



# ANNUAL REPORT 2021



**Malpac Holdings Berhad**  
199001005856 (197424-V)

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# NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-First Annual General Meeting of the Company will be conducted on a virtual basis through live streaming from the broadcast venue at Lot 9-11 Menara Sentral Vista, No. 150 Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Malaysia ("**Broadcast Venue**") on Wednesday, 24 November 2021 at 2.30 p.m. to transact the following business:-

## AGENDA

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1 on Ordinary Business)
2. To approve the payment of Directors' fees of RM60,000.00 for the financial year ended 30 June 2021. (Resolution 1)  
(Please refer to Explanatory Note 2 on Ordinary Business)
3. To approve the payment of Directors' benefits of up to RM400,000.00 for the period from the Thirty-First Annual General Meeting until the next Annual General Meeting of the Company. (Resolution 2)  
(Please refer to Explanatory Note 2 on Ordinary Business)
4. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company's Constitution:-  
(i) Mr Gan Teck Chong @ Gan Kwan Chong; and  
(ii) Encik Johari Low Bin Abdullah. (Please refer to Explanatory Note 3 on Ordinary Business)  
(Resolution 3)  
(Resolution 4)
5. To re-appoint Messrs PKF as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)  
(Please refer to Explanatory Note 4 on Ordinary Business)

### SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION**  
**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** (Please refer to Explanatory Note 1 on Special Business)  
  
"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Listing Requirements**") 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 issue and 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 refer to Explanatory Note 2 on Special Business)  
  
"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, 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**").

## Notice Of Thirty-First Annual General Meeting (Continued)

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 the 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 the 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 refer to Explanatory  
Note 3 on Special Business)

- (i) "THAT subject to the passing of Resolution 4 above, approval be and is hereby given to Encik Johari Low Bin Abdullah who has served as a Senior Independent Non-Executive 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 Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company." (Resolution 9)

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

By Order of the Board,

**WONG WAI FOONG**  
**TAN HSIAO YUEN**  
Company Secretaries

**[SSM PC NO. 202008001472 (MAICSA 7001358)]**  
**[SSM PC NO. 201908002342 (MAICSA 7056952)]**

Kuala Lumpur  
26 October 2021



# Notice Of Thirty-First Annual General Meeting (Continued)

## NOTES:- IMPORTANT NOTES

The broadcast venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **will not be allowed** to attend this Annual General Meeting (“AGM”) in person at the broadcast venue on the day of the meeting. Therefore, shareholders are strongly advised to participate and vote remotely at this AGM. Through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) facilities provided by Dvote Services Sdn. Bhd. (“Dvote”) via its Dvote Online website at <https://Dvote.my>.

**Please read these notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via the RPV.**

## APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors** as at 17 November 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (b) A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her/its place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to attend and vote at an AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
- (d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), 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.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (g) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (h) The appointment of a proxy may be made in a hard copy form and must be deposited with the Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No 150 Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
- (i) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No 150 Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (j) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (k) Last date and time for lodging this proxy form is Monday, 22 November 2021 at 2.30 p.m.
- (l) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-
  - (a) Identity card (NRIC) (Malaysian), or
  - (b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - (c) Passport (Foreigner).
- (m) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.

## EXPLANATORY NOTES ON ORDINARY BUSINESS

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

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.

### 2. PAYMENT OF DIRECTORS' FEES AND 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 authorise 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:-

## Notice Of Thirty-First Annual General Meeting (Continued)

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 Thirty-First Annual General Meeting until the next annual general meeting in 2022 is RM400,000. In the event that the proposed Directors' Benefits are insufficient, approval will be sought at the next annual general meeting for the shortfall.

### 3. RE-ELECTION OF DIRECTORS

Mr Gan Teck Chong @ Gan Kwan Chong and Encik Johari Low Bin Abdullah 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 has also through the Nomination Committee assessed the independence of Encik Johari Low Bin Abdullah satisfied that he has complied with the criteria on independence as prescribed by the Listing Requirements of Bursa Securities.

### 4. RE-APPOINTMENT OF AUDITORS

The Audit Committee has at its meeting held on 25 August 2021 assessed the suitability and independence of the External Auditors and recommended the re-appointment of Messrs PKF as External Auditors of the Company for the financial year ending 30 June 2022. The Board has in turn reviewed the recommendation of the Audit Committee and recommended the same to be tabled for approval at the forthcoming Thirty-First Annual General Meeting of the Company under Resolution 5.

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### 1. AUTHORITY TO ISSUE AND 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. As at the date of this Notice, the Company did not issue and allot any shares pursuant to the mandate granted to the Directors at the Thirtieth Annual General Meeting held on 26 November 2020 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.

### 2. 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 26 October 2021 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

### 3. 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.

Encik Muhayuddin Bin Musa and Encik Johari Low Bin Abdullah were appointed to the Board on 9 March 2005 and 9 May 2007 respectively and have therefore served as the Independent Directors of the Company for a cumulative term of more than nine (9) years.

The Board of Directors has through the Nomination Committee 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:-

## Notice Of Thirty-First Annual General Meeting *(Continued)*

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- (i) they have fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Securities 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 deliberations 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 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.

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.

# CORPORATE INFORMATION

## Board Of Directors

Encik Muhayuddin Bin Musa ( <i>Chairman</i> )	Independent Non-Executive Director
Mr Chew Loy Chee ( <i>Deputy Chairman</i> )	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 Wong Wai Foong [SSM PC No. 202008001472 (MAICSA 7001358)]

Ms Tan Hsiao Yuen [SSM PC No. 201908002342 (MAICSA 7056952)]

### 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

### External Auditors

Messrs PKF (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

### 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>



# PROFILE OF BOARD OF DIRECTORS AND KEY MANAGEMENT

## ENCIK MUHAYUDDIN BIN MUSA

*Chairman*

Encik Muhayuddin Bin Musa, Malaysian, male, aged 58, 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 Committee 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 held the position as Executive Director/Chief Executive Officer of Computer Forms (Malaysia) Berhad from 1998 till 31 August 2021. He is currently the Group Chief Executive Officer of Destini Berhad.

Encik Muhayuddin attended all the four (4) Board Meetings held in the financial year ended 30 June 2021.

## MR CHEW LOY CHEE

*Deputy Chairman*

Mr. Chew Loy Chee, Singaporean/Malaysian Permanent Resident, male, aged 85, 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 all the four (4) Board Meetings held in the financial year ended 30 June 2021.

## MR TAN CHON SING @ TAN KIM TIENG

Mr. Tan Chon Sing @ Tan Kim Tieng, Malaysian, male, aged 82, 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 three (3) out of four (4) Board Meetings held in the financial year ended 30 June 2021.

## MR GAN TECK CHONG @ GAN KWAN CHONG

Mr. Gan Teck Chong @ Gan Kwan Chong, Malaysian, male, aged 74, 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 all the four (4) Board Meetings held in the financial year ended 30 June 2021.

## Profile Of Board Of Directors And Key Management (Continued)

### MR LIM HONG LIANG

Mr. Lim Hong Liang, Malaysian, male, aged 62, 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 Committee 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 2021.

### MR KAN AH CHUN

Mr. Kan Ah Chun, Malaysian, male, aged 68, 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 all the four (4) Board Meetings held in the financial year ended 30 June 2021.

### ENCIK JOHARI LOW BIN ABDULLAH

Encik Johari Low Bin Abdullah, Malaysian, male, aged 70, 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 2021.

#### 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 72, 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.

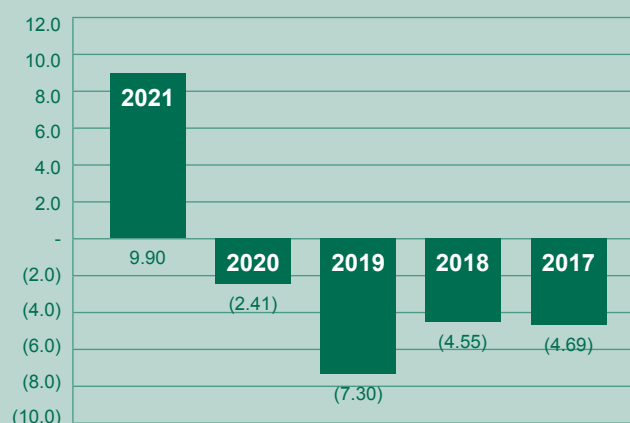
# GROUP FINANCIAL HIGHLIGHTS

5-YEAR FINANCIAL HIGHLIGHTS (Ringgit Malaysia)	2021	2020	2019	2018	2017
<b>A STATEMENT OF COMPREHENSIVE INCOME</b>					
1 Revenue	2,659,452	3,566,793	4,190,971	4,971,584	33,987,998
2 EBITDA	7,730,642	(1,378,198)	(5,093,420)	(3,082,949)	(1,407,551)
3 (Loss)/Profit before tax	7,427,368	(1,781,664)	(5,474,444)	(3,405,059)	(3,514,208)
4 Profit after tax	7,427,291	(1,806,776)	(5,474,629)	(3,411,349)	(3,514,465)
5 Net (loss)/profit attributable to equity holders	7,427,291	(1,806,776)	(5,474,629)	(3,411,349)	(3,514,465)
<b>B STATEMENT OF FINANCIAL POSITION</b>					
1 Total assets	182,454,707	209,760,482	211,052,046	221,595,903	218,853,137
2 Total liabilities	10,153,383	44,886,449	44,371,237	41,940,465	35,786,350
3 Shareholders' equity	172,301,324	164,874,033	166,680,809	179,655,438	183,066,787
<b>C FINANCIAL INDICATORS</b>					
1. Return on equity (%)	4.31	(1.10)	(3.28)	(1.90)	(1.92)
2. Return on total assets (%)	4.07	(0.86)	(2.59)	(1.54)	(1.61)
3. (Loss)/Earnings per share (sen)	9.90	(2.41)	(7.30)	(4.55)	(4.69)
4. Net assets per share (RM)	2.30	2.20	2.22	2.40	2.44
5. Share price as at the financial year/period end (RM)	1.13	0.52	0.79	0.95	1.32

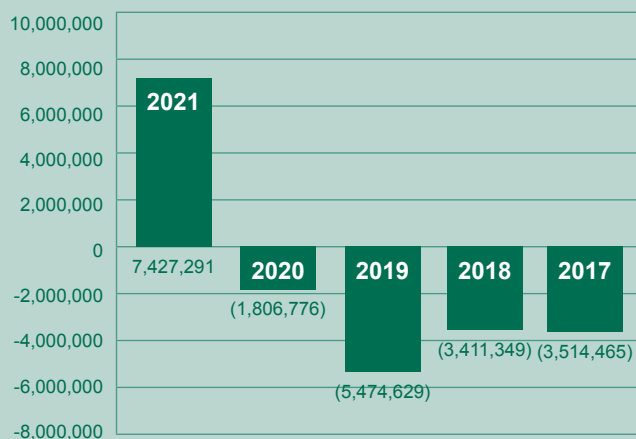
## NET ASSET PER SHARE (Ringgit Malaysia)



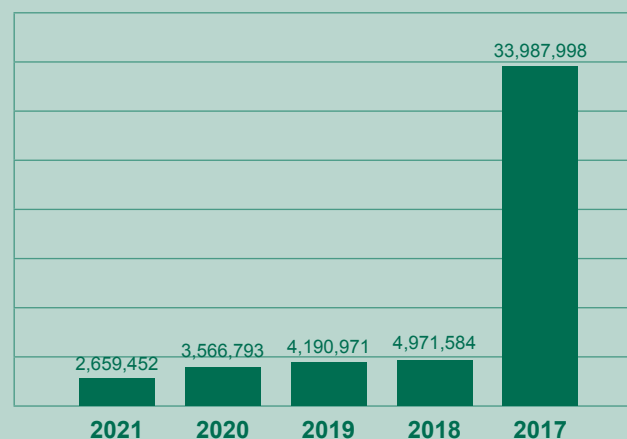
## BASIC EARNINGS PER SHARE (Ringgit Malaysia)



## PROFIT AFTER TAX (Ringgit Malaysia)



## REVENUE (Ringgit Malaysia)



# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

Malpac Holdings Berhad (“**Malpac**”) started as a stock broking firm in 1976 under the name of Chew & Teo. The Company was listed on the Main Market of Bursa Malaysia on 12 December 1990 with an authorized capital of RM50 million and a paid up of RM25 million. In September 1995, the Company increased its authorized capital to RM200 million and paid up to RM62.5 million. In 1996, the paid-up capital was further increased to RM75 million. In 2001, the stockbroking business was disposed of and the Company subsequently acquired two (2) parcels of oil palm plantation and palm oil mill. The Company is an investment holding that owns investments such as properties and shares for long term investment and earns investment income.

Since February 2020, the Company has been classified as one of the affected listed issuers pursuant to paragraph 8.03A of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). Over the last few years, the Company has exhausted all legal avenues in seeking the applicability of the MMLR and section 132C of the Companies Act 1965 in the sale of the oil palm plantation and mill to protect the shareholders’ best interest. However, regrettably the Federal Court dismissed the Company’s application for leave to appeal in December 2020 and therefore the Company has lost its business activities.

The Board will continue in its efforts to look for suitable investment opportunities and/or new core business and the Company will make an immediate announcement should there be any firm development. Shareholders are recommended to check our announcement regularly to find out more about the latest development of the said rebuilding exercise. The Company has approximately four (4) months to submit its regularization plan to the relevant authorities for approval.

## Review of Financial Results

The Group revenue from its investment activities was RM2.659 million, approximately 25.46% lower than the preceding financial year of approximately RM3.567 million due mainly to lower recurring distribution income as a result of prolonged low interest regime as part of the global response to the Covid-19 pandemic that has lowered the yield of all kinds of income instruments, including but not limited to the unit trusts that the Group has invested.

For the financial year ended 30 June 2021 (“**FYE 2021**”), the Group is pleased to record a post-tax profit of RM7.427 million and/or profit per share of 9.90 cents. The profit is largely contributed by unrealized fair value gain on quote shares and unit trusts held, one-off property disposal gain as well as some minor reversal of provisions made earlier.

## Prospect

The Group will continue to adopt highly prudent practices to protect the shareholder’s best interest especially due to current Covid-19 pandemic, as well as economic and other uncertainties ahead. The property landscape is still uncertain locally with oversupply of all types of properties in light of the prolonged lock down and lack of foreign interest in the local property market. The Group believes the sluggish property market, especially for high-rise apartments and commercial properties in Johor Bahru will take several years to recover and therefore it will be challenging for the Group to unlock the values of the Johor Bahru investment properties in the immediate future. With the negative impact on the economy of the Covid-19 pandemic, the Group will be faced with both uncertainties and opportunities. As such there is a need to conserve cash and the Board of Directors does not recommend any dividend pay-out for the FYE 2021.

# 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 MMLR of Bursa Securities throughout the FYE 2021. 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. The report is available at <http://www.malpac.com.my>.

## A. BOARD LEADERSHIP AND EFFECTIVENESS

### Board’s Leadership on Governance and Objectives

The Board is responsible for the overall governance of the Company 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.

### 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 as follows:-

- 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 Company. The Board is also responsible to ensure that communications both to and from the shareholders and relevant stakeholders are effective.
- ii. Set strategy and goals - Determine and review the overall strategic goals, strategic directions and significant policies. The Board reviews and evaluates 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 Company.
- iii. Oversee the Risk Management & Internal Control function of the Group:-
  - a. 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;
  - b. Responsible for the Group’s risk management and internal control systems;
  - c. Set strategic objectives;
  - d. Review the effectiveness of the Group risk management and internal control systems;
  - e. Oversee the nature and extent of risk exposure for the Group major risks; and
  - f. Provide direction on the importance of risk management and risk management culture.
- iv. Ensure good corporate governance practice and incorporate it as the Group and Company’s culture and oversees the business conduct and code of ethics of the Group and Company.
- v. Responsible for corporate sustainability.
- vi. Oversees succession plans.

### 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.

### 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](http://www.malpac.com.my).



# Corporate Governance Overview Statement (Continued)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### 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 thirty percent (30%) female director in the Board as per the MCGG 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.

### 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](http://www.malpac.com.my).

### 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](http://www.malpac.com.my).

### 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.

### Board Composition

The Board currently has seven (7) members, comprising:-

- i. Three (3) Non-Independent Executive Directors;
- ii. Two (2) Non-Independent Non-Executive Directors; and
- iii. Two (2) Independent Non-Executive Directors, including one (1) Senior Independent Director.

The Company for the moment does not have at least half of the Board which composed of independent directors in order to foster greater objectivity in the boardroom. Despite the departure in complying with the practice of the MCGG, there is a balance of power and authority in the Board and the Board decisions are made objectively.

### 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 FYE 2021.

### Re-Election of Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years and the retiring Directors shall be eligible 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.

The re-election of Directors at the forthcoming Annual General Meeting is subject to the prior assessment by the Nomination Committee.

### 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. The assessment of the performance of Board Committees are reviewed by the Nomination Committee on annual basis.

## Corporate Governance Overview Statement (Continued)

### A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### Nomination Committee ("NC")

Nomination Committee Composition		Attendance
<b>Chairman</b> Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah	1/1
<b>Member</b> Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	1/1
<b>Member</b> Independent Non-Executive Director	Encik Muhayuddin Bin Musa	1/1

The NC has the responsibility of assessing the performance of Board, Board Committees, and individual directors on an annual basis. The NC is led by Senior Independent Non-Executive Director, Encik Johari Low Bin Abdullah and is guided by the written terms of reference which is made available online at [www.malpac.com.my](http://www.malpac.com.my). In discharging its duty for the FYE 2021, the NC had assessed and recommended to the Board on their findings and opinions on the following:-

- Review of the re-election of retiring Directors to the Board pursuant to the Company's Constitution;
- Assessment of the composition, effectiveness, mix of skills and experience of respective Board Committees of the Company;
- Assessment of the independence of the Independent Director;
- Assessment of the contribution of respective Director; and
- Assessment of the annual performance of Chief Executive Officer ("CEO").

#### Remuneration Committee ("RC")

Remuneration Committee Composition		Attendance
<b>Chairman</b> Independent Non-Executive Director	Encik Muhayuddin Bin Musa	1/1
<b>Member</b> Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	1/1
<b>Member</b> Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah	1/1

The RC consists of non-executive directors and majority of the members are Independent Directors. The RC is responsible for the review and recommendation of the remuneration policies, procedures and the remuneration packages to the Board. The policies, procedures and terms of reference of the RC are available online at [www.malpac.com.my](http://www.malpac.com.my).

During the meeting held on 25 August 2021, the RC resolved to recommend to the Board that the remuneration package for all the Executive Directors in respect of the FYE 2022 remain unchanged as per the FYE 2021 and that no bonus payment be proposed in respect of FYE 2021. The decision is made based on various considerations, including but not limited to the pro-longed Covid-19 pandemic, the prospect of the Company and the adequacy of remuneration to retain and/or motivate the competent Directors and Senior Management.

## Corporate Governance Overview Statement (Continued)

### A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### Disclosure of Remuneration

Pursuant to Paragraph 9.25, Appendix 9C (Part A (11)) of the MMLR, the following table discloses the remuneration of Directors of the Company for the FYE 2021 on a named basis, stating the amount received or to be received from the Company and on a Group basis respectively:-

Director Name	Director Fee (RM)	Salary & Emoluments (RM)	Company Total (RM)	Other Remuneration from Subsidiaries (RM)	Group Total (RM)
<b>Non-Executive Directors</b>					
Muhayuddin Bin Musa	-	19,500	<b>19,500</b>	-	<b>19,500</b>
Johari Low Bin Abdullah	-	19,500	<b>19,500</b>	-	<b>19,500</b>
Chew Loy Chee	12,000	25,500	<b>37,500</b>	-	<b>37,500</b>
Gan Teck Chong @ Gan Kwan Chong	12,000	25,500	<b>37,500</b>	13,325	<b>50,825</b>
<b>Executive Directors</b>					
Lim Hong Liang	12,000	211,273	<b>223,273</b>	13,325	<b>236,598</b>
Kan Ah Chun	12,000	90,113	<b>102,113</b>	-	<b>102,113</b>
Tan Chon Sing @ Tan Kim Tieng	12,000	92,272	<b>104,272</b>	6,500	<b>110,772</b>

The Board recommends Directors' fee of RM36,000 for Executive Directors and RM24,000 for Non-Executive Directors payable for the FYE 2021 subject to shareholders' approval at the forthcoming AGM.

#### Investment Committee

Investment Committee Composition		Attendance
<b>Chairman</b> Non-Independent Executive Director	Mr. Lim Hong Liang	1/1
<b>Member</b> Non-Independent Executive Director	Mr. Tan Chon Sing @ Tan Kim Tieng	1/1
<b>Member</b> Non-Independent Executive Director	Mr. Kan Ah Chun	1/1
<b>Member</b> Chief Executive Officer	Mr. Ang Poo Guan	1/1

The purpose of the Investment Committee is to assist the Board in fulfilling its obligations by reviewing, approving and making recommendation to the Board on investment matters. The material issues and actions deliberated and decided by the Investment Committee will then be tabled to the Board for review and approval. The Investment Committee meets as and when required and adheres to the terms of references strictly. There was one (1) meeting held during the FYE 2021.

#### Risk Management Committee ("RMC")

Risk Management Committee Composition		Attendance
<b>Chairman</b> Non-Independent Executive Director	Mr. Lim Hong Liang	1/1
<b>Member</b> Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah	1/1
<b>Member</b> Independent Non-Executive Director	Encik Muhayuddin Bin Musa	1/1

As part of MCCG, the Board had established a RMC, which comprises a majority of Independent Directors, to oversee the company's risk management framework and policies. The responsibilities of the RMC are as follow:-

- To perform annual review and adopt risk management tools suitable for the Company;
- To review and ensure all transactions to be entered into by the Company are in compliance with applicable laws;
- To highlight environmental, economic, catastrophe, interest rate, inflation exposures that might be potentially faced by the Company to the Board and recommend the respective mitigation measures; and
- To obtain independent professional or other advice when necessary.

The RMC meets as and when required or at least once a year.

# Corporate Governance Overview Statement (Continued)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### 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 CEO 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.

### Independence of Independent Director

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 NC has assessed the independence of the Independent Directors and reported to the Board, amongst others, the Independent Directors have completed the self-assessment checklist and the NC has further discussed the impartiality based on the following criteria:-

- they have fulfilled the criteria under the definition on Independent Director as stated in the MMLR of Bursa Securities and are therefore able to bring independent and objective judgment to the Board;
- 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;
- 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;
- 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;
- 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
- 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.

### 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 FYE 2021, 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	1/1	N/A	1/1
Chew Loy Chee	4/4	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	3/4	N/A	N/A	N/A	1/1	N/A
Gan Teck Chong @ Gan Kwan Chong	4/4	4/4	1/1	1/1	N/A	N/A
Kan Ah Chun	4/4	N/A	N/A	N/A	1/1	N/A
Johari Low Bin Abdullah	4/4	4/4	1/1	1/1	N/A	1/1

## Corporate Governance Overview Statement (Continued)

### A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### Board Meetings (continued)

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) 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 fifty percent (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) 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.

#### Directors' Training & Education

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 for the FYE 2021 are as follows:-

	Name of Courses/Seminars/Workshop	Name of Director	Date Attended
1	AMLA – Serious Offence Related to Capital Market and Services Act 2007	Gan Teck Chong @ Gan Kwan Chong	14 Aug 2020
2	AMLA – Risk Based Approach (RBA) for the Purpose of Anti-Money Laundering and Countering the Financing of Terrorism	Gan Teck Chong @ Gan Kwan Chong	14 Aug 2020
3	NIKKEI Forum: Reshaping the Future Growth in post-pandemic Asia	Muhayuddin Bin Musa	16 Mar 2021
4	PLC Director's Training - Stories On Succession That May Affect You	Tan Chon Sing @ Tan Kim Tieng Chew Loy Chee Lim Hong Liang Kan Ah Chun Muhayuddin Bin Musa	4 Nov 2020
5	Corporate Finance Part 1 and 2	Johari Low Bin Abdullah	8 Apr 2021 5 May 2021
6	Accounting Made Easy Part 1,2,3	Johari Low Bin Abdullah	3 Feb 2021 10 Feb 2021 19 May 2021



## Corporate Governance Overview Statement (Continued)

### B. EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee (“AC”)

The Group’s financial reporting and internal control system are overseen by the AC, which comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC meets once quarterly. Additional meetings are held as and when required. The AC’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 the FYE 2021, the composition of the AC and meetings held are as follow:-

Audit Committee Composition		Attendance
<b>Chairman</b> Independent Non-Executive Director	Encik Johari Low Bin Abdullah	4/4
<b>Member</b> Independent Non-Executive Director	Encik Muhayuddin Bin Musa	4/4
<b>Member</b> Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	4/4

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

#### 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. AC 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 AC undertakes an annual assessment of the suitability and independence of the External Auditors, assisted by the assessment checklist on the External Auditors. The AC 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 AC members and the External Auditors 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 AC 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 AC will recommend their re-appointment to the Board and shareholders’ approval will be sought at the forthcoming AGM.

#### Statement of Directors’ Responsibility

This statement is made pursuant to paragraph 15.26(a) of MMLR of Bursa Securities. 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 FYE 2021.

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.

## **B. EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)**

### **Risk Management and Internal Control Framework**

The Board acknowledges risk management as an integral component in managing the Company. The Board sets policies and procedures for internal control and oversees that the implementation of internal control system have been properly carried out by the Senior Management.

The Internal Audit function is considered an essential part of the assurance framework and its mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight. The Internal Audit function reports directly to the AC on its activities, consistent with the Company's framework in monitoring its internal control system.

The Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out in pages 23 to 24 of this Annual Report.

## **C. INTEGRITY IN CORPORATE REPORTING & RELATIONSHIP WITH STAKEHOLDERS**

### **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.

### **Effective Communications 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](http://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 31st AGM. Notice of the 31st 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 31st AGM to encourage a smoother flow of the meeting proceedings.

## OTHER INFORMATION

### COMPLIANCE STATEMENT

The Board has reviewed, deliberated and viewed that the Company has in FYE 2021 complied with the practices of the MCCG except where it was specifically stated otherwise.

### 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 FYE 2021 or which were entered into since the end of the previous financial year.

### 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 FYE 2021 are as follow:-

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

# AUDIT COMMITTEE REPORT

## INTRODUCTION

Pursuant to Paragraph 15.15 of the Bursa Securities's MMLR, the Board is pleased to present the AC Report for the FYE 2021.

## COMPOSITION

The AC comprises the following members:-

Audit Committee Composition	
<b>Chairman</b> Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah
<b>Member</b> Independent Non-Executive Director	Encik Muhayuddin Bin Musa
<b>Member</b> Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong

The AC comprises three (3) members with all members being Non-Executive Directors and a majority of them are Independent Directors. The Chairman of the AC, 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 of the MMLR.

## AUTHORITY

The AC 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 AC could be viewed on the Company's website at [http:// www.malpac.com.my](http://www.malpac.com.my).

## MEETINGS

During the FYE 2021, the AC held four (4) meetings. The Chairman, Encik Muhayuddin Bin Musa and Mr Gan Teck Chong @ Gan Kwan Chong attended all the four (4) meetings held during FYE 2021.

Each AC meeting is scheduled in advance and has been conducted with proper meeting proceedings. Meeting notice, previous minutes of AC meeting and quarterly financial results are circulated to the AC members at least five (5) days prior to the meeting. At each quarterly meeting, the CEO, 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 AC members. The AC 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 AC and the External Auditors were invited to present their Audit Plan, Audit Review Memorandum and draft Audited Financial Statements. The AC Chairman presented to the Board the AC's report consisting of recommendations and other significant concerns for Board's discussion and approval. The Company Secretary shall be the Secretary to the AC and shall maintain minutes of the proceedings of the meeting.

# Audit Committee Report (Continued)

## SUMMARY OF WORK

The AC has discharged its functions during the FYE 2021 as follows:-

### a) Financial Reporting

Reviewed the Group's quarterly unaudited results and audited financial statements which were then 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; and
- review of the audited financial statements and recommendation for the adoption of the financial statements.

### b) Internal Audit

Reviewed with the internal auditors and reported to the Board of the Directors 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; and
- assessment of the adequacy of the scope, functions, competency and resources of the Internal Audit.

### c) External Audit

Reviewed with the External Auditors and reported to the Board on the following matters:-

- the audit plan, which outlines the scope of work and proposed fees for the statutory audit;
- the audit review reports and highlighted all significant issues;
- evaluate 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; and
- 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; and
- reviewed the AC 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 FYE 2021, the AC, 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 AC concluded that IA Essential Sdn Bhd has the necessary authority to carry out the work. For the FYE 2021, 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; and
- (ii) Report the results of internal audit reviews and make recommendations to the AC 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 RM12,749.



# 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 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 is currently an affected listed issuer under paragraph 8.03A of MMLR without significant level of operations, the Board has considered that the current system of internal control is effective and sufficient to manage any significant risks faced by the Group business operations. 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. Systems can only provide reasonable but not absolute assurance against financial losses or uncertainties. 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 AC 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 AC;
- Internal audit function outsourced to an independent advisory firm with its audit plan approved by the AC 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 AC convenes meeting on a quarterly basis to deliberate on the findings and recommendation for improvements by the Internal Auditors and/or External Auditors. The AC 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; and
- 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.

## Risk Management & Internal Control Framework

The Company's responsibility for risk management is shared among the Board and the Management of the Company. The Board has the overall responsibility of reviewing and maintaining effective risk management and internal control systems while the Management's role is to design and implement these systems, and report to the AC, RMC and the Board. The Company's risk management and internal control framework is as follows:-



# Statement On Risk Management And Internal Control (Continued)

## Risk Management & Internal Control Framework (continued)

As illustrated above, the Company has implemented a 3-tier defense model to adequately provide a simple but effective way to communicate the roles, responsibilities surrounding risk and internal control within the Company. All tiers are risk aware and the Company practices are designed to avoid, reduce and/or mitigate risk prior to such fraud and/or the least expected happening.

At the corporate level, the AC supports the Board in monitoring the Group's overall risk exposures, the design and operating effectiveness of the underlying risk management and the internal control systems. Acting on behalf of the Board, it oversees the following process on a regular basis:-

- (i) Reviewing the principal business risks and control measures in order to mitigate, reduce or transfer such risks, the overall risk management and internal control systems, and action plans to address the weaknesses or improve the assessment process;
- (ii) Reviewing the business process and operations reported by Internal Audit; and
- (iii) Reporting by the External Auditors of any control issues identified in the course of their work and discussion with the external External Auditors of the scope of their respective review and findings.

The AC will then report its findings to the Board, whereby the Board will consider the findings in evaluating the effectiveness of the Company's risk management and internal control systems. For the FYE 2021, in light of the pro-longed movement control order and outbreak of Covid-19 pandemic in Malaysia, the Board is of the view that there is no necessity to conduct a full enterprise risk review in FYE 2021 as there is no material changes to the business activities as well as the internal control and risk management system.

## Risk Management Committee

The Board regards risk management as an integral part of the Group's business operations and has established a RMC that comprises one Non-Independent Executive Director and two Independent Non-Executive Directors. The RMC identifies and communicates to the AC and the Board the present and potential critical risks the Group faces, their changes and the Management's 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 AC. 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 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 corporate governance and internal control processes. The outsourced internal auditors assist the Board and AC 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 AC. The AC reviewed the internal audit reports and informed the Board on the adequacy and effectiveness of the Group's system of internal control.

Since the Company is currently an investment holding with minimum level of operations and therefore is not exposed to any complicated and/or high operational risks, the current main operational exposure is the misuse of cash. Such risk is mitigated by all cash transactions being strictly audited by the Internal Auditor.

## Adequacy & Effectiveness of the Risk Management & Internal Control System

For the FYE 2021 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. The Board has received assurance from the CEO that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. The Board is of the view that the risk management and internal control system are satisfactory, and no material internal control failures resulting in material losses or contingencies had occurred 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 FYE 2021 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.

# SUSTAINABILITY STATEMENT

## 1. Sustainability Statement & Governance Structure

Established in 1976, Malpac 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 1990. The Board has specifically considered sustainability issues as part of our strategic formulation, and overseen the management of sustainability related risks, opportunities and practices. In terms of governance structure, the Board and CEO are closely monitoring all matters relating to sustainability of the Group, as well as to formulate sustainable investment strategies moving forward. As the Group is currently an affected listed issuer without significant level of operations, material sustainability matters relating to the business front is minimal.

## 2. Stakeholder Engagement

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

Key Stakeholders	Engagement Methods	Frequency	Key Concerns Raised
<b>Shareholders/ Investors</b>	Timely updates of financial results, announcements, business developments and other relevant disclosures via Bursa Link and website.	Throughout the year	<ul style="list-style-type: none"> <li>Shareholders/investors asked If the Management team are acting in the best interest of the Shareholders/Investors</li> <li>Directors' remuneration and sound corporate governance practices</li> <li>Sustainable business strategy and/or dividends policy</li> </ul>
	Annual Report	Annually	
	Annual General Meeting	Annually	
	Extraordinary General Meeting	Where it is necessary	
<b>Employees</b>	Career development performance appraisals	Throughout the year	<ul style="list-style-type: none"> <li>Fair and competitive employment practices and policies</li> <li>Equitable remuneration</li> <li>Career development</li> </ul>
	Health and wellness protection	Throughout the year	
<b>Consultants &amp; Operation Managers</b>	Regular dialogue sessions with consultants and managers	Throughout the year	<ul style="list-style-type: none"> <li>Equitable treatment of consultants and managers</li> <li>Regular and punctual payments upon completion of services</li> </ul>
	Recreational and wellness activities	Throughout the year	
<b>Government and Regulators</b>	Email and dialogue sessions	Throughout the year	<ul style="list-style-type: none"> <li>Compliance with, and keep abreast to, ever-changing laws and regulations</li> </ul>

## 3. Livelihood Security and Survival on Covid-19

The Board understands that in the post Covid-19 era, it is critical to balance between livelihood security, management of time lost and provision of safe working environments for all stakeholders. During the Covid-19 pandemic, the Board initiated plans to assist its employees via sponsoring of personal protective equipment, flexi working hour and work from home schemes for the employees to contribute partly to breaking the chain of infection of the Covid-19 virus. The Board also ensures that the Group adheres strictly to the Ministry of Health's standard operating procedures, as part of the Group's efforts in ensuring safe working environments for all its stakeholders. Apart from fulfilling its social responsibilities as a responsible corporate citizen, the Board is aware of the impact of Covid-19 on the business sustainability issues especially on the changes that Covid-19 has made in terms of the investment risks and returns of most of the asset classes. The Group is in the midst of rethinking its investment strategies to include the possible exposures relating to Covid-19 and/or other similar global pandemics to minimize future investment pitfalls due to pandemics.

## 4. Responsible Investment

While the Group's existing operations do not have much impact on the Economy, Social and Governance ("ESG"), the Board and the 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.

### 5. 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 is 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 production of 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. 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 unused capacity of empty office spaces instead of building additional spaces and services by our own.

### 6. Anti-Corruption

In order to eliminate undesirable behaviour among employees and stakeholders, we have zero tolerance towards any form of corruption. The Board has reviewed and approved the Group's Anti Bribery And Corruption Policy and an updated Whistleblowing Policy in FYE 2020 and is highly committed 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.

### 7. 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; and
- 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.

### 8. Contribution to the Society

In view of the current financial position of the Group which has been reporting minimal 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

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# DIRECTORS' REPORT

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

## Principal activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

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

## Results

	Group RM	Company RM
Loss for the financial year	7,427,291	(760,905)

## Reserves and provisions

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

## Dividends

No dividend has been paid or declared since the end of the previous financial year. The Directors do not recommend any dividends for the current financial year ended 30 June 2021.

## 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' Report (Continued)

### 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:

	Balance as at at 1.7.2020	Number of ordinary shares		Balance as at 30.6.2021
		Bought	Sold	
<b>Direct interest</b>				
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	14,476,008	162,500	-	14,638,508
Kan Ah Chun	2,384,960	2,600	-	2,387,560
<b>Deemed interest</b>				
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 26 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

Directors' remuneration of the Group and of the Company amounted to RM516,808 and RM483,658 respectively as disclosed in Note 8 to financial statement.

Directors' fee of the Group and of the Company are amounted to RM60,000 as disclosed in Note 7 to financial statement.

### 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 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 2021 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

Detail of significant events during the financial year is disclosed in Note 33 to the financial statements.

## Directors' Report *(Continued)*

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### Auditors

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

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2021 amounted to RM45,000 and RM26,000.

Signed on behalf of the Directors  
in accordance with a resolution of the Board dated 21 October 2021

**TAN CHON SING @ TAN KIM TIENG**

**LIM HONG LIANG**

Kuala Lumpur

## STATEMENT BY DIRECTORS

### PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

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In the opinion of the Directors, the accompanying financial statements as set out on pages 36 to 81 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 position of the Group and of the Company as at 30 June 2021 and of their financial performances and their cash flows for the financial year ended on that date.

Signed on behalf of the Directors  
in accordance with a resolution of the Board, dated 21 October 2021

**TAN CHON SING @ TAN KIM TIENG**

**LIM HONG LIANG**

Kuala Lumpur

## STATUTORY DECLARATION

### PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016 IN MALAYSIA

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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 81 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, 1960 in Malaysia.

Subscribed and solemnly declared by the )  
above-named at Kuala Lumpur in Wilayah )  
Persekutuan on 21 October 2021 )

**TAN CHON SING @ TAN KIM TIENG**

Before me,

**SHI' ARATUL AKMAR BINTI SAHARI**  
COMMISSIONER FOR OATHS

# INDEPENDENT AUDITORS' REPORT

## 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 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 36 to 81.

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 2021, 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### *Key Audit Matters*

Key audit matters are those 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 of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### *Impairment of investment properties*

*(Refer to Notes 1(d)(ix), 2(i) and 12 to the financial statements)*

On 30 January 2020, World Health Organisation (WHO) declared the rapidly spreading Covid-19 outbreak as a Public Health Emergency of International concern. These have been prolonged throughout current financial year. It has bring much uncertainty due to low sentiment in the property market in near to medium term, and the pandemic has also affected consumers' lifestyle, thereby changing the real estate requirement, both locally and internationally. The carrying amount of investment properties of the Group as at 30 June 2021 amounted to RM61.14 million, 33.5% of total assets.

The Directors performed the impairment assessment on these assets to estimating the recoverable amount of the investment properties based on the recent market transacted price for similar assets and research report published by global real estate services firm.

### *Our response*

Our audit procedures included:

- to review assessment of impairment prepared by the Directors and determine the reasonableness of the basis and assumptions used by management;
- review the reasonableness of the comparable used by the Directors and adjusting factors in estimating the market value of the investment properties;
- evaluate the appropriate of the data used by the Directors and comparing the recent transacted prices of comparable properties; and
- review the market research for the properties in Japan market provided by the Directors.



# Independent Auditors' Report (Continued)

## **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 include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the 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.

# Independent Auditors' Report (Continued)

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

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: (continued)

- 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, actions taken to eliminate threats or safeguards applied.

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

## 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**

Kuala Lumpur

21 October 2021

**NG CHEW PEI**  
**03373/06/2022 J**  
**CHARTERED ACCOUNTANT**

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	3	2,659,452	3,566,793	349,695	833,869
Other income	4	2,523,193	34,180	425,431	50
Fair value gain/(loss) on other investment		5,685,615	(1,876,144)	81,860	(54,868)
Administrative expenses		(3,201,522)	(3,385,774)	(1,610,602)	(1,461,108)
Other operating expenses		(189,033)	(81,920)	-	-
Impairment on financial assets		-	(120,000)	-	-
Reversal of impairment on financial assets		-	136,000	-	-
Impairment loss on amount due from subsidiaries		-	-	(7,289)	(10,148)
<b>Profit/(Loss) from operations</b>		<b>7,477,705</b>	<b>(1,726,865)</b>	<b>(760,905)</b>	<b>(692,205)</b>
Finance costs	5	(50,337)	(54,799)	-	-
<b>Profit/(Loss) before tax</b>	6	<b>7,427,368</b>	<b>(1,781,664)</b>	<b>(760,905)</b>	<b>(692,205)</b>
Tax expense	9	(77)	(25,112)	-	-
<b>Profit/(Loss) net of tax, representing total comprehensive income/(loss) for the financial year</b>		<b>7,427,291</b>	<b>(1,806,776)</b>	<b>(760,905)</b>	<b>(692,205)</b>
<b>Basic earning/(loss) per share (sen)</b>	10	<b>9.9</b>	<b>(2.4)</b>		
<b>Diluted earning/(loss) per share (sen)</b>	10	<b>9.9</b>	<b>(2.4)</b>		

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	58,487	102,904	3,473	4,933
Investment properties	12	61,144,749	63,113,597	-	-
Investment in subsidiaries	13	-	-	167,215,233	166,981,515
Goodwill on consolidation	14	8,931	17,868	-	-
Other investments	15	14,468,177	11,030,921	-	-
		75,680,344	74,265,290	167,218,706	166,986,448
<b>Current assets</b>					
Trade and non-trade receivables	16	15,728,940	49,123,682	11,460,247	7,929,595
Tax recoverable		35,467	12,657	-	-
Other investments	15	5,997,737	4,908,428	-	-
Short-term cash investment	17	57,741,678	67,435,219	23,016,585	20,805,030
Fixed deposits placed with licensed banks	18	26,895,516	7,443,573	-	-
Cash and bank balances		375,025	4,185,880	101,940	4,068,235
		106,774,363	133,109,439	34,578,772	32,802,860
Assets classified as held for sale	19	-	2,385,753	-	-
		106,774,363	135,495,192	34,578,772	32,802,860
<b>TOTAL ASSETS</b>		182,454,707	209,760,482	201,797,478	199,789,308
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	20	99,366,593	99,366,593	99,366,593	99,366,593
Retained earnings	21	72,934,731	65,507,440	97,018,753	97,779,658
<b>Total equity</b>		172,301,324	164,874,033	196,385,346	197,146,251
<b>Non-current liability</b>					
Provisions	22	180,286	161,956	63,459	57,341
<b>Current liabilities</b>					
Non-trade payables	23	573,230	1,121,821	3,104,147	410,564
Provisions	22	3,706,999	37,517,279	2,244,526	2,175,152
Borrowing	24	5,692,868	6,043,235	-	-
		9,973,097	44,682,335	5,348,673	2,585,716
Liabilities classified as held for sale	19	-	42,158	-	-
		9,973,097	44,724,493	5,348,673	2,585,716
<b>Total liabilities</b>		10,153,383	44,886,449	5,412,132	2,643,057
<b>TOTAL EQUITY AND LIABILITIES</b>		182,454,707	209,760,482	201,797,478	199,789,308

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Share capital RM	Retained earnings RM	Total equity RM
<b>Group</b>				
At 1 July 2019		99,366,593	67,314,216	166,680,809
Loss and other comprehensive loss for the financial year		-	(1,806,776)	(1,806,776)
At 30 June 2020		99,366,593	65,507,440	164,874,033
Profit and other comprehensive income for the financial year		-	7,427,291	7,427,291
At 30 June 2021		99,366,593	72,934,731	172,301,324
<b>Company</b>				
At 1 July 2019		99,366,593	98,471,863	197,838,456
Loss and other comprehensive loss for the financial year		-	(692,205)	(692,205)
At 30 June 2020		99,366,593	97,779,658	197,146,251
Loss and other comprehensive loss for the financial year		-	(760,905)	(760,905)
At 30 June 2021		99,366,593	97,018,753	196,385,346

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax		7,427,368	(1,781,664)	(760,905)	(692,205)
Adjustments for:					
Bad debt written off		49,776	-	-	-
Depreciation of investment properties		208,520	296,585	-	-
Depreciation of property, plant and equipment		44,417	56,446	1,460	1,490
Deposit write off		400	-	-	-
Gain on disposal of property, plant and equipment		-	(3,999)	-	-
Gain on disposal of investment property		(1,701,989)	-	-	-
Gain on disposal of subsidiary		(301,492)	-	-	-
Reversal of impairment losses trade receivables		-	(136,000)	-	-
Reversal of impairment losses on investment in subsidiary		-	-	(233,718)	-
Reversal of impairment losses on amount due from subsidiary		-	-	(14,111)	-
Impairment losses on amounts due from subsidiaries		-	-	7,289	10,148
Impairment losses on trade receivables		-	120,000	-	-
Interest expense		50,337	54,799	-	-
Interest income		(513)	(674)	(173)	(50)
Net fair value loss/(gain) on financial assets at fair value through profit or loss:					
- Short-term cash investment		(5,078,372)	1,812,002	(81,860)	(54,868)
- Other investment		(607,243)	64,142	-	-
Provisions		(183,867)	192,008	75,492	206,190
Unrealised (gain)/loss on foreign exchange		(326,979)	203,309	-	-
Waiver of debt		(177,429)	-	(177,429)	-
<b>(Loss)/Profit before working capital changes</b>		<b>(597,066)</b>	<b>876,955</b>	<b>(1,183,955)</b>	<b>(419,559)</b>
Decrease/(Increase) in other investment		551,807	(165,850)	-	-
Decrease/(Increase) in short-term cash investment		10,300,784	3,472,197	(2,129,695)	4,406,131
Increase of fixed deposits place with licensed banks		(19,454,992)	(292,041)	-	-
(Increase)/Decrease in receivables		(355,124)	21,970	(3,523,830)	(36,069)
Increase in payables		2,251,639	352,291	2,871,012	27,577
<b>Cash (used in)/from operations</b>		<b>(7,302,952)</b>	<b>4,265,522</b>	<b>(3,966,468)</b>	<b>3,978,080</b>
Tax paid		(5,570)	(6,750)	-	-
Real property gain tax paid		(135,000)	-	-	-
Tax refunded		-	7,803	-	-
Utilisation of provision		-	(89,188)	-	-
<b>Net cash (used in)/from operating activities</b>		<b>(7,443,522)</b>	<b>4,177,387</b>	<b>(3,966,468)</b>	<b>3,978,080</b>
<b>Cash flows from investing activities</b>					
Interest received		513	674	173	50
Proceed from disposal of subsidiary		119,631	-	-	-
Proceed from disposal/redemption of:					
- property, plant and equipment		-	3,999	-	-
- Investment property		3,580,000	-	-	-
<b>Net cash from investing activities</b>		<b>3,700,144</b>	<b>4,673</b>	<b>173</b>	<b>50</b>

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



# Statements of Cash Flows (Continued)

for the financial year ended 30 June 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash flows from financing activities</b>					
Interest paid		(50,337)	(54,799)	-	-
Repayment of borrowing		(20,189)	(172,111)	-	-
<b>Net cash used in financing activities</b>		(70,526)	(226,910)	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,813,904)	3,955,150	(3,966,295)	3,978,130
<b>Cash and cash equivalents at 1 July 2020/2019</b>		4,204,001	248,851	4,068,235	90,105
<b>Cash and cash equivalents at 30 June</b>	(i)	390,097	4,204,001	101,940	4,068,235

## Notes:

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	375,025	4,185,882	101,940	4,068,235
Transfer to assets classified as held for sale (Note 19)	-	(2)	-	-
Fixed deposits with licensed banks (Note 18)	15,072	18,121	-	-
	390,097	4,204,001	101,940	4,068,235

(ii) Reconciliation of liability arising from financing activity:

	1 July RM	Cash flows RM	Non-cash changes Unrealised loss on foreign exchange RM	30 June RM
<b>Group 2021</b>				
Revolving credit	6,043,235	(20,189)	(330,178)	5,692,868
<b>2020</b>				
Revolving credit	6,006,855	(172,111)	208,491	6,043,235

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

# NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2021

## 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 2020, the Group and the Company has adopted the following new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2020.

#### Description

- Amendments to MFRS 3, *Business Combinations*: Definition of Business
- Amendments to MFRS 4, *Insurance Contracts*: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform
- Amendments to MFRS 16, *Leases*: Covid-19-Related Rent Concessions
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Material
- Amendments to MFRS 101, *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current-Deferral of Effective Date
- Amendments from other Standards:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 2, *Share-Based Payment*
  - Amendments to MFRS 3, *Business Combinations*
  - Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
  - Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 14, *Regulatory Deferral Accounts*
  - Amendments to MFRS 15, *Revenue from Contracts with Customers*
  - Amendments to MFRS 101, *Presentation of Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
  - Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
  - Amendments to MFRS 110, *Events after the Reporting Period*
  - Amendments to MFRS 116, *Property, Plant and Equipment*
  - Amendments to MFRS 119, *Employee Benefits*
  - Amendments to MFRS 128, *Investments in Associates and Joint Ventures*
  - Amendments to MFRS 132, *Financial instruments: Presentation*
  - Amendments to MFRS 134, *Interim Financial Reporting*
  - Amendments to MFRS 136, *Impairment of Assets*
  - Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets*
  - Amendments to MFRS 138, *Intangible Assets*
  - Amendments to MFRS 140, *Investment Property*
  - Amendments to IC Interpretation 12, *Service Concession Arrangements*
  - Amendments to IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
  - Amendments to IC Interpretation 20, *Stripping Costs in the Production Phase*
  - Amendments to IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
  - Amendments to IC Interpretation 132, *Intangible Assets - Web Site Costs*

The Directors expect 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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 1. Basis of preparation (continued)

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

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

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> <li>Amendments to MFRS 9, <i>Financial Instruments</i>, MFRS 139, <i>Financial Instruments: Recognition and Measurement</i>, MFRS 7, <i>Financial Instruments: Disclosures</i>, MFRS 4, <i>Insurance Contracts</i> and MFRS 16, <i>Leases: Interest Rate Benchmark Reform - Phase 2</i></li> </ul>	1 January 2021 1 April 2021
<ul style="list-style-type: none"> <li>Amendments to MFRS 16, <i>Leases: Covid-19-Related Rent Concessions</i></li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>Amendments to MFRS 3, <i>Business Combinations: Reference to the Conceptual Framework</i></li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>Amendments to MFRS 116, <i>Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use</i></li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract</i></li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>Annual improvements to MFRSs 2018 - 2020 cycle                             <ul style="list-style-type: none"> <li>Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards</i></li> <li>Amendments to MFRS 9, <i>Financial Instruments</i></li> <li>Amendments to MFRS 16, <i>Leases</i></li> <li>Amendments to MFRS 141, <i>Agriculture</i></li> </ul> </li> </ul>	1 January 2022 1 January 2022 1 January 2022 1 January 2022
<ul style="list-style-type: none"> <li>MFRS 17, <i>Insurance Contracts</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 17, <i>Insurance Contracts</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 101, <i>Presentation of Financial Statements: Classifications of Liabilities as Current or Non-current</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 101, <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i></li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture</i></li> </ul>	Deferred

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 the Company.

### (c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the summary of significant accounting policies.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 1. Basis of preparation (continued)

### (d) Significant 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:

#### (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 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. 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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 1. Basis of preparation (continued)

### (d) 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.

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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (a) Basis of consolidation (continued)

#### (i) Subsidiaries (continued)

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.

#### (iv) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, 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.



# Notes to the Financial Statements (*Continued*)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (a) Basis of consolidation (continued)

#### (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

#### (i) *Rental income*

Rental income from investment properties are recognised on a straight-line basis over the term of lease.

#### (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.

### (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.

#### (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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (c) Foreign currencies (continued)

#### (ii) Foreign currency transactions (continued)

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.

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:

	2021 RM	2020 RM
1 Japanese Yen	0.0375	0.0399

### (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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (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

#### As a lessee

#### (i) Initial recognition and measurement

The Group and the Company recognised right-of-use asset and lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Thus, the Group and the Company uses their incremental borrowing rate as the discount rate.

The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

#### (ii) Subsequent measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a changes in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### (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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (g) Tax expense (continued)

#### (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.

### (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.

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%
Others	10% - 20%

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (h) Property, plant and equipment (continued)

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.

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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (j) Goodwill on consolidation (continued)

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

### (k) Impairment

#### (i) Financial assets

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.

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.



# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (k) Impairment (continued)

#### (ii) 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

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.

#### (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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (m) Non-current asset held for sale or distribution to owners

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

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

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale or distribution.

### (n) 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.

### (o) 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.

### (p) Financial liabilities

#### *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.

### (q) 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.

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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (r) 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.

### (s) 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.

### (t) 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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 2. Summary of significant accounting policies (continued)

### (u) Earnings per ordinary share ("EPS")

The Group presents basic and diluted earnings per share data 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. Revenue

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Distribution income	1,202,508	2,180,549	340,285	776,691
Dividend income	481,537	301,560	-	-
Interest income				
- short term cash investment	63	-	-	-
- other investments	151,825	152,316	-	-
- fixed deposits placed with licensed banks	454,992	292,041	-	-
Gain on disposal/redemption of:				
- short-term cash investments	9,410	97,479	9,410	57,178
- other investments	9,635	-	-	-
Rental income	349,482	542,848	-	-
	2,659,452	3,566,793	349,695	833,869

## 4. Other income

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Reversal of impairment on investment in subsidiary	-	-	233,718	-
Reversal of impairment on amount due from subsidiary	-	-	14,111	-
Waiver of debt	177,429	-	177,429	-
Interest received	513	674	173	50
Gain on disposal of subsidiary	301,492	-	-	-
Gain on disposal of investment property	1,701,989	-	-	-
Gain on disposal of property, plant and equipment	-	3,999	-	-
Government subsidy	12,000	9,600	-	-
Rental income deposit offset	977	-	-	-
Unrealised gain on foreign exchange	326,979	-	-	-
Other income	1,814	19,907	-	-
	2,523,193	34,180	425,431	50

## 5. Finance costs

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expense on:				
- Borrowings	50,337	54,799	-	-

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 6. Profit/(Loss) before tax

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Profit/(Loss) for the year is arrived at after charging:</b>				
Auditor remuneration	45,000	45,000	26,000	26,000
Bad debt written off	49,776	-	-	-
Deposit write off	400	-	-	-
Depreciation of property, plant and equipment	44,417	56,447	1,460	1,460
Depreciation of investment properties	208,520	296,585	-	-
Loss on disposal/redemption of:				
- short-term cash investments	432,635	-	-	-
Net fair value loss/(gain) on financial assets at fair value through profit or loss:				
- Short-term cash investment	(5,078,372)	1,812,002	(81,860)	54,868
- Other investment	(607,243)	64,142	-	-
Unrealised loss on foreign exchange	-	(203,309)	-	-

## 7. Employee benefits expense

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(i) Staff costs:				
- Salaries and other emoluments	479,185	498,574	244,200	254,325
- Contribution to defined contribution plan	76,667	76,727	39,072	39,072
- Social security contribution	4,848	4,855	1,516	1,516
- Provisions for retirement gratuity	60,154	30,884	45,492	45,066
- Other employee benefits expense	39,110	29,457	32,867	23,892
	659,964	640,497	363,147	363,871
(ii) Directors' remuneration and fee (excluding benefits-in-kind) (Note 8):				
- Salaries and other emoluments	394,000	397,000	394,000	397,000
- Contribution to defined contribution plan	57,880	57,880	57,880	57,880
- Social security contribution	1,778	1,778	1,778	1,778
- Provisions for retirement gratuity	30,000	30,000	30,000	30,000
- Directors' fees	60,000	60,000	60,000	60,000
Total directors' remuneration (excluding benefit-in-kind)	543,658	546,658	543,658	546,658
- Estimated monetary value of benefit-in-kind	33,150	33,150	-	-
Total directors' remuneration (including benefit-in-kind)	576,808	579,808	543,658	546,658
<b>Total employee benefits expense</b>	<b>1,236,772</b>	<b>1,220,305</b>	<b>906,805</b>	<b>910,529</b>

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 8. Directors' remuneration

Details of Directors' remuneration received by the Group and the Company during the financial year are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Executive directors:</b>				
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	1,778	1,778	1,778	1,778
Directors' fees	36,000	36,000	36,000	36,000
Retirement gratuity benefits	18,000	18,000	18,000	18,000
Total executive directors' remuneration (excluding benefit-in-kind)	429,658	429,658	429,658	429,658
Estimated monetary value of benefit-in-kind	19,825	19,825	-	-
Total executive directors' remuneration (including benefit-in-kind)	449,483	449,483	429,658	429,658
<b>Non-executive directors:</b>				
Allowances and other emoluments	78,000	81,000	78,000	81,000
Directors' fees	24,000	24,000	24,000	24,000
Retirement gratuity benefits	12,000	12,000	12,000	12,000
Total non-executive directors' remuneration (excluding benefit-in-kind)	114,000	117,000	114,000	117,000
Estimated monetary value of benefit-in-kind	13,325	13,325	-	-
Total non-executive directors' remuneration (including benefit-in-kind)	127,325	130,325	114,000	117,000
<b>Total directors' remuneration</b>	<b>576,808</b>	<b>579,808</b>	<b>543,658</b>	<b>546,658</b>

## 9. Tax expense

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax (income)/expense:				
- current financial year	77	24,961	-	-
- under provision in prior financial year	-	151	-	-
	<b>77</b>	<b>25,112</b>	<b>-</b>	<b>-</b>



# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 9. Tax expense (continued)

### Reconciliation of tax expense

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax	7,427,368	(1,781,664)	(760,905)	(692,205)
Tax calculated using statutory tax rate at 24%	1,782,568	(427,598)	(182,617)	(166,129)
Non-taxable income	(2,439,576)	(230,028)	(83,615)	(200,141)
Non-deductible expenses	578,383	618,958	266,232	366,270
Deferred tax assets not recognised during the financial year	78,702	63,629	-	-
	77	24,961	-	-
Under provision of current tax expense in prior financial year	-	151	-	-
Tax expense for the financial year	77	25,112	-	-

The Group has unutilised tax losses of RM5,509,774 (2020: RM4,953,783 ) and unabsorbed capital allowances of RM297,410 (2020: RM281,166 ) available for offsetting against future taxable profits.

Unutilised tax losses can be carried forward for a period of 7 years of assessment ("YA") to set off against future taxable profits as follows:

	RM	Utilised up to
YA 2018 and before	4,368,817	YA 2025
YA 2019	335,584	YA 2026
YA 2020	488,229	YA 2027
YA 2021	317,144	YA 2028

## 10. Basic/Diluted profit/(loss) per share

### (a) Basic

Basic profit/(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 issue during the financial year.

	Group	
	2021 RM	2020 RM
Profit/(Loss) for the financial year, attributable to owners of the parent	7,427,291	(1,806,776)
Number of ordinary shares in issue	75,000,000	75,000,000
Basic loss per share (sen)	9.9	(2.4)

### (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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 11. Property, plant and equipment

	Motor vehicle RM	Computer equipment RM	Others * RM	Total RM
<b>Group</b>				
<b>2021</b>				
<b>Cost</b>				
At 1 July 2020/30 June	1,386,834	17,088	79,621	1,483,543
<b>Accumulated depreciation</b>				
At 1 July 2020	1,288,863	17,084	74,692	1,380,639
Charge for the financial year	42,957	-	1,460	44,417
At 30 June	1,331,820	17,084	76,152	1,425,056
<b>Carrying amount</b>				
At 30 June	55,014	4	3,469	58,487
<b>2020</b>				
<b>Cost</b>				
At 1 July 2019	1,449,305	17,088	79,621	1,546,014
Disposal	(62,471)	-	-	(62,471)
At 30 June	1,386,834	17,088	79,621	1,483,543
<b>Accumulated depreciation</b>				
At 1 July 2019	1,296,385	17,084	73,194	1,386,663
Charge for the financial year	54,949	-	1,498	56,447
Disposal	(62,471)	-	-	(62,471)
At 30 June	1,288,863	17,084	74,692	1,380,639
<b>Carrying amount</b>				
At 30 June	97,971	4	4,929	102,904

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 11. Property, plant and equipment (continued)

	Motor vehicle RM	Computer equipment RM	Others * RM	Total RM
<b>Company</b>				
<b>2021</b>				
<b>Cost</b>				
At 1 July 2020/30 June	8,651	6,672	78,651	93,974
<b>Accumulated depreciation</b>				
At 1 July 2020	8,651	6,668	73,722	89,041
Charge for the financial year	-	-	1,460	1,460
At 30 June	8,651	6,668	75,182	90,501
<b>Carrying amount</b>				
At 30 June	-	4	3,469	3,473
<b>2020</b>				
<b>Cost</b>				
At 1 July 2019/30 June	8,651	6,672	78,651	93,974
<b>Accumulated depreciation</b>				
At 1 July 2019	8,651	6,668	72,232	87,551
Charge for the financial year	-	-	1,490	1,490
At 30 June	8,651	6,668	73,722	89,041
<b>Carrying amount</b>				
At 30 June	-	4	4,929	4,933

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

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 12. Investment properties

	Freehold land RM	Buildings RM	Air- conditioner RM	Renovation RM	Fixtures and fittings RM	Total RM
<b>Group</b>						
<b>2021</b>						
<b>Cost</b>						
At 1 July 2020	53,367,232	10,895,810	38,060	73,379	90,983	64,465,464
Disposal	-	(2,216,000)	(38,060)	(73,379)	(90,983)	(2,418,422)
At 30 June	53,367,232	8,679,810	-	-	-	62,047,042
<b>Accumulated depreciation</b>						
At 1 July 2020	-	1,178,541	33,964	62,427	76,935	1,351,867
Charge for the financial year	-	200,086	1,586	3,057	3,791	208,520
Disposal	-	(476,334)	(35,550)	(65,484)	(80,726)	(658,094)
At 30 June	-	902,293	-	-	-	902,293
<b>Carrying amount</b>	-					
At 30 June	53,367,232	7,777,517	-	-	-	61,144,749
<b>Fair value</b>						<u>203,290,093</u>
<b>Group</b>						
<b>2020</b>						
<b>Cost</b>						
At 1 July 2019	53,367,232	13,415,970	38,060	73,379	90,983	66,985,624
Transfer to assets classified held for sale (Note 19)	-	(2,520,160)	-	-	-	(2,520,160)
At 30 June	53,367,232	10,895,810	38,060	73,379	90,983	64,465,464
<b>Accumulated depreciation</b>						
At 1 July 2019	-	1,036,607	30,158	55,089	67,837	1,189,691
Charge for the financial year	-	276,343	3,806	7,338	9,098	296,585
Transfer to assets classified held for sale (Note 19)	-	(134,409)	-	-	-	(134,409)
At 30 June	-	1,178,541	33,964	62,427	76,935	1,351,867
<b>Carrying amount</b>						
At 30 June	53,367,232	9,717,269	4,096	10,952	14,048	63,113,597
<b>Fair value</b>						<u>137,770,469</u>

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 12. Investment properties (continued)

	Group	
	2021 RM	2020 RM
<b>Recognised in profit or loss:</b>		
Rental income	349,482	542,848
Direct operating expenses arising from investment properties that generated rental income during the financial year	(130,776)	(131,111)
Direct operating expenses arising from investment properties that did not generated rental income during the financial year	(4,556)	(20,331)

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.

## 13. Investment in subsidiaries

	Company	
	2021 RM	2020 RM
Unquoted shares, at costs:	167,215,233	167,215,233
Less: Impairment loss	(233,718)	(233,718)
At 1 July 2020	233,718	-
Add: Reversal of Impairment	-	(233,718)
At 30 June	167,215,233	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	
			2021	2020
Malpac Capital Sdn. Bhd	Malaysia	Investment holding	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%
Popular Sphere Sdn. Bhd. *	Malaysia	Dormant	100%	100%

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

\* Interest held by Malpac Capital Sdn. Bhd.

# Malpac Capital Sdn. Bhd. has entered into a share sales agreement with Eaton Residence Sdn. Bhd. for the disposal of 100% shares in Titanium Highland Sdn. Bhd. for a total consideration of RM2,654,026. The sales had been completed on 3 November 2020.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 14. Goodwill on consolidation

	Group	
	2021 RM	2020 RM
<b>At cost</b>		
At 1 July	17,868	17,868
Disposal of subsidiary	(8,937)	-
30 June	8,931	17,868

### Impairment test for goodwill

Goodwill arising from the acquisition of subsidiaries 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.

The management assessment on goodwill were based on the net asset value of Popular Sphere Sdn. Bhd..

## 15. Other investments

	Group	
	2021 RM	2020 RM
<b>Non-current</b>		
Equity and debt instruments quoted in Malaysia	14,468,177	11,030,921
<b>Current</b>		
Equity and debt instruments quoted in Malaysia	5,997,737	4,908,428
	20,465,914	15,939,349

	Group					
	2021			2020		
	Cost RM	Carrying amount RM	Market value of quoted investments RM	Cost RM	Carrying amount RM	Market value of quoted investments RM
<b>Non-current</b>						
Equity and debt instruments quoted in Malaysia, at fair value	18,853,618	14,468,177	14,468,177	18,746,096	11,030,921	11,030,921
<b>Current</b>						
Equity and debt instruments quoted in Malaysia, at fair value	7,068,455	5,997,737	5,997,737	7,727,784	4,908,428	4,908,428



# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 16. Trade and non-trade receivables

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
<b>Trade receivables</b>					
Trade receivables		2,581,047	2,581,047	-	-
Less: Impairment					
At 1 July 2020/2019		(2,581,047)	(2,597,047)	-	-
Addition		-	(120,000)	-	-
Reversal		-	136,000	-	-
At 30 June		(2,581,047)	(2,581,047)	-	-
Trade receivables, net		-	-	-	-
<b>Non-trade receivables</b>					
Non-trade receivables	(a)	15,611,918	49,001,231	-	-
Amount due from subsidiaries		-	-	11,530,384	8,006,554
Less: Impairment					
At 1 July 2020/2019		-	-	(128,229)	(118,081)
Addition		-	-	(7,289)	(10,148)
Reversal		-	-	14,111	-
At 30 June		-	-	(121,407)	(128,229)
Amount due from subsidiaries, net	(b)	-	-	11,408,977	7,878,325
Deposits		117,022	122,451	51,270	51,270
Non-trade receivables, net		15,728,940	49,123,682	11,460,247	7,929,595
Total trade and non-trade receivables		15,728,940	49,123,682	11,460,247	7,929,595

(a) Included in the non-trade receivables of the Group is an amount of RM15,611,918 (2020: 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 32 to the financial statements. The consideration had been deducted the provision for legal damages amounted to RM33,388,082 that had been withdrawn by the plaintiff.

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

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 17. Short-term cash investment

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>At fair value:</b>				
Cash management fund with investment management companies	57,741,678	67,435,219	23,016,585	20,805,030

## 18. Fixed deposits placed with licensed banks

	Group	
	2021 RM	2020 RM
Original maturities less than 3 months	15,072	18,121
Original maturities more than 3 months	26,880,444	7,425,452
	<u>26,895,516</u>	<u>7,443,573</u>

The fixed deposits placed with licensed banks of the Group bear effective interest at rates of 2.53% to 4.20% (2020: 2.65% to 4.20%) per annum with maturity period from 3 months to 12 months (2020: 3 months to 12 months).

Included in fixed deposits placed with licensed banks of the Group is RM11,777,994 (2020: RM7,425,452) pledged for bank facilities granted to the Group as disclosed in Note 24 to the financial statements.

## 19. Assets/(Liabilities) classified as held for sale

		Group	
	Notes	2021 RM	2020 RM
<b>Assets classified as held for sales</b>			
Disposal of subsidiary	(i)	-	2,385,753
<b>Liabilities classified as held for sale</b>			
Disposal of subsidiary	(i)	-	42,158

### Effect of disposal on the financial position of the subsidiary

	2021 RM
Cash in hand	2
Non-trade payables and accrual	(2,576,549)
Investment property	2,385,751
	<u>(190,796)</u>
Goodwill	8,937
Net assets disposed	<u>(181,859)</u>
Proceed from disposal	(119,633)
Gain on disposal of subsidiary	<u>(301,492)</u>
Cash consideration received	119,633
Cash disposed off	(2)
Net cash inflow	<u>119,631</u>

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 20. Share capital

	2021	Group and Company		2020
	Number of shares	2021	2021	2020
		RM	RM	RM
<b>Issued and fully paid</b>				
At 1 July 2020/2019/30 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.

## 21. 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.

## 22. Provisions

	Retirement gratuity RM	Legal fee RM	Legal claims RM	Total RM
<b>Group</b>				
At 1 July 2020	1,756,157	2,260,975	33,662,103	37,679,235
Addition/(Reversal)	90,154	-	(274,021)	(183,867)
Utilisation	-	(220,001)	(33,388,082)	(33,608,083)
At 30 June 2021	1,846,311	2,040,974	-	3,887,285
At 1 July 2019	1,745,273	2,169,039	33,662,103	37,576,415
Addition	88,794	131,124	-	219,918
Reversal	(27,910)	-	-	(27,910)
Utilisation	(50,000)	(39,188)	-	(89,188)
At 30 June 2020	1,756,157	2,260,975	33,662,103	37,679,235

	Retirement gratuity RM	Legal fee RM	Total RM
<b>Company</b>			
At 1 July 2020	1,611,107	621,386	2,232,493
Addition	75,492	-	75,492
At 30 June 2021	1,686,599	621,386	2,307,985
At 1 July 2019	1,536,041	490,262	2,026,303
Addition	75,066	131,124	206,190
At 30 June 2020	1,611,107	621,386	2,232,493

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 22. Provisions (continued)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current	180,286	161,956	63,459	57,341
Current	3,706,999	37,517,279	2,244,526	2,175,152
	<u>3,887,285</u>	<u>37,679,235</u>	<u>2,307,985</u>	<u>2,232,493</u>

### (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 2.65% to 3.23% (2020: 2.65% to 4.30%). 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Current service costs	82,474	81,958	72,854	72,697
Interest on obligation	7,680	6,836	2,638	2,369
	<u>90,154</u>	<u>88,794</u>	<u>75,492</u>	<u>75,066</u>

### (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 32 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 32 to the financial statements. The amount of provision is determined based on the High Court's decision on 31 May 2017 and this amount had been paid through the consideration receivable as disclosed in Note 16 to the financial statements.

## 23. Non-trade payables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-trade payables	156,578	614,100	-	177,429
Deposit payables	10,000	10,000	-	-
Accrued expenses	406,652	497,721	261,347	233,135
Amount due to a subsidiary	-	-	2,842,800	-
	<u>573,230</u>	<u>1,121,821</u>	<u>3,104,147</u>	<u>410,564</u>

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 24. Borrowing

	Group	
	2021 RM	2020 RM
<b>Secured:</b>		
<b>Current</b>		
Revolving credit	5,692,868	6,043,235

The revolving credit of the Group bears interest rate at 0.85% (2020: 0.85% - 1%) 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 18 to the financial statements.

## 25. Deferred tax assets

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

	Group	
	2021 RM	2020 RM
Property, plant and equipment	2,732	11,951
Unutilised tax losses	5,509,774	4,953,783
Unabsorbed capital allowance	297,410	281,166
	5,809,916	5,246,900

## 26. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries and other emoluments	673,490	684,365	673,490	684,365
Directors' fees	60,000	60,000	60,000	60,000
Retirement gratuity benefits	69,375	69,375	69,375	69,375
Benefit-in-kind	38,450	39,178	-	-
	841,315	852,918	802,865	813,740

Included in compensation of key management personnel of the Group and of the Company are directors' remuneration and directors' fees as disclosed in Note 8 to the financial statements.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 26. Related party disclosures (continued)

### (c) Related party transactions

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

	2021 RM	2020 RM
<b>With subsidiaries:</b>		
Impairment loss on amount due from subsidiaries	7,289	10,148

### d) Related party balances

Information regarding outstanding balances arising from related transactions as at the end of the reporting period are disclosed in Note 16 to the financial statements.

## 27. 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.

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Not later than 1 year	30,156	39,840	22,596	32,280

### (b) Operating lease commitments – as lessor

The future minimum lease payments receivables under non-cancellable operating leases are as follows:

	2021 RM	2020 RM
- Not later than one year	274,889	290,700
- Between one to three years	137,444	436,051
	412,333	726,751

## 28. Segment information

### (a) Business segments

The Group and the Company is principally engaged in the investment holding. There is no other business component that is an operating segment with a distinct allocation of resources. As such, there are no separate reportable segments and segmental reporting.



# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 28. Segment information (continued)

### (b) Geographical segments

The Group operate in two main geographical areas, namely Malaysia (the Company's home country), and Japan.

	Group	
	2021 RM	2020 RM
Malaysia	1,524,793	2,923,904
Japan	702,024	642,889
	<u>2,226,817</u>	<u>3,566,793</u>

### (c) Major customers

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

## 29. Financial instruments

### Categories of financial instruments

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
<b>Group</b>			
<b>2021</b>			
<b>Financial assets</b>			
Other investments	20,465,914	-	20,465,914
Trade and non-trade receivables	15,728,940	15,728,940	-
Short-term cash investments	57,741,678	-	57,741,678
Fixed deposits with licensed banks	26,895,516	26,895,516	-
Cash and bank balances	375,025	375,025	-
	<u>121,207,073</u>	<u>42,999,481</u>	<u>78,207,592</u>
<b>Financial liabilities</b>			
Non-trade payables	573,230	573,230	-
Borrowing	5,692,868	5,692,868	-
	<u>6,266,098</u>	<u>6,266,098</u>	<u>-</u>
<b>Company</b>			
<b>2021</b>			
<b>Financial assets</b>			
Non-trade receivables	11,460,247	11,460,247	-
Short-term cash investments	23,016,585	-	23,016,585
Cash and bank balances	101,940	101,940	-
	<u>34,578,772</u>	<u>11,562,187</u>	<u>23,016,585</u>
<b>Financial liability</b>			
Non-trade payables	3,104,147	3,104,147	-

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 29. Financial instruments (continued)

### Categories of financial instruments (continued)

	Carrying amount RM	AC RM	FVTPL RM
<b>Group</b>			
<b>2020</b>			
<b>Financial assets</b>			
Other investments	15,939,349	-	15,939,349
Trade and non-trade receivables	49,123,682	49,123,682	-
Short-term cash investments	67,435,219	-	67,435,219
Fixed deposits with licensed banks	7,443,573	7,443,573	-
Cash and bank balances	4,185,880	4,185,880	-
	<u>144,127,703</u>	<u>60,753,135</u>	<u>83,374,568</u>
<b>Financial liabilities</b>			
Non-trade payables	1,121,821	1,121,821	-
Borrowing	6,043,235	6,043,235	-
	<u>7,165,056</u>	<u>7,165,056</u>	<u>-</u>
<b>Company</b>			
<b>2020</b>			
<b>Financial assets</b>			
Non-trade receivables	7,929,595	7,929,595	-
Short-term cash investments	20,805,030	-	20,805,030
Cash and bank balances	4,068,235	4,068,235	-
	<u>32,802,860</u>	<u>11,997,830</u>	<u>20,805,030</u>
<b>Financial liabilities</b>			
Non-trade payables	410,564	410,564	-

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 29. Financial instruments (continued)

### Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Net gains/(losses) arising on:</b>				
<b>Financial assets measured at amortised cost</b>				
Impairment losses on amount due from subsidiaries	-	-	(7,289)	(10,148)
Impairment losses on amount due from trade receivables	-	(120,000)	-	-
Reversal of impairment on trade receivables no longer required	-	136,000	-	-
Interest income				
- short term cash investment	63	-	-	-
- fixed deposits placed with licensed banks	454,992	292,041	-	-
- other	513	674	173	50
	<u>455,568</u>	<u>308,715</u>	<u>(7,116)</u>	<u>(10,098)</u>
<b>Financial assets at FVTPL</b>				
Net fair value (loss)/gain on financial assets at FVTPL	5,685,615	(1,876,144)	81,860	(54,868)
Dividend income	481,537	301,560	-	-
Distribution income from unit trusts	1,202,508	2,180,549	340,285	776,691
Interest income from:				
- other investments	151,825	152,316	-	-
(Loss)/Gain on disposal/redemption of:				
- short-term cash investments	(423,225)	97,479	9,410	57,178
	<u>7,098,260</u>	<u>855,760</u>	<u>431,555</u>	<u>779,001</u>
<b>Financial liabilities measured at amortised cost</b>				
Interest expense	(50,337)	(54,799)	-	-
Unrealised loss on foreign exchange	326,979	(203,309)	-	-
	<u>276,642</u>	<u>(258,108)</u>	<u>-</u>	<u>-</u>

### 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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 29. 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:

	Gross amount RM	Loss allowances RM	Carrying amount RM
<b>Group</b>			
<b>2021</b>			
Past due:			
- more than 3 months	2,581,047	(2,581,047)	-
<b>2020</b>			
Past due:			
- more than 3 months	2,581,047	(2,581,047)	-

#### 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").

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

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 29. Financial instruments (continued)

### Financial risk management objectives and policies (continued)

#### Foreign currency risk (continued)

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

	JPY	RM
<b>2021</b>		
<b>Financial liability</b>		
Borrowing		(5,692,868)
<b>2020</b>		
<b>Financial liability</b>		
Borrowing		(6,043,235)

#### 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.

	2021 Increase/ (Decrease) RM	2020 Increase/ (Decrease) RM
<b>Effect on profit after tax</b>		
JPY/RM - Strengthened by 15%	(648,987)	(688,929)
- Weakened by 15%	648,987	688,929

#### 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:

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 29. Financial instruments (continued)

### Financial risk management objectives and policies (continued)

#### Interest rate risk (continued)

	Effective interest rate per annum %	Within 1 year RM
<b>Group</b>		
<b>2021</b>		
<b>Financial asset</b>		
Fixed deposits with licensed banks	1.90 – 4.20	26,895,516
<b>Financial liability</b>		
Borrowing	0.85	(5,692,868)
		<u>21,202,648</u>
<b>2020</b>		
<b>Financial asset</b>		
Fixed deposits with licensed banks	2.65 - 4.20	7,443,573
<b>Financial liability</b>		
Borrowing	0.85 - 1	(6,043,235)
		<u>1,400,338</u>

#### Interest rate risk sensitivity analysis

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:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
	<b>RM</b>	<b>RM</b>
<b>Effect on profit after tax</b>		
Increase of 10 basis points	16,114	1,064
Decrease of 10 basis points	(16,114)	(1,064)
<b>Effect on equity</b>		
Increase of 10 basis points	16,114	1,064
Decrease of 10 basis points	(16,114)	(1,064)

#### 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.



# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 29. Financial instruments (continued)

### Financial risk management objectives and policies (continued)

#### 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:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Investment in quoted shares	20,465,914	15,939,349	-	-
Short-term cash investments	57,741,678	67,435,219	23,016,585	20,805,030
	78,207,592	83,374,568	23,016,585	20,805,030

#### 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		Company	
	2021 Increase/ (Decrease) RM	2020 Increase/ (Decrease) RM	2021 Increase/ (Decrease) RM	2020 Increase/ (Decrease) RM
<b>Effect on profit after tax</b>				
Higher of 5%	2,971,888	3,168,234	874,630	790,591
Lower of 5%	(2,971,888)	(3,168,234)	(874,630)	(790,591)
<b>Effect on equity</b>				
Higher of 5%	2,971,888	3,168,234	874,630	790,591
Lower of 5%	(2,971,888)	(3,168,234)	(874,630)	(790,591)

#### Fair value

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

- 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.
- 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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 30. Fair value hierarchy

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

	Total RM	Fair value measurement using		
		Level 1 RM	Level 2 RM	Level 3 RM
<b>Group</b>				
<b>2021</b>				
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
- Quoted equity and debt instruments	20,465,914	20,465,914	-	-
- Short-term cash investment	57,741,678	57,741,678	-	-
<b>2020</b>				
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
- Quoted equity and debt instruments	15,939,349	15,939,349	-	-
- Short-term cash investment	67,435,219	67,435,219	-	-
<b>Company</b>				
<b>2021</b>				
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
- Short-term cash investment	23,016,585	23,016,585	-	-
<b>2020</b>				
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
- Short-term cash investment	20,805,030	20,805,030	-	-
<b>Group</b>				
<b>Assets for which fair value is disclosed</b>				
<b>2021</b>				
Investment properties (Note 12)	203,290,093	-	203,290,093	-
<b>2020</b>				
Investment properties (Note 12)	137,770,469	-	137,770,469	-

## 31. 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. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2021 and 30 June 2020.

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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 31. Capital management (continued)

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 as at the end of the reporting period were as follows:

	Group	
	2021 RM	2020 RM
Borrowings	5,692,868	6,043,235
Less: Cash and cash equivalents	(390,097)	(4,204,001)
Net debt	5,302,771	1,839,234
Total equity	172,301,324	164,874,033
Gearing ratio (times)	0.03	0.01

## 32. 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.

## Notes to the Financial Statements (Continued)

as at 30 June 2021

### 32. Material litigation (continued)

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

On 31 July 2014, the Board of Directors 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).

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 of Directors with regret accepts the Court's decision on this matter.

On 18 May 2021, Malpac Capital Sdn. Bhd. received a Notice of Direction (assessment of damages) from Mr Yong Toi Mee and Mr Cheang Kim Leong and the matter has been forwarded to the solicitors.

#### **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 1<sup>st</sup> Defendant"), Yong Toi Mee ("the 2<sup>nd</sup> Defendant"), Cheang Kim Leong ("the 3<sup>rd</sup> Defendant") and RRSB ("the 4<sup>th</sup> 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 2<sup>nd</sup> and 3<sup>rd</sup> 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 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> 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 4<sup>th</sup> 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 1<sup>st</sup> Defendant has no lawful authority to dispose of or transfer the Impugned Shares and the Mill to the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants or their nominees;
- (d) A declaration that any transfer of the Impugned Shares and the Mill by the 1<sup>st</sup> Defendant to the 2<sup>nd</sup> and 3<sup>rd</sup> 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 1<sup>st</sup> Defendant is liable to transfer the Impugned Shares and the Mill to the 2<sup>nd</sup> and 3<sup>rd</sup> 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 1<sup>st</sup> Defendant is restrained from transferring and delivering to the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants the legal and beneficial ownership of the Impugned Shares and the Mill;
- (g) An order that the 2<sup>nd</sup> and 3<sup>rd</sup> 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 2<sup>nd</sup> and 3<sup>rd</sup> Defendants as directors of the 4<sup>th</sup> Defendant in null and void;
- (i) A declaration that all acts purportedly done by the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants as directors of the 4<sup>th</sup> Defendant prior to the dated of this Judgment are null and void;
- (j) An order that 2<sup>nd</sup> and 3<sup>rd</sup> Defendants be removed and restrained from acting as directors of the 4<sup>th</sup> 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.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 32. Material litigation (continued)

### **Suit 145 (“Case 2”) Suit No. WA-2NCC-145-04/2016 (continued)**

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

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 8 December 2020, the Company's application for leave to appeal was dismissed by the Federal Court with costs.

### **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.

On 8 December 2020, the Company's application for leave to appeal were dismissed by the Federal Court today with costs.

# Notes to the Financial Statements (Continued)

as at 30 June 2021

## 33. Significant events during the financial year

- (a) On 17 February 2020, the Company announced Bursa Malaysia Securities Berhad ("Bursa Securities") has written to the Company requiring the Company to make an announcement on the triggering of paragraph 8.03A of the Main Market Listing Requirements ("MMLR") on the basis that, among others:
- (i) The Company has been recording zero revenue since financial year ended 31 December 2012 until the date of announcement.
  - (ii) The Company has recorded the disposal of its investments, property plant and equipment and the prepaid land lease payment in its annual report for the financial year ended 30 June 2017 and recognised a gain on disposal of RM25,646,787.

Accordingly, the Company is now classified as an affected listed issuer. There is no major development and the Board of Directors continue in its efforts to source for suitable investment opportunities.

The Company has 24 months from the date of first announcement, 17 February 2020, to submit its regularisation plan to the relevant authorities for approval.

- (b) The directors of the Group and the Company are of the opinion that the outbreak of the COVID-19 may affect the business performance and position of the Company mainly due to travel and movement restriction and other precautionary measures imposed by relevant local authorities. Meanwhile, due to inherent nature and unpredictability of future development of the pandemic and market sentiment, the extent of the impact depends on (i) ongoing precautionary measures introduced by each country to address this pandemic and (ii) the durations of the pandemic. Accordingly, the financial impact of the COVID-19 outbreak to the Company cannot be reasonably estimated as at this juncture. The directors will continue to monitor the situations and respond proactively to mitigate the impact on the Company's financial performance and financial position.

## 34. 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 principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

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

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 financial statements were approved and authorised for issue by the Board of Directors on

# FINANCIAL CALENDAR

FINANCIAL YEAR FROM 1 JULY 2020 TO 30 JUNE 2021

## FINANCIAL RESULTS

First Quarter ended 30 September 2020	Announced On	26 November 2020
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Second Quarter ended 31 December 2020	Announced On	24 February 2021
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Third Quarter ended 31 March 2021	Announced On	25 May 2021
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Fourth Quarter ended 30 June 2021	Announced On	25 August 2021
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NOTICE OF ANNUAL GENERAL MEETING		26 October 2021
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31 <sup>st</sup> ANNUAL GENERAL MEETING		24 November 2021
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# ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2021

## 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	:	1,592

## Director's and Chief Executive Officer's Shareholdings

Name	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	14,638,508	19.52	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	2,387,560	3.18	-	-
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	13	0.82	627	0.00
100 - 1,000	549	34.48	522,354	0.70
1,001 - 10,000	870	54.65	3,361,867	4.48
10,001 - 100,000	124	7.79	3,718,800	4.96
100,001 - 3,749,999*	31	1.95	26,251,848	35.00
3,750,000 and above**	5	0.31	41,144,504	54.86
	1,592	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	14,638,508	19.52	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, pursuant to Section 8 of the Companies Act 2016.

+ Deemed interested by virtue of his substantial shareholdings in ASB, pursuant to Section 8 of the Companies Act 2016.

# Analysis of Shareholdings (Continued)

as at 30 September 2021

## 30 Largest Shareholders

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	Lim Hong Liang	14,413,508	19.22
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.	Teo Siew Lai	3,000,000	4.00
9.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Kwee Hock	2,811,800	3.75
10.	Kan Ah Chun	2,387,560	3.18
11.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Garth Kevin Albuquerque	2,001,000	2.67
12.	Ng Faai @ Ng Yoke Pei	1,909,300	2.55
13.	Loh Siew Hooi	1,840,000	2.45
14.	Goh Siang Kuan	862,400	1.15
15.	Chin Kian Fong	380,000	0.51
16.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soh Chee Wen	365,000	0.49
17.	Yap Ah Ngah @ Yap Neo Nya	360,000	0.48
18.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	344,000	0.46
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Faai @ Ng Yoke Pei (SRB/PMS)	300,000	0.40
20.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management For Lim Hong Liang (PW-MOOO56) (861262)	225,000	0.30
21.	Tong Seow Mei	218,000	0.29
22.	Law Chee Pei	210,000	0.28
23.	Tan Kim Tee	205,700	0.27
24.	Tan Akuan	203,000	0.27
25.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	189,000	0.25
26.	Lim Yee Lin	175,000	0.23
27.	Yeap Lean Khim	168,500	0.23
28.	Teh Boon Sing	165,000	0.22
29.	RHB Nominees (Tempatan) Sdn Bhd RHB Investment Bank Berhad For Omega Securities Sdn Bhd (Unpaid Shares)	158,000	0.21
30.	Chin Kiam Hsung	150,000	0.20
<b>Total</b>		<b>66,616,852</b>	<b>88.82</b>

# LIST OF PROPERTIES HELD

AS AT 30 SEPTEMBER 2021

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 (12 years)	Leasehold (expiring 3.6.2108)	980 sq. feet per unit	1,004	27.6.2008
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	1,022 1,554 1,611 1,618	22.12.2017
20-L, Sinaran TTDI, Jalan Mohd Fuad 4, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	A 4-bedroom service condominium (10 years)	Freehold	2,217 sq. feet	969	12.10.2017

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# PROXY FORM



## MALPAC HOLDINGS BERHAD

199001005856 (197424-V)  
(Incorporated in Malaysia)

No. of Shares held

CDS Account No.

I/We, \_\_\_\_\_ Tel.: \_\_\_\_\_  
(Full name in block, NRIC / Passport / Company No.)

of \_\_\_\_\_  
(Address)

being a members of **Malpac Holdings Berhad**, hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact no. & Email Address:			

and / or\* (\*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact no. & Email Address:			

or failing him/her, the Chairperson of the Meeting as my/our proxy to vote for me/us and on my/our behalf, at the Thirty-First Annual General Meeting of the Company will be conducted on a virtual basis through live streaming from the broadcast venue at Lot 9-11 Menara Sentral Vista, No. 150 Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Malaysia ("**Broadcast Venue**") on Wednesday, 24 November 2021 at 2.30 p.m. and at any adjournment thereof and to vote as indicated below:-

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
<b>ORDINARY BUSINESS</b>				
1	To approve the payment of Directors' Fees of RM60,000.00 for the financial year ended 30 June 2021.	Ordinary		
2	To approve the payment of Directors' Benefits of up to RM400,000.00 for the period from the Thirty-First Annual General Meeting until the next Annual General Meeting of the Company.	Ordinary		
3	To re-elect Mr. Gan Teck Chong @ Gan Kwan Chong as Director.	Ordinary		
4	To re-elect Encik Johari Low Bin Abdullah as Director.			
5	To re-appoint Messrs PKF as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary		
<b>SPECIAL BUSINESS</b>				
6	To grant authority to issue and allot shares.	Ordinary		
7	To approve the Proposed Renewal of Authority for the Company to Purchase Its Own Shares.	Ordinary		
8	To approve Encik Johari Low Bin Abdullah to continue to act as an Independent Director.	Ordinary		
9	To approve Encik Muhayuddin Bin Musa to continue to act as an Independent Director.	Ordinary		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature\*  
Member

<sup>^</sup> Delete whichever is inapplicable

\*Manner of execution:-

- (a) If you are an individual member, please sign where indicated.  
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.  
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:-  
(i) at least two (2) authorised officers, of whom one shall be a director; or  
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

### NOTES:-

#### IMPORTANT NOTES

The broadcast venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders will **not be allowed** to attend this Annual General Meeting ("**AGM**") in person at the broadcast venue on the day of the meeting. Therefore, shareholders are strongly advised to participate and vote remotely at this AGM. through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities provided by Dvote Services Sdn. Bhd. ("**Dvote**") via its Dvote Online website at <https://Dvote.my>.

#### APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 17 November 2021. Only a member whose name appears on this **Record of Depositors** shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.  
(b) A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her/its place. A proxy may but need not be a member of the Company.  
(c) A member of the Company who is entitled to attend and vote at an AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.  
(d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.  
(e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), 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.  
(f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.  
(g) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.  
(h) The appointment of a proxy may be made in a hard copy form and must be deposited with the Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No 150 Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.  
(i) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Lot 9-7, Menara Sentral Vista, No 150 Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notariately and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.  
(j) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.  
(k) Last date and time for lodging this proxy form Monday, 22 November 2021 at 2.30 p.m.  
(l) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-  
(a) Identity card (NRIC) (Malaysian), or  
(b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or  
(c) Passport (Foreigner).  
(m) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.

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STAMP

THE SHARE REGISTRAR  
**MALPAC HOLDINGS BERHAD**

199001005856 (197424-V)

Lot 9-7, Menara Sentral Vista,  
No. 150, Jalan Sultan Abdul Samad,  
Brickfields  
50470 Kuala Lumpur

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**Malpac Holdings Berhad**  
199001005856 (197424-V)

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