - A Relationship based Risk Assessment & Mitigation in the Digital Economy. • A Top Down Approach to Investing & Selecting Stocks	09.11.2018 11.05.2019 12.05.2019
Muhayuddin Bin Musa	• Introduction to ISO/IEC 27001:2013 Information Security Management System • PLC Director's Training - Latest Listing Requirements & Companies Act 2016. • Cyber Security in The Boardroom - Accelerating from Acceptance to Action	04.10.2018 09.11.2018 27.06.2019
Gan Teck Chong @ Gan Kwan Chong	• PLC Director's Training - Latest Listing Requirements & Companies Act 2016. • AMLATFPUAA 2001: Managing Challenges in Risk Based Approach and Politically Exposed Person	09.11.2018 20.04.2019

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Group's financial reporting and internal control system are overseen by the Audit Committee, which comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Audit Committee meets once quarterly. Additional meetings are held as and when required. The Audit Committee's meetings are always held before the Board's meetings. This is to ensure that all critical issues highlighted can be brought to the Board on a timely basis. For financial year ended 30 June 2019, the composition of the Audit Committee and meetings held are as follow:

Membership	Name	Attendance
Chairman Independent Non-Executive Director	Encik Johari Low Bin Abdullah	4/4
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa	4/4
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	3/4

The terms of reference and summary of work carried out by the Audit Committee during the year are reported under the Audit Committee Report on pages 21 to 22 on this annual report.

1.1 Financial Reporting

The Board is responsible for ensuring that the financial statements prepared for each financial year presents a true and fair view of the state of affairs of the Company. The Board ensures that the Company's financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable approved accounting standards. Audit Committee assists the Board in reviewing the appropriateness of the Company's accounting policies and ensures that the Group's financial statements comply with the accounting standards and other regulatory requirements. The Statement of Director's responsibilities is set out annually in the Annual Report.

The Audit Committee undertakes an annual assessment of the suitability and independence of the External Auditors, assisted by the assessment checklist on the External Auditors. The Audit Committee meets with the External Auditors at least once a year to discuss their audit plan, audit findings and the Group's financial statements. Private sessions between the Audit Committee members and the external auditor are held without the presence of the Executive Director and Management of the Group. This encourages a greater exchange of independence and open dialogue between both parties.

The Audit Committee also annually reviews the suitability and effectiveness of the External Auditors by assessing its audit plan, proposed fees and the feedback from the financial personnel of their dealings with External Auditors during the financial year. Being satisfied with the performance of the External Auditors, the Audit Committee will recommend their re-appointment to the Board and shareholders' approval will be sought at the forthcoming AGM.

1.2 Statement on Directors' Responsibility

This statement is made pursuant to paragraph 15.26(a) of Main Market Listing Requirements. The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company for the financial year ended 30 June 2019.

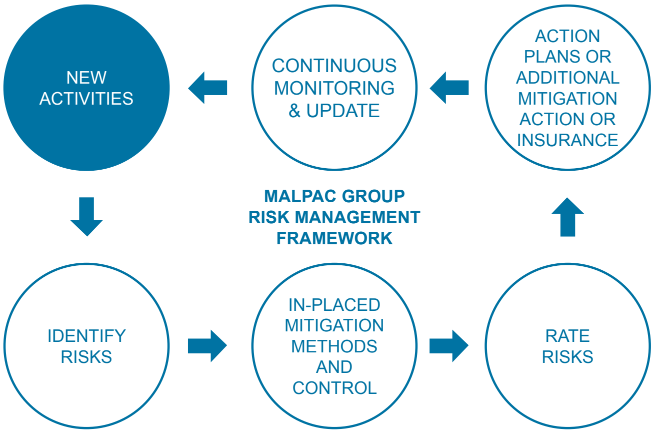
In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future..

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

2. Risk Management and Internal Control Framework

The Board is fully aware of its responsibility to institute the risk management and internal control mindset into every level of employees and Directors of the Group to safeguard and enhance the value of shareholders. The risk management and internal control system are designed to manage and mitigate the risks that may impede the achievement of the Group's business objectives. The Risk Management Committee oversees the Group's overall risk management strategies and has established a framework of processes for identifying, evaluating and managing the risks faced by the existing businesses and the new investments of the Group. The risk management framework in-placed is as follow:



The Board embedding risk management in all levels within the Group with the assistance of the Risk Management Team which is made up of the CEO and the Executive Directors. The Risk Management Team consults with the consultants like solicitors, insurance brokers and meet annually as well as on the need basis to discuss the key risks and evaluate the respective appropriate risk mitigation controls

2.1 Internal Audit

The Company has engaged the services of an independent professional firm, namely, IA Essential Sdn. Bhd. to provide independent assurance on the adequacy and effectiveness of governance and internal control processes. The report of the internal audit is tabled for the Audit Committee's review and comments, and the audit findings will then be communicated to the Board. Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

C. INTEGRITY IN CORPORATE REPORTING & RELATIONSHIP WITH STAKEHOLDERS

1. Corporate Disclosure Policy

The Board is committed in ensuring that communications to the investing public, regarding the business and the financial performance of the Company, are factual, accurate, transparent, timely, informative and consistent. The Company comply with all the disclosure requirements stipulated in the Corporate Disclosure Guide issued by Bursa Malaysia as well as in accordance with all provisions under the Securities Commissions.

1.1 Effective Relationship with Shareholders

The Company engages in regular, effective and fair communication with shareholders through announcements released to Bursa Malaysia and its website at www.malpac.com.my, annual reports prepared and issued to all shareholders, advertisements of notice of shareholders' meetings published in the local newspapers.

The Board encourages shareholders participation at the AGM. Notice of the AGM is sent to all shareholders at least twenty-eight (28) days prior to the date of the meeting. The AGM serves as the principal forum for dialogue and interaction with all shareholders whereby the shareholders are encouraged to participate in the question and answer session. The Chairman of the meeting or the CEO will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries. The Company adopted electronic polling at the AGM to encourage a smoother flow of the meeting proceedings.

COMPLIANCE STATEMENT

The Board has reviewed, deliberated and viewed that the Company has in the financial year ended 30 June 2019 complied with the practices of the MCCG except where it was specifically stated otherwise.

OTHER INFORMATION

1. Material contracts

There were no material contracts entered by the Company and/or its subsidiaries which involve Directors', Chief Executive's and major shareholders' interests, either still subsisting at the financial year ended 30 June 2019 or which were entered into since the end of the previous financial year.

2. Audit and non-audit fees

The details of fees paid/payable to the external auditors and its affiliated company by the Group and the Company for the financial year ended 30 June 2019 as set out below:

	Group (RM)	Company (RM)
Statutory audit	45,000	26,000
Other services	5,000	5,000
Total	50,000	31,000

INTRODUCTION

Pursuant to Paragraph 15.15 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR), the Board of Directors is pleased to present the Audit Committee Report for the financial year ended 30 June 2019 ("FYE 2019").

COMPOSITION

The Audit Committee comprises the following members: -

Membership	Name	Attendance
Chairman Independent Non-Executive Director	Encik Johari Low Bin Abdullah	4/4
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa	4/4
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	3/4

It fulfilled the requirements of paragraph 15.09(1)(a) and (b) of the MMLR. The Chairman of the Audit Committee, Encik Johari Low Bin Abdullah, is a Fellow of the Institute of Chartered Accountant (England & Wales) and a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants (MIA). Accordingly, this complies with paragraph 15.09(1)(c) of the MMLR.

AUTHORITY

The Audit Committee is authorized by the Board to independently investigate any matters within its Terms of Reference and shall have full and unrestricted access to information pertaining to the Group, from the Internal and External Auditors, management and all employees in carrying out its duties. The Terms of Reference of the Audit Committee could be viewed on the Company's website at http:// www.malpac.com.my.

MEETINGS

During the FYE 2019, the Audit Committee held four (4) meetings. The Chairman and Encik Muhayuddin Bin Musa attended all the four (4) meetings and Mr Gan Teck Chong @ Gan Kwan Chong attended three (3) meetings held during FYE 2019.

Each Audit Committee meeting is scheduled in advance and has been conducted with proper meeting proceedings. Meeting notice, previous minutes of Audit Committee meeting and quarterly financial results are circulated to the Audit Committee members at least five (5) days prior to the meeting. At each quarterly meeting, the Chief Executive Officer, Mr. Ang Poo Guan was invited to present the quarterly financial results and related party transactions as well as conflict of interest situation that may arise within the Group and the Company, and at the same time to provide clarification on issues which may be raised by the Audit Committee members. The Audit Committee assessed the results and issues presented independently with the absence of the Executive Directors.

As and when required, the Internal Auditors were required to report the outcome of their internal audit to the Audit Committee, the External Auditors were invited to present their Audit Plan, Audit Review Memorandum and draft Audited Financial Statements. The Audit Committee Chairman presented to the Board the Audit Committee's report consisting of recommendations and other significant concerns for Board's discussion and approval. The Company Secretary shall be the Secretary to the Audit Committee and shall maintain minutes of the proceedings of the meeting.

SUMMARY OF WORK

The Audit Committee has discharged its functions during the financial year ended 30 June 2019 as follows:

a) Financial Reporting
Reviewed the Group's quarterly unaudited results and audited financial statements which were recommended for the Board's adoption prior to the announcement/submission to Bursa Securities focusing particularly on:
- changes in or implementation of major accounting policy.
- significant and unusual events.
- compliance with accounting standards and other legal requirements.
- compliance with Bursa Securities' MMLR, Companies Act 2016 and other regulatory requirements.
- reviewed the audited financial statements and recommended the adoption of the financial statements.

b) Internal Audit
Reviewed with the internal auditors and reported to the Board on the following matters:
- the internal audit scope of work and its material finding on half yearly basis.
- the adequacy of the internal control procedures and operational controls.
- the major findings of internal audit reports and the respective recommendations relating thereto.
- assessed the adequacy of the scope, functions, competency and resources of the IA.

c) External Audit
Reviewed with the external auditors and report to the Board on the following matters:
- their audit plan, which outlines their scope of work and proposed fees for the statutory audit.
- the audit review reports and highlighted all significant issues.
- assessed the suitability and independence of the External Auditors and make recommendations to the Board for their re-appointment.
- meeting with the External Auditors in the absence of the Executive Directors and Management.
- evaluated the audit fees payable to the external auditors.

d) Recurrent Related Party Transactions ("RRPT")
Reviewed the related party transactions and any conflicts of interest that may arise within the Company and the Group.

e) Others
- reviewed the progress and status of the on-going material litigation including engaging in discussions with the Company's solicitors.
- reviewed the Audit Committee Report and Statement on Risks Management and Internal Control ("SORMIC") prior to their inclusion in the Annual Report.

WORK DONE ON THE INTERNAL AUDIT FUNCTION

The internal audit function of the Company was outsourced to an external service provider, namely, IA Essential Sdn. Bhd. During the financial year ended 30 June 2019, the Audit Committee, assisted by the Internal Audit Function Evaluation Checklist, has assessed the suitability and independence of IA Essential Sdn. Bhd. based on the adequacy of the scope, functions, competency and resources of the IA Essential Sdn. Bhd. The Audit Committee concluded that IA Essential Sdn. Bhd. has the necessary authority to carry out the work. For the financial ended 30 June 2019, the work done by the internal audit function are as follow:

I. Conduct internal audit reviews in accordance with the internal audit scope of work;
II. Report the results of internal audit reviews and make recommendations to the Audit Committee on a periodic basis.

Two (2) internal audit reports were issued this year on various units of the Group, covering bank balances, investments and capital expenditure. The internal auditors had reviewed the process and conducted testing on transactions, documents and records and noted no exceptions of or non-compliance with the Group's investment policies and procedures.

The cost incurred for the internal audit function in respect of the financial year was RM12,891.46.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board Responsibility

The Board affirms its responsibilities for a sound system of internal control, quality risk management practices and for reviewing the Group's adequacy and integrity in these systems. The principal function of the internal control system is intended to identify and to manage significant risks faced by the Group's business operations, which may impede the achievement of the Group's objective. Given that the Group has ceased its operating in oil palm cultivation activities in the Year 2011, and that has remain as an investment holding company, the Board has considered that the current system of internal control is sufficient to manage significant risk face by the Group business operation. The Board ensures that the effectiveness and integrity of the risk management and internal control system are reviewed on an ongoing basis and is of the view that the system in place is sound and sufficient to safeguard the Group's assets. The Board also acknowledges that these systems are designed to ensure that risks are identified and managed at acceptable levels rather than to eliminate such risks. Hence, systems can only provide reasonable but not absolute assurance against financial losses or uncertainties.

Risk Management

The Board regards risk management as an integral part of the Group's business operations and has established a Risk Management Committee ("RMC") that comprises one Executive Non-Independent Director and two Non-Executive Independent Directors. The RMC identifies and communicates to the Audit Committee and the Board the present and potential critical risks the Group faces, their changes and the management action plans to manage these risks. The RMC has established a risk assessment process to identify, evaluate and manage the significant risks faced by the Group. Key risks identified are scored for the likelihood of the risks occurring and magnitude of its impact. Risk assessment, monitoring and review of the various risks faced by the Group are a continuous process within the key operating units with the RMC playing a pivotal oversight function. The RMC convenes on an annual basis to review the key risks profiles and report to the Audit Committee. Reviews are conducted annually or as and when necessary by RMC to determine the existence of a new risk and whether the risks previously identified remain relevant.

Internal Control

The outsourced internal auditors are engaged to assist the Board and Audit Committee in providing an independent assessment of adequacy, efficiency and effectiveness of the Group's internal control system. They have on a semi-annual basis assessed the adequacy and effectiveness of the Group's system of internal control and compliance frameworks and have subsequently reported their findings to the Audit Committee. The Audit Committee reviewed the internal audit reports and informed the Board on the adequacy and effectiveness of the Group's system of internal control. The Group's system of risk management and internal control mainly applies to its operating units and does not cover the dormant companies. The key elements of the Group's internal control system are: -

- Organisation structure with clearly defined lines of authority and the appropriate levels of delegation.
- Policies and procedures are clearly communicated to all staff members.
- Quarterly financial reports are provided to Directors and discussed at Audit Committee and Board meetings;
- The RMC would discuss the possible risk areas on the Group's operational and management issues as and when necessary and report to Audit Committee;
- Internal audit function outsourced to an independent advisory firm with its audit plan approved by the Audit Committee to assess the adequacy of internal control, the extent of compliance with policy and procedures as well as advising management on areas for improvement;
- The Audit Committee convenes meeting on a quarterly basis to deliberate on the findings and recommendation for improvements by the Internal Auditors and External Auditors. The Audit Committee reviews the action taken to rectify the findings in a timely manner and to evaluate the effectiveness and adequacy of the Group's internal control system;
- The CEO oversees the Group's operations and internal controls and reports to the Board on the key risks;
- All major decisions are subject to detailed appraisal and review. The Board receives comprehensive information covering all decisions within the group on a quarterly basis.

The Board, together with the management will, when necessary put in place appropriate action plans to further enhance the Group's risk management and internal control system. For the financial year ended 30 June 2019 under review, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified nor would require separate disclosure.

Adequacy & Effectiveness of the Risk Management & Internal Control System

The Board has received assurance from the Chief Executive Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. It is of the view that the risk management and internal control system are satisfactory, and no material internal control failures resulted in material losses or contingencies during the financial year under review.

Review of the Statement by External Auditors

The external auditors, Messrs PKF, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2019 and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

1. Sustainability Statement & Governance Structure

Established in 1976, Malpac Holdings Berhad is an investment holding with previous experiences in stock broking business, financial services and plantation holdings and is currently holding some investment properties. The Company has been listed on the Main Board of KLSE since 1987. The Board has specifically considered sustainability issues as part of our strategic formulation, and overseen the management of sustainability related risks, opportunities and practices.

However, the Group has been embroiled in a legal suit for more than ten (10) years and the Group has been reporting zero revenue and net losses over the last few years. In the current suit, the main issue before the Court is that the Group is in breach of a legal statute, i.e. Section 132C of the Companies Act 1965 read in conjunction with chapter 8 and 10 of Bursa's Main Market Listing Requirements ("MMLR") as shareholders of the Group had formally rejected in an EGM held in July 2014, a proposal for the disposal of the plantation and mill, of which aggregate value was/is higher than 25% of the highest percentage ratio as per chapter 10 of MMLR. The High Court decided against the Group in April 2017 and the matter is now before the Court of Appeal. The principal reason for pursuing this legal avenue is that the Board of Directors could stand accused of failing in its fiduciary duties in allowing a transfer of assets out of the Company in the absence of a properly sanctioned approval from its shareholders. In light of the High Court decision, the Group has temporarily lost its core business, the oil palm plantations and oil mill in Teluk Intan.

In terms of governance structure, the Board of Directors and CEO are closely monitoring all issues relating to sustainability matters of the Group, as well as to formulate sustainable investment strategies moving forward. As the Group is currently without a core business, material sustainability matters relating to the business front is minimal.

2. Stakeholder Engagement

The Group recognizes that efficient collaboration with stakeholders can positively influence the Company's success. Therefore, the Group actively engage in regular and fair communication with our stakeholders, encourage greater stakeholder participations. The Group's approach towards stakeholder engagement is summarized as follow:

Key Stakeholders	Engagement Methods	Frequency	Key Concerns Raised
Shareholders/ Investors	Timely updates of financial results, announcements, business developments and other relevant disclosures via Bursa Link and website.	Throughout the year	• Shareholders/investors asked if the management team are acting in the best interest of the Shareholders/Investors; • Directors' remuneration and sound corporate governance practices; • Sustainable business strategy and/or dividends policy.
	Annual Report	Annually	
	Annual General Meeting	Annually	
	Extraordinary General Meeting	Where it is necessary	
Employees	Career development performance appraisals	Throughout the year	• Fair and competitive employment practices and policies; • Equitable remuneration; • Career development;
	Recreational and wellness activities	Throughout the year	
Consultants & Operation Managers	Regular dialogue sessions with consultants and managers	Throughout the year	• Equitable treatment of consultants and managers; • Regular and punctual payments upon completion of services;
	Recreational and wellness activities	Throughout the year	
Government and Regulators	Email and dialogue sessions	Throughout the year	• Compliance with, and keep abreast to, ever-changing laws and regulations

3. Responsible Investment

While the Group's existing operations do not have much impact on the Economy, Social and Governance ("ESG"), the Board of Directors and management incorporate ESG elements into considering all current and future transactions. The Group is fulfilling its fiduciary duty as a responsible corporate citizen and will not tolerate with any transactions that are in breach of any laws in Malaysia, the MMLR or the Securities Commissions guidelines. Our objective is clear that being responsible for all stakeholders and it is the Group's duty of care to comply with the highest standards of governance. The Group will not involve in any investments solely based on profitability should the investments are harmful to the society, environment and/or supporting crime activities such as Ponzi-scheme, money laundering and/or any other unethical businesses.

4. Care for the Environment

The Board set the tone to be the advocate for the minimalist concept for all business transactions as one of the Group's key sustainability missions to keep all transactions clean, efficient and environmentally friendly. The Group encourages all our stakeholders to love our environment and all shall contribute to minimize the effluents and waste as much as possible. As part of the Group's efforts in reducing carbon footprint, the Group believes one of the effective ways is to reduce the waste production at source by consuming less and subsequently recycling the recyclables. In this regard, the print copy of our Annual Report 2018 has been reduced from 106 pages in 2017 to 86 pages in 2018. The Group also promotes "shared economy" to further reduce unnecessary effluents and waste productions. This is done via (i) sharing of newspapers and magazines among the Directors and the employees and (ii) sharing of building services and facilities by leasing the unused capacity of empty office spaces instead of building additional spaces and services by our own.

5. Anti-Corruption

In order to eliminate undesirable behaviour among employees and stakeholders, we have zero tolerance towards any forms of corruption. The Board take a leadership position in fostering a strong corporate governance culture and implementing policies that promote ethical behaviour. The Board strongly encourage anyone who is suspicious of any corruption incidents within Malpac with evidence to step forward and whistle blow so that our Group could report such incident to the relevant authorities. There were no incidents of corruption during the year by the employees reported. Moving forward, the Group targets to maintain zero confirmed incidents of corruption continuously.

6. Enhancing Governance and Training across the Group

With diverse investments across Malaysia and in overseas markets, Malpac has to maintain good Corporate Governance to instil confidence among its stakeholders. The Board is ultimately responsible for the governance and compliance of the various policies and procedures of all our employees. The Board constantly promotes the following:

- Life-long continuous learning for all Board members and employees to acquire new skills to be part of the cross-functional team of the Malpac Group;
- Self-enrichment by reading more educational magazines and/or materials that could improve the Board members and employees' knowledge on the ever-changing global business environment;
- Adhering to the Group's Code of conduct and ethics;
- To be guided by highest moral values when deal with fraud and any risk management events;
- To comply with all bylaws and do not ever intend to collect or to pay bribe to any government officers, stakeholders or business partners in order to secure any business deals;

The Board's objectives were to train and to motivate the employees to be proactive and to develop their survival skills not limited within the Malpac group of companies but to be socially independent in the ever-changing environment.

7. Contribution to the Society

In view of the current financial position of the Group which has been reporting zero revenue and losses over the last few years, no formal charitable programmes have been put in place. However, the Directors are fulfilling their social responsibility obligations on a personal basis.

FINANCIAL STATEMENTS

MALPAC
Malpac Holdings Berhad
(197424-V)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out Note 12 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

Results

	Group RM	Company RM
Loss for the financial year	5,474,629	1,322,916

Reserves and provisions

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

Dividends

On 6 September 2018, the Company declared a single-tier interim dividend of 10.00 sen per share amounting to RM7,500,000 in respect of the financial year ended 30 June 2019 and paid on 18 October 2018.

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend for the financial year ended 30 June 2019.

Directors

The 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 this report are:

Chew Loy Chee
Tan Chon Sing @ Tan Kim Tieng
Gan Teck Chong @ Gan Kwan Chong
Lim Hong Liang
Kan Ah Chun
Muhayuddin Bin Musa
Johari Low Bin Abdullah

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who already listed above are:

Ang Poo Guan
Lee Chee Seong

Directors' interests in shares

The shareholdings in the ordinary shares of the Company of those who were directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act, 2016 in Malaysia are as follows:

	Number of ordinary shares			
	Balance as at 1.7.2018	Bought	Sold	Balance as at 30.6.2019
Direct interest				
Chew Loy Chee	3,152,188	-	-	3,152,188
Tan Chon Sing @ Tan Kim Tieng	10,315,393	-	-	10,315,393
Gan Teck Chong @ Gan Kwan Chong	3,917,303	-	-	3,917,303
Lim Hong Liang	14,438,008	38,000	-	14,476,008
Kan Ah Chun	2,279,960	22,000	-	2,301,960
Deemed interest				
Chew Loy Chee*	360,000	-	-	360,000
Tan Chon Sing @ Tan Kim Tieng*	2,209,300	-	-	2,209,300
Gan Teck Chong @ Gan Kwan Chong*	4,460,800	-	-	4,460,800
Lim Hong Liang**	3,691,900	-	-	3,691,900

* Deemed interested through spouse
** Deemed interested through a corporation in which the director has substantial financial interest

By virtue of their shareholdings in the Company, Chew Loy Chee, Tan Chon Sing @ Tan Kim Tieng, Gan Teck Chong @ Gan Kwan Chong, Lim Hong Liang and Kan Ah Chun are deemed interested in the ordinary shares of the subsidiaries to the extent the Company has an interest pursuant to Section 8 of the Companies Act, 2016 in Malaysia.

The other directors in office as at the end of the financial year had no interest in the ordinary shares of the Company and its related corporations during the financial year, according to the register required to be kept under Section 59 of the Companies Act, 2016 in Malaysia.

Directors' benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in aggregate amount of emolument receive or due and receivable by the directors as disclosed in the financial statement) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for those disclosed in Note 25 to the financial statements.

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

Directors' remuneration and fees

The details of directors' remuneration paid or payable to the directors of the Company during the financial year are as disclosed in Note 7 to the financial statements.

Indemnity and insurance for directors, officers and auditor

There was no indemnity given to or insurance effected for any director, officer or auditor of the Group and of the Company.

Issue of shares and debentures

There were no changes in the share capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person during the financial year to take up unissued shares of the Company.

Other statutory information

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

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

(ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

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 and which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and the Company that has arisen since the end of the financial year.

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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

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 2019 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

Details of significant events are disclosed in Note 32 to the financial statements.

Auditors

The auditors, Messrs PKF, have indicated their willingness to continue in office.

The remuneration of auditors of the Group and of the Company amounted to RM45,000 and RM26,000 respectively as disclosed in Note 5 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors dated 18 October 2019,

TAN CHON SING @ TAN KIM TIENG

GAN TECK CHONG @ GAN KWAN CHONG

Kuala Lumpur

18 October 2019

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

In the opinion of the Directors, the accompanying financial statements as set out on pages 36 to 82 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of financial positions of the Group and of the Company as at 30 June 2019 and of their financial performances and their cash flows for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors dated 18 October 2019,

TAN CHON SING @ TAN KIM TIENG

GAN TECK CHONG @ GAN KWAN CHONG

Kuala Lumpur

18 October 2019

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA

I, TAN CHON SING @ TAN KIM TIENG, being the director primarily responsible for the financial management of MALPAC HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 36 to 82 are in my opinion 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, 2016 in Malaysia.

Subscribed and solemnly declared by the)
above-named at Kuala Lumpur in Wilayah)
Persekutuan on 18 October 2019)

TAN CHON SING @ TAN KIM TIENG

Before me,

KAPT. (B) JASNI BIN YUSOFF (W465)
Commissioner for Oaths

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MALPAC HOLDINGS BERHAD, which comprise the statements of financial position as at 30 June 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 36 to 82.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2019, and of their financial performances and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Provision for legal claims
(Refer to Notes 1(e)(vi), 2(p), 20 and 31 to the financial statements)

During the financial year, the Directors had made additional provision for legal claims of RM1,524,283 and thus, the total provision for legal claims increased up to RM33,662,103 as at 30 June 2019. The provision was made in respect of the High Court's decision on 31 May 2017 against the Company, the Board of Directors, its Chief Executive Officer and Malpac Capital Sdn. Bhd (its subsidiary) for tort of abuse of process and also the tort of conspiracy to injure the Purchasers.

We focused on this area because significant judgements are made by the Directors of the Company in estimating the possibility of an outflow of resources embodying economic benefits and the amount required to settle the obligation.

Our audit procedures included:

- obtained solicitors' confirmation letter from the Group's solicitors;
- direct communication with the Group's solicitors to obtain clarification and understanding on the legal opinion provided in the solicitors' confirmation letter;
- reviewed legal correspondence letters;
- reviewed and discussed with the management the reasonableness of the assumptions made; and
- tested the mathematical calculation of the computation of estimated legal claims.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report but does not included 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 information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group or 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 communicate in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the member 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 contents of this report.

PKF
AF 0911
CHARTERED ACCOUNTANTS

NGU SIOW PING
03033/11/2019 J
CHARTERED ACCOUNTANT

Kuala Lumpur

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Group		Company	
		2019	2018 Restated	2019	2018 Restated
	Note	RM	RM	RM	RM
Revenue		-	-	-	-
Other income	3	4,008,054	4,971,584	901,067	1,538,405
Fair value gain/(loss) on other investment		(3,336,932)	(3,933,083)	(85,268)	195,329
Administrative expenses		(4,481,932)	(3,350,720)	(2,301,318)	(1,711,746)
Other operating expenses		(1,614,064)	(1,067,622)	(7,933)	(9,061)
Loss from operations		(5,424,874)	(3,379,841)	(1,322,916)	(377,731)
Finance cost	4	(49,570)	(25,218)	-	-
Loss before tax	5	(5,474,444)	(3,405,059)	(1,322,916)	(377,731)
Tax (income)/expense	8	(185)	(6,290)	-	-
Loss and other comprehensive loss for the financial year		(5,474,629)	(3,411,349)	(1,322,916)	(377,731)
Basic loss per share (sen)	9	(7.3)	(4.5)		
Diluted loss per share (sen)		(7.3)	(4.5)		

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	159,351	116,835	6,423	9,386
Investment properties	11	65,795,933	66,092,517	-	-
Investment in subsidiaries	12	-	-	166,981,515	166,981,515
Goodwill on consolidation	13	17,868	17,868	-	-
Other investments	14	12,029,525	12,256,801	-	-
		78,002,677	78,484,021	166,987,938	166,990,901
Current assets					
Trade and non-trade receivables	15	49,124,470	49,118,633	7,903,674	7,844,513
Tax recoverable		15,102	21,756	-	-
Other investments	14	5,555,976	5,551,700	-	-
Short-term cash investment	16	70,971,559	81,316,588	25,266,029	33,779,409
Fixed deposits placed with licensed banks	17	7,154,922	6,870,270	-	-
Cash and bank balances		227,340	232,935	90,105	86,069
		133,049,369	143,111,882	33,259,808	41,709,991
TOTAL ASSETS		211,052,046	221,595,903	200,247,746	208,700,892
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	99,366,593	99,366,593	99,366,593	99,366,593
Retained earnings	19	67,314,216	80,288,845	98,471,863	107,294,779
Total equity		166,680,809	179,655,438	197,838,456	206,661,372
Non-current liability					
Provisions	20	144,986	362,628	51,650	204,565
Current liabilities					
Non-trade payables	21	787,966	687,171	382,987	387,881
Provisions	20	37,431,429	35,114,987	1,974,653	1,447,074
Borrowing	22	6,006,856	5,772,075	-	-
Tax payable		-	3,604	-	-
		44,226,251	41,577,837	2,357,640	1,834,955
Total liabilities		44,371,237	41,940,465	2,409,290	2,039,520
TOTAL EQUITY AND LIABILITIES		211,052,046	221,595,903	200,247,746	208,700,892

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Share capital RM	Share earnings RM	Total equity RM
Group				
At 1 July 2017		99,366,593	83,700,194	183,066,787
Loss and other comprehensive loss for the financial year		-	(3,411,349)	(3,411,349)
At 30 June 2018		99,366,593	80,288,845	179,655,438
Loss and other comprehensive loss for the financial year		-	(5,474,629)	(5,474,629)
Dividend	24	-	(7,500,000)	(7,500,000)
At 30 June 2019		99,366,593	67,314,216	166,680,809
Company				
At 1 July 2017		99,366,593	107,672,510	207,039,103
Loss and other comprehensive loss for the financial year		-	(377,731)	(377,731)
At 30 June 2018		99,366,593	107,294,779	206,661,372
Loss and other comprehensive loss for the financial year		-	(1,322,916)	(1,322,916)
Dividend	24	-	(7,500,000)	(7,500,000)
At 30 June 2019		99,366,593	98,471,863	197,838,456

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Cash flows from operating activities					
Loss before tax		(5,474,444)	(3,405,059)	(1,322,916)	(377,731)
Adjustments for:					
Depreciation of investment properties		296,584	217,100	-	-
Depreciation of property, plant and equipment		84,439	79,792	2,963	7,989
Distribution income from unit trusts		(2,753,232)	(3,137,333)	(858,132)	(1,205,395)
Dividend income		(158,064)	(329,319)		-
Gain on redemption of short-term cash investments		(110,710)	(400,627)	(38,917)	(323,462)
Gain on disposal of other investments		(193,300)	(460,332)	-	-
Gain on disposal of property, plant and equipment		(32,000)	-	-	-
Impairment losses on amounts due from subsidiaries		-	-	7,933	9,061
Impairment losses on trade receivables		216,000	90,000	-	-
Interest expense		49,570	25,218	-	-
Interest income		(436,451)	(424,405)	(1,297)	(1,239)
Net fair value loss/(gain) on financial assets at fair value through profit or loss:					
- Short-term cash investment		330,257	553,646	(85,268)	195,329
- Other investment		3,006,675	3,379,437	-	-
Provisions		2,098,800	862,606	374,664	80,323
Unrealised loss on foreign exchange		304,349	35,366	-	-
Loss before working capital changes		(2,771,527)	(2,913,910)	(1,920,970)	(1,615,125)
(Increase)/Decrease in receivables		(221,838)	500,913	(67,094)	-
Increase/(Decrease) in payables		100,798	(193,368)	(4,894)	(171,494)
Cash used in operations		(2,892,567)	(2,606,365)	(1,992,958)	(1,786,619)
Tax paid		(11,055)	(9,078)	-	-
Tax refunded		13,920	-	-	-
Utilisation of provision		-	(308,669)	-	(109,738)
Net cash used in operating activities		(2,889,702)	(2,924,112)	(1,992,958)	(1,896,357)
Cash flows from investing activities					
Advance to subsidiaries		-	-	-	(7,388,925)
Distribution income received		2,014,553	529,368	119,453	529,368
Dividend received		158,064	329,319	-	-
Dividend paid		(7,500,000)	-	(7,500,000)	-
Interest received		436,451	424,405	1,297	1,239
Placement of fixed deposits pledged		(292,279)	(6,841,132)	-	-
Proceeds from disposal/ redemption of:					
- property, plant and equipment		32,000	-	-	-
- other investments		312,000	3,564,994	-	-
- short-term cash investments		51,923,114	68,810,835	34,656,671	37,147,615
Purchase of:					
- property, plant and equipment		(126,956)	-	-	-
- other investments		(2,902,375)	(828,312)	-	-
- investment properties		-	(9,849,970)	-	-
- short-term cash investments		(41,058,953)	(59,022,387)	(25,280,427)	(28,408,309)
Net cash from/(used in) investing activities		2,995,619	(2,882,880)	1,996,994	1,880,988

for the financial year ended 30 June 2019

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Cash flows from financing activities					
Interest paid		(49,570)	(25,218)	-	-
(Repayment)/Drawdown of borrowing		(69,569)	5,736,709	-	-
Net cash (used in)/ generated from financing activities		(119,139)	5,711,491	-	-
Net (decrease)/increase in cash and cash equivalents		(13,222)	(95,501)	4,036	(15,369)
Cash and cash equivalents at 1 July 2018/2017		262,073	357,574	86,069	101,438
Cash and cash equivalents at 30 June	(i)	248,851	262,073	90,105	86,069

Notes:

(i) Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Cash and bank balances	227,340	232,935	90,105	86,069
Fixed deposits with licensed banks (Note 17)	21,511	29,138	-	-
	248,851	262,073	90,105	86,069

(ii) Reconciliation of liability arising from financing activity:

	1 July 2018 RM	Cash flows RM	Non-cash changes Unrealised loss on foreign exchange RM	30 June 2019 RM
Group				
2019				
Revolving credit	5,772,075	(69,569)	304,349	6,006,855

	1 July 2017 RM	Cash flows RM	Non-cash changes Unrealised loss on foreign exchange RM	30 June 2019 RM
Group				
2018				
Revolving credit	-	5,736,709	35,366	5,772,075

1. Basis of preparation

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

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as a going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

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

(a) Standards issued and effective

On 1 July 2018, the Group and the Company have also adopted the following new and amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2018:

Description	Effective for annual periods beginning on or after
• Annual improvements to MFRS 2014 - 2016 cycle	
- Amendments to MRFS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
- Amendments to MFRS 128, Investments in Associates and Joint Ventures	1 January 2018
• Amendments to MFRS 2, Share-based Payment: Classification and Measurement of Share-based Payment Transactions	1 January 2018
• Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
• MFRS 9, Financial Instruments	1 January 2018
• MFRS 15, Revenue from Contracts with Customers	1 January 2018
• Amendments to MFRS 15: Clarifications to MFRS 15, Revenue from Contracts with Customers	1 January 2018
• Amendments to MFRS 140, Investment Property: Transfer of Investment Property	1 January 2018
• IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2018

The Directors are in view that the adoption of the new and amended MFRS and interpretation above have no impact on the financial statements of the Group and of the Company other than the changes in accounting policies for the Group and the Company for the newly effective standards as stated in Note 1(c).

(b) Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
• Annual improvements to MFRS 2015 - 2017 cycle	
- Amendments to MFRS 3, Business Combinations	1 January 2019
- Amendments to MFRS 11, Joint Arrangements	1 January 2019
- Amendments to MFRS 112, Income Taxes	1 January 2019
- Amendments to MFRS 123, Borrowing Costs	1 January 2019
• Amendments to MFRS 119, Employee Benefits: Plan Amendment, Curtailment or Settlement	1 January 2019
• Amendments to MFRS 2, Share-based Payment	1 January 2020
• Amendments to MFRS 3, Business Combinations	1 January 2020
• Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2020
• Amendments to MFRS 14, Regulatory Deferral Accounts	1 January 2020
• Amendments to MFRS 101, Presentation of Financial Statements: Definition of Material	1 January 2020
• Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020
• Amendments to MFRS 134, Interim Financial Reporting	1 January 2020
• Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
• Amendments MFRS 138, Intangible Assets	1 January 2020

1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

• MFRS 16, Leases	1 January 2019
• MFRS 17, Insurance Contracts	1 January 2021
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 9, Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019
• Amendments to MFRS 128, Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	1 January 2019
• IC Interpretation 23, Uncertainty over Income Tax Treatments	1 January 2019
• Amendments to IC Interpretation 12, Service Concession Arrangements	1 January 2020
• Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
• Amendments to IC interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
• Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2020
• Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs	1 January 2020

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statement of the Group and of the Company except as mentioned below:

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group and the Company do not expect the application of MFRS 16 to have a significant impact on their financial statements.

(c) Explanation on change in accounting policy

MFRS 15 Revenue from Contracts with Customers

In the current financial year, the Company have adopted MFRS 15 Revenue from Contracts with Customers (“MFRS 15”) effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is as of the beginning of the MFRS reporting period in which the Company first applies MFRS 15, i.e. 1 July 2018.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of (or prevent other entities from directing the use of), and obtain substantially all of the remaining benefits (or prevent other entities from obtaining the benefits) from the goods and services.

1. Basis of preparation (continued)

(c) Explanation on change in accounting policy (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

The Company elect to retrospectively apply MFRS 15 to contracts that are not complete at the date of initial application and recognise the cumulative effect of initially applying MFRS 15 as an adjustment to the opening balance of the retained earnings (or other component or equity, as appropriate) of the annual reporting period that includes the date at initial application.

The adoption of MFRS 15 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to contracts with customers, which the Company have complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Company.

MFRS 9 Financial instruments

In the current financial year, the Group and the Company have adopted MFRS 9 Financial Instruments ("MFRS 9") effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is as of the beginning of the MFRS reporting period in which the Group and the Company first applies MFRS 9, i.e. 1 January 2018.

(i) Under adoption of MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held to collects its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

(ii) New expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognised expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised

The adoption of the above MFRS did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's accounting policies.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements

(e) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

1. Basis of preparation (continued)

(e) Significant accounting estimates and judgements (continued)

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

(v) Pension and other post-retirement benefits

The cost and valuation of defined benefit pension plans is determined using actuarial valuations. This involves making assumptions about discount rates, expected rate of return of assets, future salary and pensions increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

(vi) Provision for legal claims

The provision is made for legal services in respect of the Group's litigation case as mentioned in Note 30 to the financial statements. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases. It is reasonably possible, that outcomes within the next financial year that are different from assumptions would require a material adjustment to the provision made.

1. Basis of preparation (continued)

(e) Significant accounting estimates and judgements (continued)

(vii) Deferred Tax Assets and Liabilities

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

(viii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(ix) Classification between Investment Properties and Owner Occupied Properties

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

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

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

2. Summary of significant accounting policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when the Group is exposed to, 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.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return. Potential voting rights are considered when assessing control only when such rights are substantive.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

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

(ii) Business combinations

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

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

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

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iii) 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 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 profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the 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 caused the non-controlling interests to have a deficit balance.

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, w\hereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity

(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 subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue and other income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue and other income can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable. Revenue and other income are not recognised to the extent there are significant uncertainties regarding recovery of consideration due.

(i) Rental income

Rental income is recognised on accrual basis in accordance with terms of agreement.

The contract price is fixed, which is based on agreed in the agreement. As the customer simultaneously receives and consumes the benefit during the contract period, the revenues are recognised overtime.

No element of financing is deemed present as the sales are made with a credit term of approximately 30 days, which is consistent with the market practice.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Dividend income and distribution income

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

2. Summary of significant accounting policies (continued)

(c) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which are the Group's and the Company's functional currency. recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and of the Company on disposal of the foreign operation.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and the Company on disposal of the foreign operation.

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 and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rate used in the translation of each unit of foreign currency at reporting date is as follows

	2019 **RM**	**2018** **RM**
1 Japanese Yen	0.0385	0.0365

2. Summary of significant accounting policies (continued)

(d) Employee benefits expense

(i) Short-term employee benefits

Wages, salaries, social security contributions and bonuses 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, are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Retirement gratuity scheme

The Group and the Company established a retirement gratuity scheme in 2010 for employees of the Group and of the Company. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the services rendered up to date of retirement. The retirement gratuity is calculated based on the basic salary over the tenure of employment to date. The retirement gratuity payable is vested upon the employees and directors reaching their retirement age.

(e) Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance costs comprise interest paid and payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

(f) Leases

(i) Operating lease – The Group and the Company as lessee

Operating lease payment are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. The up-front payment for lease of land represents prepaid land lease payments are amortised on a straight-line basis over the lease term.

(ii) Operating lease – The Group as lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2. Summary of significant accounting policies (continued)

(g) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment

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

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

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

All property, plant and equipment are depreciated on the straight-line basis to write off the costs of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:

Motor vehicles	20%
Computer equipment	20%
Plant and machinery	10%
Others	10% - 20%

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(i) Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both, but not use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

Investment properties are measured initially at cost includes transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.

Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land has an indefinite useful life and therefore is not depreciated.

All other investment properties are depreciated on the straight-line basis to write off the costs of the investment properties over their estimated useful lives.

2. Summary of significant accounting policies (continued)

(i) Investment properties (continued)

The principal annual rates used for this purpose are:

Buildings	47 years to 50 years
Air-conditioner	10%
Renovation	10%
Fixtures and fittings	10%

The carrying amount of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss in the year the asset is derecognised.

(j) Goodwill on consolidation

Goodwill on consolidation is recognised as of the acquisition date measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition-date fair value of the Group's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill with indefinite useful lives are not amortised but is tested for impairment annually.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

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

(k) Impairment

(i) Impairment of financial assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, Financial Instruments, the Group and the Company elected not to restate the comparatives.

Current financial year

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses 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 cash and bank balances. Loss allowances for trade 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.

2. Summary of significant accounting policies (continued)

(k) Impairment (continued)

(i) Impairment of financial assets (continued)

Current financial year (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 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 amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost 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 full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

Previous financial year

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and non-trade receivables and other financial assets carried at amortised cost.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

(k) Impairment (continued)

(ii) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal 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. Impairment loss on goodwill is not reversed in a subsequent period.

(l) Financial assets

Current financial year

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

(i) Amortised costs

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

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

2. Summary of significant accounting policies (continued)

(l) Financial assets (continued)

(ii) Fair value through profit or loss ("FVTPL")

All financial assets not measured at amortised cost as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

Previous financial year

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of its financial assets at initial recognition, and the categories include loans and receivables and fair value through profit or loss.

(i) Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date which is the date that the Group and the Company commit to purchase or sell the asset.

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

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value, without any deduction for transaction costs it may incur on sale or other disposal. Changes in fair value are recognised in profit or loss.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

2. Summary of significant accounting policies (continued)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, fixed deposits placed with licensed banks with original maturity not more than 3 months 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.

(n) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

(o) Financial liabilities

Current financial year

The categories of financial liabilities at initial recognition are as follows:

Amortised cost

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

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

Previous financial year

Financial liabilities are classified according to the substance of the contractual agreements entered into and the definitions of a financial liability.

Financial liabilities are recognised on the statements of financial position when, and only, when the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities of the Group and of the Company are classified as financial liabilities measured at amortised cost.

Financial measured at amortised cost

The Group's and the Company's financial liabilities measure at amortised cost include trade payables, non-trade payables and accruals, amount due to holding company, amount due to a related party, amount due to subsidiaries, amount due to directors and borrowings.

Financial liabilities measured at amortised cost are recognised initially at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

For financial liabilities measured at amortised cost, gains and losses and impaired are recognised in profit or loss when the financial liabilities are derecognised and impaired, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(p) Provisions

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

2. Summary of significant accounting policies (continued)

(p) Provisions (continued)

Provisions are reviewed at end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including 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 to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(s) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

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

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

Level 3: Unobservable inputs for the asset or liability.

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

2. Summary of significant accounting policies (continued)

(t) Earnings per ordinary share ("EPS")

The Group presents basic and diluted earnings per share date for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

3. Other income

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Distribution income	2,753,232	3,137,333	858,132	1,205,395
Dividend income	158,064	329,319		
Interest income	-	-	-	-
- short-term cash investments	722	-	-	-
- other investments	151,917	278,615	-	-
- fixed deposits placed with licensed banks	282,515	144,539	-	-
- others	1,297	1,251	1,297	1,239
Gain on disposal on joint venture investment	-	450,000	-	-
Gain on disposal/ redemption of:				
- short-term cash investments	110,710	400,627	38,917	323,462
- other investments	193,300	10,332	-	-
- property, plant and equipment	32,000	-	-	-
Rental income	297,651	203,534	-	-
Other income	26,646	16,003	2,721	8,309
	4,008,054	4,971,584	901,067	1,538,405

4. Finance costs

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Interest expense on:				
- Borrowings	49,570	25,218	-	-

5. Loss before tax

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Loss before tax is arrived at after charging/ (crediting):				
Auditor's remuneration:				
- current year	45,000	45,000	26,000	26,000
- underprovision in prior year	-	2,000	-	500
Depreciation of property, plant and equipment	84,439	79,792	2,963	7,989
Depreciation of investment properties	296,584	217,100	-	-
Directors' fee	60,000	60,000	60,000	60,000
Employee benefits expense (Note 6)	1,256,954	1,342,611	857,070	930,480
Impairment losses on amount due from subsidiaries	-	-	7,933	9,061
Impairment losses on trade receivables	216,000	90,000	-	-
Net fair value loss/(gain) on financial assets at fair value through profit or loss:				
- Short-term cash investment	330,257	553,646	(85,268)	195,329
- Other investment	3,006,675	3,379,438	-	-
Provisions:	-	-		
- Retirement gratuity	90,298	100,464	74,664	80,323
- Legal fee	484,219	(308,669)	300,000	(109,738)
- Legal claims	1,524,283	762,142	-	-
Rental of premises	208,800	219,092	193,680	204,332
Interest on obligation (Note 20(a))	4,402	13,209	465	6,881
Unrealised loss on foreign exchange	304,349	35,366	-	-
Withholding tax	58,684	13,782	-	-

6. Employee benefits expense

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
(i) Staff costs:				
- Salaries and other emoluments	560,043	540,076	258,825	243,600
- Contribution to defined contribution plan	86,562	93,321	39,792	42,216
- Social security contribution	5,451	5,588	1,516	1,469
- Provisions for retirement gratuity	60,298	64,429	44,664	44,288
- Other employee benefits expense	2,433	5,768	1,527	5,768
	714,787	709,182	346,324	337,341
(ii) Directors' remuneration (excluding benefits- in-kind) (Note 7):				
- Salaries and other emoluments	421,000	492,000	421,000	485,000
- Contribution to defined contribution plan	57,880	70,130	57,880	70,130
- Social security contribution	1,866	1,974	1,866	1,974
- Provisions for retirement gratuity	30,000	36,035	30,000	36,035
Total directors' remuneration (excluding benefit-in-kind)	510,746	600,139	510,746	593,139
- Estimated monetary value of benefit-in-kind	31,421	33,290	-	-
Total directors' remuneration (including benefit-in-kind)	542,167	633,429	510,746	593,139
Total employee benefits expense	1,256,954	1,342,611	857,070	930,480

7. Directors' remuneration

Detail of remuneration received and receivable by directors of the Company during the financial year are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Executive directors:				
Salaries and other emoluments	316,000	316,000	316,000	316,000
Contribution to defined contribution plan	57,880	57,880	57,880	57,880
Social security contribution	1,866	1,677	1,866	1,677
Retirement gratuity benefits	18,000	24,035	18,000	24,035
Total executive directors' remuneration (excluding benefit-in-kind)	393,746	399,592	393,746	399,592
Estimated monetary value of benefit-in-kind	18,096	19,921	-	-
Total executive directors' remuneration (including benefit-in-kind)	411,842	419,513	393,746	399,592
Non-executive directors:				
Allowances and other emoluments	105,000	176,000	105,000	169,000
Contribution to defined contribution plan	-	12,250	-	12,250
Social security contribution	-	297	-	297
Retirement gratuity benefits	12,000	12,000	12,000	12,000
Total non-executive directors' remuneration (excluding benefit-in-kind)	117,000	200,547	177,000	193,547
Estimated monetary value of benefit-in-kind	13,325	13,369	-	-
Total non-executive directors' remuneration (including benefit-in-kind)	130,325	213,916	117,000	193,547
Total directors' remuneration	542,167	633,429	510,746	593,139

8. Tax expense

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Current tax expense:				
- current financial year	(297)	(6,290)	-	-
- under provision in prior financial year	112	-	-	-
	(185)	(6,290)	-	-

Reconciliation of tax expense

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Loss before tax	(5,474,444)	(3,405,059)	(1,322,916)	(377,731)
Tax calculated using statutory tax rate at 24%	(1,313,865)	(817,214)	(317,500)	(90,655)
Non-taxable income	(785,764)	(476,693)	(236,720)	(322,339)
Non-deductible expenses	1,901,469	562,482	554,220	412,994
Deferred tax assets not recognised during the financial year	197,863	826,245	-	-
	(297)	(6,290)	-	-
Under provision of current tax expense in prior financial year	112	-	-	-
Tax expense for the financial year	(185)	(6,290)	-	-

The Company has unutilised tax losses of RM3,592,170 (RM2,787,741) and unabsorbed capital allowances of RM229,308 (2018: RM209,308) available for offsetting against future taxable profits.

Unutilised tax losses can be carried forward for a period of 7 years from year of assessment 2019 onwards for set off against future taxable profits.

9. Loss per share

(a) Basic

Basic loss per share is calculated by dividing loss for the financial year, net of tax, attributable to owners of the parent by the number of ordinary shares of RM1 each in issue during the financial year.

	Group	
	2019 **RM**	**2018** **RM**
Loss for the financial year, attributable to owners of the parent	(5,474,629)	(3,411,349)
Number of ordinary shares in issue	75,000,000	75,000,000
Basic loss per share (sen)	(7.3)	(4.5)

(b) Diluted

The Group has no potentially dilutive ordinary shares that may be issued in the future. As such, there is no dilution effect on the loss per ordinary shares of the Group for the financial year.

There have been no other transactions involving ordinary shares between end of reporting period and the date of authorisation of these financial statements.

10. Property, plant and equipment

	Motor vehicle RM	**Computer equipment RM**	**Others* RM**	**Total RM**
Group				
2019				
Cost				
At 1 July 2018	1,485,285	17,088	79,621	1,581,994
Additions	126,956	-	-	126,956
Disposal	(162,936)	-	-	(162,936)
At 30 June	1,449,305	17,088	79,621	1,546,014
Accumulated depreciation				
At 1 July 2018	1,377,915	16,660	70,584	1,465,159
Charge for the financial year	81,405	424	2,610	84,439
Disposal	(162,935)	-	-	(162,935)
At 30 June	1,296,385	17,084	73,194	1,386,663
Carrying amount				
At 30 June	152,920	4	6,427	159,351
Group				
2018				
Cost				
At 1 July 2017/30 June	1,485,285	17,088	79,621	1,581,994
Accumulated depreciation				
At 1 July 2017	1,306,559	15,261	63,547	1,385,367
Charge for the financial year	71,356	1,399	7,037	79,792
At 30 June	1,377,915	16,660	70,584	1,465,159
Carrying amount				
At 30 June	107,370	428	9,037	116,835

10. Property, plant and equipment (continued)

	Motor vehicle RM	Computer equipment RM	Others* RM	Total RM
Company				
2019				
Cost				
At 1 July 2018/30 June	8,651	6,672	78,651	93,974
Accumulated depreciation				
At 1 July 2018	8,651	6,302	69,635	84,588
Charge for the financial year	-	366	2,597	2,963
At 30 June	8,651	6,668	72,232	87,551
Carrying amount				
At 30 June	-	4	6,419	6,423
2018				
Cost				
At 1 July 2017	8,651	6,672	78,651	93,974
Accumulated depreciation				
At 1 July 2017	8,403	5,540	62,656	76,599
Charge for the financial year	248	762	6,979	7,989
At 30 June	8,651	6,302	69,635	84,588
Carrying amount				
At 30 June	-	370	9,016	9,386

* Others comprise of renovation, electrical installation, office equipment and furniture and fittings.

11. Investment properties

	Freehold land RM	Buildings RM	Air conditioner RM	Renovation RM	Fixtures and fittings RM	Total RM
Group						
2019						
Cost						
At 1 July 2019/30 June	53,367,232	13,415,970	38,060	73,379	90,983	66,985,624
Accumulated depreciation						
At 1 July 2019	-	760,265	26,352	47,751	58,739	893,107
Charge for the financial year	-	276,342	3,806	7,338	9,098	296,584
At 30 June	-	1,036,607	30,158	55,089	67,837	1,189,691
Carrying amount						
At 30 June	53,367,232	12,379,363	7,902	18,290	23,146	65,795,933
Fair value						133,055,412
Group						
2018						
Cost						
At 1 July 2018	53,367,232	3,566,000	38,060	73,379	90,983	57,135,654
Additions	-	9,849,970	-	-	-	9,849,970
At 30 June	53,367,232	13,415,970	38,060	73,379	90,983	66,985,624
Accumulated depreciation						
At 1 July 2018	-	563,407	22,546	40,413	49,641	676,007
Charge for the financial year	-	196,858	3,806	7,338	9,098	217,100
At 30 June	-	760,265	26,352	47,751	58,739	893,107
Carrying amount						
At 30 June	53,367,232	12,655,705	11,708	25,628	32,244	66,092,517
Fair value						100,103,148

	Group 2019 RM	Group 2018 RM
Recognised in profit or loss:		
Rental income	536,309	203,535
Direct operating expenses arising from investment properties that generated rental income during the financial year	(44,101)	(209,869)
Direct operating expenses arising from investment properties that did not generated rental income during the financial year	(34,560)	(20,870)

The estimated fair values of investment properties were arrived at by the directors of the Group by reference to similar properties in the locality and adjusting for size, present market trend and other differences.

12. Investments in subsidiaries

	Company 2019 RM	Company 2018 RM
Unquoted shares, at costs:	167,215,233	167,215,233
Less: Impairment loss	(233,718)	(233,718)
At 30 June	166,981,515	166,981,515

Details of the subsidiaries are as follows:

Name of company	Principal places of business/ Country of incorporation	Principal activities	Proportion of ownership interest/ voting right 2019	2018
Malpac Capital Sdn. Bhd	Malaysia	Cultivation of oil palm	100%	100%
Malpac Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Assets Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Land Sdn. Bhd.	Malaysia	Dormant	100%	100%
Discovery Assets Sdn. Bhd.	Malaysia	Dormant	100%	100%
Precious Way International Limited ^	British Virgin Islands	Investment holding	100%	100%
Titanium Highland Sdn. Bhd.	Malaysia	Dormant	100%	100%
Popular Sphere Sdn. Bhd.	Malaysia	Dormant	100%	100%

^ Audited by Messrs PKF for the purpose of consolidation in the financial statement of the Group.

13. Goodwill on consolidation

	Group 2019 RM	Group 2018 RM
At cost		
At 1 July 2018/2017	17,868	-
Acquisition of subsidiaries	-	17,868
At 30 June	17,868	17,868

Impairment test for goodwill

Goodwill arising from the acquisition had been allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Key assumptions used in value-in-use calculations

Net asset value

The management assessment on goodwill were based on the net asset value of two of its subsidiaries which are Popular Sphere Sdn. Bhd. and Titanium Highland Sdn. Bhd.

14. Other investments

	Group 2019 RM	Group 2018 RM
Non-current		
Equity and debt instruments quoted in Malaysia	12,029,525	12,256,801
Current		
Equity and debt instruments quoted in Malaysia	5,555,976	5,551,700
	17,585,501	17,808,501

14. Other investments (continued)

	Group 2019 Cost RM	Group 2019 Carrying amount RM	Group 2019 Market value of quoted investments RM	Group 2018 Cost RM	Group 2018 Carrying amount RM	Group 2018 Market value of quoted investments RM
Non-current						
Equity and debt instruments quoted in Malaysia, at fair value	18,635,846	12,029,525	12,029,525	16,706,470	12,256,801	12,256,801
Current						
Equity and debt instruments quoted in Malaysia, at fair value	7,672,184	5,555,976	5,555,976	6,817,884	5,551,700	5,551,700

15. Trade and non-trade receivables

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Trade receivables					
Trade receivables		2,597,047	2,381,047	-	-
Less: Impairment					
At 1 July 2018/2017		(2,381,047)	(2,291,047)	-	-
Addition		(216,000)	(90,000)	-	-
At 30 June		(2,597,047)	(2,381,047)	-	-
Trade receivables, net		-	-	-	-
Non-trade receivables					
Non-trade receivables	(a)	49,007,199	49,001,362	-	-
Amount due from subsidiaries		-	-	7,970,485	7,903,391
Less: Impairment					
At 1 July 2018/2017		-	-	(110,148)	(101,087)
Addition		-	-	(7,933)	(9,061)
At 30 June		-	-	(118,081)	(110,148)
Amount due from subsidiaries, net	(b)	-	-	7,852,404	7,793,243
Deposits		117,271	117,271	51,270	51,270
Non-trade receivables, net		49,124,470	49,118,633	7,903,674	7,844,513
Total trade and non-trade receivables		49,124,470	49,118,633	7,903,674	7,844,513

15. Trade and non-trade receivables (continued)

(a) Included in the non-trade receivables of the Group is an amount of RM49,000,000 which represent the consideration receivable for the disposal of the entire equity interest of Radiant Responses Sdn. Bhd. together with two (2) parcels of leasehold land which is fully disclosed under Suit 109 ("Case 1") in Note 31 to the financial statements.

(b) Amount due from subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand by cash.

16. Short-term cash investment

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Cash management fund with investment management companies	70,971,559	81,316,588	25,266,029	33,779,409

17. Fixed deposits placed with licensed banks

	Group	
	2019	**2018**
	RM	**RM**
Original maturities less than 3 months	21,511	29,138
Original maturities more than 3 months	7,133,411	6,841,132
	7,154,922	6,870,270

The fixed deposits placed with licensed banks of the Group bear effective interest at rates of 3.75% to 4.00% (2018: 2.55% to 3.50%) per annum with maturity period from 3 months to 12 months (2018: 3 days to 12 months).

Included in fixed deposits placed with licensed banks of the Group is RM7,133,411 (2018: RM6,841,132) pledged for bank facilities granted to the Group as disclosed in Note 22 to the financial statements.

18. Share capital

	Group and Company			
	2019	**2018**	**2019**	**2018**
	Number of shares		**RM**	**RM**
Issued and fully paid				
At 1 July 2018/2017/30 June	75,000,000	75,000,000	99,366,593	99,366,593

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual interests.

19. Retained earnings

Under the single tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained earnings can be distributed to shareholders as tax-exempt dividends.

20. Provisions

	Retirement gratuity RM	Legal fee RM	Legal claims RM	Total RM
Group				
At 1 July 2018	1,654,975	1,684,820	32,137,820	35,477,615
Addition	90,298	484,219	1,524,283	2,098,800
At 30 June 2019	1,745,273	2,169,039	33,662,103	37,576,415
At 1 January 2017	1,554,511	1,993,489	31,375,678	34,923,678
Addition	100,464	-	762,142	862,606
Utilisation	-	(308,669)	-	(308,669)
At 30 June 2018	1,654,975	1,684,820	32,137,820	35,477,615

	Retirement gratuity RM	Legal fee RM	Total RM
Company			
At 1 July 2018	1,461,377	190,262	1,651,639
Addition	74,664	300,000	374,664
At 30 June 2019	1,536,041	490,262	2,026,303
At 1 January 2017	1,381,054	300,000	1,681,054
Addition	80,323	-	80,323
Utilisation	-	(109,738)	(109,738)
At 30 June 2018	1,461,377	190,262	1,651,639

Provisions as at the end of the reporting period are shown as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Non-current	144,986	362,628	51,650	204,565
Current	37,431,429	35,114,987	1,974,653	1,447,074
	37,576,415	35,477,615	2,026,303	1,651,639

(a) Retirement gratuity

Provision for retirement gratuity are for eligible employees and directors. The details of the retirement gratuity scheme are disclosed in Note 2(d)(iii) to the financial statements. The provision is discounted at rates ranging from 3.44% to 4.30% (2018: 3.75% to 4.00%). The key assumption used by management to estimate the provision of retirement gratuity based on the basic salary over the tenure of employment to date.

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current service costs	85,896	87,255	74,199	73,442
Interest on obligation (Note 5)	4,402	13,209	465	6,881
	90,298	100,464	74,664	80,323

20. Provisions (continued)

(b) Legal fee

The provision is made for legal services in respect of the Company's litigation case 1, 2 and 3 as mentioned in Note 31 to the financial statements. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases.

(c) Legal claims

The provision is made for damages in respect of the Company's litigation case 3 as mentioned in Note 31 to the financial statements. The amount of provision is determined based on the High Court's decision on 31 May 2017.

21. Non-trade payables

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Non-trade payables	452,028	331,991	177,429	177,429
Deposit payables	18,000	25,598	-	-
Accrued expenses	317,938	329,582	205,558	210,452
	787,966	687,171	382,987	387,881

Non-trade payables and accrued expenses comprise mainly outstanding of ongoing costs.

This amount represents unsecured, interest-free advances and is repayable on demand.

22. Borrowing

	Group	
	2019 RM	2018 RM
Secured:		
Current		
Revolving credit	6,006,856	5,772,075

The revolving credit of the Group bears interest at rate of 0.85% (2018: 0.82%) per annum.

The revolving credit of the Group is secured by the fixed deposits placed with a licensed bank of the Company as disclosed in Note 17 to the financial statements.

23. Deferred tax assets

The amount of temporary differences for which no deferred tax assets has been recognised in the statements of financial position are as follows (stated as gross):

	Group	
	2019 RM	2018 RM
Unabsorbed capital allowance	229,308	209,308
Unutilised tax losses	3,592,170	2,787,741
	3,821,478	2,997,049

24. Dividend

	Gross dividend per share RM	Amount of dividend RM	Date of payment
Group and Company 2019			
Interim Single Tier Dividend	0.10	7,500,000	18 October 2019

25. Related party disclosures

(a) Identify of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influences over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are the subject to common control or common significant influences. Related parties may be individuals or other entities.

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

(b) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly, including any directors of the Group and of the Company.

The remuneration of the key management personnel are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Salaries and other emoluments	708,454	802,207	708,454	795,207
Directors' fees	60,000	60,000	60,000	60,000
Retirement gratuity benefits	69,375	75,410	69,375	75,410
Benefits-in-kind	40,221	42,090	-	-
	878,050	979,707	837,829	930,617

Included in compensation of key management personnel of the Group and of the Company are directors' remuneration as disclosed in Note 7 to the financial statements.

(c) Related party transactions

Significant transactions between the Company and its related parties during the financial year were as follows:

	2019 RM	2018 RM
With subsidiaries:		
Impairment loss on amount due from subsidiaries	7,933	9,061

d) Related party balances

Information regarding outstanding balances arising from related transactions as at the end of the reporting period are disclosed in Note 15 to the financial statements.

26. Commitments

(a) Operating lease commitments – as lessee

The Group and the Company have entered into non-cancellable operating lease arrangements for the use of buildings. These leases have an average tenure of between 1 and 2 years with option of renewal included in the contract. There are no restrictions placed upon the Group and the Company by entering into these leases.

26. Commitments (continued)

(a) Operating lease commitments – as lessee (continued)

Minimum lease payments, including amortisation of prepaid lease payments recognised in profit or loss for the financial year ended 30 June 2019 for the Group and the Company amounted to RM208,800 (2018: RM219,092) and RM193,680 (2018: RM204,332) respectively.

Future minimum rentals payable under non-cancellable operating leases (excluding prepaid lease payments) at the end of the reporting period are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Not later than 1 year	82,280	39,660	32,280	32,280

27. Segment information

The segment reporting format is determined to be business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced. 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 services.

The Group comprises the following business segments:

(i) Investment holding; and
(ii) Oil palm plantation.

The following table provides an analys is of the Group's revenue, results, assets, liabilities and other information by business segment:

	Investment holding RM	Oil palm plantation RM	Total RM
2019			
Results:			
Loss before tax	(4,195,566)	(1,278,878)	(5,474,444)
Income tax expense			(185)
Loss, net of tax			(5,474,629)
Assets:			
Segment assets	162,019,076	49,000,000	211,019,076
Unallocated assets			32,970
Total assets			211,052,046
Liabilities:			
Segment liabilities	8,540,094	35,831,143	44,371,237
Other segment information:			
Depreciation of property, plant and equipment			84,439
Depreciation of investment properties			296,584
Provision for legal claims			1,524,283

27. Segment information (continued)

	Investment holding RM	Oil palm plantation RM	Total RM
2018			
Results:			
Loss before tax	(2,244,420)	(1,160,639)	(3,405,059)
Income tax expense			(6,290)
Loss, net of tax			(3,411,349)
Assets:			
Segment assets	172,556,279	49,000,000	221,556,279
Unallocated assets			39,624
Total assets			221,595,903
Liabilities:			
Segment liabilities	8,117,825	33,822,640	41,940,465
Other segment information:			
Depreciation of property, plant and equipment			79,792
Depreciation of investment properties			217,100
Provision for legal claims			762,142

28. Financial instruments

Categories of financial instruments

Current financial year

The table below provides an analysis of financial instruments categorised as follows:

(a) Financial assets at fair value through profit or loss ("FVTPL"); or
(b) Financial assets measured at amortised cost ("AC"); and
(c) Financial liabilities measured at amortised cost ("AC").

	Carrying amount RM	AC RM	FVTPL RM
Group			
2019			
Financial assets			
Other investments	17,585,501	-	17,585,501
Trade and non-trade receivables	49,124,470	49,124,470	-
Short-term cash investments	70,971,559	-	70,971,559
Fixed deposits with licensed banks	7,154,922	7,154,922	-
Cash and bank balances	227,340	227,340	-
	145,063,792	56,506,732	88,557,060
Financial liabilities			
Non-trade payables	787,966	787,966	-
Borrowing	6,006,856	6,006,856	-
	6,794,822	6,794,822	-

28. Financial instruments (continued)

	Carrying amount RM	AC RM	FVTPL RM
Company			
2019			
Financial assets			
Non-trade receivables	7,903,674	7,903,674	-
Short-term cash investments	25,266,029	-	25,266,029
Cash and bank balances	90,105	90,105	-
	33,259,808	7,993,779	25,266,029
Financial liability			
Non-trade payables	382,987	382,987	-

Previous financial year

The table below provides an analysis of financial instruments categorised as follows:

	Carrying amount RM	Loans and receivables RM	Financial assets measured at FVTPL RM	Financial liabilities measured at amortised cost RM
Group				
2018				
Financial assets				
Other investments	17,808,501	-	17,808,501	-
Trade and non-trade receivables	49,118,633	49,118,633	-	-
Short-term cash investments	81,316,588	-	81,316,588	-
Fixed deposits with licensed banks	6,870,270	6,870,270	-	-
Cash and bank balances	232,935	232,935	-	-
	155,346,927	56,221,838	99,125,089	-
Financial liability				
Non-trade payables	687,171	-	-	687,171
Borrowing	5,772,075	-	-	5,772,075
	6,459,246	-	-	6,459,246
Company				
2018				
Financial assets				
Non-trade receivables	7,844,513	7,844,513	-	-
Short-term cash investments	33,779,409	-	33,779,409	-
Cash and bank balances	86,069	86,069	-	-
	41,709,991	7,930,582	33,779,409	-
Financial liability				
Non-trade payables	387,881	-	-	387,881

28. Financial instruments (continued)

Net gains and losses arising from financial instruments

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Net gains/(losses) arising on:				
Financial assets measured at amortised cost				
Impairment losses on amount due from subsidiaries	-	-	(7,933)	-
Impairment losses on amount due from trade receivables	(216,000)	-	-	-
Interest income				
- fixed deposits placed with licensed banks	282,515	-	-	-
- others	1,297	-	1,297	
Loan and receivables				
Impairment losses on amount due from subsidiaries	-	-	-	(9,061)
Impairment losses on amount due from trade receivables	-	(90,000)	-	-
Interest income			-	-
- fixed deposits placed with licensed banks		144,539		-
- others		1,251		1,239
	67,812	55,790	(6,636)	(7,822)
Financial assets at FVTPL				
Net fair value (loss)/gain on financial assets at FVTPL	(3,336,932)	(3,933,083)	85,268	(195,329)
Dividend income	158,064	329,319	-	-
Distribution income from unit trusts	2,753,232	3,137,333	858,132	1,205,395
Interest income from:				
- short-term cash investments	722	-	-	-
- other investments	151,917	278,615	-	-
Gain on disposal/ redemption of:				
- short-term cash investments	110,710	400,627	38,917	323,462
- property, plant and equipment	32,000	-	-	-
	(130,287)	212,811	982,317	1,333,528
AFS financial assets				
Gain on disposal of other investments	193,300	460,332	-	-
Financial liabilities measured at amortised cost				
Interest expense	(49,570)	(25,218)	-	-
Unrealised loss on foreign exchange	(304,349)	(35,366)	-	-
	(353,919)	(60,584)	-	-

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risk, interest rate risk, market price risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, foreign currency risk, interest rate risk, market price risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and non-trade receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position. For other financial assets, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

28. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Credit risk concentration profile

The Group and the Company have no major concentration of credit risk and manages these risks by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Recognition and measurement of impairment loss

The Group uses a provision matrix to measure ECLs of trade receivables and contract assets.

Loss rates are based on actual credit loss experience over the past three (3) years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the financial year.

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date are as follows:

Group	Gross amount RM	Loss allowances RM	Carrying amount RM
2019			
Past due:			
- less than 3 months	56,000	(56,000)	-
- more than 3 months	2,541,047	(2,541,047)	-
	2,597,047	(2,597,047)	-

Comparative information under MFRS 139, Financial Instruments: Recognition and Measurement

	Gross amount RM	Individual impairment RM	Carrying amount RM
2018			
Past due:			
- less than 3 months	54,000	(54,000)	-
- more than 3 months	2,327,047	(2,327,047)	-
	2,381,047	(2,381,047)	-

Trade receivables that are impaired

At the end of reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Group has transactional foreign currency exposure arising from cash in hand, borrowings and deposits that are denominated in a currency other than its functional currency of the Group, Ringgit Malaysia ("RM"). The foreign currency in which these transactions are denominated in Japanese Yen ("JPY").

28. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

The Group's principal foreign currency exposure relates mainly to JPY.

The Group's exposure to foreign currency is as follows:

	JPY RM
2019	
Financial liability	
Borrowings	(6,006,856)
2018	
Financial liability	
Borrowings	(5,772,075)

Sensitivity analysis of foreign currency risk

The following table details the sensitivity of Group's profit net of tax to a reasonably possible change in JPY exchange rates against the functional currency of the Group, with all other variables held constant.

		2019 (Decrease)/ Increase RM	2018 (Decrease)/ Increase RM
Effect on profit after tax			
JPY/RM	- Strengthened by 15%	(684,782)	(658,017)
	- Weakened by 15%	684,782	658,017

Interest rate risk

Interest rate risk is the risk is that the fair value or future value cash flows of the Group's financial instruments will fluctuate because of changes in the market interest rates.

The Group's exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following tables indicates its effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

28. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Interest rate risk (continued)

	Effective interest rate per annum %	Within 1 year RM
Group		
2019		
Financial asset		
Fixed deposits placed with licensed banks	3.75 - 4.20	7,154,922
Financial liability		
Borrowing	0.85	(6,006,856)
		1,148,066
2018		
Financial asset		
Fixed deposits placed with licensed banks	3.75 - 4.00	6,870,270
Financial liability		
Borrowing	0.82	(5,772,075)
		1,098,195

<u>Interest rate risk sensitivity analysis</u>

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group	
	2019 Increase/ (Decrease) RM	2018 Increase/ (Decrease) RM
Effect on profit after tax		
Increase of 10 basis points	873	835
Decrease of 10 basis points	(873)	(835)
Effect on equity		
Increase of 10 basis points	873	835
Decrease of 10 basis points	(873)	(835)

Liquidity risk

Liquidity risk is the risk the Group and the Company will encounter difficulty in the meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain continuity of funding so as to ensure that all repayment and funding needs are met. As part of its liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements.

The Group's and the Company's financial liabilities at the end of the reporting period either mature within one year or are repayable on demand.

Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices. The Group and the Company are exposed to market price risk arising from their investment as follows:

28. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Market price risk (continued)

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Investment in quoted shares	17,585,501	17,808,501	-	-
Short-term cash investments	70,971,559	81,316,588	25,266,029	33,779,409
	88,557,060	99,125,089	25,266,029	33,779,409

Market price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the market price as at the end of the reporting period, with all other variables held constant:

	Group 2019 Increase/ (Decrease) RM	Group 2018 Increase/ (Decrease) RM	Company 2019 Increase/ (Decrease) RM	Company 2018 Increase/ (Decrease) RM
Effect on profit after tax				
Higher of 5%	3,365,168	3,766,753	960,109	1,283,618
Lower of 5%	(3,365,168)	(3,766,753)	(960,109)	(1,283,618)
Effect on equity				
Higher of 5%	3,365,168	3,766,753	960,109	1,283,618
Lower of 5%	(3,365,168)	(3,766,753)	(960,109)	(1,283,618)

Fair value

The following summarise the methods used to determine the fair values of the financial instruments:

(i) The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair values of the financial assets at FVTPL are determined by reference to the quoted closing bid price or redemption price at the end of the reporting period.

29. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets and liabilities:

		Fair value measurement using		
	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
2019				
Assets measured at fair value				
Financial assets measured at FVTPL				
- Quoted equity and debt instruments	17,585,501	17,585,501	-	-
- Short-term cash investment	70,971,559	70,971,559	-	-
2018				
Assets measured at fair value				
Financial assets measured at FVTPL				
- Quoted equity and debt instruments	17,808,501	17,808,501	-	-
- Short-term cash investment	81,316,588	81,316,588	-	-
Company				
2019				
Assets measured at fair value				
Financial assets measured at FVTPL				
- Short-term cash investment	25,266,029	25,266,029	-	-
2018				
Assets measured at fair value				
Financial assets at FVTPL				
- Short-term cash investment	33,779,409	33,779,409	-	-
Group				
Assets for which fair value is disclosed				
2019				
Investment properties (Note 11)	133,055,412	-	133,055,412	-
2018				
Investment properties (Note 11)	100,103,148	-	100,103,148	-

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtaining borrowings.

No changes were made in the objectives, policies or processes during the financial years ended 30 June 2019 and 30 June 2018.

Under the requirements of Bursa Malaysia Practice Note 17, the Group is required to maintain a consolidated shareholders' equity to or not less than 25% of the issued and paid up capital (excluding treasury shares). The Group has complied with this requirement.

The debt-to-equity ratio is calculated as net debt divided by total equity, and where net debt is calculated as borrowings less cash and cash equivalents. The debt-to-equity ratio of the Group and of the Company as at the end of the reporting period were as follows:

30. Capital management (continued)

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Borrowings	6,006,856	5,772,075	-	-
Less: Cash and cash equivalents	(227,340)	(262,073)	(90,105)	(86,069)
Net debt	5,779,516	5,510,002	(90,105)	(86,069)
Total equity	166,680,809	179,655,438	197,838,457	206,661,372
Gearing ratio (times)	0.03	0.03	n/a	n/a

31. Material litigation

Suit 109 ("Case 1") Suit No. 08(i)-467-10/2015(A) & 08(i)-469-10/2015(A)

On 5 April 2002, a wholly-owned subsidiary of the Company, Malpac Capital Sdn. Bhd. ("MCSB") entered into a Conditional Sale and Purchase Agreement ("the Agreement") to dispose of its subsidiary, Radiant Responses Sdn. Bhd. ("RRSB") together with 2 parcels of leasehold land to Yong Toi Mee and Cheang Kim Leong ("the Purchasers'") for a consideration of RM2 and the repayment by the Purchasers of the shareholder's loan of RRSB of RM30,600,000 ("Original Proposed Disposal of RRSB"), as part of a composite transaction and encompassing the palm oil mill situated on part of the plantation and owned by a third-party lessee for total consideration of RM53,000,002.

On 20 June 2002, Malpac Holdings Berhad obtained its shareholder's approval for the Original Proposed Disposal of RRSB.

On 15 November 2002, a Subsequent Letter Agreement was executed by both parties recognising the Agreement had lapsed as not all approvals from the relevant authorities had been obtained and also negotiations to acquire the palm oil mill sited on the subject plantation had not been successful.

On 5 August 2003, the two (2) parcels of plantation land in Teluk Intan, Perak were transferred to RRSB (acting as nominee for MCSB) at a transfer price of RM47.40 million (after a revaluation was done at the request of the Securities Commission).

On 28 April 2004, an palm oil mill was bought and injected into RRSB (as a nominee of MCSB).

On 4 February 2005, the paid-up capital of RRSB was raised to RM100,000 through the issuance of 99,998 new shares of RM1.00 each.

On 21 April 2007, the Purchasers ("the Plaintiffs") had filed a writ of summons and statements of the claim against MCSB and RRSB (together as "the Defendants") seeking for specific performance of the Agreement.

On 5 May 2011, the Ipoh High Court ("High Court") delivered an oral judgement in favour of the Purchasers and ordered specific performance of the Agreement whereby MCSB and RRSB were required to complete the sale within three (3) months from the date of receipt of the balance purchase price. Costs were ordered against the Defendants.

Effective 1 July 2011, MCSB had suspended the recognition of the income from oil palm plantation and palm oil mill since no income had been received from the oil palm plantation following the High Court's decision given in favour of the Purchasers in the Civil Suit.

The Court of Appeal had on 17 January 2012 made a unanimous decision in MCSB's and RRSB's favour. The Court of Appeal concurrently ordered that MCSB's counter claim be remitted back to the High Court for a decision.

On 4 September 2013, the Federal Court allowed the Purchasers' appeal, set aside the decision of the Court of Appeal and affirmed the decision of the High Court.

On 4 March 2014, the Federal Court dismissed MCSB's application for a judicial review.

On 31 July 2014, the Board convened an Extraordinary General Meeting to seek shareholders' approval for the disposal of the additional 99,998 shares in RRSB issued in February 2005 and the plantation and palm oil mill. The proposal was rejected by the shareholders. The Group was served a copy of an Application for Supplementary Orders on 3 July 2014 by the Purchasers for the completion of the sale of the plantation and palm oil mill. On 17 February 2015, the High Court allowed the Purchasers' Application for Supplementary Orders and declined and dismissed the MCSB's cross application to determine certain threshold and/or related questions (including the payment by the Purchasers of the Plantation profits of RM36.7 million as at June 2014 as well as the implication of the Section 132C of the Companies Act, 2016 in Malaysia).

31. Material litigation (continued)

Suit 109 ("Case 1") Suit No. 08(i)-467-10/2015(A) & 08(i)-469-10/2015(A) (continued)

On 15 September 2015, the Court of Appeal dismissed MCSB's and RRSB's appeals against the decision of the High Court.

Subsequently, the Group's solicitors had filed application to the Federal Court for leave to appeal against the Court of Appeal's decision.

On 13 February 2017, the Federal Court dismissed the Group's applications for leave to appeal against the Court of Appeal's decision, but the outcome of the appeal under Suit 145 & 326 has relevance.

As all legal avenues have been exhausted, Suit 109 came to an end and the Board with regret accepts the Court's decision on this matter.

Suit 145 ("Case 2") Suit No. WA-2NCC-145-04/2016

On 15 April 2016, the Company ("the Plaintiff") filed a civil suit at the Kuala Lumpur High Court against MCSB ("the 1st Defendant"), Yong Toi Mee ("the 2nd Defendant"), Cheang Kim Leong ("the 3rd Defendant") and RRSB ("the 4th Defendant") seeking the following declaration and/or orders ("Case 2"):

(a) A declaration that the resolution of the Plaintiff's shareholders dated 20 June 2002 for, inter alia, the Proposed Disposal of two (2) RRSB Shares comprising two (2) ordinary shares of RM1.00 each in RRSB held by the Company to 2nd and 3rd Defendants ("Purchasers") and the repayment by the Purchasers of the Shareholders' Loan of RM30,600,000 ("the 2002 Plaintiff's Shareholders' Resolution") has lapsed and is of no further legal effect;

(b) Alternatively, declaration that the Sale and Purchase Agreement between the 1st, 2nd and 3rd Defendants dated 2 April 2002 and the Plaintiff's Shareholders Resolution does not cover or apply to the increase of 99,998 new ordinary shares of RM1.00 each in the 4th Defendants dated 7 February 2005 ("the Impugned Shares") and the oil palm mill and plant and machines situated on HS(D) 13127 Lot No 11644, Mukim Durian Sebatang, Daerah Hilir Perak ("the Mill");

(c) A declaration that the 1st Defendant has no lawful authority to dispose of or transfer the Impugned Shares and the Mill to the 2nd and 3rd Defendants or their nominees;

(d) A declaration that any transfer of the Impugned Shares and the Mill by the 1st Defendant to the 2nd and 3rd Defendants shall be in contravention of Section 132C of the Companies Act, 1965 in Malaysia and accordingly null and void;

(e) Alternatively, in the event the 1st Defendant is liable to transfer the Impugned Shares and the Mill to the 2nd and 3rd Defendants notwithstanding the contravention of Section 132C of the Companies Act, 1965 in Malaysia, a declaration that the Plaintiff and its directors shall be relieved of any liability whatsoever under Section 132C of the Companies Act 1965, in Malaysia and/or at law arising or incurred in respect of or attributable to such transfer;

(f) An order that the 1st Defendant is restrained from transferring and delivering to the 2nd and 3rd Defendants the legal and beneficial ownership of the Impugned Shares and the Mill;

(g) An order that the 2nd and 3rd Defendants are restrained from receiving the transfer of the legal and beneficial ownership of the Impugned Shares and the Mill;

(h) A declaration that the appointment of the 2nd and 3rd Defendants as directors of the 4th Defendant in null and void;

(i) A declaration that all acts purportedly done by the 2nd and 3rd Defendants as directors of the 4th Defendant prior to the dated of this Judgment are null and void;

(j) An order that 2nd and 3rd Defendants be removed and restrained from acting as directors of the 4th Defendant;

(k) An order that the plaintiff shall be at liberty to apply;

(l) Costs; and

(m) Such further orders and/or relief as this Honorable Court deems fit and proper.

On 11 April 2017, the High Court dismissed the Plaintiff's claim with cost.

The High Court in its summary of grounds of decision expressed the view that the Sale and Purchased Agreement between the 1st Defendant and the 2nd and 3rd Defendants dated 5 April 2002 was for the sale of the entire paid-up capital of the 4th Defendant, regardless of the subsequent increase in the paid-up capital of RRSB.   .

31. Material litigation (continued)

Suit 145 ("Case 2") Suit No. WA-2NCC-145-04/2016 (continued)

The High Court further observed that although the Company as a public-listed company has the legal standing to seek redress based on Section 132C of the Companies Act, 1965 in Malaysia in respect of a disposal by its subsidiary of a substantial portion of the Company's undertaking or property, the High Court expressed the view that in the present case the issue of Section 132C of the Companies Act, 1965 in Malaysia had been determined by the Court in Case 1 during the Purchasers' Application for Supplementary Orders and the Company cross-application to determine threshold legal issue therein, and therefore the Company was prevented from raising the same issue in the present case.

The Company has filed an appeal to the Court of Appeal against the High Court's decision.

On 21 September 2019, the Court of Appeal dismissed the Plaintiff's claim with cost.

On 11 October 2019, the Company's and MCSB's civil appeals were fixed for case management by way of e-review on 11 November 2019.

Suit 326 ("Case 3") Suit No. WA-22NCVC-486-08-2016

On 4 August 2016, Yong Toi Mee and Cheang Kim Leong ("the Purchasers") filed a civil suit against the Company, the Board Directors, its Chief Executive Officer, Ang Poo Guan and MCSB. In the said suit, the Purchasers are suing against the defendants purportedly based on:

(a) Alleged abuse of process
(b) Alleged conspiracy to injure the Purchasers by lawful and unlawful means.

On 31 May 2017, the High Court dismissed the MCSB's counterclaim, allowed the Purchasers' claim and awarded them following:

(a) Special damages of RM29,235,678;
(b) General damages of RM1,000,000;
(c) Exemplary damages RM250,000; and
(d) Post-judgment interest at 5% per annum and costs.

The High Court in its summary of grounds of decision expressed the view that the filling of the Federal Court Review application and Enclosure 69 by the Company in Case 1 and the filling of Suit 145 ("Case 2") Suit No. WA-2NCC-145-04/2016 by the Company amounted not only to the tort of abuse of process but also the tort of conspiracy to injure.

The Company and MCSB had filed appeals to the Court of Appeal against the High Court decision on 31 May 2017.

In the financial year ended 2018, the Group recognised the disposal of its prepaid land lease payments and plant and machinery relating to Case 1 as mentioned above and recognised a gain on disposal RM25,646,787.

The Court of Appeal has fixed 21 August 2019 for further case management and hearing on 10 and 11 September 2019 for the consolidated appeals of Cases 2 and 3.

On 21 September 2019, the Court of Appeal dismissed the Plaintiff's claim with cost.

On 11 October 2019, the Company's and MCSB's civil appeals were fixed for case management by way of e-review on 11 November 2019.

The Company also recognised a provision for legal claims of RM33,662,103 in relation to Case 3 mentioned above.

32. Significant events

The significant events of the Group have been disclosed in detail in Note 31 to the financial statements as material litigation.

33. General information

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

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is located at 2nd Floor, 23 Jalan Kong Sang, 70000 Seremban, Negeri Sembilan Darul Khusus, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 12 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

The financial statements were approved and authorised for issue by the Board of Directors on 18 October 2019.

FINANCIAL CALENDAR

Financial Year from 1 July 2018 To 30 June 2019

FINANCIAL RESULTS		
First Quarter ended 30 September 2018	Announced On	28 Nov 2018
Second Quarter ended 31 December 2018	Announced On	21 Feb 2019
Third Quarter ended 31 March 2019	Announced On	30 May 2019
Fourth Quarter ended 30 June 2019	Announced On	21 Aug 2019
NOTICE OF ANNUAL GENERAL MEETING		**29 October 2019**
29th ANNUAL GENERAL MEETING		**28 November 2019**

ANALYSIS OF SHAREHOLDINGS

as at 26 September 2019

Share Capital

Issued and paid-up capital	:	RM75,000,000.00
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share
No. of shareholders	:	1,583

Director's and Chief Executive Officer's Shareholdings

Name of Directors	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	14,476,008	19.30	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	4,460,800**	5.95
Chew Loy Chee	3,152,188	4.20	360,000**	0.48
Kan Ah Chun	2,301,960	3.07	-	-
Muhayuddin Bin Musa	-	-	-	-
Johari Low Bin Abdullah	-	-	-	-
Ang Poo Guan ***	-	-	168,500	0.22

Notes:

* *Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.*

** *Indirect interest through family members.*

*** *Chief Executive Officer*

Size of Shareholdings

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
Less than 100	11	0.69	525	0.00
100 - 1,000	566	35.76	546,223	0.73
1,001 - 10,000	865	54.64	3,254,700	4.34
10,001 - 100,000	105	6.63	3,202,200	4.27
100,001 - 3,749,999*	31	1.96	27,014,348	36.02
3,750,000 and above**	5	0.32	40,982,004	54.64
	1,583	100	75,000,000	100

* *Less than 5% of issued shares.*

** *5% and above of issued shares*

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	14,476,008	19.30	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Advance Synergy Capital Sdn Bhd (ASCSB)	8,037,500	10.72	-	-
Advance Synergy Berhad (ASB)	-	-	8,037,500^	10.72
Dato' Ahmad Sebi Bakar	-	-	8,037,500+	10.72
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	4,460,800**	5.95

Notes:

* *Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.*

** *Indirect interest through family members.*

^ *Deemed interested by virtue of its interest in ASCSB, a wholly-owned subsidiary.*

\+ *Deemed interested by virtue of his substantial shareholdings in ASB.*

as at 26 September 2019

30 Largest Shareholders

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	Lim Hong Liang	14,251,008	19.00
2.	Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75
3.	Advance Synergy Capital Sdn Bhd	8,037,500	10.72
4.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mary Tan @ Tan Hui Ngoh (STF)	4,460,800	5.95
5.	Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22
6.	Wawasan Lembaran Sdn Bhd	3,691,900	4.92
7.	Chew Loy Chee	3,152,188	4.20
8.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Kwee Hock	3,060,800	4.08
9.	Teo Siew Lai	3,000,000	4.00
10.	Kan Ah Chun	2,301,960	3.07
11.	Ng Faai @ Ng Yoke Pei	2,209,300	2.95
12.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Garth Kevin Albuquerque	2,001,000	2.67
13.	Loh Siew Hooi	1,698,800	2.27
14.	Goh Siang Kuan	958,400	1.28
15.	Lee Chin Hwa	387,000	0.52
16.	Chin Kian Fong	380,000	0.51
17.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soh Chee Wen	365,000	0.49
18.	Yap Ah Ngah @ Yap Neo Nya	360,000	0.48
19.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	344,000	0.46
20.	Goh Ah Peng	289,600	0.39
21.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management For Lim Hong Liang (PW-MOOO56) (861262)	225,000	0.30
22.	Tong Seow Mei	225,000	0.30
23.	Law Chee Pei	210,000	0.28
24.	Tan Kim Tee	205,700	0.27
25.	Tan Akuan	203,000	0.27
26.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	199,000	0.26
27.	Teh Boon Sing	185,000	0.25
28.	Teo Kwee Hock	180,900	0.24
29.	Lim Yee Lin	175,000	0.23
30.	Yeap Lean Khim	168,500	0.22
	Total	67,159,052	89.55

LIST OF PROPERTIES HELD

as at 30 June 2019

Location	Description (Building Age)/ Existing Use	Tenure	Land Area/ Built-up Area	Net Book Value (RM'000)	Date of Acquisition
Lot P.T.65571 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Vacant commercial land	Freehold	6.74 hectares	37,364	9.9.2003
PTD 58152-58177 HS(D) 216990-217015 PTD 58179-58211 HS(D) 217016-217048 PTD 58213-58331 HS(D) 217049-217167 Mukim of Tebrau Daerah of Johor Bahru Johor Darul Takzim	178 vacant bungalow lots	Freehold	113,369.85 sq. metres	15,118	9.9.2003
Lot 491 Mukim & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	6.481 acres	679	5.10.2004
Lot 5142 Bandar & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	34.50 poles	206	5.10.2004
B-6-10, B-9-10, B-12-3A West Wing 10 Semantan No. 10 Jalan Semantan 50490 Kuala Lumpur	3 units of 2-bedroom condominium (10 years)/ 2 units vacant 1 unit tenanted	Leasehold (expiring 3.6.2108)	980 sq. feet per unit	1,058	27.6.2008
No.16-01 PT No. 200, Seksyen 1 Bandar Tanjong Tokong Daerah Timur Laut Pulau Pinang	A 4-bedroom condominium (9 years)/ for own use	Freehold	6,300 sq. feet	1,852	11.2.2009
Unit 906 Unit 907 Unit 1607 Unit 1707 Of Branz Tower Wellith Shinsaibashi South, 1-45-1, 1-45-6 Higashi-Shinsaibashi, Chuo-ku, Osaka, Japan	Residential condominium (newly completed in December 2017)	Freehold	430.77 685.12 685.12 685.12 sq. feet	1,069 1,626 1,686 1,692	22.12.2017
20-L, Sinaran TTDI, Jalan Mohd Fuad 4, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	A 4-bedroom service condominium (8 years)	Freehold	2,217 sq. feet	1,010	12.10.2017
A13-2, Residensi Hijauan, TTDI No. 1, Jalan Wan Kadir 5, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	A 4-bedroom service condominium (5 years)	Freehold	2,973 sq. feet	2,436	12.10.2017

PROXY FORM

MALPAC
Malpac Holdings Berhad
(197424-V)

MALPAC HOLDINGS BERHAD (197424-V)
(Incorporated in Malaysia)

No. of Shares held	CDS Account No.

I/We ____
(FULL NAME IN CAPITAL LETTERS)

NRIC No./Company No. ______________________ of ______________________

____
(FULL ADDRESS)

being a *Member / Members of **MALPAC HOLDINGS BERHAD** hereby appoint:

(1) ______________________________ NRIC No. ______________
(FULL NAME IN CAPITAL LETTERS)

of ____
(FULL ADDRESS) *(NO. SHARES REPRESENTED)*

or failing *him / her (2) ______________________________ NRIC No. ______________
(FULL NAME IN CAPITAL LETTERS)

of ____
(FULL ADDRESS) *(NO. SHARES REPRESENTED)*

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 Twenty-Ninth Annual General Meeting of the Company to be held at Dewan Tan Sri Hamzah The Royal Selangor Club Kiara Sports Annexe, Bukit Kiara Sports Annexe Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 28 November 2019 at 11.00 a.m. and at any adjournment thereof.

No.	Resolutions	FOR	AGAINST
1	To approve the payment of Directors' Fees of RM60,000.00 for the financial year ended 30 June 2019.		
2	To approve the payment of Directors' benefits of up to RM400,000.00 for the period from the conclusion of the Twenty-Ninth Annual General Meeting till the next Annual General Meeting of the Company.		
3	To re-elect Mr Chew Loy Chee as Director.		
4	To re-elect Mr Kan Ah Chun as Director.		
5	To re-appoint Messrs PKF as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
6	To grant authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7	To approve the Proposed Renewal of Authority for Share Buy-Back.		
8	To approve Encik Johari Low Bin Abdullah to continue to act as an Independent Director.		
9	To approve Encik Muhayuddin Bin Musa to continue to act as an Independent Director.		
10	To approve the Proposed Alteration of the Existing Memorandum and Articles of Association by Replacing with a New Constitution.		

(Please indicate with an "X" in the space provided above how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

** Strike out whichever not applicable*

As witness my/our hand(s) this……………..day of………………….2019

____
Signature of Member(s) /Common Seal

Contact Number:

Notes:

(a) A proxy need not be a Member of the Company.

(b) To be valid, the form of proxy, duly completed must be deposited at the Registered Office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.

(c) A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint not more than two(2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proxies shall not be valid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

(f) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(g) Only members whose names appear in the Record of Depositors as at 18 November 2019 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

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STAMP

THE COMPANY SECRETARY
MALPAC HOLDINGS BERHAD
(197424-V)
Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No.8 Jalan Kerinchi,
59200 Kuala Lumpur

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MALPAC

Malpac Holdings Berhad

(197424-V)

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