MALAYSIA PACIFIC CORPORATION BERHAD

DRIVING NEW STRATEGIC DIRECTIONS

Annual 2021 Report

OUR VISION

- Create sustainable growth
- Create social responsibility and charity
- Build a harmonious society
- Increase social income and stability
- Reduce inflation to help reduce cost of living to become more affordable

OUR MISSION

- Create more opportunity of jobs and employment
- Integrate the supply chain to cut wastages
- Encourage self innovation and creativity
- Coordinate education to match economic job demand
- Activate retirees 'brain-pool' to increase young talents' brain-power
- Improve quality and standard of our 'working pool' to succeed beyond Vision 2020

49th ANNUAL GENERAL MEETING

Date & Time : -
Friday, 26 November 2021 at 10.30 a.m.

Venue : -
B03-A-09-01, Level 9, Menara Pacific,
No 3, Jalan Bangsar, KL ECO City,
59200 Kuala Lumpur, Malaysia.

CONTENTS

FIVE YEAR FINANCIAL HIGHLIGHTS

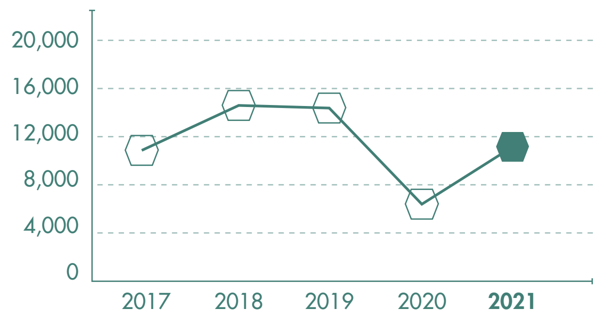
		Year Ended 30 June				
		2021	2020*	2019#	2018#	2017#
Revenue	(RM'000)	10,485	6,667	14,631	14,899	10,053
Loss Before Tax	(RM'000)	(6,263)	(6,688)	(77,546)	(1,928)	(10,103)
(Loss)/Profit After Tax	(RM'000)	(6,027)	3,805	(81,074)	(1,989)	(10,358)
Paid-Up Capital	(RM'000)	287,660	287,660	287,660	287,660	287,660
Equity Attributable To Owners Of The Parent	(RM'000)	31,671	37,663	58,435	136,538	138,521
Total Assets	(RM'000)	211,022	221,643	248,973	497,557	505,953
Basic (Loss)/Earnings Per Share	(Sen)	(2.10)	1.32	(28.18)	(0.69)	(3.60)
Net Assets per Share	(RM)	0.11	0.13	0.19	0.47	0.48

Note

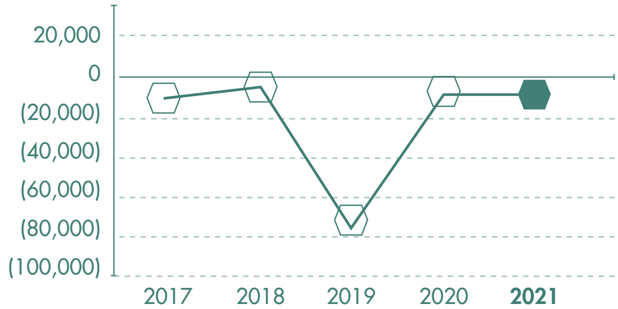
* The comparative figures have been restated following the adoption of the IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.

\# The comparative figures have not been restated following the adoption of the IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.

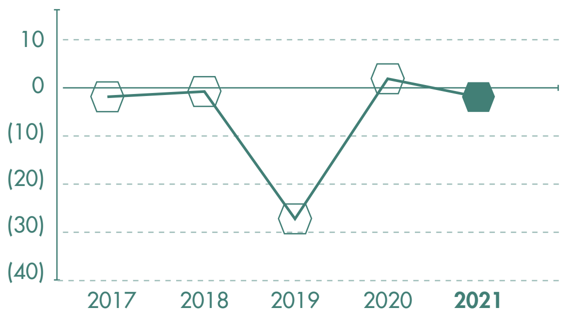
REVENUE
(RM'000/Year)



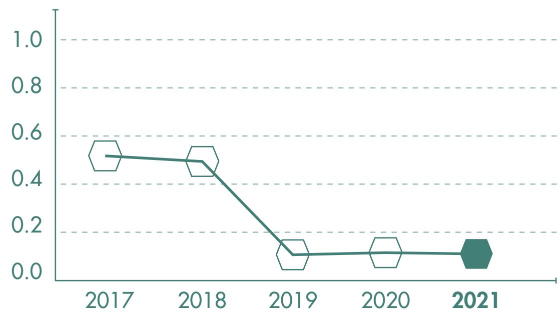
(LOSS)/PROFIT AFTER TAX
(RM'000/Year)



BASIC (LOSS)/EARNINGS PER SHARE
(Sen/Year)



NET ASSETS PER SHARE
(RM'000/Year)



MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

On behalf of the Board of Directors and Management of Malaysia Pacific Corporation Berhad ("MPCorp or the Company"), we present the annual report for the financial year ended 30 June 2021.

FINANCIAL REVIEW

Summary of Financial Comparison

For the financial year ended 30 June (RM'000)	2021	2020*
Revenue	10,485	6,667
Loss Before Tax	(6,263)	(6,688)
(Loss)/Profit After Tax	(6,027)	3,805
Equity Attributable To Owners Of The Parent	31,671	37,663
Total Assets	211,022	221,643
Returns on Equity	(19.03%)	10.10%
Returns on Asset	(2.86%)	1.72%
Basic (Loss)/Earnings Per Share (Sen)	(2.10)	1.32
Net Assets per Share (RM)	0.11	0.13

Note
* The comparative figures have been restated following the adoption of the IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*

The Group main activity is property development. For the financial year ended 30 June 2021, the Group registered revenue of RM10.49 million and loss before tax of RM6.26 million. As compare to the previous financial year, the revenue for the current financial year has increased by RM3.82 million from RM6.67 million and loss before tax decreased by RM0.43 million from RM6.69 million.

The increase in revenue for the current financial year was mainly due to improving of construction progress and overwhelming of subscription rate of the joint venture project. The registered loss before tax was mainly due to provision of impairment of receivable and provision of litigation claim on interest claimed by the purchaser of Wisma MPL who made full settlement on behalf of the Company to RHB Bank Berhad.

The Group's net assets per share for the financial year ended 30 June 2021 reduced from RM0.13 to RM0.11.

Management Discussion and Analysis

OPERATION REVIEW

After the disposal of the investment property in the previous financial year, the Group is now maintaining the only core activity in property development.

The joint venture project with Bina Puri Properties Sdn. Bhd. in Johor is well in construction progress and achieved overwhelming subscription rate.

The Company and its subsidiary companies, Oriental Pearl City Properties Sdn. Bhd., Lakehill Resort Development Sdn. Bhd. and Taman Bandar Baru Masai Sdn. Bhd. had on 23 August 2019 entered into a settlement agreement with AmanahRaya Development Sdn. Bhd. ("AmanahRaya"), and subsequently obtained mandate from shareholders to execute the agreement during the Extraordinary General Meeting held on 22 May 2020.

Due to unforeseeable acquisition by the government to acquire a small parcel of land to build common infrastructure and delayed the process of amending the master development plan caused by the implementation of movement control order by the government, MPCorp and AmanahRaya have mutually agreed to enter into a supplementary settlement agreement to accommodate the change of the original settlement agreement. As MPCorp and AmanahRaya unable to agree on the revised terms, AmanahRaya has filed a suit against MPCorp based on a previously decided matter by High Court. However, the suit was dismissed with cost by the High Court on 11 August 2021. Currently, MPCorp is re-negotiating with AmanahRaya on the terms to be incorporated in the supplementary settlement agreement.

REGULARISATION AND RESTRUCTURING PLANS

On 1 December 2014, MPCorp announced that it is a practice Note 17 ("PN17") company pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as the Company's auditors had expressed a disclaimer opinion in the Company's audited financial statements for the financial year ended 30 June 2014.

On 29 July 2021, MPCorp obtained approval from Bursa Malaysia Securities Berhad for an extension of time up to 31 December 2021 to make the requisite announcement and submit its regularisation plan.

The global and local economic had been badly impacted by the Covid-19 pandemic. The global and Malaysia Gross Domestic Product ("GDP") contrasted 3.2% and 5.6% respectively. Malaysia's GDP registered 7.1% growth for first half year 2021. However due to the resurgence of Covid-19 infection, Bank Negara Malaysia (BNM) revised its initial full year growth target of 6.0% - 7.5% to 3.0% - 4.0%.

Consumers continue to be plagued by low income growth compounded by the Covid-19 pandemic that is likely to last into year 2022. Malaysia government has launched various stimulus packages such as payment moratorium, reliefs and subsidies to tackle the challenge during the critical period. Sluggish property market conditions to continue in year 2022. Although the economic outlook of Malaysia and property industry has been deeply impacted by the Covid-19, the Group is remaining optimistic on the prospect of property development for the coming financial year. Meanwhile, the Group is exploring the possibilities of collaborating with other parties with established track records in the construction industry to jointly undertake the development projects.

APPRECIATION

On behalf of the Board of Directors, we would like to convey our sincere appreciation to our shareholders, bankers, business associates, local authorities and government agencies for their continued support.

Charles Ch'ng Soon Sen
Chief Executive Officer and Executive Director

This statement was made in accordance with the resolution of the Board of Directors passed on 15 October 2021.

CORPORATE STRUCTURE

MALAYSIA PACIFIC CORPORATION BERHAD
Registration No. 197201000550 (12200-M)

Issued Share Capital (RM287,659,780)

- 100% **MPC Management Services Sdn Bhd** 200801021600 (822918-K)
- 100% **Prestige Trading Sdn Bhd** 200501035269 (717414-D)
- 100% **MPC Properties Sdn Bhd** 200501026758 (708892-A)
  - 100% **ASA Enterprises Sdn Bhd** 197401000316 (17316-M)
  - 100% **Creative Ascent Sdn Bhd** 199401019350 (305029-H)
    - 100% **Taman Bandar Baru Masai Sdn Bhd** 199401035729 (321412-T)
  - 100% **Oriental Pearl City Properties Sdn Bhd** 200601016639 (736391-T)
    - 100% **Lakehill Resort Development Sdn Bhd** 200401000490 (638993-H)
      - 100% **Asia Pacific Trade & Expo City Sdn Bhd** 200801001678 (802962-U)
      - 100% **Asia-Pacific Trade & Expo City (HK) Limited** (1246848)
      - 35% **Chun Fu Lakehill Sdn Bhd** 201801011957 (1273973-W)
- 100% **Bedford PJ Complex Sdn Bhd** 199001010783 (202353-M)
- 100% **Euronium Construction Sdn Bhd** 200301024502 (626922-A)
- 100% **Premier Building Management Services Sdn Bhd** 200201028078 (595741-M)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Ir. Hj. Md. Nasir Bin Ibrahim
Chairman and Independent Non-Executive Director

Datin Kong Yuk Chu
Vice Chairman and Executive Director

Ch'ng Soon Sen
Chief Executive Officer and Executive Director

Ch'ng Se Hua
Executive Director

Lim Yit Kiong
Independent Non-Executive Director

Ho Pui Hold
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Committee Chairman
Ho Pui Hold

Committee Members
Lim Yit Kiong
Dato' Ir. Hj. Md. Nasir Bin Ibrahim

SECRETARY

Tan Tong Lang
(MAICSA 7045482/SSM PC NO. 201908002253)

REGISTERED OFFICE

Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam,
Selangor Darul Ehsan, Malaysia
Tel : 03-7890 0638
Fax : 03-7890 1032

REGISTRAR

Boardroom.com Sdn Bhd
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam,
Selangor Darul Ehsan, Malaysia
Tel : 03-7890 0638
Fax : 03-7890 1032

NOMINATION AND REMUNERATION COMMITTEE

Committee Chairman
Ho Pui Hold

Committee Members
Lim Yit Kiong
Dato' Ir. Hj. Md. Nasir Bin Ibrahim

PRINCIPAL PLACE OF BUSINESS

B03-A-09-01 Level 9, Menara Pacific
No. 3, Jalan Bangsar, KL Eco City
59200 Kuala Lumpur
Tel : 03 - 2201 9085
Fax : 03 - 2201 9308

AUDITORS

Messrs UHY (AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 - 2279 3088
Fax : 03 - 2279 3099

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MPCORP
Stock Code : 6548

WEBSITE

www.mpcb.com.my

BOARD OF DIRECTORS' PROFILE

DATO' IR. HJ. MD. NASIR BIN IBRAHIM

Chairman and Independent Non-Executive Director

Aged	**58**
Gender	**Male**
Nationality	**Malaysian**

Dato' Ir. Hj. Md. Nasir bin Ibrahim ("Dato' Nasir"), was appointed to the Board on 12 October 2016. He is an Independent Non-Executive Director of the Company.

Dato' Nasir was graduated from University of Texas, Arlington in 1986 with an Honours Bachelor Degree of Civil Engineering. He continued study in Master of Business Administration in 2000 at Universiti Kebangsaan Malaysia (UKM). He also held a "Professional and Competence Engineer" from Board of Engineers Malaysia and he has been recognised as a Professional Engineer (AR 12283).

Dato' Nasir is a Group Managing Director of Teamcoat Group of Companies, a bumiputera civil engineering group of companies and registered with the Contractor Service Centre (PKK) under Class A and Construction Industry Development Board (CIDB) in Grades G7. The company had undertaken both Government and Semi-Government project more than RM 1 Billion worth of contract. The company had also involved in Joint-Venture Agreement with both State of Selangor and Malacca State Economic Development Corporation (SEDC). The company is also categorised under TERAJU which is under Ministry of Finance Malaysia.

He was the Chairman of the Advisory Board of Trustees Guild of Bumiputra Contractors (GBC) in 2018 to present, Chairman of the Community College at Selayang 2015/2018, the Secretary of Board of Trustees (GBC) in 2002 to 2010, a member of Entrepreneurs Club (KUAT), a member of Malay Chamber (DPMM), Malay Contractors Association (PKMM) and UMNO Deputy Head Division member at Selayang from 2014 until 2018. He was the former Chairman of College Community Selayang and also a Coordinator of Implementation of Coordination Unit under Prime Minister Office for Taman Templer Division and also Technical Advisory Committee, TAC of the College Vocational Sungai Buluh since 2018.

He is the member of Audit and Risk Management Committee and also Nominating and Remuneration Committee of the Company.

He does not hold any other directorship in other public companies and listed corporations.

He has no family relationship with any other directors or major shareholder of the Company, no conflict of interest with the Company and has not been convicted for any offences within the past five (5) years other than traffic offence, if any. There is no public sanction or penalty imposed on him by the relevant regulatory bodies.

DATIN KONG YUK CHU

Vice Chairman and Executive Director

Aged	**73**
Gender	**Female**
Nationality	**Hong Kong SAR National**

Datin Kong Yuk Chu, a Hong Kong SAR National, permanent resident of Malaysia, was appointed to the Board on 15 November 2007. She became an Executive Director of the Company on 1 October 2008 and as Vice Chairman of the Company on 18 February 2011.

Datin Kong has many years of executive experience as a director and chairperson of public listed and private companies in Hong Kong. She was a Director of IHD Holdings Limited (1986-1993), Non-Executive Director and Chairperson of China Everbright - IHD Pacific Limited (1994-1996) and a Director of Emporium Department Store and Supermarket (HK) Limited, Hong Kong (1989-1996).

She has extensive experience in design, manufacturing and retail of jade jewellery in Hong Kong and Malaysia. She is the Managing Director of Jacmoli Design Jewellers (HK) Limited, Hong Kong.

She does not hold any other directorship in other public companies and listed corporations.

Datin Kong is the mother of both Ch'ng Soon Sen and Ch'ng Se Hua. She has not been convicted for any offences within the past five (5) years other than traffic offence, if any. There is no public sanction or penalty imposed on her by relevant regulatory bodies.

Board of Directors' Profile

CH'NG SOON SEN
Chief Executive Officer and Executive Director

Aged	**39**
Gender	**Male**
Nationality	**Malaysian**

Mr. Ch'ng Soon Sen, was appointed to the Board on 20 November 2006 as Executive Director of the Company and then subsequently appointed as Chief Executive Officer of the Company on 19 December 2013.

Mr. Ch'ng holds a degree in Business Management (Hons) from the University of Sunderland, UK and possesses an Advanced Diploma in Business Administration accorded by the Association of Business Executives (ABE), UK.

He is a director of Top Lander Offshore Inc, a company incorporated in the British Virgin Islands which is a substantial shareholder of the Company. He is also a shareholder and director of several private companies.

He does not hold any other directorship in other public companies and listed corporations.

He is the son of Datin Kong Yuk Chu, the Vice Chairman and Executive Director of the Company, and the brother of Ch'ng Se Hua, the Executive Director of the Company. He has not been convicted for any offences within the past five (5) years other than traffic offence, if any. There is no public sanction or penalty imposed on him by relevant regulatory bodies.

CH'NG SE HUA
Executive Director

Aged	**34**
Gender	**Female**
Nationality	**Malaysian**

Ms. Ch'ng Se Hua, was appointed to the Board on 15 August 2016 as Executive Director of the Company.

Ms. Ch'ng graduated from Hong Kong Polytechnic University in 2009 with BA Hons (Fashion Design & Marketing). She is multilingual in Cantonese, Mandarin, English language and literature.

She is a director of Top Lander Offshore Inc, a company incorporated in British Virgin Islands which is a substantial shareholder of the Company.

She does not hold any other directorship in other public companies and listed corporations.

She is the daughter of Datin Kong Yuk Chu, Vice-Chairman and Executive Director of the Company and sister of Mr. Ch'ng Soon Sen, the Chief Executive Officer and Executive Director of the Company. She has not been convicted for any offences within the past five (5) years other than traffic offence, if any. There is no public sanction or penalty imposed on her by relevant regulatory bodies.

Board of Directors' Profile

LIM YIT KIONG
Independent Non-Executive Director

Aged 45
Gender **Male**
Nationality **Malaysian**

Mr. Lim Yit Kiong, was appointed to the Board on 26 February 2015 as Independent Non-Executive Director of the Company.

Mr. Lim obtained his Honours Degree in Commerce Accounting from Curtin University of Technology. Mr. Lim is a member of CPA Australia and a member of Malaysian Institution of Accountants (MIA).

He was attached to KPMG from 1999 to 2003. After spending four (4) years in audit line, he was invited to join Aturmaju Resources Berhad (now known as ARB Berhad) as Group Account Manager in 2004. After leaving ARB Berhad, he was appointed Group Accountant of Usahawan Borneo Group on 2 May 2008. He was also appointed as the Company Secretary of Usahawan Borneo Group on 12 August 2008.

He is a member of Audit and Risk Management Committee, and also Nominating and Remuneration Committee of the Company.

He also sits in board of Ageson Berhad, a company listed on Main Market of Bursa Malaysia.

He has no family relationship with any other directors or major shareholder of the Company, no conflict of interest with the Company and has not been convicted for any offences within the past five (5) years other than traffic offence, if any. There is no sanction or penalty imposed on him by relevant regulatory bodies.

HO PUI HOLD
Independent Non-Executive Director

Aged 39
Gender **Male**
Nationality **Malaysian**

Mr. Ho Pui Hold, was appointed to the Board on 12 October 2016 as Independent Non-Executive Director of the Company.

He is an Accountant by profession, a fellow member of the Association of Chartered Certified Accountants (FCCA), United Kingdom and a member of Malaysian Institute of Accountants (MIA) and a member of ASEAN Chartered Accountant (ACPA).

Mr. Ho has years of professional experience in auditing, banking and corporate finance. He started his career in 2004 by joining a Singapore advisory firm as IPO consultant where he participated in a few successful listing of companies in SGX. He then joined Ernst & Young as Senior Audit Associate until 2009 before he left to join AmBank (M) Berhad - Corporate & Institutional Banking. In AmBank, he was responsible in client credit evaluation and marketing of the Bank's products mainly in debt capital market, offshore loan syndication, corporate finance advisory & treasury products. To further advance his career, he took up the Chief Financial Officer position in a foreign company which is listed in Bursa Malaysia Securities Berhad until 2013. He now sits on the board of HB Global Limited, Permaju Industries Berhad, Milux Corporation Berhad and Xidelang Holding Ltd, companies listed on Main Market of Bursa Malaysia Securities Berhad.

He is the Chairman of Audit and Risk Management Committee, and also Nominating and Remuneration Committee of the Company.

He has no family relationship with any other directors or major shareholder of the Company, no conflict of interest with the Company and has not been convicted for any offences within the past five (5) years other than traffic offence, if any. There is no public sanction or penalty imposed on him by relevant regulatory bodies.

PROFILE OF KEY SENIOR MANAGEMENT

MOHD FARIDZ BIN MOHD NOOR
Head of Project, Lakehill Resort Development Sdn. Bhd.

Aged	**45**
Gender	**Male**
Nationality	**Malaysian**

En. Mohd Faridz was appointed as the Managing Architect on 2 September 2013. He subsequently re-designated to Head of Project in February 2014. He holds a Diploma/Bachelor Degree of Architecture, majoring in Architecture Technology in Lim Kok Wing University of Creative Technology & Curtin University.

En. Mohd Faridz had few overseas experiences in U.A.E and Libya for the township development and luxury projects on the local front, he has work with Tropicana Corporation Berhad, Selangor State Development Corporation and BEP Architect. He also involved with the companies and projects which have been awarded by FIABCI, BCI, Top Property Developer Awards and International Property Awards.

He does not hold directorship in any public companies and listed corporation and has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five (5) years other than traffic offence, if any. There is no public sanction or penalty imposed on him by relevant regulatory bodies.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Committee ("ARMC") is formally constituted with written terms of reference and currently comprises the following members:

Chairman

Mr. Ho Pui Hold - Independent Non-Executive Director

Members

Dato' Ir. Hj. Md. Nasir Bin Ibrahim - Chairman and Independent Non-Executive Director

Mr. Lim Yit Kiong - Independent Non-Executive Director

The ARMC composition is in line with Paragraph 15.09 of Main Market Listing Requirements ("MMLR"). As at the date of this Annual Report, the ARMC comprises three (3) members who are Independent and Non-Executive Directors. No alternate director is appointed as a member of the ARMC. The Chairman of the ARMC is a fellow member of the Association of Chartered Certified Accountants, United Kingdom and a member of Malaysian Institute of Accountants.

TERMS OF REFERENCE

The Terms of Reference of ARMC set out the authority, duties and responsibilities of the Committee which are consistent with the requirements of the MMLR and Malaysian Code on Corporate Governance 2017 ("MCCG"). This terms of Reference is accessible on the Group corporate website at www.mpcb.com.my.

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

During the financial year ended 30 June 2021, the ARMC conducted four (4) meetings. The attendance of the members of ARMC is set out as below: -

	Members	No. of meetings attended	Percentage of attendance (%)
1.	Mr. Ho Pui Hold	4/4	100
2.	Dato' Ir. Hj. Md. Nasir Bin Ibrahim	4/4	100
3.	Mr. Lim Yit Kiong	4/4	100

INDEPENDENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Company recognises the need to uphold independence of its ARMC and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the ARMC of the Company were former key audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group.

FINANCIAL LITERACY OF THE AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the terms and reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile on pages 7 to 9 of this Annual Report.

Audit and Risk Management Committee Report

SUMMARY ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

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

Activities with regard to external auditors:

- reviewing the audit planning memorandum from the external auditors, Messrs UHY on the audit of independence, consideration of fraud in an audit of financial statements, areas of audit emphasis, reporting and deliverables, possible key audit matters and fair and transparent fees;
- review of external audit scope and audit plans based on the external auditors' presentation of audit strategy and plan;
- review of external audit results, audit reports, management letter and the response from the management as well as internal control areas that required improvement;
- discussions with the external auditors without the attendance of Executive Directors and employees of the Group;
- review and evaluate the independence of the external auditors. The ARMC worked closely with the external auditors in establishing procedures in assessing the suitability and independence of the external auditors, in confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by Malaysian Institute of Accountants;
- consideration and recommendation to the Board of Directors for approval of the audit fees and non-audit fees payable to the external auditors; and
- evaluate and review of the performance and independence of the external auditors in the provision of statutory audit services and recommendation to the Board for approval on the re-appointment of external auditors.

Activities with regard to internal audit and risk management:

- review of internal audit's resource requirements, scope, adequacy and function;
- review of internal audit's plan and programs;
- review of internal auditors' reports, recommendations and management's responses. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the internal auditors were discussed together with the management team in a separate forum;
- review of implementation of these recommendations through follow-up audit reports;
- suggestion on additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
- review of the internal control processes and risk management policies and strategies from time to time and recommendation on any significant proposed changes for adoption by the Board of Directors;
- monitoring and reporting of the risk assessment results to the Board of Directors; and
- assessment on the actual and potential impact of any failure or weakness of the internal controls in place.

Activities with regards to financial reporting:

- review the unaudited financial results to ensure compliance of the financial statements with the provisions of the Companies Act 2016 ("the Act") and the applicable approved accounting standards as per the Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB") before recommending the same for Board of Directors' approval. Discussion were focused particularly on:

  - any change in and implementation of major accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption as well as the concerns and uncertainties highlighted by the external auditors that may cast doubt about the Group's ability to continue as a going concern; and
  - compliance with applicable MFRS and other legal requirements.

- reviewed and recommended the annual report including the annual audited financial statements and Corporate Governance Report of the Company prior to submission to the Directors for approval. This was to ensure compliance of the financial statements with the provisions of the Act and the applicable approved accounting standards as per the MFRS.

Audit and Risk Management Committee Report

SUMMARY ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

Other activities:

- review of its Terms of Reference periodically and recommendation to the Board on revision, if necessary;
- review of related party transactions or recurrent related party transactions;
- review of application of Corporate Governance principles and the extent of the Group's compliance with the best practices set out under with the MCCG;
- review of the Overview Statement on Corporate Governance, this Report and the Statement on Risk Management and Internal Control;
- review of the progress on implementation of action plans and rectification measures for the key findings noted through the special audit conducted previously; and
- review and formulation of the Group's PN17 regularisation plan for submission to Bursa Malaysia Securities Berhad as well as the applications for extension of time to submit regularisation plan.

Internal Audit Function

The internal audit function was established with the primary objective of providing the necessary assistance to the ARMC in the course of discharging its duties and responsibilities. The ARMC is guided by the Guidelines on Internal Audit Function issued by the Internal Auditors Malaysia and the Internal Audit Charter that provides the framework for the efficient and effective functioning of the internal audit function.

The internal audit role is to provide independent and reasonable assurance that the systems of internal controls and procedures in the operating business entities within the Group are adequate and effective to mitigate the risks identified. The internal audit covers the review of the adequacy of risk management, operational controls, management efficiency and compliance with established procedures and guidelines, amongst others.

The ARMC is supported by an independent and adequately resourced internal audit function which has been outsourced to a professional services firm, Messrs CHL Chartered Accountant, headed by Mr. Tee Wei Chung, professional member of The Institute of Internal Auditors Malaysia. The outsourced Internal Auditors report directly to the ARMC and provided with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The internal audit activities were carried out based on a risk-based audit plan presented by the internal auditors to the ARMC for approval. The establishment of the internal audit plan took into consideration the corporate risk profile and input from management and ARMC. The results of the audits provided in the internal audit reports were reviewed by ARMC. The Internal Audit has added value by improving the control processes within the Group.

The total costs incurred for internal audit activities in respect of the financial year ended 30 June 2021 were amounted to RM11,000.

The following internal audit activities were those carried out by the internal auditors during the financial year under review:

- formulation of agreement with the ARMC on the risk-based IA plan that was consistent with the Company's objectives and goals;
- conduct of internal audit engagements in accordance with the IA plan;
- following up on IA recommendations to ensure adequate implementation; and
- reporting to the ARMC on the competency (i.e. qualification and experience) of its human resources on a yearly basis.

This ARMC report was made in accordance with the resolution of the ARMC dated 15 October 2021.

OVERVIEW STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("**Board**") of Malaysia Pacific Corporation Berhad ("**MPCB**" or "the Company") remains committed in maintaining the adequate standards of corporate governance ("**CG**") within the Company and the subsidiaries ("the **Group**"), adhering to the principles and best practices of CG, through observing and practicing the core values of Malaysian Code on Corporate Governance 2021 ("**MCCG**") and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The commitment from the top paves the way for management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

Pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("**MMLR**") of Bursa Securities, the Company provides an overview of the application of the corporate governance practices of the Group during the financial year ended 30 June 2021 with reference to the principles set out in the MCCG.

The application of each Practice set out in the MCCG is disclosed in the Company's Corporate Governance Report which is available on the Company's website at www.mpcb.com.my as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board's Responsibilities

The Board, comprising the Executive and Independent Non-Executive Directors takes full responsibility for the overall governance of the Group by ensuring the strategic direction, control and succession plan of the Group, the effective monitoring of performance goals, and accountability to the Group, the shareholders and all other stakeholders, as well as formalising documentation on matters specifically reserved for its decision and ensuring that the Group's internal controls, risk management and reporting procedures are well in place. Whilst the management is responsible for the day-to-day operations of the business and effective implementation of the Board decisions.

The Board recognises the importance of reviewing and adopting strategic business plans and overseeing the conduct of the business in order to ensure that the business is being properly managed. The Board regularly reviews the operational and financial reports which are tabled at Board meetings held at least 4 times a year.

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to several board committees such as:

(a) Audit and Risk Management Committee ("ARCM"); and

(b) Nomination and Remuneration Committee ("NRC").

These board committees operate within clearly defined terms of reference. The respective Chairman of the board committees will report to the Board on key issues deliberated. The ultimate responsibility for the final decision on all matters, however, rests with the entire Board. The powers delegated to the board committees are set out in the terms of reference of each of the board committees as approved by the Board. The terms of reference of the board committees can be found on the Company's website at www.mpcb.com.my.

All the directors are to act in the best interest of the Company and shall disclose to the Board of any interest or potential interest as soon as he becomes aware of such interest. The Company Secretary shall keep a record of such declarations.

The Board shall observe and adhere to the Company's Code of Conduct for Directors which provides guidance regarding ethical and behavioural considerations or actions in discharging their duties and responsibilities. The Board recognizes the importance on adherence to the Code of Conduct by all personnel in the Group and take measures to put in place a process to ensure its compliance

Chairman and Chief Executive Officer

The positions of the Chairman and Chief Executive Officer are held by different individuals. The roles are separated with a clear division and responsibilities between them to ensure balance of control, power and authority. The Chairman of the Company is an Independent Non-Executive Director and responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman provides leadership at Board level, chairing the meetings of the Company and the Board, represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The Chief Executive Officer is responsible for the business direction and development of the operating units, organisational effectiveness and implementation of the Board's policies and decisions with the Management team oversees the Group's day-to-day operations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Qualified and Competent Company Secretaries

The Company Secretary plays an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with MMLR of Bursa Securities, relevant laws and regulations. The Company Secretary ensure that discussions at Board and Board Committees meetings are well documented, and subsequently communicated to the relevant Management for appropriate action. The Board is assisted by a qualified and competent Company Secretary which is member of Malaysian Institute of Chartered Secretaries and Administrators.

Access to Information and Advice

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties.

The agenda for each Board meeting and its relevant papers relating to the agenda items are forwarded to all Directors for their perusal prior to the Board meeting. Adequate notice is provided to allow the Directors to review the Board papers so that matters arising could be properly deliberated at the Board meetings and appropriate decisions could be made by the Board. Senior Management and appointed advisers of the Company may be required to attend the Board meetings as and when necessary.

Board Charter

The Board has established clear function reserved for the Board and those delegated to Management. Key matters reserved for the Board include the approval of strategic plans, quarterly and annual financial statements for announcement and monitoring of financial and operating performance. Such delineation of roles will be clearly set out in the Board Charter ("the Charter") which will serve as a reference point for Board activities.

The Charter which is aligned with the Practice 2.1 of the MCCG, sets out the roles and functions of the Board and the Management and provides guidance for Directors and Management regarding the responsibilities of the Board, its committees and Management, the requirement of Directors and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.

The Charter will be periodically reviewed and updated in accordance with the needs and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

The Charter is available at the Company's website at www.mpcb.com.my.

Code of Conduct and Ethics

The Code of Conduct and Ethics, serves as a road map to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. The Group has also in place the Code of Conduct and Ethics for its employees which comprised all aspects of its day to day business operations.

Directors and employees of the Group are expected to perceive high standards of integrity and fair dealings in relation to clients, staff, management and regulators which the Group operates and ensure compliance with all applicable laws, rules and regulations. The Code of Conduct and Code of Ethics are available on the Company's website at www.mpcb.com.my

Whistleblowing Policy

The Board recognises the importance to put in place a Whistle Blowing Policy, which provides an avenue for the employee to make good-faith disclosure and report instance of unethical, unlawful or undesirable conduct to enable prompt corrective action and measures to resolve them effectively.

The Whistle Blowing Policy is accessible on the Company's website at www.mpcb.com.my

Corporate Liability Policy

The Group has in place a Corporate Liability Policy that provides clarity on the oversight and responsibilities, particularly in the area of anti-bribery and anti-corruption. The policy was formulated as a guide to the employees of the Group's commitment to combat bribery and corruption. The policy on anti-bribery and corruption is available on the Company's website at www.mpcb.com.my.

Overview Statement on Corporate Governance

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition and their Attendances

Currently, the Board consists of total of 6 members, comprising one (1) Independent Non-Executive Chairman, three (3) Executive Directors and two (2) Independent Non-Executive Directors.

The MCCG recommends the practice of at least half of the Board comprises Independent Directors. Currently, more than half of the Board members are Independent Directors. This composition is in line with MCCG's recommended practice and the requirement of the Paragraph 15.02 of the MMLR of Bursa Securities.

The current size and composition of the Board are considered adequate to provide the optimum skills and experience required to manage affairs. Furthermore, the Board is of the view that the current Board size is balanced in skills and composition.

Board Independence

The Board recognises the importance of independence and objectivity in its decision making process which is in line with the MCCG. The assessment of Independence of the Independent Non-Executive Directors for the Group is conducted annually. The Independent Directors have been objective and will remain objective at exercising their judgement and opinion.

Tenure of Independent Directors

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years term, an Independent Director may continue to serve as a Non-Independent Director, unless shareholders' approval of his/her retention as Independent Director is obtained or in case of tenure of Independent Director exceeding twelve (12) years, the board shall seek annual shareholders' approval through two-tier voting process.

Currently, none of the Independent Directors of the Company exceeded a tenure of nine (9) years or more.

Diverse Board and Senior Management Team

The Board supports the gender diversity as recommended under the MCCG and encourages female participation on Board. However, the Board did not formalise the gender diversity through a policy as the Board believes that appointment of Directors should be based on merit and performance of the individuals. The Board will review the appropriate proportion of female to male Directors on the Board at the time of considering appointment of new Directors to the Board. Currently, two (2) out of six (6) of the Board members are female Directors.

Apart from gender diversity, the Board also supports diversity in skills, experience, age and cultural background. The Board will review the appropriate proportion based on skills, experience, age, cultural background and gender of the candidates at the time of considering appointment of new Directors to the Board and Senior Management.

The decision on new appointment of Directors and Senior Management rest with the Board after considering the recommendation of the NRC. In evaluating the suitability of candidates to the Board, the NRC will consider certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his/her duties as expected. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meeting of the Board, Board Committee and Annual General Meeting ("AGM").

Nomination and Remuneration Committee

The NRC is comprised the following three (3) Independent Non-Executive Directors of the Company:-

- Ho Pui Hold, (Chairman)
- Lim Yit Kiong (Member)
- Dato' Ir. Hj. Md Nasir bin Ibrahim (Member)

NRC reviews annually the required mix of skills, expertise attributes and core competencies of its Directors. Each Director performs a self-assessment in respect of the performance of the Board, Board Committee and individual Director during every financial year. The outcome of the assessment will be evaluated by NRC, and subsequently be reported to Board for improvement.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination and Remuneration Committee (Cont'd)

The NRC meets whenever the need arises. Alternatively, the NRC's recommendations are made to the Board by way of circular resolution. During the financial year ended 30 June 2021, NRC undertaken the following activities in discharging its duties:-

(a) Conducted annual assessment of the performance of the Board as a whole for the financial year ended 30 June 2021 and made its recommendation to the Board;

(b) Conducted annual assessment of the Independent Directors and made its recommendation to the Board;

(c) Reviewed and recommended the re-election of the retiring Directors for Board's approval;

(d) Reviewed composition of Board and its Board Committees; and

(e) Reviewed and recommended Directors' fees and benefits payable to Non-Executive Directors for Board's approval.

Annual Evaluation

The NRC has established a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and to review the performance of the Board as a whole. The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility as well as the effectiveness of the Chairman of the respective Board Committees.

The NRC has carried out evaluation on the performance of each member of the Board, each Board Committee and to review performance of the Board as a whole. The NRC had assessed the overall effectiveness of the Board and the performance of individual Directors for the financial year ended 30 June 2021 and satisfied with the performance of the Board, Board Committees and individual Directors. Based on the assessment, the Independent Directors met the "Independence" criteria as required by MMLR of Bursa Securities.

Board Meetings

The Board meets at least four (4) times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During the financial year ended 30 June 2021, four (4) meetings were held in which the Board deliberated upon and considered various issues including the Groups' financial results, performance of the Group's business, major investment, business plan and policies and strategic issues affecting the Group's business.

Details of attendance of the Directors at Board meetings held during the financial year are as follows:

	Name of Directors	Attendance for FY 2021
(a)	Dato' Ir. Hj. Md. Nasir Bin Ibrahim	4/4
(b)	Datin Kong Yuk Chu	4/4
(c)	Ch'ng Soon Sen	4/4
(d)	Ch'ng Se Hua	3/4
(e)	Lim Yit Kiong	4/4
(f)	Ho Pui Hold	4/4

In the interval between Board meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board meeting.

Overview Statement on Corporate Governance

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Trainings

The Board empowered the Directors of the Company to determine their own training requirements as they consider necessary to enhance their knowledge as well as understanding of the Group's business and operations. The training programmes attended by the Directors during the financial year are as follows:

Name of Director	Seminars/Conferences/Training Programmes Attended
Dato' Ir. Hj. Md. Nasir Bin Ibrahim	1. Sme Bank Video Conference Sessions with Clients Involve in Construction Affected by MCO 3.0 2. Briefing on " Memorandum Submission on Act 446 under Emergency Order to the Ministry of Human Resources Malaysia 3. Industrialised Building System (IBS) Adoption in Affordable Housing Development
Datin Kong Yuk Chu	1. Enterprise Risk Management: Risk Area In Property Development & Construction Industries
Ch'ng Soon Sen	1. Enterprise Risk Management: Risk Area In Property Development & Construction Industries
Ch'ng Se Hua	1. Enterprise Risk Management: Risk Area In Property Development & Construction Industries
Lim Yit Kiong	1. Running and Managing Virtual, Hybrid and Physical Meeting 2. Update on Annual Return, AGMs, Accounts and Audit in the Covid Era 3. Company Secretary Prospects and Dangers under the Companies Act 2016 4. Recurring Offences by Directors/ Secretaries under the Companies Act 2016 5. MIA public practice programme 2021 (Non - Audit) 6. Transfer Pricing 7. Discovering the Technical and Practical Application of Beneficial Ownership Framework
Ho Pui Hold	1. S17A Corporate Liability Webinar 2. COVID 19 Impact on Financial Reporting and Internal Controls 3. Managing Your Fraud Risk: Are you Doing Enough 4. Awareness ISO 9001:2015, Intro on Implementation 5. Awareness Training on Corporate Liability Provision MACC New Section 17A

Directors' Remuneration

The Company's remuneration policy for Director is formulated to attract and retain individuals of the necessary calibre relevant to the achievement of the Company's strategic achievements. The remuneration is structured to link experience, expertise and level of responsibility undertakings by the Directors.

The NRC is entrusted with the responsibilities to make recommendations to the Board, the remuneration package for the Executive Directors. However, it is the ultimate responsibility of the entire Board to approve the remuneration of these Directors. Non-Executive Directors' remuneration will be decided by the Board as a whole with the Director concerned abstaining from deliberation and voting on decisions in respect of his individual remuneration.

The details of Directors' fees and other benefits paid (both Company and Group) for the financial year under review is as follows:

	Company		Group	
	Fees (RM)	Salaries & Other emoluments (RM)	Fees (RM)	Salaries & Other emoluments (RM)
Dato' Ir. Hj. Md. Nasir Bin Ibrahim	49,200	7,000	49,200	7,000
Datin Kong Yuk Chu	-	382,193	-	764,385
Ch'ng Soon Sen	-	640,871	-	1,281,743
Ch'ng Se Hua	-	202,523	-	405,047
Lim Yit Kiong	36,000	7,000	36,000	7,000
Ho Pui Hold	40,000	7,000	40,000	7,000
Total	125,200	1,246,587	125,200	2,472,175

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration of Senior Management

The remuneration paid to the key senior management during the financial year is as follows:

Name of Senior Management	Remuneration (RM)
Mohd Faridz bin Mohd Noor	269,723

Terms of reference of NRC are accessible through the Company's website at www.mpcb.com.my.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The ARMC comprised three (3) Independent Non-Executive Directors. The Chairman is Ho Pui Hold, a member of the Malaysian Institute of Accountants and he is not the Chairman of the Board. The ARMC carries the responsibilities as listed in ARMC Report on page 11 of the Annual Report.

The ARMC is fully informed about significant matters related to the Company's audit and its financial statements. The ARMC also reviewed the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides, such discussion also served as an avenue for the ARMC to appropriately communicate its insights, views and concerns about relevant transactions and events to the internal and external auditors.

The Board took note on the Practice 7.2 of the MCCG to have a policy that requires a former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of the ARMC.

Assessment of Suitability and Independence of External Auditors

The Board has established a transparent relationship with the external auditors through the ARMC, which has been accorded the authority to communicate directly with the external auditors. The ARMC was satisfied with the external auditors' technical competency and audit independence during the financial year ended 30 June 2021. The external auditors in turn are able to highlight matters which require the attention of the Board effectively to the ARMC in terms of compliance with the accounting standards and other related regulatory requirements.

Risk Management and Internal Control Framework

The Directors are responsible for the Group's system of internal controls and its effectiveness. The principal aim of the system of internal controls is the management of financial and business risks that are significant to the fulfilment of the Group's business objectives, which is to enhance the value of shareholders' investment and safeguarding the Group's assets.

The ARMC summarises and communicates the key business risks to the Board for consideration and resolution. Internal audit activities are conducted based on an annual internal audit plan tabled and approved by the ARMC. The internal audit functions are carried out impartially, proficiently and with due professional care. Reports issued by the internal audit for the financial year under review were tabled at ARMC meetings. Management was present at such meetings to provide pertinent clarification or additional information to address questions raised by ARMC members.

A separate Statement of Risk Management and Internal Control which provides an overview of the state of the internal control and risk management within the Group, set out on pages 23 to 24 of this Annual Report.

Internal Audit Function

The Group has outsourced an Internal Audit division that reports directly to the ARMC. The internal audit function is described in the ARMC set out on page 13 of this Annual Report.

Overview Statement on Corporate Governance

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

Communication with Stakeholders

The Company ensures all information such as corporate announcements, circulars to shareholders and financial results are disseminated to the general public in a timely and accurate manner. The Company's quarterly interim financial results are released within two months from the end of each quarter. The Annual Report, which is the key communication channel between the Company and its shareholders, is published within four months after each financial year end. The Annual Report provides an insightful analysis of the Group's performance, operations and prospect affecting shareholders' interest.

The Company maintains various methods of dissemination of important information to shareholders, stakeholders and the public at large through timely announcements of events, quarterly announcement of financial results, business of the Company, its policies on governance, the environment and social responsibility on the Company's website.

Conduct of General Meetings

General meetings serve as the principal forum for communicating with the shareholders of the Company. The Board encourages participation of shareholders at the general meeting to ensure a high level of accountability and identification with the Group's strategy and goals.

The Board endeavours to dispatch its notice of AGM at least 28 days before the meeting and mindful that the sufficient notice and time given would allow the shareholders to make necessary arrangements to participate either in person, by corporate representative, by proxy or by attorney. This would also enable the shareholders to properly consider the resolutions that will be discussed and decided at the meeting.

The Board took note that the presence of all Directors will provide an opportunity for shareholders to effectively engage each director. Besides, having the chair of the Board subcommittees present will facilitate these conversations and allows shareholders to raise questions and concerns directly to those responsible. Accordingly, barring unforeseen circumstances, all Directors as well as the Chairman of respective Board Committees (i.e. ARMC, NRC) will be present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to those responsible.

Leverage on Information Technology for Effective Dissemination of Information

The Group maintains a corporate website at www.mpcb.com.my which serves as a forum for the general public to access information on the corporate information, annual reports, corporate announcements and subsidiary developments on the Group's website.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this statement and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, MMLR and all applicable laws and regulations throughout the financial year ended 30 June 2021.

This statement is made in accordance with a resolution of the Board dated 15 October 2021.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Utilisation of Proceeds

There were no issuance of new shares, rights issue or issuance of bonds during the financial year.

Audit and Non-Audit Fees

Details of audit and non-audit fees incurred for services rendered by the External Auditors during the financial year are as follows:

	Group (RM)	Company (RM)
Audit Fees		
- UHY	96,500	70,000
- Other auditor	9,572	-
Non-Audit Fees	5,000	5,000

Material Contracts

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Related Party Transactions

An internal compliance framework exists to ensure that the Company meets its obligations, including that of related party transactions under the MMLR. The Board reviews all related party transactions during financial year and the details are disclosed in page 87.

CORPORATE SUSTAINABILITY STATEMENT

OUR COMMITMENT

We perceived corporate sustainability as our commitment to create long term value for our shareholders, environment and society through innovation and overall operational excellence. We understand our choices today have an impact on our customers and suppliers and the success of their businesses in the future. Our business imperative is to carry out our activities responsibly and with integrity. Our people are expected to behave in an honest and ethical manner in accordance with our policies, business rules and guidelines.

Our Corporate Sustainability Commitment

Within this context, we have defined our commitment to Corporate Sustainability across three (3) impact areas:

1. **ENVIRONMENT**

   Work Environment

   MPCB Group is mindful of the direct impact of our business have on the environment and remains committed in the environmental preservation through the creation and provision of long-term sustainable solutions. The Group's manages its operations in manner which minimize our environmental footprint, especially in reducing fuel consumption and carbon emission and usage of non-hazardous and environmental-friendly materials as well as recycling materials, where permissible.

   As employees are viewed as internal customers, MPCB ensures that the workplace remains conducive, which helps to balance the needs and desires of each employee with the needs and capacity of the business. We continue to place high emphasis on health and safety issues at our work sites. Necessary tools and protective gears are provided to our employees to ensure that they are adequately protected. We also enforce stringent compliance requirements so that health and safety issues are not compromise.

2. **SOCIAL**

   Training and Development

   MPCB also ensures that all staff are well trained and that is a continuously learning organisation. The Group strives to bring out the best of its employees by providing growth and progression opportunities for employees through comprehensive trainings, health and safety programmes.

3. **ECONOMIC**

   a. **Customer Satisfaction**

   Other than taken care of shareholders' interest, our Group also put attention towards our customers and suppliers which we value our customers' feedback and continuously enhance our market position and profitability. We also promote a culture of open communication, trust and reliability to build strong relationship with client.

   b. **Marketplace**

   MPCB is committed to maintain a proper framework to ensure that the business is run in an efficient and transparent manner in the interest of all its stakeholders. Ensuring that the business is conducted in a fair, transparent, sustainable and professional manner, MPCB is focused on delivering products of quality and being customer focused.

   c. **Moving Forward**

   We recognise that we are at the beginning of our sustainability journey and will continue to enhance our sustainability efforts. We recognise the importance of being a responsible and sustainable organisation and that it goes beyond measuring our financial performance. Board and its Management is committed to this effort and we look forward to improve further on our sustainability efforts in the years to come.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2021, which has been prepared pursuant to paragraph 15.26 (b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

BOARD RESPONSIBILITY

The Board acknowledges its responsibility and reaffirms its commitment in recognising the importance of an effective system of internal control and risk management practices to enhance good corporate governance.

The Board is ultimately responsible for the Group's system of internal control and risk management, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control and risk management covers, inter alia, financial, organisational, operational and compliance controls.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board is of the view that the Group's risk management and internal control framework and systems is in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group. The key features of the internal control systems which are operated with the assistance of the management are described as follows:-

INTERNAL CONTROL

The Group has an established internal control structure and is committed to evaluating, enhancing and maintaining the structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. There is a clearly defined operating structure with lines of responsibilities and delegated authority in place to assist the Board to maintain a proper control environment. The key elements of the Group's internal control system include:

Board Committee

- The delegation of responsibilities to the various committees of the Board is clearly defined. At present, the committees established are the Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee Meeting.

Organisation structure

- The Group has defined an organisational structure that is aligned with its business and operational requirements. Defined lines of accountability, delegation of responsibility and level of authorisation for all aspects of the business have been laid down and communicates throughout the Group.

Policies and procedures

- There are policies and procedures in place to ensure the adequacy of controls and compliance with relevant laws and regulations. These policies and procedures are periodically reviewed and updated to reflect changes in business structure and processes.
- The ongoing enhancement of the policies and procedures has improved the communicating and operating process among departments.

Statement on Risk Management and Internal Control

INTERNAL CONTROL (CONT'D)

Training and Development Programmes

- Training and development programmes are established to ensure that staff are constantly kept up-to-date with the constant technologically changing environment in order to be competent in the industry besides, to enable staff to carry out their job functions productively and effectively.
- Periodically briefing and discussing within superior and staff to update and enhance skill and acknowledge within their job scope.
- Periodically briefing and discussing among departments to update the industrial development and enhance the industrial knowledge.
- To attend seminars or courses upon change of technology, policy and industrial revolution.

Board Meetings

- Board and ARMC meetings are scheduled regularly, that is at least four (4) times in a year and the respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised. ARMC reviews the financial reports prior to adoption.

RISK MANAGEMENT FRAMEWORK

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the Group, covering both wholly and partially owned subsidiaries. Both the ARMC and Board reviews the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis.

For the period under review, the ARMC is assisted by the internal control division and the operation staff from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

The management is responsible for implementing the Group's strategies and day-to-day businesses. The organisation structure sets out clear segregation of roles and responsibilities, lines of accountability and levels of authority to ensure effective and independent stewardship. The management assists the Board in implementing the policies approved by the Board, implementing risk control procedures and developing, operating and monitoring internal controls to mitigate and control identified risks.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report for the financial year ended 30 June 2021. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants.

AAPG 3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, the external auditor has reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

CONCLUSION

For the financial year under review, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual report. The Board is of the view that the existing system of the risk management and internal control is adequate. Nevertheless, the Board recognises that the system of risk management and internal control must continuously improve in line with the Group's business environment. Therefore, the Board would put in place adequate plans, where necessary, to continuously improve the Group's system of risk management and internal control.

This Statement is issued in accordance with a resolution of the Board dated 15 October 2021.

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENTS

The Board of Directors ("Board" or "Directors") of Malaysia Pacific Corporation Berhad ("Company") are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), and the requirements of the Act in Malaysia and the Main Market Listing Requirements.

The Directors are responsible to ensure that the annual audited financial statements of the Company and the Group are prepared with reasonable accuracy from the accounting records of the Company and the Group so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the annual audited financial statements, the Directors have:

(a) applied the appropriate and relevant accounting policies on a consistent basis;

(b) made judgments and estimates that are reasonable and prudent;

(c) ensured that proper accounting records are kept in accordance with the requirements of the Act to enable the preparation of the financial statements with reasonable accuracy; and

(d) reviewed all significant matters that may affect the Group's ability to continue as a going concern.

The Directors have also made reasonable steps to prevent and detect fraud as well as other irregularities in safeguarding the assets of the Group.

This statement was made in accordance with a Board of Directors' resolution dated 15 October 2021.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

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

Principal Activities

The Company is principally engaged in the business of letting of investment properties and investment holding.

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

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

On 1 December 2014, the Company announced that it is a Practice Note 17 ("PN17") company pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as the Company's auditors had expressed a disclaimer opinion in the Company's audited financial statements for the financial year ended 30 June 2014. The Company has submitted application for further extension of time to make requisite announcement and to submit the regularisation plan as disclosed in Note 37(b) to the financial statements.

Financial Results

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year, attributable to owners of the parent	(6,027)	10,653

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

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

Directors' Report

Directors

The Directors of the Company in office since the beginning of the current financial year until the date of this report are:

YBhg. Datin Kong Yuk Chu*
Ch'ng Soon Sen*
Dato' Ir Hj. Md. Nasir Bin Ibrahim
Ho Pui Hold
Lim Yit Kiong
Ch'ng Se Hua*

* *Director of the Company and its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Mohd Faridz Bin Mohd Noor
Dato' Sri Syed Hussien Bin Abd. Kadir

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.7.2020	Addition	Disposal	At 30.6.2021
Interests in the Company				
Direct interests				
Ch'ng Soon Sen	469,000	-	-	469,000
Indirect interests				
YBhg. Datin Kong Yuk Chu #	147,750,572	-	-	147,750,572

Deemed interested by virtue of her substantial interest in Seacrest Land Limited, which has an indirect interest in the Company via its wholly-owned subsidiary company, Top Lander Offshore Inc. pursuant to Section 8 of the Companies Act 2016.

By virtue of her interests in the shares of the Company, YBhg. Datin Kong Yuk Chu is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Notes 26 and 30 to the financial statements) 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, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 33(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

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

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

   (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

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

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

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

(d) In the opinion of the Directors:

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

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

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

Directors' Report

Significant and Subsequent Events

The significant and subsequent events are disclosed in Note 37 to the financial statements.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 6 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 26 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 15 October 2021.

YBHG. DATIN KONG YUK CHU

CH'NG SOON SEN

KUALA LUMPUR

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 34 to 100 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 15 October 2021.

YBHG. DATIN KONG YUK CHU

CH'NG SOON SEN

KUALA LUMPUR

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Ch'ng Soon Sen, being the Director primarily responsible for the financial management of Malaysia Pacific Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 34 to 100 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 15 October 2021)

CH'NG SOON SEN

Before me,

NO.W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIA PACIFIC CORPORATION BERHAD
[Registration No.: 197201000550 (12200-M)]
(Incorporated in Malaysia)

Disclaimer of Opinion

We were engaged to audit the financial statements of Malaysia Pacific Corporation 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 a summary of significant accounting policies and other explanatory information as set out on pages 34 to 100.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described *in the Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(a) Going concern assumption

(i) The Group reported net loss of RM6,027,000 during the financial year ended 30 June 2021 and, as of that date, the Group's current liabilities exceeded its current assets by RM153,237,000.

(ii) On 1 December 2014, the Company announced that the Company was classified as an affected listed issuer pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As an affected listed issuer, the Company is required to submit a proposed regularisation plan to the relevant authorities for approval and to implement the regularisation plan within the stipulated time frame. On 29 July 2021, Bursa Malaysia Securities Berhad ("Bursa Securities") had granted approval to the Company for an extension of time up to 31 December 2021 to submit its proposed regularisation plan to the relevant authorities.

The management of Company is currently in the process of formulating a regularisation plan and consequently, there is insufficient information available on the eventual regularisation plan and how it would address the present financial conditions of the Group and of the Company.

As disclosed in Note 2(c) to the financial statements, the financial statements of the Group and of the Company are prepared on a going concern basis, which presumes that the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The appropriateness of preparing the financial statements of the Group and of the Company on going concern basis is dependent upon:

(i) Formulation of a viable plan to regularise the financial conditions of the Group and of the Company ("Regularisation Plan") for submission to Bursa Securities and other relevant authorities for approval;
(ii) Approvals obtained from all relevant parties on the Regularisation Plan;
(iii) Timely and successful implementation of the Regularisation Plan; and
(iv) Ability of the Group and of the Company to achieve sustainable and viable operations to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.

In view of the uncertainties involving the timing and successful formulation and implementation of the Regularisation Plan, we were unable to obtain sufficient appropriate audit evidence to determine whether the management's use of the going concern basis in the preparation of the financial statements of the Group and of the Company was appropriate.

(b) As at 30 June 2021, a trade receivable of the Group amounting to RM13.11 million has been overdue. The Group has made allowance for impairment losses amounting to RM1.86 million in prior year in respect of this trade receivable. During the financial year, the Group has made an additional allowance for impairment losses amounting to RM3.74 million. As at the date of this report, we were unable to obtain sufficient appropriate audit evidence on the full recovery of this trade receivable as well as whether the additional allowance for impairment losses recognised during the financial year ended 30 June 2021 is adequate.

Independent Auditors' Report

To the Members of Malaysia Pacific Corporation Berhad
[Registration No.: 197201000550 (12200-M)]
(Incorporated In Malaysia)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's and of the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, is disclosed in Note 6 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2023 J
Chartered Accountant

KUALA LUMPUR
15 October 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	30.6.2021 RM'000	Group 30.6.2020 RM'000 Restated	1.7.2019 RM'000 Restated
ASSETS				
Non-Current Assets				
Property, plant and equipment	4	117	91	887
Right-of-use assets	5	939	930	-
Investment in an associate	7	-	4	50
Inventories	8	194,895	191,237	191,279
		195,951	192,262	192,216
Current Assets				
Inventories	8	1,742	5,958	7,828
Trade receivables	9	10,545	12,917	8,075
Other receivables	10	1,674	1,234	10,062
Amount due from an associate	12	39	21	21
Tax recoverable		145	141	1,244
Cash and bank balances		926	9,110	3,752
		15,071	29,381	30,982
Asset held for sale	13	-	-	189,000
		15,071	29,381	219,982
Total Assets		211,022	221,643	412,198
EQUITY AND LIABILITIES				
Equity				
Share capital	14	287,660	287,660	287,660
Exchange translation reserve	15	(1,284)	(1,319)	(1,274)
Accumulated losses	15	(254,705)	(248,678)	(252,480)
Total Equity		31,671	37,663	33,906
Non-Current Liabilities				
Other payables	16	-	-	9,915
Bank borrowings	17	-	-	316
Lease liabilities	21	680	715	-
Deferred tax liabilities	22	10,363	10,595	26,478
		11,043	11,310	36,709
Current Liabilities				
Trade payables	23	1,122	846	727
Other payables	16	166,807	171,534	197,005
Bank borrowings	17	-	-	143,809
Lease liabilities	21	379	286	-
Tax payable		-	4	42
		168,308	172,670	341,583
Total Liabilities		179,351	183,980	378,292
Total Equity and Liabilities		211,022	221,643	412,198

Statements of Financial Position

As at 30 June 2021

	Note	Company 30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	4	158	101	491
Right-of-use assets	5	481	682	-
Investment in subsidiary companies	6	-	8,000	8,000
		639	8,783	8,491
Current Assets				
Trade receivables	9	-	-	37
Other receivables	10	1,092	1,089	9,838
Amount due from subsidiary companies	11	74,695	45,570	57,138
Tax recoverable		124	122	1,226
Cash and bank balances		125	8,615	2,032
		76,036	55,396	70,271
Asset held for sale	13	-	-	177,517
		76,036	55,396	247,788
Total Assets		76,675	64,179	256,279
EQUITY AND LIABILITIES				
Equity				
Share capital	14	287,660	287,660	287,660
Accumulated losses	15	(277,911)	(288,564)	(297,537)
Total Equity		9,749	(904)	(9,877)
Non-Current Liabilities				
Other payables	16	-	-	9,915
Lease liabilities	21	275	471	-
Deferred tax liabilities	22	-	-	15,419
		275	471	25,334
Current Liabilities				
Other payables	16	44,859	42,129	72,817
Amount due to subsidiary companies	11	21,558	22,270	24,264
Bank borrowings	17	-	-	143,741
Lease liabilities	21	234	213	-
		66,651	64,612	240,822
Total Liabilities		66,926	65,083	266,156
Total Equity and Liabilities		76,675	64,179	256,279

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 Restated	Company 2021 RM'000	Company 2020 RM'000
Revenue	24	10,485	6,667	-	1,760
Cost of sales		(4,428)	(4,203)	3	(1,949)
Gross profit/(loss)		6,057	2,464	3	(189)
Other income		212	14,189	91	14,474
Administrative expenses		(5,874)	(14,417)	(2,569)	(10,841)
Other expenses		(2,885)	(7,141)	(11,201)	(3,952)
Net (loss)/gain on impairment of financial instruments		(3,707)	(1,716)	24,367	(1,281)
(Loss)/Profit from operations		(6,197)	(6,621)	10,691	(1,789)
Finance costs	25	(62)	(21)	(38)	(3)
Share of results of an associate, net of tax		(4)	(46)	-	-
(Loss)/Profit before tax	26	(6,263)	(6,688)	10,653	(1,792)
Taxation	27	236	10,493	-	10,768
(Loss)/Profit for the financial year		(6,027)	3,805	10,653	8,976
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation difference for foreign operation		35	(45)	-	-
Total comprehensive (loss)/income for the financial year		(5,992)	3,760	10,653	8,976
(Loss)/Profit for the financial year attributable to: Owners of the parent		(6,027)	3,805	10,653	8,976
Total comprehensive (loss)/income for the financial year attributable to: Owners of the parent		(5,992)	3,760	10,653	8,976
(Loss)/Earnings per share attributable to equity holders of the Company (sen): - Basic and diluted	28	(2.10)	1.32		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to Owners of the Parent			
	Non-distributable			
	Share Capital RM'000	Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Group				
At 1 July 2019, as previously reported	287,660	(1,274)	(231,511)	54,875
Effect on adoption of the Agenda Decision	-	-	(20,969)	(20,969)
At 1 July 2019, as restated	287,660	(1,274)	(252,480)	33,906
Effect on adoption of MFRS 16 *	-	-	(3)	(3)
At 1 July 2019, as restated	287,660	(1,274)	(252,483)	33,903
Profit for the financial year	-	-	3,805	3,805
Other comprehensive loss for the financial year	-	(45)	-	(45)
Total comprehensive (loss)/income for the financial year	-	(45)	3,805	3,760
At 30 June 2020	287,660	(1,319)	(248,678)	37,663
At 1 July 2020, as previously reported	287,660	(1,319)	(227,906)	58,435
Effect on adoption of the Agenda Decision	-	-	(20,772)	(20,772)
At 1 July 2020, as restated	287,660	(1,319)	(248,678)	37,663
Loss for the financial year	-	-	(6,027)	(6,027)
Other comprehensive income for the financial year	-	35	-	35
Total comprehensive income/(loss) for the financial year	-	35	(6,027)	(5,992)
At 30 June 2021	287,660	(1,284)	(254,705)	31,671

	Attributable to Owners of the Parent		
	Non-distributable Share Capital RM'000	Accumulated Losses RM'000	Total RM'000
Company			
At 1 July 2019, as previously reported	287,660	(297,537)	(9,877)
Effect on adoption of MFRS 16 *	-	(3)	(3)
As 1 July 2019, as restated	287,660	(297,540)	(9,880)
Profit for the financial year, representing total comprehensive income for the financial year	-	8,976	8,976
At 30 June 2020	287,660	(288,564)	(904)
At 1 July 2020	287,660	(288,564)	(904)
Profit for the financial year, representing total comprehensive income for the financial year	-	10,653	10,653
At 30 June 2021	287,660	(277,911)	9,749

* As permitted by the transitional provision of MFRS 16 *Leases*, the Group and the Company have elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 July 2019 as an adjustment to the opening balance of accumulated losses.

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	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Operating Activties				
(Loss)/Profit before tax	(6,263)	(6,688)	10,653	(1,792)
Adjustments for:				
Depreciation of:				
- property, plant and equipment	62	116	31	82
- right-of-use assets	444	154	237	30
Deposits written off	-	93	-	-
Property, plant and equipment written off	-	284	-	284
Fair value adjustment on other payables	-	1,670	-	1,670
Impairment losses on:				
- amount due from subsidiary companies	-	-	14,701	1,436
- trade receivables	3,739	1,880	-	12
- investment in subsidiary companies	-	-	8,000	-
Provision for litigation claim	2,885	-	2,885	-
Gain on disposal of property, plant and equipment	(55)	-	(55)	-
Gain on early termination of lease contract	(1)	-	(1)	-
Reversal of impairment losses on:				
- amount due from subsidiary companies	-	-	(39,068)	(23)
- trade receivables	(32)	(164)	-	(144)
Share of results of an associate, net of tax	4	46	-	-
Unrealised (gain)/loss on foreign exchange	-	(1)	316	(409)
Waiver of interest expenses	-	(13,639)	-	(13,639)
Finance costs	62	21	38	3
Interest income	(95)	(168)	(34)	(148)
Operating profit/(loss) before working capital changes	750	(16,396)	(2,297)	(12,638)
Changes in working capital:				
Inventories	558	1,912	-	-
Trade receivables	(1,335)	(6,558)	-	169
Other receivables	(440)	3,347	(3)	4,098
Amount due from/to subsidiary companies	-	-	(5,786)	8,570
Amount due from an associate	(18)	-	-	-
Trade payables	276	119	-	-
Other payables	(7,612)	(37,032)	(155)	(42,249)
Foreign exchange reserve	35	(45)	-	-
	(8,536)	(38,257)	(5,944)	(29,412)
Cash used in operations	(7,786)	(54,653)	(8,241)	(42,050)
Interest received	95	168	34	148
Interest paid	(62)	(21)	(38)	(3)
Tax refund	-	1,108	-	1,109
Tax paid	(4)	(45)	(2)	(5)
	29	1,210	(6)	1,249
Net cash used in operating activities	(7,757)	(53,443)	(8,247)	(40,801)

Statements of Cash Flows

For the Financial Year Ended 30 June 2021

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Investing Activities				
Purchase of property, plant and equipment	(88)	-	(88)	-
Purchase of right-of-use assets [Note 5(b)]	(59)	-	-	-
Proceeds from disposal of:				
- asset held for sale	-	189,000	-	177,517
- property, plant and equipment	55	-	55	-
Net cash (used in)/from investing activities	(92)	189,000	(33)	177,517
Financing Activities				
Repayment of bank borrowing	-	(37,056)	-	(37,056)
Payment of lease liabilities	(335)	(98)	(210)	(31)
Net cash used in financing activities	(335)	(37,154)	(210)	(37,087)
Net (decrease)/increase in cash and cash equivalents	(8,184)	98,403	(8,490)	99,629
Cash and cash equivalents at the beginning of the financial year	9,110	(89,294)	8,615	(91,014)
Effect of exchange translation differences on cash and cash equivalents	-	1	-	-
Cash and cash equivalents at the end of the financial year	926	9,110	125	8,615
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	926	9,110	125	8,615

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

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Company is a Practice Note 17 ("PN17") company which has triggered the prescribed criteria under PN17 pursuant to Paragraph 8.04 and Paragraph 2.1(d) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company is principally engaged in the business of letting of investment properties and investment holding. The principal activities of the subsidiary companies are disclosed in Note 6. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company was located at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. With effect from 27 January 2021, the registered office has been relocated to Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan.

The principal place of business of the Company is located at B03-A-09-01, Level 9, Menara Pacific, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendment to MFRS 16	Covid-19 - Related Rent Concessions
IFRIC Agenda Decision of MFRS 123	Borrowing Costs

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and the Company, except for:

IFRIC Agenda Decision on MFRS 123 *Borrowing Costs* ("Agenda Decision")

On 18 December 2018, the Malaysian Accounting Standards Board ("MASB") has issued for public comment six Tentative Agenda Decisions ("TAD") published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 *Borrowing Costs* ("IAS 23") relating to over time transfer of constructed good.

The MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result of the Agenda Decision on IAS 23. In ensuring consistent application of the MFRS, which are word-for-word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 to financial statements of annual periods beginning on or after 1 July 2020.

Effective 1 July 2020, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision. The effects of the adoption of the Agenda Decision are disclosed in Note 38.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020:		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand (RM'000) except when otherwise stated.

Notes to the Financial Statements
30 June 2021

2. Basis of Preparation (Cont'd)

(c) Going concern assumption

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concern. The application of the going concern basis is on the assumption that the Group and the Company will be able to realise their assets and settle their liabilities in the normal course of business.

(i) The Group reported net loss of RM6,027,000 during the financial year ended 30 June 2021 and, as of that date, the Group's current liabilities exceeded its current assets by RM153,237,000.

(ii) On 1 December 2014, the Company announced that the Company was classified as an affected listed issuer pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The PN17 criteria was triggered as the Company's auditors have expressed a disclaimer opinion in the Company's audited financial statements for the financial year ended 30 June 2014. As an affected listed issuer, the Company is required to submit a regularisation plan to the relevant authorities for approval and to implement the regularisation plan within the stipulated time frame. On 29 July 2021, Bursa Malaysia Securities Berhad ("Bursa Securities") had granted approval to the Company for an extension of time up to 31 December 2021 to submit its proposed regularisation plan to the relevant authorities.

The Company is in the process of formulating a proposed regularisation plan to address the financial conditions of the Group and of the Company. The Directors are of the opinion that the proposed regularisation plan once formulated and implemented, will enable the Group and the Company to operate profitably in the foreseeable future, and therefore continue as a going concern and to realise their assets and discharge their liabilities in the normal course of business.

The appropriateness of preparing the financial statements of the Group and of the Company on going concern basis is dependent upon:

(i) Formulation of a viable plan to regularise the financial conditions of the Group and of the Company ("Regularisation Plan") for submission to Bursa Securities and other relevant authorities for approval;
(ii) Approvals obtained from all relevant parties on the Regularisation Plan;
(iii) Timely and successful implementation of the Regularisation Plan; and
(iv) Ability of the Group and of the Company to achieve sustainable and viable operations to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.

Should the going concern basis of preparing the financial statements be no longer appropriate, adjustments would have to be made to reduce the value of all assets to their estimated realisable values, and to provide further estimated liabilities that may arise, and to reclassify property, plant and equipment and other non-current assets and non-current liabilities as current assets and current liabilities respectively.

The financial statements of the Group and of the Company do not include any adjustment and classification relating to the recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at the point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Notes to the Financial Statements
30 June 2021

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies are disclosed in Note 6.

Impairment of investment in associates

The Group reviews its investment in associates when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Group evaluates the recoverable amount based on market performance, economic and political situation of the country in which the associates operate.

The carrying amount at the reporting date for investment in an associate are disclosed in Note 7.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 22.

Revenue from property development contracts

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss on the Group's trade receivables is disclosed in Note 9.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Groups estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 30 June 2021, the Group and the Company have tax recoverable of RM145,000 and RM124,000 (30.6.2020: RM141,000 and RM122,000; 1.7.2019: RM1,244,000 and RM1,226,000) respectively. As at 30 June 2021, the Group has tax payable of RMNil (30.6.2020: RM4,000; 1.7.2019: RM42,000).

3. Significant Accounting Policies

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

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. 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. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Financial Statements
30 June 2021

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

The Group applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests 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 acquiree's identifiable net assets.

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

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 *Financial Instruments* either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(j)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate 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 recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3(j)(i) on impairment of non-financial assets.

(b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

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

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

In the Company's separate financial statements, investment in associates are either stated at cost less accumulated impairment losses or equity method. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(j)(i) on impairment of non-financial assets.

Notes to the Financial Statements
30 June 2021

3. Significant Accounting Policies (Cont'd)

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i) on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Plant and machinery	5% - 10%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Renovation	10% - 20%

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

(e) Leases

<u>As lessee</u>

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU 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 site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i) on impairment of non-financial assets.

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

As lessee (Cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Building	Over the lease term
Office equipment	5 years or over the lease term,if shorter
Motor vehicles	5 years or over the lease term,if shorter

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

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 rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(f) Financial assets

Recognition and initial measurement

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

3. Significant Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

Recognition and initial measurement (Cont'd)

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at 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 in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiary companies, amount due from an associate and cash and bank balances.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

The Group and the Company have not designated any financial assets at FVTOCI.

(iii) Financial assets at fair value through profit or loss

The Group and the Company have not designated any financial assets at FVTPL.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(j)(ii) on impairment of financial assets.

Regular way purchase or sale of financial assets

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

Notes to the Financial Statements
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3. Significant Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(g) Financial liabilities

Recognition and initial measurement

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

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities at amortised cost

Financial liabilities 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.

The Group and the Company's financial liabilities designated at amortised cost comprises trade and other payables, amount due to subsidiary companies, bank borrowings and lease liabilities.

Derecognition

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

(h) Inventories

(i) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

3. Significant Accounting Policies (Cont'd)

(h) Inventories (Cont'd)

(i) Land held for property development (Cont'd)

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising cost of land, direct materials, direct labour, other direct costs and related overheads incurred that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

(i) Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and non-current assets (or disposal group) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that had indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purpose. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements
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3. Significant Accounting Policies (Cont'd)

(j) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An 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. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

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

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

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

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. Significant Accounting Policies (Cont'd)

(l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(m) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. 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. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(n) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

<u>Revenue from property development</u>

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

Notes to the Financial Statements
30 June 2021

3. Significant Accounting Policies (Cont'd)

(n) Revenue and other income (Cont'd)

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms on ongoing leases.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(o) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(p) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant Accounting Policies (Cont'd)

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, 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, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(s) Contingencies

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

(t) Non-current assets held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment is not depreciated or amortised once classified as held for sale.

(u) Fair value measurement

Fair value of an asset or a liability 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 of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

Notes to the Financial Statements
30 June 2021

3. Significant Accounting Policies (Cont'd)

(u) Fair value measurement (Cont'd)

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

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

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

Level 3 : unobservable inputs for the asset or liability.

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

4. Property, Plant and Equipment

	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Group					
30.6.2021					
Cost					
At 1 July 2020	413	483	982	734	2,612
Additions	-	17	-	71	88
Disposals	-	-	(387)	-	(387)
Written off	(413)	(22)	-	-	(435)
At 30 June 2021	-	478	595	805	1,878
Accumulated depreciation					
At 1 July 2020	413	424	950	734	2,521
Charge for the financial year	-	27	30	5	62
Disposals	-	-	(387)	-	(387)
Written off	(413)	(22)	-	-	(435)
At 30 June 2021	-	429	593	739	1,761
Carrying amount					
At 30 June 2021	-	49	2	66	117

4. Property, Plant and Equipment (Cont'd)

	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Group					
30.6.2020					
Cost					
At 1 July 2019, as previously reported	9,445	5,190	1,601	4,881	21,117
Effect on adoption of MFRS 16*	-	-	(619)	-	(619)
At 1 July 2019, as restated	9,445	5,190	982	4,881	20,498
Reversal	-	(24)	-	-	(24)
Written off	(9,032)	(4,683)	-	(4,147)	(17,862)
At 30 June 2020	413	483	982	734	2,612
Accumulated depreciation					
At 1 July 2019, as previously reported	9,440	5,065	1,167	4,558	20,230
Effect on adoption of MFRS 16*	-	-	(247)	-	(247)
At 1 July 2019, as restated	9,440	5,065	920	4,558	19,983
Charge for the financial year	3	38	30	45	116
Written off	(9,030)	(4,679)	-	(3,869)	(17,578)
At 30 June 2020	413	424	950	734	2,521
Carrying amount					
At 30 June 2020	-	59	32	-	91
At 1 July 2019*	5	125	434	323	887

* As permitted by the transitional provision of MFRS 16 *Leases*, the Group has elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 July 2019 as an adjustment to the opening balance of accumulated losses. As a result, the effect on the adoption of MFRS 16 *Leases* is not adjusted for the property, plant and equipment as at 1 July 2019.

	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Company				
30.6.2021				
Cost				
At 1 July 2020	287	834	-	1,121
Additions	17	-	71	88
Disposals	-	(387)	-	(387)
At 30 June 2021	304	447	71	822
Accumulated depreciation				
At 1 July 2020	186	834	-	1,020
Charge for the financial year	26	-	5	31
Disposals	-	(387)	-	(387)
At 30 June 2021	212	447	5	664
Carrying amount				
At 30 June 2021	92	-	66	158

Notes to the Financial Statements
30 June 2021

4. Property, Plant and Equipment (Cont'd)

	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Company					
30.6.2020					
Cost					
At 1 July 2019	8,982	4,698	834	4,058	18,572
Reversal	-	(24)	-	-	(24)
Written off	(8,982)	(4,387)	-	(4,058)	(17,427)
At 30 June 2020	-	287	834	-	1,121
Accumulated depreciation					
At 1 July 2019	8,978	4,535	834	3,734	18,081
Charge for the financial year	4	33	-	45	82
Written off	(8,982)	(4,382)	-	(3,779)	(17,143)
At 30 June 2020	-	186	834	-	1,020
Carrying amount					
At 30 June 2020	-	101	-	-	101
At 1 July 2019	4	163	-	324	491

Assets held under finance leases

As at 1 July 2019, the net carrying amounts of leased motor vehicles of the Group were RM372,000. Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 19.

Following the adoption of the MFRS 16 *Leases* on 1 July 2019, the Group has reclassified the carrying amount of leased assets to ROU assets as disclosed in Note 5.

5. Right-of-use Assets

	Building RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Group				
30.6.2021				
Cost				
At 1 July 2020	680	102	619	1,401
Additions	59	45	358	462
Termination of lease contract	-	(102)	-	(102)
At 30 June 2021	739	45	977	1,761
Accumulated depreciation				
At 1 July 2020	9	91	371	471
Charge for the financial year	256	10	178	444
Termination of lease contract	-	(93)	-	(93)
At 30 June 2021	265	8	549	822
Carrying amount				
At 30 June 2021	474	37	428	939

5. Right-of-use Assets (Cont'd)

	Building RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Group				
30.6.2020				
Cost				
At 1 July 2019, as previously reported	-	-	-	-
Effect on adoption of MFRS 16*	-	102	619	721
At 1 July 2019, as restated	-	102	619	721
Addition	680	-	-	680
At 30 June 2020	680	102	619	1,401
Accumulated depreciation				
At 1 July 2019, as previously reported	-	-	-	-
Effect on adoption of MFRS 16*	-	70	247	317
At 1 July 2019, as restated	-	70	247	317
Charge for the financial year	9	21	124	154
At 30 June 2020	9	91	371	471
Carrying amount				
At 30 June 2020	671	11	248	930
At 1 July 2019 *	-	-	-	-

	Building RM'000	Office equipment RM'000	Total RM'000
Company			
30.6.2021			
Cost			
At 1 July 2020	680	102	782
Addition	-	45	45
Termination of lease contract	-	(102)	(102)
At 30 June 2021	680	45	725
Accumulated depreciation			
At 1 July 2020	9	91	100
Charge for the financial year	227	10	237
Termination of lease contract	-	(93)	(93)
At 30 June 2021	236	8	244
Carrying amount			
At 30 June 2021	444	37	481

Notes to the Financial Statements
30 June 2021

5. Right-of-use Assets (Cont'd)

	Building RM'000	Office equipment RM'000	Total RM'000
Company			
30.6.2020			
Cost			
At 1 July 2019, as previously reported	-	-	-
Effect on adoption of MFRS 16*	-	102	102
At 1 July 2019, as restated	-	102	102
Addition	680	-	680
At 30 June 2020	680	102	782
Accumulated depreciation			
At 1 July 2019, as previously reported	-	-	-
Effect on adoption of MFRS 16*	-	70	70
At 1 July 2019, as restated	-	70	70
Charge for the financial year	9	21	30
At 30 June 2020	9	91	100
Carrying amount			
At 30 June 2020	671	11	682
At 1 July 2019 *	-	-	-

* As permitted by the transitional provision of MFRS 16 *Leases*, the Group and the Company have elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 July 2019 as an adjustment to the opening balance of accumulated losses. As a result, the effect on the adoption of MFRS 16 *Leases* is not adjusted for the right-of-use assets as at 1 July 2019.

(a) Included in the right-of-use assets of the Group are motor vehicles with carrying amount of RM428,000 (30.6.2020: RM248,000; 1.7.2019: RMNil) pledged as securities for the related lease liabilities as disclosed in Note 21.

(b) The aggregate additional costs for right-of-use assets of the Group and of the Company during the financial year acquired under lease financing and cash payment are as follows:

	Group		Company	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Aggregate costs	462	680	45	680
Less: Lease financing	(403)	(680)	(45)	(680)
Cash payments	59	-	-	-

6. Investment in Subsidiary Companies

(a) Investment in subsidiary companies

	Company		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
In Malaysia			
Unquoted shares, at cost	8,501	8,501	8,501
Less: Accumulated impairment losses	(8,501)	(501)	(501)
	-	8,000	8,000

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company	
	30.6.2021 RM'000	30.6.2020 RM'000
At 1 July	501	501
Impairment losses recognised	8,000	-
At 30 June	8,501	501

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective equity interest 30.6.2021 %	30.6.2020 %	1.7.2019 %	Principal activities
MPC Properties Sdn. Bhd. *	Malaysia	100	100	100	Letting of investment properties and property development
Bedford PJ Complex Sdn. Bhd. *	Malaysia	100	100	100	Dormant
Euronium Construction Sdn. Bhd. *	Malaysia	100	100	100	Dormant
Pacific Spa & Fitness Club Sdn. Bhd. @	Malaysia	-	-	100	Dormant
Premier Building Management Services Sdn. Bhd. *	Malaysia	100	100	100	Dormant
Prestige Trading Sdn. Bhd. *	Malaysia	100	100	100	Letting of investment properties
MPC Management Services Sdn. Bhd. *	Malaysia	100	100	100	Management services
Subsidiary companies of MPC Properties Sdn. Bhd.:					
ASA Enterprises Sdn. Bhd. *	Malaysia	100	100	100	Letting of investment properties
Oriental Pearl City Properties Sdn. Bhd. ("OPCP") *	Malaysia	100	100	100	Investment holding
Creative Ascent Sdn. Bhd. ("CASB") *	Malaysia	100	100	100	Investment holding, project management and property co-development

Notes to the Financial Statements
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6. Investment in Subsidiary Companies (Cont'd)

(a) Investment in subsidiary companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective equity interest 30.6.2021 %	30.6.2020 %	1.7.2019 %	Principal activities
Subsidiary company of Oriental Pearl City Properties Sdn. Bhd.:					
Lakehill Resort Development Sdn. Bhd. ("LHRD") *#	Malaysia	100	100	100	Property management and property development
Subsidiary company of Creative Ascent Sdn. Bhd.:					
Taman Bandar Baru Masai Sdn. Bhd. ("TBBM") *	Malaysia	100	100	100	Property development
Subsidiary companies of Lakehill Resort Development Sdn. Bhd.:					
Asia Pacific Trade and Expo City Sdn. Bhd. *	Malaysia	100	100	100	Dormant
Asia-Pacific Trade & Expo City (HK) Limited ^	Hong Kong	100	100	100	Provision of corporate management services, marketing and promotion to Greater China

^ Subsidiary company not audited by UHY

* The auditors' report on the financial statements contained a paragraph relating to the appropriateness of the going concern assumption in the preparation of the financial statements.

The auditors' report on the financial statements contained a disclaimer of opinion.

@ Struck off during financial year ended 30 June 2020.

(b) Winding up of subsidiary companies

The effect of winding up of the following subsidiary companies on the financial position of the Group as at the date of winding up as follows:

	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Other payables	-	-	(91)
Total net liabilities	-	-	(91)
Gain on winding up	-	-	91
	-	-	-

6. Investment in Subsidiary Companies (Cont'd)

(b) Winding up of subsidiary companies (Cont'd)

30 June 2019

(i) On 14 June 2019, The Power Club Sdn. Bhd., Lakehill Homes (MM2H) Sdn. Bhd., MP Security Services Sdn. Bhd. and Temasek Mewatek Sdn. Bhd., were struck off in accordance with Section 551(3) of the Companies Act 2016. These subsidiary companies were struck off from the register of The Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 3 July 2019.

(ii) On 11 July 2019, Real Rock Restaurant and Café Sdn. Bhd. was struck off in accordance with Section 551(3) of the Companies Act 2016. This subsidiary company was struck off from the register of The Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 5 September 2019.

30 June 2020

On 23 September 2019, Pacific Spa & Fitness Club Sdn. Bhd. was struck off in accordance with Section 551(3) of the Companies Act 2016. This subsidiary company was struck off from the register of The Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 11 October 2019.

7. Investment in an Associate

		Group	
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
In Malaysia			
Unquoted shares, at cost	87	87	87
Share of post-acquisition loss	(87)	(83)	(37)
	-	4	50

Details of the associate is as follow:

Name of company	Place of business/ Country of incorporation	Effective equity interest 30.6.2021	30.6.2020	1.7.2019	Principal activities
		%	%	%	
Held through Lakehill Resort Development Sdn. Bhd.					
Chun Fu Lakehill Sdn. Bhd. * ("Chun Fu")	Malaysia	35	35	35	Property development

* Associate not audited by UHY

The summarised financial information of the associate, not adjusted for the percentage of ownership held by the Group is as follows:

		Chun Fu	
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Summarised statement of financial position			
Current assets, representing total assets	2,439	2,424	2,379
Current liabilities, representing total liabilities	(2,565)	(2,499)	(2,260)
Total net (liabilities)/assets	(126)	(75)	119

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7. Investment in an Associate (Cont'd)

	Chun Fu 2021 RM'000	Chun Fu 2020 RM'000
Summarised statement of profit or loss and other comprehensive income		
Financial results		
Revenue	-	-
Loss for the financial year	(58)	(132)

8. Inventories

	Note	Group 30.6.2021 RM'000	Group 30.6.2020 RM'000 Restated	Group 1.7.2019 RM'000 Restated
Non-current				
Land held for property development and property development costs	(a)	194,895	191,237	191,279
Current				
Land held for property development and property development costs	(b)	1,742	5,958	7,828

(a) Non-current land held for property development and property development costs

	Group 30.6.2021 RM'000	Group 30.6.2020 RM'000 Restated
Non-current		
Freehold land, at cost		
At 1 July	107,114	107,156
Additions/(Reversal)	3,658	(42)
At 30 June	110,772	107,114
Property development costs		
At 1 July, as previously reported	110,605	110,605
Effect on adoption of the Agenda Decision	(26,482)	(26,482)
At 1 July, as restated/30 June	84,123	84,123
Total non-current land held for property development and property development costs		
At 30 June	194,895	191,237
At 1 July	191,237	191,279

8. Inventories (Cont'd)

(a) Non-current land held for property development and property development costs (Cont'd)

Based on the certificate of update valuation issued by Ian Scott International (M) Sdn. Bhd. dated 21 May 2021 (30.6.2020: issued by Ian Scott International (M) Sdn. Bhd. dated 3 August 2020; 1.7.2019: issued by Ian Scott International (M) Sdn. Bhd. dated 10 October 2019), the market value of 34 (30.6.2020: 34; 1.7.2019: 34) parcels of freehold agricultural and commercial lands with an approximate aggregate land area of 17.72 million (30.6.2020: 17.72 million; 1.7.2019: 17.72 million) square foot amounting to RM414.37 million (30.6.2020: RM414.37 million; 1.7.2019: RM413.09 million), based on 'as is' basis by using comparison method, making reference to relevant comparable transactions in the market. As such, the management is in view that no impairment is required for land held for property development and property development costs.

(b) Current land held for property development and property development costs

	Group	
	30.6.2021 RM'000	**30.6.2020 RM'000 Restated**
Current		
Freehold land, at cost		
At 1 July	3,216	4,220
Recognised in profit or loss	(2,281)	(1,004)
At 30 June	935	3,216
Property development costs		
At 1 July, as previously reported	3,590	4,715
Effect on adoption of the Agenda Decision	(848)	(1,107)
At 1 July, as restated	2,742	3,608
Recognised in profit or loss	(1,935)	(866)
At 30 June	807	2,742
Total current land held for property development and property development costs		
At 30 June	1,742	5,958
At 1 July	5,958	7,828

9. Trade Receivables

	Group		
	30.6.2021 RM'000	**30.6.2020 RM'000**	**1.7.2019 RM'000**
Trade receivables	16,470	15,135	8,577
Less: Accumulated impairment losses	(5,925)	(2,218)	(502)
	10,545	12,917	8,075

	Company		
	30.6.2021 RM'000	**30.6.2020 RM'000**	**1.7.2019 RM'000**
Trade receivables	82	82	251
Less: Accumulated impairment losses	(82)	(82)	(214)
	-	-	37

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9. Trade Receivables (Cont'd)

Trade receivables are non-interest bearing and the normal credit term is 7 days (30.6.2020: 7 days; 1.7.2019: 7 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

		Group	
	Lifetime allowance RM'000	Credit impaired RM'000	Loss allowance RM'000
At 1 July 2020	32	2,186	2,218
Impairment losses recognised	-	3,739	3,739
Impairment losses reversed	(32)	-	(32)
At 30 June 2021	-	5,925	5,925
At 1 July 2019	27	475	502
Impairment losses recognised	12	1,868	1,880
Impairment losses reversed	(7)	(157)	(164)
At 30 June 2020	32	2,186	2,218

		Company	
	Lifetime allowance RM'000	Credit impaired RM'000	Loss allowance RM'000
At 1 July 2020/30 June 2021	-	82	82
At 1 July 2019	7	207	214
Impairment losses recognised	-	12	12
Impairment losses reversed	(7)	(137)	(144)
At 30 June 2020	-	82	82

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the trade receivables directly.

The Group's credit exposures are concentrated mainly on 1 debtor (30.6.2020: 1 debtor; 1.7.2019: 1 debtor), which accounted for 100% (30.6.2020: 100%; 1.7.2019: 99.5%) of the total trade receivables at the end of the reporting period.

The aging analysis of the trade receivables as at the end of the reporting period are as follows:

		Group	
	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
30.6.2021			
Not past due	3,034	-	3,034
Past due			
More than 90 days	7,511	-	7,511
Credit impaired			
Individually impaired	5,925	(5,925)	-
	16,470	(5,925)	10,545

Notes to the Financial Statements
30 June 2021

9. Trade Receivables (Cont'd)

The aging analysis of the trade receivables as at the end of the reporting period are as follows: (Cont'd)

	Group Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
30.6.2020			
Past due			
31 to 60 days	3,721	(3)	3,718
61 to 90 days	9,228	(29)	9,199
	12,949	(32)	12,917
Credit impaired			
Individually impaired	2,186	(2,186)	-
	15,135	(2,218)	12,917
1.7.2019			
Past due			
Less than 30 days	21	(2)	19
31 to 60 days	3,742	(14)	3,728
61 to 90 days	4	(2)	2
More than 90 days	4,348	(22)	4,326
	8,115	(40)	8,075
Credit impaired			
Individually impaired	462	(462)	-
	8,577	(502)	8,075

	Company Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
30.6.2021			
Credit impaired			
Individually impaired	82	(82)	-
30.6.2020			
Credit impaired			
Individually impaired	82	(82)	-
1.7.2019			
Past due			
Less than 30 days	20	(2)	18
31 to 60 days	20	(3)	17
61 to 90 days	4	(2)	2
	44	(7)	37
Credit impaired			
Individually impaired	207	(207)	-
	251	(214)	37

Notes to the Financial Statements
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9. Trade Receivables (Cont'd)

As at 30 June 2021, gross trade receivables of the Group and of the Company amounting to RM7,511,000 and RMNil (30.6.2020: RM12,949,000 and RMNil; 1.7.2019: RM8,115,000 and RM44,000) respectively were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The Group and the Company assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 30 June 2021, the Group and the Company provided lifetime impairment losses of RMNil and RMNil (30.6.2020: RM32,000 and RMNil; 1.7.2019: RM40,000 and RM7,000) based on the customers' historical data as an assumption for possibility of default.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM5,925,000 and RM82,000 (30.6.2020: RM2,186,000 and RM82,000; 1.7.2019: RM462,000 and RM207,000) respectively, related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

10. Other Receivables

		Group	
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Other receivables	707	674	48
Deposits	868	447	9,889
Prepayments	13	27	27
GST receivable	86	86	98
	1,674	1,234	10,062

		Company	
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Other receivables	702	662	29
Deposits	379	415	9,771
Prepayments	11	12	27
GST receivable	-	-	11
	1,092	1,089	9,838

As at 1 July 2019, included in the deposits of the Group and of the Company is an amount of RM7,650,000 and RM7,650,000 respectively, which charged by a financial institution for the 3% deposit required for the auction proceedings pursuant to the Court's direction. Any surplus of the deposit shall be refunded to the Company after the payment of the Court's commission for successful auction. The Court had fully refunded the auction deposit to the Company during financial year ended 30 June 2020.

11. Amount Due from/(to) Subsidiary Companies

(a) Amount due from subsidiary companies

		Company	
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Amount due from subsidiary companies	253,873	249,115	259,270
Less: Accumulated impairment losses	(179,178)	(203,545)	(202,132)
	74,695	45,570	57,138

11. Amount Due from/(to) Subsidiary Companies (Cont'd)

(a) Amount due from subsidiary companies (Con'd)

This represents unsecured, non-interest bearing advances and repayable on demand.

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	30.6.2021 RM'000	**30.6.2020 RM'000**
At 1 July	203,545	202,132
Impairment losses recognised	14,701	1,436
Impairment losses reversed	(39,068)	(23)
At 30 June	179,178	203,545

(b) Amount due to subsidiary companies

This represents unsecured, non-interest bearing advances and repayable on demand.

12. Amount Due from an Associate

This represents unsecured, non-interest bearing advances and repayable on demand.

13. Asset Held for Sale

	Group		Company	
	30.6.2021 RM'000	**30.6.2020 RM'000**	**30.6.2021 RM'000**	**30.6.2020 RM'000**
Office buildings and shoplots				
At 1 July	-	189,000	-	177,517
Disposals	-	(189,000)	-	(177,517)
At 30 June	-	-	-	-
At 1 July	-	189,000	-	177,517

(a) On 11 March 2019, the Company entered into a sale and purchase agreement ("SPA") with Asia New Venture Capital Holdings Sdn. Bhd. ("Purchaser"), in relation to the disposal of the investment property, namely Wisma MPL, owed by the Company and certain of its subsidiary companies for a total consideration of RM189,000,000.

The Company has received refundable earnest deposit of RM3,760,000 and balance deposit of RM15,140,000 from the purchaser on 23 January 2019 and 9 March 2019 respectively.

The Company has obtained the approval from shareholders at the Extraordinary General Meeting held on 28 August 2019 for the disposal of Wisma MPL.

The disposal has been completed on 8 January 2020.

(b) As at 1 July 2019, the asset held for sale of the Group and of the Company are charged to a financial institution for credit facilities granted to the Company as disclosed in Notes 18 and 20.

Notes to the Financial Statements

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13. Asset Held for Sale (Cont'd)

(c) The income and expenses recognised in profit or loss in respect of asset held for sale are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Rental income	-	1,977	-	1,760
Direct operating expenses:				
Income generating investment properties	-	649	-	570
Non-income generating investment properties	-	1,456	-	1,346

14. Share Capital

	Group and Company			
	Number of shares		Amount	
	30.6.2021 Units ('000)	30.6.2020 Units ('000)	30.6.2021 RM'000	30.6.2020 RM'000
Issued and fully paid ordinary shares				
At 1 July/30 June	287,660	287,660	287,660	287,660

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. Reserves

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Exchange translation reserve (Non-distributable)	(1,284)	(1,319)	(1,274)
Accumulated losses	(254,705)	(248,678)	(252,480)
	(255,989)	(249,997)	(253,754)

	Company		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Accumulated losses	(277,911)	(288,564)	(297,537)

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currency are different from that of the Group's presentation currency.

16. Other Payables

	Group 30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Non-current			
Other payables	-	-	9,915
Current			
Other payables	161,203	161,385	166,588
Deposits	2,335	9,786	27,939
Accruals	3,269	363	2,478
	166,807	171,534	197,005

	Company 30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Non-current			
Other payables	-	-	9,915
Current			
Other payables	41,703	41,901	49,920
Deposits	-	-	20,711
Accruals	3,156	228	2,186
	44,859	42,129	72,817

Included in other payables are the followings:

	Note	Group 30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Amount due to AmanahRaya Development Sdn. Bhd. ("AmanahRaya")	16(a)	115,000	115,000	115,000
Amount due to companies in which certain Directors have substantial financial interests	16(b)	45,342	45,422	46,202
Amount due to Wisma MPL JMB	16(c)	-	-	17,014

	Note	Company 30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Amount due to companies in which certain Directors have substantial financial interests	16(b)	41,207	41,287	42,067
Amount due to Wisma MPL JMB	16(c)	-	-	16,625

(a) Amount due to AmanahRaya

On 10 March 2014, the Company and its subsidiary companies, OPCP, TBBM and LHRD had entered into a Settlement Agreement with AmanahRaya to settle the Judgement Sum for RM120,000,000.

In financial year 2014, the Company had made a payment of RM5,000,000 to AmanahRaya through advances from the Company's shareholder, Top Lander Offshore Inc. and this payment has been duly accounted for in the financial statements of the Group and the Company for the financial year ended 30 June 2014. However, the due date for the full settlement had lapsed and no payments had been made to AmanahRaya for the remaining amount of RM115,000,000.

Notes to the Financial Statements
30 June 2021

16. Other Payables (Cont'd)

(a) Amount due to AmanahRaya (Cont'd)

On 10 October 2014, AmanahRaya has served TBBM a Notice of Default With Respect to a Charge ("Notice") pursuant to Section 254 of the National Land Code 1965 for a breach of the provisions of the Charge for failing to settle the outstanding amount due to AmanahRaya of RM120,000,000; and TBBM was required to remedy the breach within the period of one (1) month from the date of the service of the Notice.

On 16 October 2014, AmanahRaya retracted the Notice issued on 10 October 2014 and served the same "Notice of Default With Respect to Charge" on TBBM for the outstanding amount of RM115,000,000 whereby TBBM is required to remedy the breach within one (1) month from the date of the service of the Notice dated 16 October 2014. The Company had applied to AmanahRaya for extension of time to pay the outstanding amount and is also seeking legal opinion on the Notice.

On 27 November 2014, TBBM was served with an Originating Summon for an application of order for public auction of the seven (7) parcels of land in Mukim Plentong, Johor which were charged to the Plaintiff under the provision of the National Land Code.

AmanahRaya had on 15 May 2015 agreed to suspend the foreclosure action of the seven (7) parcels of land in Johor for four (4) months effective from 27 May 2015, in view of the ongoing disposal deal with a potential buyer. However, the disposal deal did not materialised and the Company continue to default in the repayment of the outstanding amount of RM115,000,000. On 12 April 2016, the creditor had filed a Notice of Application to the High Court to fixed an auction price at RM139,500,000 for the sale of the seven (7) parcels of land in Johor which were pledged to the creditor. On 29 September 2016, the Defendants have obtained the stay of execution of the Order for Sale. On 5 October 2016, the court has fixed the hearing of the Plaintiff's application to fix the auction date on 3 November 2016.

On 31 October 2016, the Court of Appeal has allowed the Company's appeal and the Order for Sales dated 29 February 2016 has been set aside. The Court set the matter for further case management on 12 September 2017.

On 12 September 2017, the case management was vacated pending disposal of the Applicant's motion for leave to appeal to the Federal Court on 14 November 2017.

On 14 November 2017, the Federal Court allowed AmanahRaya's appeal against the decision of the Court of Appeal setting aside the Court of Appeal order dated 13 October 2016.

On 23 August 2019, the Company, OPCP, TBBM and LHRD entered into a settlement agreement with AmanahRaya ("Proposed Land Disposal") which involves the effective disposal of land measuring a total of approximately 131.95 acres in the Mukim of Plentong, District of Johor Bahru, State of Johore as settlement of debt due to AmanahRaya amounting to RM115,000,000.

The Company has obtained the approval from shareholders at the Extraordinary General Meeting held on 22 May 2020 for the disposal of land.

The disposal is pending completion as at the date of this report.

(b) The amount due to companies in which certain Directors of the Company have substantial financial interests are unsecured, non-interest bearing and repayable on demand.

(c) Amount due to Wisma MPL JMB

As at 1 July 2019, the amount due to Wisma MPL JMB by the Group and the Company amounting to RM17,014,000 and RM16,625,000 respectively. The Company and certain of its subsidiary companies have entered into settlement agreements with Wisma MPL JMB for settlement of all outstanding maintenance charges and sinking fund contribution together with Car Parks Settlement Sum. However, the Company has not complied with the repayment within the agreed date stated in the now terminated settlement agreement. The Company undertake to fully settle the amount due to Wisma MPL JMB upon receiving full balance of proceeds from purchaser on disposal of Wisma MPL by 25 November 2019.

During the financial year ended 30 June 2020, the Group and the Company had fully settled the amount due to Wisma MPL JMB.

17. Bank Borrowings

	Note	Group 30.6.2021 RM'000	Group 30.6.2020 RM'000	Group 1.7.2019 RM'000
Non-current liability				
Secured				
Finance lease liabilities	19	-	-	316
Current liabilities				
Secured				
Revolving credit	18	-	-	50,695
Finance lease liabilities	19	-	-	68
Bank overdrafts	20	-	-	93,046
		-	-	143,809
Total bank borrowings				
Secured				
Revolving credit	18	-	-	50,695
Finance lease liabilities	19	-	-	384
Bank overdrafts	20	-	-	93,046
		-	-	144,125

	Note	Company 30.6.2021 RM'000	Company 30.6.2020 RM'000	Company 1.7.2019 RM'000
Current liabilities				
Secured				
Revolving credit	18	-	-	50,695
Bank overdrafts	20	-	-	93,046
		-	-	143,741
Total bank borrowings				
Secured				
Revolving credit	18	-	-	50,695
Bank overdrafts	20	-	-	93,046
		-	-	143,741

(a) On 2 July 2019, the Company has fully settled the redemption amount to the financial institution. The matter between the Company and the financial institution have been settled upon the receipt of sealed copy of Consent Order from Court on 6 August 2019 that the winding up order initiated by the financial institution no longer continuing.

(b) The bank borrowings of the Group and of the Company are denominated in Ringgit Malaysia.

18. Revolving Credit

	Group and Company 30.6.2021 RM'000	Group and Company 30.6.2020 RM'000	Group and Company 1.7.2019 RM'000
Secured			
Revolving credit	-	-	50,695

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18. Revolving Credit (Cont'd)

The revolving credit is secured by a fixed charge over the asset held for sale of the Group and of the Company as disclosed in Note 13(b). The Company had fully settled the revolving credit during the financial year ended 30 June 2020 as disclosed Note 17(a).

As at 1 July 2019, the interest rate of revolving credit for the Group and for the Company is 9.04% per annum.

19. Finance Lease Liabilities

	Group 1.7.2019 RM'000
Minimum lease payments	
Within one year	84
Later than one year and not later two years	84
Later than two years and not later five years	262
	430
Less: Future finance charges	(46)
Present value of minimum lease payments	384
Present value of minimum lease payments	
Within one year	68
Later than one year and not later two years	72
Later than two years and not later five years	244
	384
Analysed as:	
Repayable within twelve months	68
Repayable after twelve months	316
	384

As at 1 July 2019, the interest rate of finance lease liabilities for the Group range from 2.4% to 2.6% per annum.

20. Bank Overdrafts

	Group and Company		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Secured			
Bank overdrafts	-	-	93,046

The bank overdrafts were secured by a charge over the asset held for sale of the Group and of the Company as disclosed in Note 13(b). The Company had fully settled the bank overdrafts during the financial year ended 30 June 2020 as disclosed Note 17(a).

As at 1 July 2019, the interest rate of bank overdrafts for the Group and for the Company are 10.35% per annum.

21. Lease Liabilities

	Group	
	30.6.2021 RM'000	30.6.2020 RM'000
At 1 July, as previously reported	1,001	-
Effect on adoption of MFRS 16	-	419
At 1 July, as restated	1,001	419
Additions	403	680
Payments	(397)	(119)
Accretion of interest	62	21
Gain on early termination of lease contract	(1)	-
Termination of lease contract	(9)	-
At 30 June	1,059	1,001
Presented as:		
Non-current	680	715
Current	379	286
	1,059	1,001

	Company	
	30.6.2021 RM'000	30.6.2020 RM'000
At 1 July, as previously reported	684	-
Effect on adoption of MFRS 16	-	35
At 1 July, as restated	684	35
Additions	45	680
Payments	(248)	(34)
Accretion of interest	38	3
Gain on early termination of lease contract	(1)	-
Termination of lease contract	(9)	-
At 30 June	509	684
Presented as:		
Non-current	275	471
Current	234	213
	509	684

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period are as follows:

	Group	
	30.6.2021 RM'000	30.6.2020 RM'000
Within one year	426	334
Later than one year and not later two years	396	334
Later than two years and not later five years	328	430
	1,150	1,098
Less: Future finance charges	(91)	(97)
Present value of lease liabilities	1,059	1,001

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21. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period are as follows: (Cont'd)

	Company	
	30.6.2021 RM'000	30.6.2020 RM'000
Within one year	260	249
Later than one year and not later two years	262	249
Later than two years and not later five years	22	252
	544	750
Less: Future finance charges	(35)	(66)
Present value of lease liabilities	509	684

The Group and the Company lease building, office equipment and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group and of the Company at reporting date range from 2.4% to 6.2% (30.6.2020: 2.4% to 6.2%) and 5.45% to 6.2% (30.6.2020: 6.2%) respectively.

22. Deferred Tax Liabilities

	Group		Company	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
At 1 July, as previously reported	10,595	33,098	-	15,419
Effect on adoption of the Agenda Decision	-	(6,620)	-	-
At 1 July, as restated	10,595	26,478	-	15,419
Recognised in profit or loss (Note 27)	(232)	(101)	-	-
Crystallisation of deferred tax	-	(15,782)	-	(15,419)
At 30 June	10,363	10,595	-	-

The net deferred tax liabilities and assets shown in the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Deferred tax liabilities	10,381	10,620	2	9
Deferred tax assets	(18)	(25)	(2)	(9)
	10,363	10,595	-	-

22. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets of the Group and of the Company are as follows:

Deferred tax liabilities of the Group

	Accelerated capital allowances RM'000	Revaluation surplus arising from subsidiary companies development properties RM'000	Temporary differences arising from interest capitalised into development properties RM'000	Revaluation surplus arising from asset held for sale RM'000	Total RM'000
30.6.2021					
At 1 July 2020	25	10,595	-	-	10,620
Recognised in profit or loss	(5)	(232)	-	-	(237)
(Over)/Under provision in prior year	(2)	-	-	-	(2)
At 30 June 2021	18	10,363	-	-	10,381
30.6.2020					
At 1 July 2019	17	10,696	6,620	15,782	33,115
Effect on adoption of the Agenda Decision	-	-	(6,620)	-	(6,620)
At 1 July 2019, as restated	17	10,696	-	15,782	26,495
Recognised in profit or loss	(13)	(101)	-	-	(114)
Under provision in prior year	21	-	-	-	21
Crystallisation of deferred tax	-	-	-	(15,782)	(15,782)
At 30 June 2020	25	10,595	-	-	10,620

Deferred tax liabilities of the Company

	Accelerated capital allowances RM'000	Revaluation surplus arising from asset held for sale RM'000	Total RM'000
30.6.2021			
At 1 July 2020	9	-	9
Recognised in profit or loss	(1)	-	(1)
Over provision in prior year	(6)	-	(6)
At 30 June 2021	2	-	2
30.6.2020			
At 1 July 2019	17	15,419	15,436
Recognised in profit or loss	(14)	-	(14)
Under provision in prior year	6	-	6
Crystallisation of deferred tax	-	(15,419)	(15,419)
At 30 June 2020	9	-	9

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22. Deferred Tax Liabilities (Cont'd)

Deferred tax assets of the Group

	Unutilised capital allowances RM'000	Unused tax losses RM'000	Right-of-use assets and lease liabilities RM'000	Total RM'000
30.6.2021				
At 1 July 2020	(2)	(22)	(1)	(25)
Recognised in profit or loss	(1)	5	1	5
Over provision in prior year	1	1	-	2
At 30 June 2021	(2)	(16)	-	(18)
30.6.2020				
At 1 July 2020	(17)	-	-	(17)
Recognised in profit or loss	(2)	15	-	13
Over/(Under) provision in prior year	17	(37)	(1)	(21)
At 30 June 2021	(2)	(22)	(1)	(25)

Deferred tax assets of the Company

	Unutilised capital allowances RM'000	Unused tax losses RM'000	Right-of-use assets and lease liabilities RM'000	Total RM'000
30.6.2021				
At 1 July 2020	(2)	(6)	(1)	(9)
Recognised in profit or loss	(1)	1	1	1
Over provision in prior year	1	5	-	6
At 30 June 2021	(2)	-	-	(2)
30.6.2020				
At 1 July 2019	(17)	-	-	(17)
Recognised in profit or loss	(2)	16	-	14
Over/(Under) provision in prior year	17	(22)	(1)	(6)
At 30 June 2020	(2)	(6)	(1)	(9)

Deferred tax assets have not been recognised in respect of the following items:

	Group 30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Accelerated capital allowances	-	-	21
Unutilised capital allowances	13	3	3
Unused tax losses	71,492	74,874	74,970
Right-of-use assets and lease liabilities	29	-	-
	71,534	74,877	74,994

22. Deferred Tax Liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of the following items: (Cont'd)

	Company		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Unutilised capital allowances	10	-	-
Unused tax losses	6,417	4,677	3,971
Right-of-use assets and lease liabilities	28	-	-
	6,455	4,677	3,971

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

With effect from year of assessment 2019, the unused tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation.

23. Trade Payables

The normal trade credit terms granted to the Group and to the Company range from 30 to 90 days (30.6.2020: 30 to 90 days; 1.7.2019: 30 to 90 days) depending on the terms of the contracts.

24. Revenue

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers				
Property development	10,485	4,690	-	-
Revenue from other sources				
Rental income	-	1,977	-	1,760
	10,485	6,667	-	1,760
Timing of revenue recognition				
Over time	10,485	4,690	-	-
Total revenue from contracts with customers	10,485	4,690	-	-

25. Finance Costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expenses on:				
Lease liabilities	62	21	38	3

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26. (Loss)/Profit Before Tax

(Loss)/Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration				
- statutory	106	120	70	75
- non-statutory	5	55	5	55
- over provision in prior years	(10)	(11)	(5)	(5)
Depreciation of				
- property, plant and equipment	62	116	31	82
- right-of-use assets	444	154	237	30
Deposits written off	-	93	-	-
Impairment losses on:				
- amount due from subsidiary companies	-	-	14,701	1,436
- trade receivables	3,739	1,880	-	12
- investment in subsidiary companies	-	-	8,000	-
Non-executive Directors' remuneration				
- fee	125	125	125	125
- other emoluments	21	24	21	24
Property, plant and equipment written off	-	284	-	284
Provision of litigation claim	2,885	-	2,885	-
Rental of office equipment	(4)	1	(4)	-
Rental of premises	-	57	-	57
Reversal of impairment losses on:				
- trade receivables	(32)	(164)	-	(144)
- amount due from subsidiary companies	-	-	(39,068)	(23)
Fair value adjustment on other payables	-	1,670	-	1,670
Bad debts recovered	(9)	-	-	-
Gain on early termination of lease contract	(1)	-	(1)	-
Gain on disposal of property, plant and equipment	(55)	-	(55)	-
Interest income	(95)	(168)	(34)	(148)
Unrealised (gain)/loss on foreign exchange	-	(1)	316	(409)
Waiver of interest expenses	-	(13,639)	-	(13,639)

27. Taxation

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Tax expenses recognised in profit or loss				
Malaysian income tax				
Current tax provision	-	5	-	1
Over provision in prior years	(4)	(3)	-	-
	(4)	2	-	1
Real property gain tax	-	5,388	-	4,650
Deferred tax (Note 22)				
Relating to origination and reversal of temporary differences	(232)	(101)	-	-
Crystallisation of deferred tax	-	(15,782)	-	(15,419)
	(232)	(15,883)	-	(15,419)
	(236)	(10,493)	-	(10,768)

27. Taxation (Cont'd)

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(Loss)/Profit before tax	(6,263)	(6,688)	10,653	(1,792)
At Malaysian statutory tax rate of 24% (2020: 24%)	(1,503)	(1,605)	2,557	(430)
Income not subject to tax	(2,417)	(3,533)	(9,398)	(3,405)
Expenses not deductible for tax purposes	4,490	4,621	6,414	3,266
Deferred tax assets not recognised	427	570	427	570
Crystallisation of deferred tax	-	(15,782)	-	(15,419)
Real property gain tax	-	5,388	-	4,650
Utilisation of previously unrecognised deferred tax assets	(1,229)	(149)	-	-
Over provision of income tax in prior years	(4)	(3)	-	-
Tax expenses for the financial year	(236)	(10,493)	-	(10,768)

The Group and the Company have estimated unutilised capital allowances and unused tax losses available for offset against future taxable profits as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised capital allowances	22	7	19	4
Unused tax losses	71,557	74,960	6,417	4,681
	71,579	74,967	6,436	4,685

28. (Loss)/Earnings per Share

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share are calculated based on the consolidated (loss)/profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021 RM'000	2020 RM'000
(Loss)/Profit for the financial year, attributable to owners of the parent	(6,027)	3,805
Weighted average number of ordinary shares in issue ('000)	287,660	287,660
Basic (loss)/earnings per ordinary share (sen)	(2.10)	1.32

(b) Diluted (loss)/earnings per share

The Group has no dilution in their (loss)/earnings per share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

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29. Cash and Cash Equivalents

Included in the Group's cash and bank balances is an amount of RM37,000 (30.6.2020: RM37,000; 1.7.2019: RM36,000) held under the Housing Development Accounts pursuant to the Housing Development (Control and Licensing) Act 1966.

30. Staff Costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries and other emoluments	3,022	3,312	1,111	1,330
Defined contribution plans	330	363	112	138
Other employee benefits	111	125	5	8
	3,463	3,800	1,228	1,476

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company during the financial year as below:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries and other emoluments	2,223	2,223	1,111	1,111
Defined contribution plans	224	223	112	112
Other employee benefits	5	9	2	2
	2,452	2,455	1,225	1,225

31. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 July RM'000	Adjustment on adoption of MFRS 16 RM'000	Financing cash flows (i) RM'000	New lease [Note 5 (b)] RM'000	Other changes (ii) RM'000	At 30 June RM'000
Group							
30.6.2021							
Financial liability							
Lease liabilities	21	1,001	-	(335)	403	(10)	1,059
30.6.2020							
Financial liabilities							
Finance lease liabilities	19	384	(384)	-	-	-	-
Lease liabilities	21	-	419	(98)	680	-	1,001
Revolving credit	18	50,695	-	(37,056)	-	(13,639)	-
		51,079	35	(37,154)	680	(13,639)	1,001

31. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	Note	At 1 July RM'000	Adjustment on adoption of MFRS 16 RM'000	Financing cash flows (i) RM'000	New lease [Note 5 (b)] RM'000	Other changes (ii) RM'000	At 30 June RM'000
Company							
30.6.2021							
Financial liability							
Lease liabilities	21	684	-	(210)	45	(10)	509
30.6.2020							
Financial liabilities							
Lease liabilities	21	-	35	(31)	680	-	684
Revolving credit	18	50,695	-	(37,056)	-	(13,639)	-
		50,695	35	(37,087)	680	(13,639)	684

(i) The financing cash flows include payment of lease liabilities and repayments of bank borrowing in the statements of cash flows.

(ii) Other changes include gain on early termination of lease contract, termination of lease contract and waiver of interest expenses.

32. Material Litigations

(a) Asia New Ventures Sdn Bhd ("Plaintiff" or "Asia New Ventures") vs Malaysia Pacific Corporation Berhad ("Defendant" or "the Company")
<u>Kuala Lumpur High Court Summons No. WA-22NCC-41-01/2020</u>

On 22 January 2020, Asia New Ventures initiated a suit against the Company for the costs of funding incurred by Asia New Ventures to redeem Wisma MPL and the land from RHB Bank Berhad in accordance with the provisions of the sale and purchase agreement dated 11 March 2019 and the supplemental sale and purchase agreement dated 8 April 2019. Asia New Ventures is claiming that the Company is required to pay the costs of funding amounting to RM4,395,210.97 calculated based on the current rate charged by a licensed financial institution leading to an overall rate of 9% per annum for the period commencing from 2 July 2019 to 15 November 2019.

On 31 January 2020, the Company entered its appearance to the Court and filed its defence and counterclaim to the Court on 20 February 2020. the Company is disputing the purported payment costs of funding on the basis that Asia New Ventures has failed to make the necessary notification and set-off before the release of the balance purchase price pursuant to the supplemental sale and purchase agreement dated 8 April 2019. According to the Company, Asia New Ventures shall be estopped from raising any claim on the costs of funding and the claim sought after by Asia New Ventures is unlawful, illegal, baseless, excessive and/or unreasonable. The Company has further counterclaimed against Asia New Ventures for specific performance to execute the tenancy agreement between the Company and Asia New Ventures in respect of the office premise occupied by the Company in accordance to the terms and conditions agreed upon by the parties pursuant to the letter dated 8 March 2019 and damages in lieu of the specific performance.

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32. Material Litigations (Cont'd)

(a) Asia New Ventures Sdn Bhd ("Plaintiff" or "Asia New Ventures") vs Malaysia Pacific Corporation Berhad ("Defendant" or "the Company")
Kuala Lumpur High Court Summons No. WA-22NCC-41-01/2020 (Cont'd)

The Court grants the following judgements on 19 July 2021:

(i) Main Action

(1) Defendant to pay the sum of RM2,726,955.71 (RM130,109.65 x 9% x 85 days) to the Plaintiff as the costs of funds with 5% interest from the date of judgement until the full settlement; and

(2) Costs of RM40,000.00 subject to allocator fee of 4% to be paid by the Plaintiff to the Defendant.

(ii) Counterclaim Action

(1) Plaintiff to pay RM34,895.00 to the Defendant with 5% interest from the date of judgement until full settlement; and

(2) No order as to costs.

On 18 August 2021, the Company has appealed against the decision of the Court. The matter is fixed for 1st Case Management on 4 October 2021 and the 2nd Case Management on 1 December 2021.

On 8 October 2021, the Company was served with a Winding-Up Petition dated 5 October 2021 by Asia New Venture. The Winding-Up Petition shall be heard in the High Court of Malaya at Shah Alam on 12 January 2022.

(b) Kerajaan Malaysia ("Plaintiff") vs Malaysia Pacific Corporation Berhad ("Defendant" or "the Company")
Shah Alam High Court Suit No. Ba-21ncvc-86-08/2021

The Company has been served with a Writ Summons and Statement of Claim dated 11 August 2021 and 9 August 2021 respectively on 1 September 2021, by Kerajaan Malaysia ("the Plaintiff") through Lembaga Hasil Dalam Negeri Malaysia.

On 13 September 2021, the Company has been instructed by the Court to file Statement of Defence by 24 September 2021. The next Case Management will be held on 21 October 2021.

(c) Kerajaan Malaysia ("Plaintiff") vs ASA Enterprise Sdn. Bhd. ("Defendant" or "ASA")
Shah Alam High Court Suit No. Ba-21ncvc-118-09/2021

ASA has been served with a Writ Summons and Statement of Claim dated 19 September 2021 and 3 September 2021 respectively on 14 October 2021, by Kerajaan Malaysia ("the Plaintiff") through Lembaga Hasil Dalam Negeri Malaysia.

(d) Kerajaan Malaysia ("Plaintiff") vs Oriental Pearl City Properties Sdn. Bhd. ("Defendant" or "OPCP")
Shah Alam High Court Suit No. Ba-a71ncvc-495-09/2021

OPCP has been served with a Writ Summons and Statement of Claim dated 6 September 2021 and 1 September 2021 respectively on 14 October 2021, by Kerajaan Malaysia ("the Plaintiff") through Lembaga Hasil Dalam Negeri Malaysia.

33. Related Party Disclosures

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

Related parties of the Group include:

Related parties	Relationships
Top Lander Offshore Inc.	A substantial corporate shareholder of the Company.
Ocean Power Enterprises Limited and Power View Holdings Limited (Incorporated in Hong Kong)	A company in which Datin Kong Yuk Chu, an Executive Director of the Company, who is also substantial shareholder of the Company have substantial shareholding interests.
Optima Mewah Sdn. Bhd.	A company in which Datin Kong Yuk Chu and Ch'ng Soon Sen, both Executive Directors of the Company, who are also substantial shareholders of the Company, have substantial shareholding interests.
Jacmolli Design & Jewellers (M) Sdn. Bhd.	A company in which Datin Kong Yuk Chu, an Executive Director of the Company, who is also substantial shareholder of the Company have substantial shareholding interests.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2021 RM'000
Repayment to Top Lander Offshore Inc.	(80)	(780)	(80)	(780)

(c) Compensation of key management personnel

Remuneration of Directors and other key management personnel are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2021 RM'000
Fee	125	125	125	125
Salaries and other emoluments	2,496	2,499	1,132	1,135
Defined contribution plans	253	252	112	112
Other employee benefits	5	10	2	2
	2,879	2,886	1,371	1,374

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34. Segment Information

The Company and its subsidiary companies are principally engaged in the business of property development, investment property and construction. The Group's property development activity is mainly undertaken by LHRD, a wholly-owned subsidiary company of the Company.

The Group has arrived at three (3) reportable segments that are organised and managed separately, which require different business and marketing strategies. The segment information is in respect of business segments as the Group's risk and rates of return are affected predominantly by differences in the nature of its businesses. The reportable segments are summarised as follows:

(i) Property development : Development of residential and commercial properties

(ii) Investment property : Letting of investment properties

(iii) Construction : Construction of buildings

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations before tax. Segment assets and liabilities exclude tax assets and tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

	Property development RM'000	Investment property RM'000	Total RM'000
Group			
2021			
Revenue			
Revenue from external customers	10,485	-	10,485
Interest income	60	35	95
Finance costs	(24)	(38)	(62)
Net finance income/(expense)	36	(3)	33
Share of results of an associate, net of tax	-	(4)	(4)
Depreciation of:			
- property, plant and equipment	31	31	62
- right-of-use assets	207	237	444
	238	268	506
Segment loss before tax	(5,648)	(615)	(6,263)
Other material non-cash items			
Gain on disposal of property, plant and equipment	-	(55)	(55)
Gain on early termination of lease contract	-	(1)	(1)
Impairment losses on trade receivables	3,739	-	3,739
Provision of litigation claim	-	2,885	2,885
Reversal of impairment losses on trade receivables	(32)	-	(32)
Segment assets			
30.6.2021	79,576	210,201	289,777
Segment liabilities			
30.6.2021	93,369	353,310	446,679

34. Segment Information (Cont'd)

	Property development RM'000	Investment property RM'000	Construction RM'000	Total RM'000
Group				
2020 (Restated)				
Revenue				
Revenue from external customers	4,690	1,977	-	6,667
Interest income	20	148	-	168
Finance costs	(3)	(18)	-	(21)
Net finance income	17	130	-	147
Share of results of an associate, net of tax	-	(46)	-	(46)
Depreciation of:				
- property, plant and equipment	33	83	-	116
- right-of-use assets	124	30	-	154
	157	113	-	270
Segment loss before tax	(1,488)	(5,192)	(8)	(6,688)
Other material non-cash items				
Deposits written off	93	-	-	93
Fair value adjustment on other payables	-	1,670	-	1,670
Impairment losses on trade receivables	1,862	18	-	1,880
Property, plant and equipment written off	-	284	-	284
Reversal of impairment losses on trade receivables	-	(164)	-	(164)
Unrealised gain on foreign exchange	-	(1)	-	(1)
Waiver of interest expenses	-	(13,639)	-	(13,639)
Group				
Segment assets				
30.6.2020	212,445	82,723	10	295,178
1.7.2019	225,788	286,494	10	512,292
Segment liabilities				
30.6.2020	89,674	394,295	1,641	485,610
1.7.2019	93,771	591,129	1,612	686,512

Major customers

The following are major customers with revenue equal or more than ten (10%) percent of the Group's revenue:

	Revenue 2021 RM'000	Revenue 2020 RM'000	Segment
Customer A	10,485	4,690	Property development

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34. Segment Information (Cont'd)

Reconciliations of reportable segment revenue, (loss)/profit for the financial year, assets and liabilities to the Group's corresponding amounts are as follows:

	2021 RM'000	2020 RM'000
Revenue		
Group's revenue as per statements of profit or loss and other comprehensive income	10,485	6,667
(Loss)/Profit for the financial year		
Segment loss before tax	(6,263)	(6,688)
Taxation	236	10,493
(Loss)/Profit for the financial year	(6,027)	3,805

	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2021 RM'000
Assets			
Total assets for reportable segments	289,777	295,178	512,292
Elimination of inter-segment assets	(78,900)	(73,676)	(101,338)
Tax recoverable	145	141	1,244
Group's total assets	211,022	221,643	412,198
Liabilities			
Total liabilities for reportable segments	446,679	492,167	686,512
Elimination of inter-segment liabilities	(277,691)	(318,786)	(334,740)
Tax payable	-	4	42
Deferred tax liabilities	10,363	10,595	26,478
Group's total liabilities	179,351	183,980	378,292

35. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group			
30.6.2021			
Financial Assets			
Trade receivables	10,545	-	7,511
Other receivables	1,575	-	4,609
Amount due from an associate	39	-	39
Cash and bank balances	926	-	926
	13,085	-	13,085

35. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group			
30.6.2021			
Financial Liabilities			
Trade payables	-	1,122	1,122
Other payables	-	166,807	166,807
Lease liabilities	-	1,059	1,059
	-	168,988	168,988
30.6.2020			
Financial Assets			
Trade receivables	12,917	-	12,917
Other receivables	1,121	-	1,121
Amount due from an associate	21	-	21
Cash and bank balances	9,110	-	9,110
	23,169	-	23,169
30.6.2020			
Financial Liabilities			
Trade payables	-	846	846
Other payables	-	171,534	171,534
Lease liabilities	-	1,001	1,001
	-	173,381	173,381
1.7.2019			
Financial Assets			
Trade receivables	8,075	-	8,075
Other receivables	9,937	-	9,937
Amount due from an associate	21	-	21
Cash and bank balances	3,752	-	3,752
	21,785	-	21,785
Financial Liabilities			
Trade payables	-	727	727
Other payables	-	206,920	206,920
Bank borrowings	-	144,125	144,125
	-	351,772	351,772

Notes to the Financial Statements
30 June 2021

35. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company			
30.6.2021			
Financial Assets			
Other receivables	1,081	-	1,081
Amount due from subsidiary companies	74,695	-	74,695
Cash and bank balances	125	-	125
	75,901	-	75,901
Financial Liabilities			
Other payables	-	44,859	44,859
Amount due to subsidiary companies	-	21,558	21,558
Lease liabilities	-	509	509
	-	66,926	66,926
30.6.2020			
Financial Assets			
Other receivables	1,077	-	1,077
Amount due from subsidiary companies	45,570	-	45,570
Cash and bank balances	8,615	-	8,615
	55,262	-	55,262
30.6.2020			
Financial Liabilities			
Other payables	-	42,129	42,129
Amount due to subsidiary companies	-	22,270	22,270
Lease liabilities	-	684	684
	-	65,083	65,083
1.7.2019			
Financial Assets			
Trade receivables	37	-	37
Other receivables	9,800	-	9,800
Amount due from subsidiary companies	57,138	-	57,138
Cash and bank balances	2,032	-	2,032
	69,007	-	69,007
Financial Liabilities			
Other payables	-	82,732	82,732
Amount due to subsidiary companies	-	24,264	24,264
Lease liabilities	-	143,741	143,741
	-	250,737	250,737

35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, amount due from an associate and deposits with banks. The Company's exposure to credit risk arises principally from receivables from customers, amount due from subsidiary companies and deposits with banks. There are no significant changes as compared to prior years.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines 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. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk.

The Group has no significant concentration of credit risk except as disclosed in Note 9. The Company has no significant concentration of credit risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

Notes to the Financial Statements
30 June 2021

35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group					
30.6.2021					
Non-derivative financial liabilities					
Trade payables	1,122	-	-	1,122	1,122
Other payables	166,807	-	-	166,807	166,807
Lease liabilities	426	396	328	1,150	1,059
	168,355	396	328	169,079	168,988
30.6.2020					
Non-derivative financial liabilities					
Trade payables	846	-	-	846	846
Other payables	171,534	-	-	171,534	171,534
Lease liabilities	334	334	430	1,098	1,001
	172,714	334	430	173,478	173,381
1.7.2019					
Non-derivative financial liabilities					
Trade payables	727	-	-	727	727
Other payables	197,005	9,915	-	206,920	206,920
Revolving credit	50,695	-	-	50,695	50,695
Finance lease liabilities	84	84	262	430	384
Bank overdrafts	93,046	-	-	93,046	93,046
	341,557	9,999	262	351,818	351,772
Company					
30.6.2021					
Non-derivative financial liabilities					
Other payables	44,859	-	-	44,859	44,859
Amount due to subsidiary companies	21,558	-	-	21,558	21,558
Lease liabilities	260	262	22	544	509
	66,677	262	22	66,961	66,926
30.6.2020					
Non-derivative financial liabilities					
Other payables	42,129	-	-	42,129	42,129
Amount due to subsidiary companies	22,270	-	-	22,270	22,270
Lease liabilities	249	249	252	750	684
	64,648	249	252	65,149	65,083

35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company					
1.7.2019					
Non-derivative financial liabilities					
Other payables	72,817	9,915	-	82,732	82,732
Amount due to subsidiary companies	24,264	-	-	24,264	24,264
Revolving credit	50,695	-	-	50,695	50,695
Bank overdrafts	93,046	-	-	93,046	93,046
	240,822	9,915	-	250,737	250,737

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in foreign currency. The currency giving rise to this risk is primarily Hong Kong Dollar (HKD).

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Denominated in HKD RM'000	Total RM'000
Group		
30.6.2021		
Cash and bank balances	16	16
30.6.2020		
Cash and bank balances	18	18
1.7.2019		
Cash and bank balances	19	19

Foreign currency sensitivity analysis

The exposure of currency risk of an entity in the Group which does not have RM as its functional currency is not material and hence, sensitivity analysis is not presented.

Notes to the Financial Statements
30 June 2021

35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk

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

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and creditors and it is managed through effective negotiation with financial institutions for best available rates. The Group does not use derivative financial instruments to hedge its risk.

The carrying amounts of the Group's and the Company's financial instruments that are exposed to interest rate risk is as follows:

	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Group			
Fixed rate instruments			
Financial liabilities			
Finance lease liabilities	-	-	384
Lease liabilities	1,059	1,001	-
	1,059	1,001	384
Floating rate instruments			
Financial liabilities			
Revolving credit	-	-	50,695
Bank overdrafts	-	-	93,046
	-	-	143,741
Company			
Fixed rate instrument			
Financial liability			
Lease liabilities	509	684	-
Floating rate instruments			
Financial liabilities			
Revolving credit	-	-	50,695
Bank overdrafts	-	-	93,046
	-	-	143,741

Interest rate sensitivity analysis

The Group and the Company do not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change in 0.25% interest rate at the end of the reporting period would have increased/decreased the Group's and the Company's loss before tax by RMNil and RMNil (30.6.2020: RMNil and RMNil; 1.7.2019: RM359,000 and RM359,000) respectively, arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

35. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair value due to relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loans and borrowings approximately their fair value as the loans and borrowings will be re-priced to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000
Group				
1.7.2019				
Financial liability (Non-current)				
Finance lease liabilities	-	264	-	316

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy in the previous financial year.

36. Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using gearing ratio, which is the net debt divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios at the end of the reporting period are as follows:

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Loans and borrowings	-	-	144,125
Lease liabilities	1,059	1,001	-
Total debts	1,059	1,001	144,125
Less: Cash and bank balances	(926)	(9,110)	(3,752)
Net debt/(cash)	133	(8,109)	140,373
Total equity	31,671	37,663	33,906
Gearing ratio (time)	0.004	*	4.14

Notes to the Financial Statements
30 June 2021

36. Capital Management (Cont'd)

The gearing ratios at the end of the reporting period are as follows: (Cont'd)

	Company		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Loans and borrowings	-	-	143,741
Lease liabilities	509	684	-
Total debts	509	684	143,741
Less: Cash and bank balances	(125)	(8,615)	(2,032)
Net debt/(cash)	384	(7,931)	141,709
Total equity	9,749	(904)	(9,877)
Gearing ratio (time)	0.04	#	#

* The gearing ratio is not presented as the Group and the Company is in net cash position.

\# The gearing ratio may not provide a meaningful indicator of the risk of borrowings.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

As disclosed in 2(c), on 29 July 2021, the Company has obtained approval from Bursa Securities for extension of time up to 31 December 2021 for the Company to submit its proposed regularisation plan to the regulatory authorities.

37. Significant and Subsequent Events

(a) On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

As at the date of the financial statements are authorised for issuance, the Covid-19 situation is still evolving and unpredictable. As a result, it is not practicable for the Group and the Company to estimate the financial effect on their financial positions, results of operations or cash flows in the next financial year to be disclosed in the financial statements as impact assessment of the Covid-19 pandemic is a continuing process.

The Group and the Company will continuously monitor the impact of Covid-19 on their operations and their financial performances. The Group and the Company will also be taking appropriate and timely measures to minimise the potential impact of the outbreak on the Group's and the Company's operation.

(b) TA Securities Holdings Berhad had on 29 July 2021 submitted to Bursa Securities an application for further extension of time up to 31 December 2021 for the Company to make the requisite announcement and submit the regularisation plan. On 29 July 2021, Bursa Securities had approved the application for an extension of time up to 31 December 2021 for the Company to submit its proposed regularisation plan to the regulatory authorities.

38. Effects on Adoption of the Agenda Decision

The effects on adoption of the Agenda Decision on the statements of the financial position of the Group are summarised as follows:

	As previously stated RM'000	Effect on adoption of the Agenda Decision RM'000	As restated RM'000
1.7.2019			
Statements of Financial Position			
Non-current assets			
Inventories	217,719	(26,482)	191,237
Current assets			
Inventories	6,806	(848)	5,958
Equity			
Accumulated losses	(227,906)	(20,772)	(248,678)
Non-current liabilities			
Deferred tax liabilities	17,153	(6,558)	10,595
30.6.2020			
Statements of Financial Position			
Non-current assets			
Inventories	217,761	(26,482)	191,279
Current assets			
Inventories	8,935	(1,107)	7,828
Equity			
Accumulated losses	(231,511)	(20,969)	(252,480)
Non-current liabilities			
Deferred tax liabilities	33,098	(6,620)	26,478

The effects on adoption of the Agenda Decision on the statements of the profit or loss and other comprehensive income of the Group are summarised as follows:

	As previously stated RM'000	Effect on adoption of the Agenda Decision RM'000	As restated RM'000
2020			
Statements of Profit or Loss and Other Comprehesive Income			
Cost of sales	(4,462)	259	(4,203)
Taxation	10,555	(62)	10,493
Profit for the financial year	3,608	197	3,805

Notes to the Financial Statements
30 June 2021

38. Effects on Adoption of the Agenda Decision (Cont'd)

The effects on adoption of the Agenda Decision on the statements of the cash flows of the Group are summarised as follows:

	As previously stated RM'000	Effect on adoption of the Agenda Decision RM'000	As restated RM'000
2020			
Statements of Cash Flows			
Operating Activities			
(Loss)/Profit before tax	(6,947)	259	(6,688)
Adjustments for:			
Changes in working capital:			
Inventories	2,171	(259)	1,912

39. Date of Authorisation for Issue of Financial Statements

The financial statements of the Group and of the Company for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors on 15 October 2021.

PROPERTIES HELD BY THE GROUP

	Tenure	Location	Approximately Net Lettable Area/ Land Area (Acres)	Net Carrying Amount @ 30 June 2021 (RM'000)	Date of Revaluation
1.	Freehold	Remaing Land & Development in the Mukim Plentong, District of Johore Bahru, State of Johor; HS (D) 310469 GRN 293428, HS (D) 310468 GRN 293635, HS (D) 310467 GRN 293424, HS (D) 310464 GRN 293306, HS (D) 310463 GRN 293304, HS (D) 310465 GRN 293308, HS (D) 310466 GRN 293309, HS (D) 310461 GRN 293418, HS (D) 310462 HSD 310462, HS (D) 310460 GRN 293632, HS (D) 310459 GRN 293593, HS (D) 310458 GRN 293414, HS (D) 310448 GRN 293586, HS (D) 310450 GRN 293599, HS (D) 310443 GRN 293552, HS (D) 309602 HSD 309602, HS (D) 310442 GRN 293582	407 Acres	196,637	30-06-2021

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	:	287,659,780
Class of Shares	:	Ordinary Share
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
less than 100	202	6.36	7,123	0.00
100 to 1,000 shares	945	29.77	815,814	0.29
1,001 to 10,000 shares	1,032	32.52	5,241,866	1.82
10,001 to 100,000 shares	788	24.83	28,866,508	10.03
100,001 to less than 5% of issued shares	206	6.49	104,977,897	36.50
5% and above of issued shares	1	0.03	147,750,572	51.36
Grand Total	**3,174**	**100.00**	**287,659,780**	**100.00**

DIRECTORS' INTERESTS IN SHARES

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	% of Shares held	No. of shares	% of Shares held
Dato' Ir. Hj. Md. Nasir Bin Ibrahim	-	-	-	-
Datin Kong Yuk Chu	-	-	147,750,572	51.36[1]
Ch'ng Soon Sen	469,000	0.16[2]	-	-
Ch'ng Se Hua	-	-	-	-
Lim Yit Kiong	-	-	-	-
Ho Pui Hold	-	-	-	-

Notes:-

[1] Deemed interested by virtue of her substantial interest in Top Lander Offshore Inc and Seacrest Land Limited, which has in indirect interest in the Company via its wholly-owned subsidiary, Top Lander Offshore Inc. puruant to Section 8(4) of the Companies Act 2016

[2] Registered in the name of JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ch'ng Soon Sen (STA 1)

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	% of Shares held	No. of shares	% of Issued Capital
Top Lander Offshore Inc.	147,750,572	51.36	-	-
Dato' Ch'ng Poh @ Ch'ng Chong Poh	-	-	147,750,572	51.36[1]
Datin Kong Yuk Chu	-	-	147,750,572	51.36[1]
Seacrest Land Limited	-	-	147,750,572	51.36[1]

Notes:-

[1] Deemed interested by virtue of his/her substantial interest in Top Lander Offshore Inc. and Seacrest Land Limited, which has indirect interest in the Company via its wholly-owned subsidiary, Top Lander Offshore Inc. pursuant to Section 8(4) of the Companies Act 2016

Analysis of Shareholdings

LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS
(Based on Register of Depositors as at 30 September 2021)

No	Name	Shareholding	%
1	TOP LANDER OFFSHORE INC.	147,750,572	51.36
2	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR TEY POR CHEN	14,300,000	4.97
3	FONTERN HOLDINGS (M) SDN. BHD.	5,200,000	1.81
4	TRANSGROW CORPORATION SDN. BHD.	5,090,050	1.77
5	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	4,682,989	1.63
6	YAP LIAN FAR	2,495,700	0.87
7	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN POH CHOO (PENANG-CL)	2,275,100	0.79
8	HONG ENG KWEE @ HONG ENG HWE	2,200,000	0.76
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP LIAN FAR (8039110)	2,145,200	0.75
10	PANG CHEE KHIONG	2,111,000	0.73
11	OON PHAIK SIEW	2,000,000	0.70
12	CHEN ENG SIAN	1,870,000	0.65
13	ESTHER CHONG WEN YI	1,650,000	0.57
14	LEE SIM HEE	1,576,600	0.55
15	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH AH LOU	1,500,000	0.52
16	LEE POH LOONG	1,244,400	0.43
17	SIN BEE LEAN	1,200,000	0.42
18	LIM PHEE LIN	1,163,000	0.40
19	TAY CHEN HWANG	1,100,000	0.38
20	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WANG CHOON KENG (PENANG)	1,000,000	0.35
21	NG KAI YUAN	936,400	0.33
22	LEE EE ME	925,200	0.32
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD WONG KUN TZU @ WONG KING TZU	900,000	0.31
24	TA KIN YAN	881,479	0.31
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. TAIPING RECOVERY SDN BHD - IN LIQUIDATION FOR HO NGAN YIN	871,000	0.30
26	LIM CHEN TONG	863,300	0.30
27	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG TIAM MING (008)	839,000	0.29
28	CHEW SWEE SENG	795,000	0.28
29	TEOH HANG SWE @ JOHN TEOH HANG SOON	750,000	0.26
30	THIAN JOON FUNG	740,000	0.26
		211,055,990	**73.37**

NOTICE OF FORTY-NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Ninth ("49th") Annual General Meeting ("AGM") of the Company will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the Boardcast Venue at B03-A-09-01, Level 9, Menara Pacific, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Malaysia on Friday, 26 November 2021 at 10.30 a.m. for the transaction of the following businesses or at any adjournment thereof:

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 to Ordinary Business
2.	To approve the payment of Directors' fee and benefits payable to the Non-Executive Directors up to RM146,200 from the period from 49th AGM up to the Fiftieth AGM.	Ordinary Resolution 1
3.	To re-elect the following Directors who retire in accordance with Article 90 of the Constitution of the Company and being eligible, have offered themselves for re-election: -	
	a) Dato' Ir. Hj. Md. Nasir Bin Ibrahim	Ordinary Resolution 2
	b) Ch'ng Se Hua	Ordinary Resolution 3
4.	To re-appoint Messrs UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4

Special Business

To consider and if thought fit, to pass the following resolutions:-

5. Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016 — Ordinary Resolution 5

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Act") and subject always to the approval of the relevant authorities (where applicable), the Directors of the Company be hereby empowered to allot and issue shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of the issued shares of the Company for the time being AND THAT the Board of Directors be hereby also empowered to obtain approval for the listing of and quotation for the additional ordinary shares so issued in Bursa Malaysia Securities Berhad and such authority shall continue in force until the conclusion of the next AGM of the Company;

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company".

6. Proposed Amendments to the Constitution of the Company ("Proposed Amendments")

"THAT the Proposed Amendments to the Constitution of the Company as set out in the Appendix A which has been circulated to the shareholders of the Company together with 2021 Annual Report, be approved and adopted AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said Proposed Amendments for and on behalf of the Company." — Special Resolution 1

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 201908002253)
Company Secretary

Selangor

Date: 28 October 2021

Notice of Forty-Ninth Annual General Meeting

NOTES:

1. Please refer to the Administrative Guide for the procedures to register and participate and vote in the virtual meeting.
2. A member entitled to participate and vote at this meeting is entitled to appoint more than one (1) proxy to participate and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as of the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to speak at the meeting.
3. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
4. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorized.
5. For the purpose of determining a member who shall be entitled to attend the 49^{th} AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 18 November 2021. Only a depositor whose name appears on the Record of the Depositors as at 18 November 2021 shall be entitled to participate the said meeting or appoint proxies to participate and/or vote on his/her behalf.
6. The instrument appointing a proxy must be properly executed and deposited at the Share Registrar's Office, at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

Explanatory Notes to Ordinary Business:

The audited financial statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act, 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, it will not be put forward for voting.

Explanatory Notes to Special Business:

Ordinary Resolution 5 - Renewal authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Act

The proposed resolution, if passed, will grant a mandate ("General Mandate") empowering the Directors of the Company, from the date of the 49^{th} AGM to allot and issue shares in the Company up to an amount not exceeding a maximum of ten percent (10%) of the total shares issued of the Company (excluding treasury shares, if any) for the time being for such purposes as they may think fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next annual general meeting of the Company.

The General Mandate is a renewal from the previous mandate obtained at the last annual general meeting held on 26 November 2020 which will expire at the conclusion of the 49^{th} AGM of the Company.

As at the date of this Notice, the Company did not issue any new shares based on the previous mandate obtained at the last AGM.

The General Mandate, if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding current and/or future investment project(s), working capital and/or payment of bank borrowings and acquisition.

(Special Resolution 1: Proposed Amendments to the Constitution of the Company ("Proposed Amendments"))

The Proposed Amendments to the Constitution of the Company is primarily to provide further clarify on certain terms of the Constitution and provide more flexibility for the Company and to ensure the compliance with the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Proposed Amendments to be made to the Constitution are listed as per Appendix A, which is circulated to the shareholders of the Company together with the 2021 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF FORTY-NINTH ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.72(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

DETAILS OF INDIVIDUAL WHO IS STANDING FOR ELECTION AS DIRECTOR

No individual is seeking for election as a Director at the Forty-Ninth Annual General Meeting of the Company

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of Malaysia Pacific Corporation Berhad is proposed to be amended in the following manner: -

Clause No.	Existing Clause	Proposed Amendment
Article 10	Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors shall have the power to issue and allot shares, grant options over shares, grant rights to subscribe for shares.	Subject to the provisions of this Constitution and the Listing Requirement, and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the total number of shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds the allowed threshold by the prevailing rules and regulation, except where the shares or convertible securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue.
Article 85	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of twelve (12) months from its date.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office or at such other place within Malaysia or by electronic communication (if facilitated by the Company) as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of twelve (12) months from its date.
Article 86	Every power, right or privilege herein given in these presents to any Member of the Company to convene, attend, vote and in any way take part in any meeting of the Company, may be exercised in the event of such Member being out of Malaysia by any attorney, whether a Member of the Company or not, duly appointed by such Member for the purpose, by a power of attorney produced at the Office of the Company during business hours not less than two (2) clear days before the same is acted on. And any vote given or thing done by such attorney shall be valid notwithstanding the previous death of the Member giving such power of attorney or revocation of such power of attorney by other means provided no intimation in writing of such death or revocation shall have been received at the Office of the Company before such vote is given or thing done.	Every power, right or privilege herein given in these presents to any Member of the Company to convene, attend, vote and in any way take part in any meeting of the Company, may be exercised in the event of such Member being out of Malaysia by any attorney, whether a Member of the Company or not, duly appointed by such Member for the purpose, by a power of attorney produced at the Office of the Company during business hours or by electronic communication (if facilitated by the Company) not less than two (2) clear days before the same is acted on. And any vote given or thing done by such attorney shall be valid notwithstanding the previous death of the Member giving such power of attorney or revocation of such power of attorney by other means provided no intimation in writing of such death or revocation shall have been received at the Office of the Company or by electronic communication (if facilitated by the Company) before such vote is given or thing done.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (CONT'D)

The Constitution of Malaysia Pacific Corporation Berhad is proposed to be amended in the following manner: - (Cont'd)

Clause No.	Existing Clause	Proposed Amendment
Article 87	A vote given in accordance with the terms of an instrument of proxy or attorney or authority shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or proxy or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, if no intimation in writing of such death, unsoundness of mind, revocation or transfer as aforesaid has been received by the Company at the Office before the commencement of the meeting or adjourned meeting or in the case of a poll before the time appointed for the taking of the poll, at which the instrument of proxy is used.	A vote given in accordance with the terms of an instrument of proxy or attorney or authority shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or proxy or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, if no intimation in writing of such death, unsoundness of mind, revocation or transfer as aforesaid has been received by the Company at the Office or by electronic communication (if facilitated by the Company) before the commencement of the meeting or adjourned meeting or in the case of a poll before the time appointed for the taking of the poll, at which the instrument of proxy is used.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

FORTY-NINTH ANNUAL GENERAL MEETING

General Meeting	:	Forty-Ninth Annual General Meeting ("AGM")
Day, Date, and Time of Meeting	:	Friday, 26 November 2021 at 10.30 a.m.
Broadcast Venue	:	B03-A-09-01, Level 9, Menara Pacific, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Malaysia
Virtual Meeting accessible at	:	https://web.vote2u.my

In light of the coronavirus (COVID-19) outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the AGM will be held and conducted by way of virtual meeting entirely though live streaming via **Remote Participation and Voting ("RPV") Facilities**.

We strongly encourage our shareholders whose names appear on the Record of Depositors as at 18 November 2021 and holders of proxy for those shareholders to participate in the virtual AGM and vote remotely at this AGM. In line with the Malaysian Code on Corporate Governance Practice 12.3, this virtual AGM will facilitate greater shareholder's participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the AGM without being physically present at the venue. For shareholders who are unable to participate in this virtual AGM, you may appoint proxy(ies) or the Chairman of the Meeting as your proxy to participate and vote on your behalf at the AGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn. Bhd. ("**AGMO**") via its **Vote2U Online** website at https://web.vote2u.my.

PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarized below:

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i	Shareholders to register with Vote2U online	The registration will open from the day of notice a. Access website at https://web.vote2u.my b. Click "***Sign Up***" to sign up as a user. c. Read the 'Privacy Policy' and 'Terms & Conditions' and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' on a small box. Then click "***Next***". d. *Fill-in your details (note: create your own password). Then click "***Continue***". e. Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian). f. Click "***Submit***" to complete the registration g. Your registration will be verified and an email notification will be sent to you. Please check your email. Note: If you have registered as a user with Vote2U Online previously, you are not required to register again. * Check your email address is keyed in correctly. * Remember the password you have keyed-in.

Administrative Guide for Shareholders

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i	Submit Form of Proxy (hardcopy)	The closing time to submit your hardcopy Form of Proxy is at **Wednesday, 24 November 2021 at 10.30 a.m.**. a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information: - MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy - *Email address and contact number of the Proxy b. Submit/Deposit the hardcopy Form of Proxy to **Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor** Note: After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy could use the temporary password to log in to Vote2U. *Check the email address of Proxy is written down correctly.

Shareholders who appoint Proxy(ies) to participate the virtual AGM must ensure that the hardcopy Form of Proxy is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON AGM DAY

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	The Vote2U online portal will open for log in starting from **Friday, 26 November 2021 at 9.30 a.m.**, one (1) hour before the commencement of the AGM. a. Login with your email and password b. Select the General Meeting event (for example, "AGM"). c. Check your details. d. Click "***Watch Live***" button to view the live streaming.

B: ASK QUESTION

Individual Shareholders & Proxies

	Description	Procedures
i	Ask Question during AGM (real-time)	Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question. a. Click "***Ask Question***" button to post question(s). b. Type in your question and click "***Submit***". The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the AGM.

Administrative Guide for Shareholders

C: VOTING REMOTELY

Individual Shareholders & Proxies

	Description	Procedures
i	Online Remote Voting	Once the Chairman announces the opening of remote voting: a. Click "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "***Next***" to continue voting for all resolutions. c. To change your vote, click "***Back***" and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "***Confirm***" to submit your vote. [Please note that you are <u>not able</u> to change your voting choices after you have confirmed and submitted your votes.]

ADDITIONAL INFORMATION

<u>Voting Procedure</u>

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

<u>Broadcast Venue</u>

Broadcast Venue means the place where the broadcasting is taking place to transmit or air the meeting online. It could be a studio or a meeting room.

Shareholders and proxies are not advisable to go to broadcast venue as it is only place where the meeting is broadcast for transmission online in the present of Chairman, Directors, Chief Executive Officer, Auditors, Company Secretary and senior management. If shareholders and proxies arrive at the broadcast venue, the management has the right to ask you to leave the broadcast venue in order to comply with the government decrees and S.O.Ps.

We strongly encourage you to participate the AGM via the RPV facilities. You may consider appointing the Chairman of the Meeting as your proxy to participate and vote on your behalf at the AGM.

<u>No Gift or e-Voucher or Food Voucher</u>

There will be no gift or e-Voucher or food voucher given at this AGM.

<u>Enquiry</u>

a. For enquiries relating to the general meeting, please contact our **Investor Relation** during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Email: <u>finance@mpcb.com.my</u>

b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Telephone Number: 03-7664 8520 / 03-7664 8521
   Email: <u>vote2u@agmostudio.com</u>

MALAYSIA PACIFIC CORPORATION BERHAD
Registration No. 197201000550 (12200-M)

FORM OF PROXY

No. of shares held	
CDS Account No.	

I/We, ... I.C. or Company No ....
(Full name in block letters)
of ....
(Full address)
contact number .... and email address ....
being a member/members of MALAYSIA PACIFIC CORPORATION BERHAD hereby appoint (Proxy 1) ....
.... I.C./Passport No. ....
of ....
contact number .... and email address ....
and/ or failing him/ her (Proxy 2) .... I.C./Passport No. ....
of ....
contact number .... and email address ....

 # You are required to fill in the contact no. and email address in order to participate the Forty-Ninth ("49th") Annual General Meeting ("AGM"), otherwise, we are unable to register you as the participant of the meeting.

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 49thAGM of the Company will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the Boardcast Venue at B03-A-09-01, Level 9, Menara Pacific, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Malaysia on Friday, 26 November 2021 at 10.30 a.m. or at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to the voting is given, the Proxy will vote or abstain from voting at his/her discretion.

	RESOLUTIONS	**FOR**	**AGAINST**
ORDINARY RESOLUTION 1	To approve the payment of Directors' fees of RM146,200 for the period from 49th AGM up to the 50th AGM.		
ORDINARY RESOLUTION 2	To re-elect Dato' Ir. Hj. Md. Nasir Bin Ibrahim who retires in accordance with Clause 90 of the Constitution of the Company.		
ORDINARY RESOLUTION 3	To re-elect Ch'ng Se Hua who retires in accordance with Clause 90 of the Constitution of the Company.		
ORDINARY RESOLUTION 4	To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
ORDINARY RESOLUTION 5	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
SPECIAL RESOLUTION 1	Proposed Amendments to the Constitution of the Company		

Signed this .... day of 2021

....
Signature(s)/Common Seal of Shareholder(s)

The proportions of my/our holdings to be represented by my/our proxies are as follows:-

First Proxy
No. of Shares: ....
Percentage : .... %

Second Proxy
No. of Shares: ....
Percentage : .... %

NOTES:
1. Please refer to the Administrative Guide for the procedures to register and participate and vote in the virtual meeting.
2. A member entitled to participate and vote at this meeting is entitled to appoint more than one (1) proxy to participate and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as of the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to speak at the meeting.
3. Where a member appoints more than one (1) proxy, he must specify the proportions of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
4. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.
5. For the purpose of determining a member who shall be entitled to attend the 49th AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 18 November 2021. Only a depositor whose name appears on the Record of the Depositor as at 18 November 2021 shall be entitled to participate the said meeting or appoint proxies to participate and/or vote on his/her behalf.
6. The instrument appointing a proxy must be properly executed and deposited at the Share Registrar's Office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

fold here

Affix
Stamp

Share Registrar
MALAYSIA PACIFIC CORPORATION BERHAD
Registration No.197201000550 (12200-M)
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam
Selangor, Malaysia

fold here

MALAYSIA PACIFIC CORPORATION BERHAD

Registration No. 197201000550 (12200-M)

B03-A-09-01, Level 9, Menara Pacific,
No 3, Jalan Bangsar, KL ECO City,
59200 Kuala Lumpur, Malaysia.

Tel : +603-2201 9085
Fax : +603-2201 9308

www.mpcb.com.my

Scan me to our website for further information