



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management and corporate services. The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax - Continuing operations	<u>(2,031,943)</u>	<u>(728,759)</u>
Attributable to:		
Owners of the Company	(2,366,870)	(728,759)
Non-controlling interests	334,927	-
	<u>(2,031,943)</u>	<u>(728,759)</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2022.

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT

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BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps 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 had satisfied themselves that no bad debts to be written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

The directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the year of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT

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ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

WARRANTS

Warrants (2020/2025)

On 24 December 2020, the Company issued 220,146,573 units of new five-year warrants [2020/2025] to the shareholders of the Company on the basis of one (1) right share for every two (2) ordinary shares of RM0.09 each, together with six (6) warrants for every five (5) rights shares subscribed at an issue price of RM0.12 each held in the Company. The Warrants were listed on the Main Market of Bursa Malaysia Securities Berhad. The main features of the Warrants are disclosed in Note 13 to the financial statements.

As at the end of the financial year, 220,146,573 Warrants remained unexercised.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Kor Beng*
Kor Yann Kae*
Kor Yann Shiun*
Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin
Tan Tai Ming
Arthur Law Hian Tat

* Directors of the Company and certain subsidiaries

DIRECTORS' REPORT

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DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interest in the Company

	At 1 July 2021	Number of ordinary shares		At 30 June 2022
		Bought	Sold	
The Company S & F Capital Berhad Indirect Kor Beng ⁽¹⁾	315,013,765	-	-	315,013,765
The ultimate holding company Rengit Capital Sdn. Bhd. Direct Kor Beng	50,001	-	-	50,001

⁽¹⁾ Shares held through the ultimate holding company.

By virtue of their interests in shares of the ultimate holding company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Kor Beng is deemed to have an interest in the ordinary shares of the Company and its related corporations to the extent that the ultimate holding company has an interest.

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

DIRECTORS' REPORT

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DIRECTORS' BENEFITS

Since the end of the previous financial year, no directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) 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 any deemed benefit which may arise from transactions as disclosed in Note 19 to the financial statements.

The Directors' benefits of the Group and of the Company are as follows:

	Group RM	Company RM
Directors of the Company:		
Fees	294,000	294,000
Other emoluments	178,800	178,800
	<u>472,800</u>	<u>472,800</u>
 Director of subsidiaries:		
Fees	12,000	-
Total	<u>484,800</u>	<u>472,800</u>

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is 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 TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM5,000,000 and RM13,305 respectively.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are as follows:

	Group RM	Company RM
Auditors' remuneration:	128,500	65,000
	<u>128,500</u>	<u>65,000</u>

AUDITORS' INDEMNITY

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT

cont'd

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

HOLDING COMPANY

The directors regard Rengit Capital Sdn. Bhd., a company incorporated in Malaysia, as the holding company of the Company.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

KOR BENG

Director

ARTHUR LAW HIAN TAT

Director

Date: 21 October 2022

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	178,146	257,085	104,420	118,007
Right-of-use assets	6(a)	36,483	145,935	36,483	145,934
Inventories	7	23,927,092	23,916,766	-	-
Intangible assets	8	1,816,000	1,816,000	-	-
Investment in subsidiaries	9	-	-	12,028,173	12,028,173
Total non-current assets		25,957,721	26,135,786	12,169,076	12,292,114
Current assets					
Inventories	7	12,895,349	13,985,304	-	-
Trade and other receivables	10	6,471,354	7,774,796	747,493	316,494
Contract assets	11	2,082,914	357,235	-	-
Prepayments		256,158	25,945	20,120	20,120
Current tax assets		5,010	30,438	5,010	7,108
Cash and bank balances	12	7,150,621	7,542,870	6,120,464	6,978,286
Total current assets		28,861,406	29,716,588	6,893,087	7,322,008
TOTAL ASSETS		54,819,127	55,852,374	19,062,163	19,614,122

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

cont'd

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	13	76,310,937	76,310,937	76,310,937	76,310,937
Other reserves	14	(19,531,760)	(17,164,890)	(58,020,325)	(57,291,566)
		56,779,177	59,146,047	18,290,612	19,019,371
Non-controlling interests		(13,164,490)	(13,499,417)	-	-
TOTAL EQUITY		43,614,687	45,646,630	18,290,612	19,019,371
Non-current liabilities					
Lease liabilities	6(b)	12,191	61,703	-	38,601
Deferred tax liabilities	15	1,805,000	1,805,000	-	-
Total non-current liabilities		1,817,191	1,866,703	-	38,601
Current liabilities					
Trade and other payables	16	9,121,539	8,113,193	732,950	443,598
Lease liabilities	6(b)	50,399	123,821	38,601	112,552
Contract liabilities	11	176,685	98,715	-	-
Current tax liabilities		38,626	3,312	-	-
Total current liabilities		9,387,249	8,339,041	771,551	556,150
Total liabilities		11,204,440	10,205,744	771,551	594,751
TOTAL EQUITY AND LIABILITIES		54,819,127	55,852,374	19,062,163	19,614,122

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Continuing operations:					
Revenue	17	22,980,246	26,847,031	600,000	600,000
Other operating income	18	453,975	1,809,567	6,145	1,010,004
Employees benefits expenses	19	(1,564,902)	(1,293,449)	(981,165)	(810,636)
Depreciation and amortisation		(165,491)	(167,710)	(123,038)	(123,037)
Finance income	20	91,834	51,068	91,834	31,647
Finance costs	21	(7,211)	(25,783)	(4,913)	(9,640)
Cost of completed properties sold		(1,089,955)	(242,650)	-	-
Property development costs recognised		-	(147,303)	-	-
Contract costs recognised		(21,554,862)	(25,492,006)	-	-
Net impairment (losses)/reversal on financial instruments and contract assets		(36,144)	(8,021,675)	40,000	1,869,999
Other operating expenses		(1,079,347)	(2,337,692)	(357,622)	(1,102,119)
(Loss)/profit before tax	22	(1,971,857)	(9,020,602)	(728,759)	1,466,218
Income tax expense	23	(60,086)	(3,312)	-	-
(Loss)/profit for the financial year from continuing operations		(2,031,943)	(9,023,914)	(728,759)	1,466,218
Discontinued operations					
Loss for the financial year from discontinued operation, net of tax	9(b)	-	(335,009)	-	-
(Loss)/profit for the financial year		(2,031,943)	(9,358,923)	(728,759)	1,466,218
Other comprehensive income for the financial year		-	-	-	-
Total comprehensive (loss)/income for the financial year		(2,031,943)	(9,358,923)	(728,759)	1,466,218

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2022

cont'd

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/profit attributable to:					
Owners of the Company					
- From continuing operations		(2,366,870)	(8,977,565)	(728,759)	1,466,218
- From discontinued operations		-	(164,700)	-	-
		(2,366,870)	(9,142,265)	(728,759)	1,466,218
Non-controlling interests	9(c)	334,927	(216,658)	-	-
		(2,031,943)	(9,358,923)	(728,759)	1,466,218
Total comprehensive (loss)/income attributable to:					
Owners of the Company					
- From continuing operations		(2,366,870)	(8,977,565)	(728,759)	1,466,218
- From discontinued operations		-	(164,700)	-	-
		(2,366,870)	(9,142,265)	(728,759)	1,466,218
Non-controlling interests	9(c)	334,927	(216,658)	-	-
		(2,031,943)	(9,358,923)	(728,759)	1,466,218
Basic loss per share (sen):					
- From continuing operations		(0.43)	(1.94)		
- From discontinuing operation		-	(0.04)		
	24	(0.43)	(1.98)		
Diluted loss per share (sen):					
- From continuing operations		(0.43)	(1.87)		
- From discontinuing operation		-	(0.03)		
	24	(0.43)	(1.90)		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2022

		Attributable to owners of the Company-----I					
Group	Note	Share Capital RM	Warrants Reserve RM	Accumulated Loss RM	Sub-Total RM	Non- Controlling Interests RM	Total Equity RM
At 1 July 2020		75,242,460	2,900,332	(26,368,990)	51,773,802	(9,456,233)	42,317,569
Total comprehensive loss for the financial year		-	-	(9,142,265)	(9,142,265)	(216,658)	(9,358,923)
Transactions with owners							
Warrants exercised	13	4,435	(922)	-	3,513	-	3,513
Transfer of unexercised warrants reserve		-	(2,899,410)	2,899,410	-	-	-
Issuance of right issue		1,064,042	15,446,955	-	16,510,997	-	16,510,997
Non-controlling interests arising from disposal of subsidiaries	9(b)	-	-	-	-	(3,826,526)	(3,826,526)
Total transactions with owners		1,068,477	12,546,623	2,899,410	16,514,510	(3,826,526)	12,687,984
At 30 June 2021		76,310,937	15,446,955	(32,611,845)	59,146,047	(13,499,417)	45,646,630
Total comprehensive (loss)/income for the financial year		-	-	(2,366,870)	(2,366,870)	334,927	(2,031,943)
At 30 June 2022		76,310,937	15,446,955	(34,978,715)	56,779,177	(13,164,490)	43,614,687

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2022
cont'd

Company	Note	Attributable to owners of the Company			
		Share Capital RM	Warrants Reserve RM	Accumulated Loss RM	Total Equity RM
At 1 July 2020		75,242,460	2,900,332	(77,104,149)	1,038,643
Total comprehensive income for the financial year		-	-	1,466,218	1,466,218
Transactions with owners					
Warrants exercised	13	4,435	(922)	-	3,513
Transfer of unexercised warrants reserve		-	(2,899,410)	2,899,410	-
Issuance of right issue		1,064,042	15,446,955	-	16,510,997
		1,068,477	12,546,623	2,899,410	16,514,510
At 30 June 2021		76,310,937	15,446,955	(72,738,521)	19,019,371
Total comprehensive loss for the financial year		-	-	(728,759)	(728,759)
At 30 June 2022		76,310,937	15,446,955	(73,467,280)	18,290,612

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities					
(Loss)/profit before tax:					
- Continuing operations		(1,971,857)	(9,020,602)	(728,759)	1,466,218
- Discontinued operation		-	(335,009)	-	-
Adjustments for:					
Amortisation of intangible assets	9(b)	-	36,559	-	-
Depreciation of:					
- Property, plant and equipment		56,040	264,830	13,587	13,586
- Right-of-use assets		109,451	109,451	109,451	109,451
Gain on disposal of subsidiaries	9(b)	-	(1,677,247)	-	(1,010,004)
Loss on disposal of property, plant and equipment		1,511	-	-	-
Impairment loss on:					
- Amount owing by subsidiaries		-	-	10,000	-
- Other receivables		36,144	8,021,675	-	-
Interest expenses		7,211	39,370	4,913	9,640
Interest income		(91,834)	(55,835)	(91,834)	(31,647)
Property, plant and equipment written off		39	-	-	-
Reversal of impairment loss on amount owing by subsidiaries		-	-	(50,000)	(1,869,999)
Operating loss before changes in working capital, carried forward		(1,853,295)	(2,616,808)	(732,642)	(1,312,755)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2022
cont'd

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities					
(Continued)					
Operating loss before changes in working capital, brought forward					
		(1,853,295)	(2,616,808)	(732,642)	(1,312,755)
Changes in working capital:					
Inventories		1,089,955	(121,601)	-	-
Trade and other receivables		1,267,298	(2,045,676)	(390,999)	1,859,999
Contract assets		(1,725,679)	6,322,400	-	-
Prepayment		(230,213)	3,091	-	(2,620)
Property development projects		(10,326)	(359,787)	-	-
Trade and other payables		1,008,346	(10,869,087)	289,352	(14,041)
Contract liabilities		77,970	(1,610,059)	-	-
Net cash (used in)/generated from operations					
		(375,944)	(11,297,527)	(834,289)	530,583
Income tax refund		2,890	-	2,890	-
Income tax paid		(2,234)	(111,945)	(792)	(1,275)
Interest received		-	7,212	-	843
Interest paid		(2,057)	(9,986)	(1,041)	(1,050)
Net cash (used in)/generated from operating activities					
		(377,345)	(11,412,246)	(833,232)	529,101
Cash flows from investing activities					
Purchase of property, plant and equipment and right-of-use assets	(a)	-	(119,929)	-	(72,850)
Proceeds from disposal of property, plant and equipment		21,350	-	-	-
Proceeds from disposal of subsidiaries	9(b)	-	1,289,689	-	4,138,650
Advances to subsidiary		-	-	-	(12,028,171)
Interest on fixed deposits received		91,834	27,734	91,834	9,915
Interest on short-term deposits received		-	20,889	-	20,889
Changes in pledged deposits		-	413,815	-	-
Net cash generated from/ (used in) investing activities					
		113,184	1,632,198	91,834	(7,931,567)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2022
cont'd

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from financing activities					
Proceeds from issuance of right issue		-	16,510,997	-	16,510,997
Proceeds from conversion of warrants		-	3,513	-	3,513
Net repayment of lease liabilities		(122,934)	(131,134)	(112,552)	(107,833)
Net repayment of bankers' acceptances and trust receipts		-	(1,209,315)	-	-
Net repayment to directors		-	(614,540)	-	(620,623)
Net advances from/(repayment to) holding company		-	365,000	-	(1,455,000)
Interest paid		(5,154)	(29,384)	(3,872)	(8,590)
Net cash (used in)/generated from financing activities		(128,088)	14,895,137	(116,424)	14,322,464
Net (decrease)/increase in cash and cash equivalents		(392,249)	5,115,089	(857,822)	6,919,998
Cash and cash equivalents at the beginning of the financial year		7,542,870	2,427,781	6,978,286	58,288
Cash and cash equivalents at the end of the financial year		7,150,621	7,542,870	6,120,464	6,978,286

(a) Purchase of property, plant and equipment and right-of-use assets:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase of property, plant and equipment and right-of-use assets	-	119,929	-	72,850
Cash payments on purchase of property, plant and equipment and right-of-use assets	-	119,929	-	72,850

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2022
cont'd

(b) Reconciliation of liabilities arising from financing activities:

	01.07.2021 RM	Cash Flows RM	30.06.2022 RM
Group			
Lease liabilities	185,524	(122,934)	62,590
Amount owing to holding company	20,000	-	20,000
	<u>205,524</u>	<u>(122,934)</u>	<u>82,590</u>
Company			
Lease liabilities	151,153	(112,552)	38,601
	<u>151,153</u>	<u>(112,552)</u>	<u>38,601</u>

	01.07.2020 RM	Cash Flows RM	Disposal of subsidiaries RM	30.06.2021 RM
Group				
Banker's acceptances and trust receipts	1,760,000	(1,209,315)	(550,685)	-
Lease liabilities	3,416,255	(131,134)	(3,099,597)	185,524
Term loans	2,429,676	-	(2,429,676)	-
Amount owing to director	626,770	(620,623)	(6,147)	-
Amount owing to holding company	1,475,000	365,000	(1,820,000)	20,000
	<u>9,707,701</u>	<u>(1,596,072)</u>	<u>(7,906,105)</u>	<u>205,524</u>
Company				
Lease liabilities	258,986	(107,833)	-	151,153
Amount owing to director	620,623	(620,623)	-	-
Amount owing to holding company	1,455,000	(1,455,000)	-	-
	<u>2,334,609</u>	<u>(2,183,456)</u>	<u>-</u>	<u>151,153</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

S & F Capital Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No.8, Jalan Kerinchi 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The principal place of business of the Company is located at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Malaysia.

The ultimate holding company is Rengit Capital Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The principal activity of the Company is investment holding and a provider of management and corporate services. The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 October 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs (Continued)

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

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

	Effective for financial periods beginning on or after
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/improvement to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3 Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7 Financial Instruments Disclosures	1 January 2023 [#]
MFRS 9 Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16 Leases	1 January 2022 [^]
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107 Statements of Cash Flows	1 January 2023 [#]
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119 Employee Benefits	1 January 2023 [#]
MFRS 128 Investment in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132 Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136 Impairment of Assets	1 January 2023 [#]
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138 Intangible Assets	1 January 2023 [#]
MFRS 140 Investment Property	1 January 2023 [#]
MFRS 141 Agriculture	1 January 2022 [^]

[^] The Annual Improvements to MFRS Standards 2018-2020

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 16 Leases

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications, applying to reduction in lease payments originally due on or before 30 June 2022 subject to fulfilment of other conditions.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (Continued)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (Continued)

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associate used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(c) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.13(b) to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions

Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group's entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions

Translation of foreign currency transactions (Continued)

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.4 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at their fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows (Continued):

(i) Financial assets (Continued)

Debt instruments (Continued)

- Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- Fair value through profit or loss (FVPL)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows (Continued):

(i) Financial assets (Continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows (Continued):

(ii) Financial liabilities (Continued)

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

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

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

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

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

(e) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.18 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis over the estimated useful lives of the assets using the following annual rates:

Office renovation	10%
Computer software, office equipment, furniture and fittings	5% - 20%
Motor vehicles	10% - 20%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting year and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

(d) Derecognition

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

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Right-of-use asset (Continued)

The annual rates used are as follows:

	Useful lives
Motor vehicles	5 – 10 years
Office premises	3 years

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b) to the financial statements.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Lease liability (Continued)

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b) to the financial statements, then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b) to the financial statements.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value, cost being determined based on specific identification.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

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

Property under development

Cost includes:

- leasehold rights for land
- amounts paid to contractors for construction
- planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or have billed the customers.

3.10 Non-current assets or disposal groups held for sales

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

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

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Discontinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is re-presented as if the operation has been discontinued from the start of the comparative period.

3.12 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalent are presented net of bank overdraft.

3.13 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), lease receivables, contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

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

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets and non-current assets or disposal groups 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 Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment of assets (Continued)

(b) Impairment of non-financial assets (Continued)

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 non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.14 Share capital

Ordinary shares

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

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund (“EPF”), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.16 Provisions

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date 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.

3.17 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue and other income (Continued)

(a) Property development

The Group develop and sell residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do 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. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

Revenue from commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred at a point in time as the Group's performance do not create an asset with an alternative use to the Group but the Group do not have an enforceable right to payment for performance completed to date. Revenue is recognised at a point in time when the properties have been completed and delivered to the customers.

The consideration is due based on the scheduled payments in the contract; therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognise a contract liability for the difference.

Consistent with market practice, the Group collect deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Revenue from the sale of completed properties is recognised at a point in time when control of the property is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue and other income (Continued)

(b) Construction contract

The Group recognises revenue from the source of construct contracts from precast concrete products and construction projects. A construction contract from precast concrete products or construction projects comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the commercial and industrial properties is transferred over time as the Group create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 to 120 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

(c) Management fees

Income from management services rendered is recognised as and when the services are provided.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

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.

3.19 Taxes

Income tax expense in profit or loss comprises current and deferred tax. Current 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.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Taxes (Continued)

(c) Sales and services tax

Revenues, expenses and assets are recognised net of amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales and services tax included.

The net amount of Sales and Services Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.20 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.21 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Executive Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director decision-maker that makes strategic decisions.

3.22 Fair value measurements

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Fair value measurements (Continued)

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

When measuring the fair value of an asset or a liability, the Group and the Company use 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 and the Company 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.

There was no transfer between levels of the fair value hierarchy during the financial year.

3.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.24 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group and the Company incur to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group and the Company expect those costs are recoverable.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24 Contract costs (Continued)

(a) Recognition and measurement (Continued)

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:

- (a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- (b) the costs generate or enhance resources of the Group and the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

(b) Impairment

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- (a) the remaining amount of consideration that the Group and the Company expect to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group and the Company shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group and the Company shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

The Group and the Company have applied the practical expedient to recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation periods of the asset that the Group and the Company otherwise would have recognised are one year or less.

NOTES TO THE FINANCIAL STATEMENTS

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Construction revenue (Note 17)

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluate based on past experience and by relying on the work of specialists.

(b) Investment in subsidiary companies (Note 9)

The Company assess whether there is any indication that the cost of investment in subsidiaries is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use involves exercise of judgement on the discount rate applied and the assumptions supporting the underlying cash flow projection which includes future sales, gross profit margin and operating expenses.

NOTES TO THE FINANCIAL STATEMENTS

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5. PROPERTY, PLANT AND EQUIPMENT

Group Cost 2022	Motor vehicle RM	Office renovation RM	Computer software, office equipment, furniture and fittings RM	Total RM
At 1 July 2021	89,165	70,000	448,358	607,523
Disposals	-	-	(75,797)	(75,797)
Written offs	(89,163)	-	(73,799)	(162,962)
Transfer from right-of-use asset	73,360	-	-	73,360
At 30 June 2022	73,362	70,000	298,762	442,124
Accumulated depreciation				
At 1 July 2021	89,143	7,000	254,295	350,438
Depreciation charge for the financial year	2	7,000	49,038	56,040
Disposals	-	-	(52,936)	(52,936)
Written offs	(89,143)	-	(73,780)	(162,923)
Transfer from right-of-use asset	73,359	-	-	73,359
At 30 June 2022	73,361	14,000	176,617	263,978
Carrying amount				
At 1 July 2021	22	63,000	194,063	257,085
At 30 June 2022	1	56,000	122,145	178,146

NOTES TO THE
FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group Cost	Motor vehicle RM	Office renovation RM	Computer software, office equipment, furniture and fittings RM	Total RM
2021				
At 1 July 2020	89,165	-	409,548	498,713
Additions	-	70,000	49,929	119,929
Write-offs	-	-	(11,119)	(11,119)
At 30 June 2021	89,165	70,000	448,358	607,523
Accumulated depreciation				
At 1 July 2020	89,143	-	214,155	303,298
Depreciation charge for the financial year	-	7,000	51,259	58,259
Write-offs	-	-	(11,119)	(11,119)
At 30 June 2021	89,143	7,000	254,295	350,438
Carrying amount				
At 1 July 2020	22	-	195,393	195,415
At 30 June 2021	22	63,000	194,063	257,085

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture and fittings RM	Office equipment RM	Office renovation RM	Total RM
Cost				
2022				
At 1 July 2021/30 June 2022	27,946	37,914	70,000	135,860
Accumulated depreciation				
At 1 July 2021	4,212	6,641	7,000	17,853
Depreciation charge for the financial year	2,795	3,792	7,000	13,587
At 30 June 2022	7,007	10,433	14,000	31,440
Carrying amount				
At 1 July 2021	23,734	31,273	63,000	118,007
At 30 June 2022	20,939	27,481	56,000	104,420
Cost				
2021				
At 1 July 2020	31,140	42,989	-	74,129
Additions	-	2,850	70,000	72,850
Written off	(3,194)	(7,925)	-	(11,119)
At 30 June 2021	27,946	37,914	70,000	135,860
Accumulated depreciation				
At 1 July 2020	4,611	10,775	-	15,386
Depreciation charge for the financial year	2,795	3,791	7,000	13,586
Written off	(3,194)	(7,925)	-	(11,119)
At 30 June 2021	4,212	6,641	7,000	17,853
Carrying amount				
At 1 July 2020	26,529	32,214	-	58,743
At 30 June 2021	23,734	31,273	63,000	118,007

NOTES TO THE FINANCIAL STATEMENTS

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6. RIGHT-OF-USE ASSETS

(a) Right-of-use assets

The Group and the Company lease several assets and the information about leases of the Group and the Company as lessees are presented below:

Group	Motor vehicle RM	Office premises RM	Total RM
Cost			
At 1 July 2020/30 June 2021	159,295	328,352	487,647
Transfer to property, plant and equipment	(73,360)	-	(73,360)
At 30 June 2022	85,935	328,352	414,287
Accumulated depreciation			
At 1 July 2020	159,294	72,967	232,261
Depreciation charge for the financial year	-	109,451	109,451
At 30 June 2021	159,294	182,418	341,712
Depreciation charge for the financial year	-	109,451	109,451
Transfer to property, plant and equipment	(73,359)	-	(73,359)
At 30 June 2022	85,935	291,869	377,804
Carrying amount			
At 30 June 2021	1	145,934	145,935
At 30 June 2022	-	36,483	36,483

NOTES TO THE FINANCIAL STATEMENTS

cont'd

6. RIGHT-OF-USE ASSETS (CONTINUED)

(a) Right-of-use assets (Continued)

The Group and the Company lease several assets and the information about leases of the Group and the Company as lessees are presented below (Continued):

Company	Office premises RM
Cost	
At 1 July 2020/30 June 2021/30 June 2022	328,352
Accumulated depreciation	
At 1 July 2020	72,967
Depreciation charge for the financial year	109,451
At 30 June 2021	182,418
Depreciation charge for the financial year	109,451
At 30 June 2022	291,869
Carrying amount	
At 30 June 2021	145,934
At 30 June 2022	36,483

Lease term

Motor vehicles and office premises have lease term between 3 to 7 years.

(b) Lease liabilities

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current:				
Lease liabilities (secured)	12,191	23,102	-	-
Lease liabilities (unsecured)	-	38,601	-	38,601
	12,191	61,703	-	38,601
Current:				
Lease liabilities (secured)	11,798	11,269	-	-
Lease liabilities (unsecured)	38,601	112,552	38,601	112,552
	50,399	123,821	38,601	112,552
Total lease liabilities	62,590	185,524	38,601	151,153

NOTES TO THE FINANCIAL STATEMENTS

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8. INTANGIBLE ASSETS

Group	Goodwill
Cost	RM
At 30 June 2021/30 June 2022	4,535,000
Accumulated amortisation and impairment loss	
At 30 June 2021/30 June 2022	2,719,000
Carrying amount	
At 30 June 2021/30 June 2022	1,816,000

Impairment of goodwill

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash generating units ("CGUs") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Group	
	2022	2021
	RM	RM
Pautan Warisan Sdn. Bhd.	1,816,000	1,816,000

Recoverable amount of Pautan Warisan Sdn. Bhd. is based on fair value less cost to sell, using the open market price of CGU as at reporting date.

Sensitivity to changes in assumptions

There are no reasonable possible changes in key assumptions which could cause the carrying value of goodwill on consolidation to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM
At cost		
Unquoted shares	85,279,192	85,279,192
Loans that are part of net investment	61,833,476	61,833,476
	147,112,668	147,112,668
 Less: Accumulated impairment losses		
At 1 July/30 June	135,084,495	135,084,495
	12,028,173	12,028,173

Loans that are part of net investments represent amount owing by subsidiary which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiary. As this amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

(a) **Details of the subsidiaries are as follows:**

Name of Company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2022 %	2021 %	
<u>Direct subsidiaries</u>				
Maju Weko Timber Industries Sdn. Bhd. ("MWTI")	Malaysia	100	100	Property development, construction of houses, building and other related contract works.
Bernam Indah Sdn. Bhd. ("BISB")	Malaysia	100	100	Investment holding.
Syarikat Amiziz (M) Sdn. Bhd. ("SAM")	Malaysia	51	51	Investment holding and property development.
<u>Indirect subsidiaries of BISB</u>				
Sepakat Slim Sdn. Bhd. ("SSSB")	Malaysia	100	100	Property investment holding.
Pautan Warisan Sdn. Bhd. ("PWSB")	Malaysia	100	100	Property development.
<u>Indirect subsidiary of SAM</u>				
Indra Pusaka Sdn. Bhd. ("IPSB")	Malaysia	51	51	Property development.

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Disposal of Dura Technology Sdn. Bhd. and its subsidiaries

On 21 August 2020, the Company disposed its 51% equity investment in Dura Technology Sdn. Bhd. and its subsidiaries for a total consideration of RM4,138,650.

- (i) Summary of the effects of disposal of Dura Technology Sdn. Bhd. and its subsidiaries:

	RM	RM
Recognised:		
Cash consideration received		4,138,650
Derecognised:		
Fair value of identifiable net assets at disposal date		
Property, plant and equipment	(11,790,907)	
Right-of-use asset	(223,869)	
Inventories	(1,197,719)	
Intangible assets	(1,279,592)	
Other investments	(3)	
Trade and other receivables	(4,246,591)	
Prepayments	(107,290)	
Cash and bank balance	(2,848,961)	
Fixed deposit pledged with licensed banks	(1,763,605)	
Lease liabilities	3,099,597	
Loans and borrowings	2,980,361	
Deferred tax liabilities	719,000	
Current tax liabilities	561,975	
Contract liabilities	4,266,438	
Trade and other payables	5,543,237	(6,287,929)
		(2,149,279)
Non-controlling interest		3,826,526
Gain on disposal of Dura Technology Sdn. Bhd. and its subsidiaries		1,677,247

- (ii) Effects of disposal on cash flows:

	RM
Consideration received	4,138,650
Less: Cash and cash equivalent of subsidiaries disposed	(2,848,961)
Net cash inflow on disposal	<u>1,289,689</u>

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Disposal of Dura Technology Sdn. Bhd. and its subsidiaries (Continued)

(iii) Analysis of the result of discontinued operation and the result recognised on the disposal group is as follows:

	Group 2021 RM
Revenue	2,224,195
Other operating income	12,276
Employees benefits expenses	(538,149)
Depreciation and amortisation	(243,130)
Finance income	4,767
Finance costs	(13,587)
Contract costs recognised	(1,582,295)
Raw materials and consumable used	(100,695)
Other operating expenses	(98,391)
Loss before tax of discontinued operation	(335,009)
Income tax expense	-
Loss after tax of discontinued operation	(335,009)
Loss recognised on the remeasurement of assets of disposal group	-
	(335,009)

The following items have been charged/(credited) in arriving loss before tax:

	Group 2021 RM
Auditors' remuneration	600
Amortisation of intangible assets	36,559
Depreciation for:	
- Property, plant and equipment	206,571
Finance costs	13,587
Finance income	(4,767)
	(335,009)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Non-controlling interests in subsidiaries

The financial information of the Group's and the Company's subsidiaries that have non-controlling interests are as follows:

Equity interest held by non-controlling interest:

Name of company	Principal place of business/ country of incorporation	Ownership interest	
		2022 %	2021 %
Syarikat Amiziz (M) Sdn. Bhd.	Malaysia	49	49
Indra Pusaka Sdn. Bhd.	Malaysia	49	49

Carrying amount of material non-controlling interests:

Name of company	2022 RM	2021 RM
Syarikat Amiziz (M) Sdn. Bhd.	(16,395,706)	(16,392,519)
Indra Pusaka Sdn. Bhd.	3,231,216	2,893,102
	<u>(13,164,490)</u>	<u>(13,499,417)</u>

Profit or loss allocated to material non-controlling interests:

Name of company	2022 RM	2021 RM
Dura Technology Sdn. Bhd. *	-	(122,079)
Dura Construction Sdn. Bhd. *	-	(35,699)
Dura Technology International Sdn. Bhd. *	-	(463)
Syarikat Amiziz (M) Sdn. Bhd.	(3,187)	(5,324)
Indra Pusaka Sdn. Bhd.	338,114	(53,093)
	<u>334,927</u>	<u>(216,658)</u>

* Disposal completed on 21 August 2020.

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

	SAM RM	IPSB RM
Summarised statement of financial position		
At 30 June 2022		
Current assets	16,946	12,681,040
Non-current assets	-	10,110,920
Current liabilities	(33,477,570)	(16,197,644)
Net liabilities	(33,460,624)	6,594,316
Summarised statement of comprehensive income for the financial year ended 30 June 2022		
Loss for the financial year	(6,505)	690,028
Total comprehensive loss	(6,505)	690,028
Summarised cash flows information for the financial year ended 30 June 2022		
Cash flows from operating activities	7,422	(129,618)
Cash flows from investing activities	-	(583)
Net changes in cash and cash equivalents	7,422	(130,201)
	SAM RM	IPSB RM
Summarised statement of financial position		
At 30 June 2021		
Current assets	9,524	12,110,419
Non-current assets	37	10,129,649
Current liabilities	(33,463,680)	(16,335,780)
Net liabilities	(33,454,119)	5,904,288
Summarised statement of comprehensive income for the financial year ended 30 June 2021		
Loss for the financial year	(10,864)	(108,354)
Total comprehensive loss	(10,864)	(108,354)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interests (Continued)

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows (Continued):

	SAM RM	IPSB RM
Summarised cash flows information for the financial year ended 30 June 2021		
Cash flows from operating activities	(3,467)	20,992
Cash flows from investing activities	-	408,358
Net changes in cash and cash equivalents	<u>(3,467)</u>	<u>429,350</u>

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current:				
Trade				
Trade receivables	9,515,800	10,493,797	-	-
Retention sum	2,064,798	2,389,976	-	-
Less: Impairment losses				
- Trade receivables	(5,254,335)	(5,254,335)	-	-
Total trade receivables	<u>6,326,263</u>	<u>7,629,438</u>	<u>-</u>	<u>-</u>
Non-trade				
Other receivables	8,173,131	8,107,199	-	-
Amount owing by subsidiaries	-	-	56,521,230	56,130,231
Refundable deposits	97,172	127,227	30,958	30,958
GST refundable	38,107	38,107	288	288
Less: Impairment losses				
- Other receivables	(8,163,319)	(8,127,175)	-	-
- Amount owing by subsidiaries	-	-	(55,804,983)	(55,844,983)
Total other receivables	<u>145,091</u>	<u>145,358</u>	<u>747,493</u>	<u>316,494</u>
Total trade and other receivables	<u>6,471,354</u>	<u>7,774,796</u>	<u>747,493</u>	<u>316,494</u>

NOTES TO THE FINANCIAL STATEMENTS

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10. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Trade receivables are unsecured, non-interest bearing and the normal credit terms offered by the Group ranging from 30 days to 120 days (2021: 30 days to 120 days). Other credit terms are assessed and approved on a case by case basis.

Included in trade receivable is retention sum of RM2,064,798 (2021: RM2,389,976) which is receivable upon the expiry of defect liability period as provided in the contracts with customers.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2022	2021
	RM	RM
At 1 July/30 June	5,254,335	5,254,335

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that have defaulted on payments.

The information about the credit exposures are disclosed in Note 26(b) to the financial statements.

(b) Other receivables

The movement in the impairment losses of other receivables is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At 1 July	8,127,175	105,500	55,844,983	57,714,982
Charge for the financial year	36,144	8,021,675	10,000	-
Reversal of impairment losses	-	-	(50,000)	(1,869,999)
At 30 June	8,163,319	8,127,175	55,804,983	55,844,983

Other receivables that are individually determined to be impaired at the reporting date relate to receivables that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(c) Amount owing by subsidiaries

The current amount owing by subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022 RM	2021 RM
Contract assets relating to construction services contracts	2,082,914	357,235
Contract liabilities relating to construction services contracts	(176,685)	(98,715)

Significant changes in contract balances

	2022		2021	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	98,715	-	203,988
Increase due to consideration received from customers, but revenue not recognised	-	(176,685)	-	(98,715)
Increase as a result of changes in the measure of progress	2,082,914	-	357,235	-
Transfer from contract assets recognised at the beginning of the period to receivables	(357,235)	-	(1,475,358)	-

Revenue recognised that was included in the contract liability balance at the beginning of the financial year represented primarily revenue from the construction contract revenue when percentage of completion increases.

NOTES TO THE FINANCIAL STATEMENTS

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12. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	4,126,942	4,532,955	3,096,785	3,968,371
Fixed deposits with licensed banks	3,023,679	3,009,915	3,023,679	3,009,915
	7,150,621	7,542,870	6,120,464	6,978,286

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed deposits with licensed banks	3,023,679	3,009,915	3,023,679	3,009,915
Cash and bank balances	4,126,942	4,532,955	3,096,785	3,968,371
	7,150,621	7,542,870	6,120,464	6,978,286

The deposits placed with banks of the Group and the Company earn interest at rates range from 1.21% to 2.08% (2021: 1.90% to 2%) per annum.

13. SHARE CAPITAL

	Group and Company			
	Number of shares		Amounts	
	2022 Unit	2021 Unit	2022 RM	2021 RM
Ordinary shares Issued and fully paid-up (no par value):				
At 1 July	550,366,576	366,893,489	76,310,937	75,242,460
Warrants exercised	-	17,562	-	4,435
Issuance of right issue	-	183,455,525	-	1,064,042
At 30 June	550,366,576	550,366,576	76,310,937	76,310,937

NOTES TO THE FINANCIAL STATEMENTS

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13. SHARE CAPITAL (CONTINUED)

The holders of ordinary shares (except treasury 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.

Warrants

Warrants (2020/2025)

The Warrants issued on 24 December 2020 are constituted under Deed Poll dated 18 November 2020 executed by the Company. The Warrants are listed on the Bursa Malaysia Securities Berhad.

The movement of Warrants during the financial year ended 30 June 2022 are stated as below:

	At 1 July 2021	Number of warrants		At 30 June 2022
		Issued	Expired	
Warrants (2020/2025)	220,146,573	-	-	220,146,573

- (a) Each warrant will entitle registered holder/(s) at any time prior to 28 December 2025 to subscribe for one (1) new ordinary shares RM0.12 each. The Warrants entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll dated 18 November 2020;
- (b) The exercise period is five (5) years of the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (c) The holders of the Warrant are not entitled to any voting right or participation in any forms of distribution and/or offer of further securities in the Company until and unless such warrant holders exercise the warrants for the new shares in accordance with the provisions of the Deed Poll and such new shares have been allotted and issued to the warrant holders.

14. OTHER RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Warrants reserve	15,446,955	15,446,955	15,446,955	15,446,955
Retained earnings	(34,978,715)	(32,611,845)	(73,467,280)	(72,738,521)
	<u>(19,531,760)</u>	<u>(17,164,890)</u>	<u>(58,020,325)</u>	<u>(57,291,566)</u>

Warrants reserve

The warrants reserve arose from the proceeds from issuance of warrants. Warrants reserve is transferred to ordinary shares upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry date of the warrants period will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

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15. DEFERRED TAX LIABILITIES

The deferred tax on temporary differences recognised in the financial statements are as follows:

	Group	
	2022 RM	2021 RM
Tax effects of:		
- Property development projects	1,805,000	1,805,000
At 30 June	1,805,000	1,805,000

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses	(71,360,865)	(69,734,678)	(8,372,116)	(7,785,155)
Unabsorbed capital allowances	(5,845,869)	(5,818,476)	(62,259)	(54,410)
Taxable temporary differences	155,185	90,899	108,193	33,737
	(77,051,549)	(75,462,255)	(8,326,182)	(7,805,828)
Potential deferred tax assets not recognised @24%	(18,492,372)	(18,110,941)	(1,998,284)	(1,873,399)

Pursuant to Section 11 of the Act 812, special provision relating to Section 43 & 44 of Income Tax Act 1967 in Malaysia, a time limit has been imposed on the unutilised business losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent year of assessment.

Any unutilised business losses brought forward from year of assessment 2019 can be carried forward for another 10 years consecutive years of assessment.

The unused tax losses are available for offset against future taxable profits of the Group and the Company which will expire in the following financial years:

	Group RM	Company RM
Year of assessment		
2029	64,896,233	5,618,489
2030	2,180,313	977,289
2031	1,848,523	1,189,377
2032	2,435,796	586,961
	71,360,865	8,372,116

NOTES TO THE FINANCIAL STATEMENTS

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16. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current:				
Trade				
Trade payables	4,582,036	5,348,432	-	-
Retention sum	446,968	867,524	-	-
Total trade payables	5,029,004	6,215,956	-	-
Non-trade				
Other payables	580,317	385,802	308,457	256,198
Amount owing to holding company	20,000	20,000	-	-
Accruals	3,169,781	1,179,948	424,493	187,400
GST payables	322,437	311,487	-	-
Total other payables	4,092,535	1,897,237	732,950	443,598
Total trade and other payables	9,121,539	8,113,193	732,950	443,598

Trade payables are non-interest bearing and the normal credit terms available to the Group range from 30 to 60 days (2021: 30 to 60 days).

The amounts owing to holding company is unsecured, are interest free and is payable on demand.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 26(b) to the financial statements.

17. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contract customers:				
Construction contracts	20,919,366	26,232,031	-	-
Sales of property	2,060,880	615,000	-	-
	22,980,246	26,847,031	-	-
Revenue from other sources:				
Management fees	-	-	600,000	600,000
	22,980,246	26,847,031	600,000	600,000
Timing of revenue recognition:				
At a point in time	2,060,880	615,000	600,000	600,000
Over time	20,919,366	26,232,031	-	-
	22,980,246	26,847,031	600,000	600,000

NOTES TO THE FINANCIAL STATEMENTS

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17. REVENUE (CONTINUED)

(a) Transaction price allocated to the remaining performance obligations

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

18. OTHER OPERATING INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Gain on disposal of subsidiaries	-	1,677,247	-	1,010,004
Rental income	291,407	7,800	-	-
Other operating income	162,568	124,520	6,145	-
	453,975	1,809,567	6,145	1,010,004

19. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Wages and salaries	1,472,312	1,216,955	942,528	773,589
Defined contributions plans	92,590	76,494	38,637	37,047
	1,564,902	1,293,449	981,165	810,636
Included in employee benefits expenses are:				
Executive directors				
- Fees	144,000	93,667	132,000	93,667
- Other emoluments	165,600	89,700	165,600	89,700
	309,600	183,367	297,600	183,367
Non-executive directors				
- Fees	162,000	168,800	162,000	168,800
- Other emoluments	13,200	16,000	13,200	16,000
	175,200	184,800	175,200	184,800
	484,800	368,167	472,800	368,167

NOTES TO THE FINANCIAL STATEMENTS

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20. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest received from current account	-	7,212	-	843
Short-term deposits	91,834	43,856	91,834	30,804
	<u>91,834</u>	<u>51,068</u>	<u>91,834</u>	<u>31,647</u>

21. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bank overdraft	-	8,250	-	-
Lease liabilities interest	5,154	10,361	3,872	8,590
Bank charges and commissions	2,057	7,172	1,041	1,050
	<u>7,211</u>	<u>25,783</u>	<u>4,913</u>	<u>9,640</u>

22. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
After charging:				
Auditors' remuneration				
- Current year	128,500	134,330	65,000	65,000
- Prior year	(10,240)	2,770	-	-
Depreciation for:				
- Property, plant and equipment	56,040	58,259	13,587	13,586
- Right-of-use assets	109,451	109,451	109,451	109,451
Impairment loss on:				
- Trade and other receivables	36,144	8,021,675	-	-
- Amount owing by subsidiaries	-	-	10,000	-
Loss on disposal of property, plant and equipment	1,511	-	-	-
Property, plant and equipment written off	39	-	-	-
Expense relating to:				
- Short term leases	7,200	14,400	-	-
- Low value assets	5,268	5,268	-	-
Reversal of impairment loss on amount owing by subsidiaries	-	-	(50,000)	(1,869,999)
Gain on disposal of subsidiaries	-	(1,677,247)	-	(1,010,004)
	<u>-</u>	<u>(1,677,247)</u>	<u>(50,000)</u>	<u>(1,869,999)</u>

NOTES TO THE FINANCIAL STATEMENTS

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23. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 30 June 2022 and 30 June 2021 are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax:				
- current financial year	(60,086)	(3,312)	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2021: 24%) of the estimated assessable loss for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/profit before tax from continuing operations	(1,971,857)	(9,020,602)	(728,759)	1,466,218
Loss before tax from discontinued operations	-	(335,009)	-	-
	(1,971,857)	(9,355,611)	(728,759)	1,466,218
Taxation at Malaysian statutory income tax rate of 24% (2021:24%)	473,246	2,245,347	174,902	(351,892)
Adjustments:				
Income not subject to tax	-	-	9,600	691,201
Non-deductible expenses	(151,901)	(1,687,853)	(59,617)	(51,874)
Deferred tax not recognised on tax losses and temporary differences	(572,342)	(589,311)	(124,885)	(287,435)
Utilisation of previously not recognised tax losses and temporary differences	190,911	28,505	-	-
	(60,086)	(3,312)	-	-

NOTES TO THE FINANCIAL STATEMENTS

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24. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2022 RM	2021 RM
Loss attributable to owners of the Company:		
- Continuing operations	(2,366,870)	(8,977,565)
- Discontinuing operation	-	(164,700)
	<u>(2,366,870)</u>	<u>(9,142,265)</u>
Weighted average number of ordinary shares for basic loss per share	<u>550,366,576</u>	<u>461,902,983</u>
Basic loss per ordinary share (sen)		
- Continuing operations	(0.43)	(1.94)
- Discontinuing operation	-	(0.04)
	<u>(0.43)</u>	<u>(1.98)</u>

(b) Diluted loss per ordinary share

Diluted loss per ordinary share are based on the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of the Warrants into ordinary shares, calculated as follows:

	Group	
	2022 RM	2021 RM
Loss attributable to owners of the Company:		
- Continuing operations	(2,366,870)	(8,977,565)
- Discontinuing operation	-	(164,700)
	<u>(2,366,870)</u>	<u>(9,142,265)</u>
Weighted average number of ordinary shares for basic loss per share	<u>550,366,576</u>	<u>461,902,983</u>
Effect of dilution from Warrants	-	17,661,898
Weighted average number of ordinary shares for diluted loss per share	<u>550,366,576</u>	<u>479,564,881</u>
Diluted loss per ordinary share (sen)		
- Continuing operations	(0.43)	(1.87)
- Discontinuing operation	-	(0.03)
	<u>(0.43)</u>	<u>(1.90)</u>

NOTES TO THE FINANCIAL STATEMENTS

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25. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Company's holding company;
- (ii) Entities having significant influence over the Group;
- (iii) Subsidiaries;
- (iv) Entities in which directors have substantial financial interests; and
- (v) Key management personnel of the Group and the Company, comprise of persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Transaction with subsidiary				
Management fee received	-	-	(600,000)	(600,000)
Entities in which certain directors have substantial financial interests				
Construction services revenue	(18,836,438)	(26,232,031)	-	-
Construction costs	6,582,107	8,608,117	-	-
Administration charges	67,556	436,267	-	-
Management fees	20,881	417,226	-	-

Significant outstanding balances with related parties at the end of the reporting year are as disclosed in Note 10 and Note 16 to the financial statements.

(c) Compensation of key management personnel

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short term employee benefits	297,600	169,300	297,600	169,300

NOTES TO THE FINANCIAL STATEMENTS

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26. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned as amortised cost ("AC"):

Group	Carrying amount RM	AC RM
At 30 June 2022		
Financial assets		
Trade and other receivables*	6,433,247	6,433,247
Cash and bank balances	7,150,621	7,150,621
Total financial assets	13,583,868	13,583,868
Financial liability		
Trade and other payables*	8,799,102	8,799,102
Total financial liability	8,799,102	8,799,102
At 30 June 2021		
Financial assets		
Trade and other receivables*	7,736,689	7,736,689
Cash and bank balances	7,542,870	7,542,870
Total financial assets	15,279,559	15,279,559
Financial liabilities		
Trade and other payables*	7,801,706	7,801,706
Total financial liabilities	7,801,706	7,801,706

* Excluded GST refundable and payables.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

26. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

	Carrying amount RM	AC RM
Company		
At 30 June 2022		
Financial assets		
Trade and other receivables*	747,205	747,205
Cash and bank balances	6,120,464	6,120,464
Total financial assets	6,867,669	6,867,669
Financial liability		
Trade and other payables	732,950	732,950
Total financial liability	732,950	732,950
At 30 June 2021		
Financial assets		
Trade and other receivables*	316,206	316,206
Cash and bank balances	6,978,286	6,978,286
Total financial assets	7,294,492	7,294,492
Financial liability		
Trade and other payables	443,598	443,598
Financial liability	443,598	443,598

* Excluded GST refundable and GST payables.

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not use derivative financial instruments, such as foreign exchange contracts to hedge certain expenses. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS

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26. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables and contract assets

As at the end of the reporting year, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

As at the end of the reporting year, the Group is subject to significant concentration risk as 71% (2021: 99%) of its receivables from its construction contracts activities and property development activities are with a related party.

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected losses provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

26. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables (Continued)

The information about the credit risk exposure and impairment losses for trade receivables are as follows:

	Group	
	2022 RM	2021 RM
Neither past due nor impaired	5,626,573	2,688,524
Past due but not impaired		
1 to 30 days past due	-	2,043,191
31 to 60 days past due	11,346	609,378
61 to 90 days past due	686,248	1,422,651
91 to 120 days past due	2,096	700,263
More than 120 days past due	5,254,335	5,419,766
	5,954,025	10,195,249
Impaired individually	(5,254,335)	(5,254,335)
	6,326,263	7,629,438

Other receivables and other financial assets

For other receivables and other financial assets (including other investment and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting year. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

26. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Other receivables and other financial assets (Continued)

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit impaired other receivables, the Group and the Company consider those financial assets to have low credit risk.

Refer to Note 3.13(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's finance department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

26. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	Total RM
Group				
At 30 June 2022				
Financial liabilities				
Lease liabilities	62,590	51,444	12,455	63,899
Trade and other payables*	8,799,102	8,799,102	-	8,799,102
Total financial liabilities	8,861,692	8,850,546	12,455	8,863,001
At 30 June 2021				
Financial liabilities				
Lease liabilities	185,524	129,060	62,928	191,988
Trade and other payables*	7,801,706	7,801,706	-	7,801,706
Total financial assets	7,987,230	7,930,766	62,928	7,993,694
Company				
At 30 June 2022				
Financial liabilities				
Lease liabilities	38,601	38,808	-	38,808
Trade and other payables	732,950	732,950	-	732,950
Total financial liabilities	771,551	771,758	-	771,758
At 30 June 2021				
Financial liabilities				
Lease liabilities	151,153	116,424	38,808	155,232
Trade and other payables	443,598	443,598	-	443,598
Total financial liabilities	594,751	560,022	38,808	598,830

* Excluded GST payables

NOTES TO THE FINANCIAL STATEMENTS

cont'd

26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement

The carrying amounts of other investments, cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There has been no transfer between level during the financial year ended 30 June 2022 and 30 June 2021.

27. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 June 2022 and 30 June 2021.

The Group and the Company monitor capital using debt to equity ratio. The debt to equity ratio is calculated as total debts divided by total equity. The debt to equity ratio at 30 June 2022 and 30 June 2021 are as follows:

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Lease liabilities	6	62,590	185,524	38,601	151,153
Trade and other payables	16	9,121,539	8,113,193	732,950	443,598
Total debts		9,184,129	8,298,717	771,551	594,751
Total equity		43,614,687	45,646,630	18,290,612	19,019,371
Debt to equity ratio		0.21	0.18	0.04	0.03

28. COMMITMENT

The Group lease several of its completed properties which have remaining lease term between one to two years.

The maturity analysis of the Group's lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	Group	
	2022 RM	2021 RM
- Not later than 1 year	26,300	37,200
- One to two years	-	26,300
	26,300	63,500

NOTES TO THE FINANCIAL STATEMENTS

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29. SEGMENTAL INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Executive Director ("ED") for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

<u>Segments</u>	<u>Products and services</u>
Construction and properties development	Property investment holding, property development, construction of houses, building infrastructure and other related contract works.
Others	Investment holding and provision of management and corporate services.

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Group's Executive Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment asset is measured based on all assets of a segment, as included in the internal reports that are reviewed by the Group's Executive Director.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group's Executive Director. Hence, no disclosures are made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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29. SEGMENTAL INFORMATION (CONTINUED)

	Note	Construction and properties development RM	Others RM	Adjustments and eliminations RM	Total RM
2022					
Revenue:					
Revenue from external customer	A	22,980,246	-	-	22,980,246
Inter-segment sales	B	-	600,000	(600,000)	-
Total revenue		22,980,246	600,000	(600,000)	22,980,246
Results:					
<i>Included in the measure of segment profit are:</i>					
Amortisation of intangible assets		-	-	-	-
Depreciation of:					
- Property, plant and equipment		(42,452)	(13,588)	-	(56,040)
- Right-of-use assets		-	(109,451)	-	(109,451)
Employees benefit expenses		(583,737)	(981,165)	-	(1,564,902)
Net impairment loss on financial instruments		(16,144)	(20,000)	-	(36,144)
Interest income		91,834	-	-	91,834
Interest expenses		(5,100)	(2,111)	-	(7,211)
Segment (loss)/profit	C	(1,189,903)	(761,899)	(20,055)	(1,971,857)
Income tax expense		(60,086)	-	-	(60,086)
(Loss)/profit for the financial year		(1,249,989)	(761,899)	(20,055)	(2,031,943)
Other information:					
Segment assets		42,743,006	25,111,417	(13,035,296)	54,819,127
Segment liabilities		66,655,639	88,822,784	(144,273,983)	11,204,440

NOTES TO THE FINANCIAL STATEMENTS

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29. SEGMENTAL INFORMATION (CONTINUED)

2021	Note	Construction and properties development RM	Others RM	Discontinued operations RM	Adjustments and eliminations RM	Total RM
Revenue:						
Revenue from external customers	A	26,847,031	-	2,224,195	(2,224,195)	26,847,031
Inter-segment sales	B	-	600,000	151,748	(751,748)	-
Total revenue		26,847,031	600,000	2,375,943	(2,975,943)	26,847,031
Results:						
<i>Included in the measure of segment profit are:</i>						
Amortisation of intangible assets						
Depreciation of:						
- Property, plant and equipment		(44,673)	(13,586)	(205,156)	(1,415)	(264,830)
- Right-of-use assets		-	(109,451)	-	-	(109,451)
Employees benefit expenses		(482,813)	(810,636)	(538,149)	-	(1,831,598)
Net impairment loss on financial instruments		-	(8,021,675)	-	-	(8,021,675)
Interest income		38,002	13,066	4,767	-	55,835
Interest expenses		(10,000)	(15,783)	(13,587)	-	(39,370)
Segment (loss)/profit	C	(9,318,994)	942,843	(322,941)	(656,519)	(9,355,611)
Income tax expense		(1,872)	(1,440)	-	-	(3,312)
(Loss)/profit for the financial year		(9,320,866)	941,403	(322,941)	(656,519)	(9,358,923)
Other information:						
Segment assets		42,835,952	25,676,552	-	(12,660,130)	55,852,374
Segment liabilities		65,498,597	88,626,020	-	(143,918,873)	10,205,744
Capital expenditure		47,079	72,850	-	-	119,929

NOTES TO THE FINANCIAL STATEMENTS

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29. SEGMENTAL INFORMATION (CONTINUED)

Reconciliation of reportable segment revenue, profit or loss, assets and other material items are as follows:

A. Revenue from external customers

	2022 RM	2021 RM
Discontinued operations	-	(2,224,195)

B. Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

C. Reconciliation of segment (loss)/profit

	2022 RM	2021 RM
Elimination of inter-segment transactions	(20,055)	(656,519)

Information about major customers

For construction and properties development segment, revenue from one customer represented RM18,836,438 (2021: RM26,232,031) for the Group's total revenue.

STATEMENT BY DIRECTORS

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

We, **KOR BENG** and **ARTHUR LAW HIAN TAT**, being two of the directors of S & F Capital Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 45 to 122 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 2022 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:

KOR BENG
Director

ARTHUR LAW HIAN TAT
Director

Kuala Lumpur

Date: 21 October 2022

STATUTORY DECLARATION

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

I, **KOR YANN NING**, being the officer primarily responsible for the financial management of S & F Capital Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on page 45 to 122 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.

KOR YANN NING

MIA membership number: No. 32985

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur Wilayah Persekutuan on 21 October 2022.

Before me,

Tang Sook Wei
License No. W685
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of S & F Capital Berhad (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of S & F Capital Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 45 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT

To the Members of S & F Capital Berhad (Incorporated in Malaysia)
cont'd

Key Audit Matters

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

Group

Revenue recognition for construction activities (Notes 4(a), 17 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures on a sample of major projects included, among others:

- reading the terms and conditions of sample agreements of selected customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

Company

Investment in subsidiaries (Note 4(b), 9 to the financial statements)

The Company has significant balance of investment in subsidiaries. At the end of the financial year, the Company determined whether there is any indication of impairment in investment in subsidiaries.

We focused on this area because the Company's assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in the subsidiaries were determined based the discount rate applied in the recoverable amount calculation and the assumption supporting the underlying cash flow projections which include future sales, gross profit margin and operating expenses.

Our response:

Our audit procedures which included, among others:

- comparing the Company's assumptions to our understanding obtained during our audit in relation to key assumptions to assess their reasonableness; and
- testing the mathematical accuracy of the impairment assessment.

INDEPENDENT AUDITORS' REPORT

To the Members of S & F Capital Berhad (Incorporated in Malaysia)
cont'd

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the 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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT

To the Members of S & F Capital Berhad (Incorporated in Malaysia)
cont'd

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of S & F Capital Berhad (Incorporated in Malaysia)
cont'd

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 contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ong Teng Yan
No. 03076/07/2023 J
Chartered Accountant

Kuala Lumpur

Date: 21 October 2022

ANALYSIS OF SHAREHOLDINGS

As at 3 October 2022

Total number of issued shares	550,366,576
Class of shares	Ordinary shares
Voting rights	Every member present or by proxy shall have one vote on a show of hands and in the case of a poll, one vote for every ordinary share held.

Distribution of Shareholdings

Size of shareholdings	No. of shareholders	% of total shareholders	No. of shares held	% of issued and fully paid-up share capital
Less than 100	3,761	39.19	314,525	0.06
100 to 1,000	3,791	39.50	1,269,291	0.23
1,001 to 10,000	902	9.40	4,185,305	0.76
10,001 to 100,000	830	8.65	34,031,756	6.18
100,001 to less than 5% of issued and fully paid-up share capital	311	3.24	195,551,934	35.53
5% and more of issued and fully paid-up share capital	2	0.02	315,013,765	57.24
	9,597	100.00	550,366,576	100.00

Substantial Shareholders (based on the Register of Substantial Shareholders)

Name of substantial shareholder	Direct		Indirect	
	No. of ordinary shares	% of issued and fully paid-up share capital	No. of ordinary shares	% of issued and fully paid-up share capital
Rengit Capital Sdn. Bhd.	315,013,765	57.24	-	-
Kor Beng	-	-	315,013,765 [#]	57.24

[#] Deemed interested by virtue of his interest in Rengit Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

As at 3 October 2022
cont'd

Directors' Shareholdings (based on the Register of Directors' Shareholdings)

Name of director	Direct		Indirect	
	No. of ordinary shares	% of issued and fully paid-up share capital	No. of ordinary shares	% of issued and fully paid-up share capital
Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin	-	-	-	-
Kor Beng	-	-	315,013,765 [#]	57.24
Kor Yann Kae	-	-	-	-
Kor Yann Shiun	-	-	-	-
Tan Tai Ming	-	-	-	-
Arthur Law Hian Tat	-	-	-	-

[#] Deemed interested by virtue of his interest in Rengit Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Thirty Largest Shareholders (based on the Record of Depositors)

Name of shareholder	No. of ordinary shares	% of issued and fully paid-up share capital
1. Rengit Capital Sdn. Bhd.	205,847,100	37.40
2. Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – AmBank (M) Berhad for Rengit Capital Sdn. Bhd.	109,166,665	19.84
3. Leong Wei Kong	17,800,310	3.23
4. Iktibar Gemilang Sdn. Bhd.	16,000,000	2.91
5. Pembinaan Bumi Bidura Sdn. Bhd.	15,993,500	2.91
6. Lim Chun Hsiung	6,844,700	1.24
7. Ong Ah Choon @ Ong Kai Choon	3,263,200	0.59
8. Chew Kah Yong	3,055,000	0.56
9. Poh Pek Boon	3,052,600	0.55
10. Too Chin Kiong	2,660,000	0.48
11. Lai Thiam Poh	2,555,600	0.46
12. Wong Chee Kuan	2,000,000	0.36
13. Teh Poh Siang	1,789,900	0.33
14. Low Lay Ping	1,779,000	0.32
15. Lee Tze Hon	1,700,000	0.31
16. Liu Nyak Zoo	1,700,000	0.31
17. Ong Yean Har	1,700,000	0.31
18. Tan Eng Leong	1,678,900	0.31
19. SSG Coating Sdn. Bhd.	1,600,000	0.29

ANALYSIS OF SHAREHOLDINGS

As at 3 October 2022

cont'd

Thirty Largest Shareholders (based on the Record of Depositors) (continued)

Name of shareholder	No. of ordinary shares	% of issued and fully paid-up share capital
20. Pek Beng Huat	1,597,250	0.29
21. Goh Li Peng	1,516,200	0.28
22. Chen Yu Lan	1,500,000	0.27
23. Tye Sok Cin	1,500,000	0.27
24. Yoon Kim Yoke	1,457,000	0.26
25. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Too Beng Kiong (MY2783)	1,450,000	0.26
26. Ki Seok Nhee	1,400,000	0.25
27. Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek See Kui	1,395,600	0.25
28. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kwong Ming Kwei (08KW032ZQ-008)	1,300,000	0.24
29. Lim Siew Eng	1,268,800	0.23
30. Leow Ho Keng	1,222,100	0.22

ANALYSIS OF WARRANTS HOLDINGS

As at 3 October 2022

Type of Securities	Warrants 2020/2025
No. of warrants issued	220,146,573
Issue date of warrants	24 December 2020
Maturity date of warrants	23 December 2025
Voting rights	The warrants do not entitle the registered holders thereof to any voting rights in any general meeting of the Company until and unless such holders of warrants exercise their warrants for new S&F Cap shares.

Distribution of Warrants Holdings

Size of warrants holdings	No. of warrants holders	% of total warrants holders	No. of warrants held	% of warrants held
Less than 100	54	7.45	2,642	0.00
100 to 1,000	132	18.21	47,145	0.02
1,001 to 10,000	157	21.66	711,625	0.32
10,001 to 100,000	228	31.45	9,836,834	4.47
100,001 to less than 5% of warrants	152	20.96	80,700,780	36.66
5% and more of warrants	2	0.27	128,847,547	58.53
	725	100.00	220,146,573	100.00

Directors' Warrants Holdings (based on the Record of Depositors' Warrants Holdings)

Name of director	Direct		Indirect	
	No. of warrants	% of warrants held	No. of warrants	% of warrants held
Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin	-	-	-	-
Kor Beng	-	-	128,847,547 [#]	58.53
Kor Yann Kae	-	-	-	-
Kor Yann Shiun	-	-	-	-
Tan Tai Ming	-	-	-	-
Arthur Law Hian Tat	-	-	-	-

[#] Deemed interested by virtue of his interest in Rengit Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF WARRANTS HOLDINGS

As at 3 October 2022

cont'd

Thirty Largest Warrants Holders (based on the Record of Depositors)

	Name of warrants holder	No. of warrants	% of warrants
1.	Rengit Capital Sdn. Bhd.	85,180,882	38.69
2.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – AmBank (M) Berhad for Rengit Capital Sdn. Bhd.	43,666,665	19.84
3.	Ong Poh Gaik	3,974,900	1.81
4.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek See Kui	3,606,840	1.64
5.	Colin Soh Cheng Hoe	2,950,000	1.34
6.	Lim Chun Hsiung	2,832,360	1.29
7.	Elvin Siew Chun Wai	2,000,000	0.91
8.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ooi Seen Leong (MP0492)	1,588,100	0.72
9.	Tee Lin Say	1,550,000	0.70
10.	Ravi A/L Doraisamy	1,504,900	0.68
11.	Jee Yeow Woo	1,475,900	0.67
12.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Foong Ai Lin	1,440,000	0.65
13.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Thung Kee (6000674)	1,415,040	0.64
14.	Tang Mun Phun	1,380,100	0.63
15.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Too Beng Kiong (MY2783)	1,380,000	0.63
16.	Rebekah Alexandra A/P D Joseph	1,378,800	0.63
17.	Ravi A/L Doraisamy	1,313,800	0.60
18.	Boon Kim Yu	1,297,400	0.59
19.	Subashiny A/P Prabakaran	1,220,000	0.55
20.	Quek Ji Tau	1,200,000	0.55
21.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Colin Soh Cheng Hoe	1,110,000	0.50
22.	Chew Kah Yong	1,100,000	0.50
23.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Phang Chung Ming	1,000,000	0.45
24.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Hai Pong @ Chen Hai Peng	1,000,000	0.45
25.	Wong Wei Choy	1,000,000	0.45
26.	Soh Mae-Yi	980,000	0.45
27.	David Raj A/L D. Joseph	950,000	0.43
28.	Kenanga Nominees (Tempatan) Sdn. Bhd. Gan Boon Guat (EM1-P88)	900,100	0.41
29.	Goh Gaik Boay	894,600	0.41
30.	Kenanga Nominees (Asing) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Paul Ian Brown-Kenyon	750,000	0.34

LIST OF PROPERTIES

As at 30 June 2022

Location	Tenure	Area (hectares)	Description and existing use	Carrying amounts as at 30 June 2022 RM'000	Effective date of acquisition	
PT259540 to PT259584, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan	99 years lease expiring 17 November 2113	3.695	Vacant development land for shophouses	13,272		
PT226257 to PT226284 and PT226288 to PT226311, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan	99 years lease expiring 23 December 2107		Vacant development land for shop offices			18 September 2012
PT261194, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan	99 years lease expiring 25 March 2114	0.070	Vacant development land for commercial building			4 September 2019
PT279019 to PT279036, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan	99 years lease expiring 20 January 2121	0.284	Vacant development land approved for residential housing			5 June 2020
Lot 219419 to Lot 219460, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan	99 years lease expiring 16 April 2094	0.762	Development land for shops (Tenanted)			

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting (“20th AGM”) of **S & F Capital Berhad** (“**S&F Cap**” or the “**Company**”) will be held at Room 3, 18th Floor, Tower 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Monday, 28 November 2022 at 10:00 a.m. for the following purposes:

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Directors’ and the Auditors’ Reports thereon. *Please refer to Explanatory Note 1*
2. To approve the payment of Directors’ fees and benefits of up to RM480,000.00 for the period from 1 July 2022 to the next Annual General Meeting of the Company. *Ordinary Resolution 1*
3. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Constitution of the Company and being eligible offered themselves for re-election:-
 - (i) Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin *Ordinary Resolution 2*
 - (ii) Kor Yann Shiun *Ordinary Resolution 3*
 - (iii) Tan Tai Ming *Ordinary Resolution 4*
4. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration. *Ordinary Resolution 5*

As Special Business

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

5. **Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”)** *Ordinary Resolution 6*

“THAT pursuant to Sections 75 and 76 of the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

NOTICE OF ANNUAL GENERAL MEETING

cont'd

THAT such approval on the Proposed General Mandate shall continue to be in force until:-

- a. the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT pursuant to Section 85 of the Act, read together with the Clause 12(3) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of New Shares pursuant to the Proposed General Mandate.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

6. **Proposed Renewal of existing Shareholders’ Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature (“Proposed Renewal of Shareholders’ Mandate”)** *Ordinary Resolution 7*

“THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transaction of a revenue or trading nature as set out in Section 2.3 of the Circular to Shareholders dated 28 October 2022, provided that such recurrent related party transaction are necessary for the day-to-day operations and are carried out in the ordinary course of business at arms-length basis and on terms and transactions prices which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

AND THAT such approval shall continue to be in force until:

- i. the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which this shareholders' mandate was passed, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- ii. the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed under Section 340(4) of the Act); or
- iii. revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents and to assent to any conditions, variations and/or amendments) in the best interest of the Company to give effect to the aforesaid shareholders' mandate."

7. To transact any other business for which due notice is given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

CHONG LAY KIM (SSM PC NO. 202008001920) (LS 0008373)
YENG SHI MEI (SSM PC NO. 202008001282) (MAICSA 7059759)
Company Secretaries

Kuala Lumpur
28 October 2022

Notes on the appointment of Proxy

1. *For the purpose of determining who shall be entitled to attend the forthcoming 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 21 November 2022. Only a member whose name appears on this Record of Depositors shall be entitled to attend the forthcoming 20th AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.*
2. *A member who is entitled to attend, participate, speak and vote at the forthcoming 20th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend, participate, speak and vote at the forthcoming 20th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 20th AGM.*

NOTICE OF ANNUAL GENERAL MEETING

cont'd

4. *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.*
 5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
 6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
 7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
 8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote:*
 - (i) *In hard copy form*
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's place of business at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - (ii) *By electronic means via email*
In the case of an appointment made via email transmission, the proxy form must be received via email at enquiry@snfcapital.com.my.
- The Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's place of business at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
 10. *Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.*
 11. *Last date and time for lodging the form of proxy is **Saturday, 26 November 2022 at 10:00 a.m.***
 12. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*
 - a. *Identity card (NRIC) (Malaysian), or*
 - b. *Police report (for loss of NRIC)/Temporary NRIC (Malaysian), or*
 - c. *Passport (Foreigner).*
 13. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's place of business at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*

NOTICE OF ANNUAL GENERAL MEETING

cont'd

The certificate of appointment of authorised representative should be executed in the following manner:

- i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.*
- ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:*
 - a. at least two (2) authorised officers, of whom one shall be a director; or*
 - b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*

- 14. It is important that you read the Administrative Guide for the conduct of the 20th AGM.*
- 15. Shareholders are advised to check the Company's website at www.snfcapital.com.my, Bursa Malaysia Securities Berhad's website and announcements from time to time for any changes to the administration of the 20th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.*

Explanatory Notes on the Ordinary Business

1. Agenda item 1

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolution 1

The Directors' fees and benefits for the period from 1 July 2022 to the next AGM are calculated based on the current Board size and period in accordance with the Company's policy and guidelines. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

3. Ordinary Resolutions 2, 3 and 4

Re-election of Directors pursuant to Clause 76(3) of the Company's Constitution

Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin, Mr. Kor Yann Shiun and Mr. Tan Tai Ming, who are standing for re-election as Directors and being eligible, have offered themselves for re-election at the 20th AGM.

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

The Board has endorsed the Nomination Committee's recommendation to seek shareholders' approval for the re-election of the retiring Directors.

The details and profiles of Directors seeking re-election are set out in the Board of Directors' Profile section of the Company's Annual Report 2022 from page 3 to 6.

4. Ordinary Resolution 5

The Board has through the Audit Committee, considered the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

Explanatory Notes on the Special Business

1. Ordinary Resolution 6

The proposed ordinary resolution, if passed, will empower the Directors to issue and allot shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of such shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate").

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of the Proposed General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the Nineteenth AGM held on 29 November 2021 and will lapse at the conclusion of the Twentieth AGM to be held on 28 November 2022. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

2. Ordinary Resolution 7

This Resolution, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transaction of a revenue or trading nature in the ordinary course of business at arms-length basis, and on terms and transactions prices which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.

With the shareholders' mandate, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transaction occur would not arise. Besides facilitating a smoother and more efficient conduct of business, this would substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, as well as would place the Group in a better position to leverage and take advantage of business opportunities as and when they may arise, without compromising the corporate objectives of the Group. The shareholders' mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 28 October 2022 for further details.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of individuals who are standing for election as Directors (excluding directors standing for re-election)

As at date of this notice, there are no individuals who are standing for election as Directors at this Twentieth Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting proxy form(s) appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADMINISTRATIVE GUIDE

For the Conduct of the Twentieth Annual General Meeting (“20TH AGM”)

1. Public Health Precautions and Preventive Measures

To safeguard the health and safety of the shareholders, proxies and invited guests, you are required to wear a face mask throughout the proceedings of 20th AGM. If you have symptoms of a respiratory infection, such as COVID-19, and you have a high temperature or do not feel well enough, you are advised to stay at home and avoid to contact with other people.

The shareholders who are unable to participate in the 20th AGM may appoint a proxy or the Chairman of the meeting to attend and vote on your behalf.

The Company will continue to observe the applicable operating procedures, directives, safety and precautionary requirements as prescribed by the Malaysian Government, the Ministry of Health, the Malaysian National Security Council, and other relevant authorities. In the event the 20th AGM is re-scheduled and/or postponed in accordance with the Malaysian Government’s announcements or guidelines as may be made from time to time, all shareholders/proxies including attendees shall be kept informed of any unexpected changes.

2. Eligibility to attend based on the Record of Depositors (“ROD”)

Only a shareholder whose name appears on the ROD as at **21 November 2022** shall be entitled to attend or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.

3. Registration on the day of the 20th AGM

Registration will start at 9:00 a.m. at Room 3, 18th Floor, Tower 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

Original MyKad or passport is required to be presented during registration for verification.

Upon verification of your MyKad or passport and signing of attendance list, you will be given an identification wristband to enter the meeting room and cast your vote during the polling session. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting hall if you are wearing the identification wristband.

You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Please vacate the registration area immediately after registration to prevent congestion. If you have any enquiry, please proceed to the Help Desk counter located near the registration area.

4. Appointment of Proxy

A shareholder who is unable to attend the 20th AGM on 28 November 2022 may appoint proxy and indicate the voting instructions in the proxy form. Please deposit the form of proxy at the Company’s place of business at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The last date and time for lodging the form of proxy is **Saturday, 26 November 2022 at 10:00 a.m.**

ADMINISTRATIVE GUIDE

For the Conduct of the Twentieth Annual General Meeting (“20TH AGM”)
cont’d

5. Communication Guidance

Shareholders are advised to check the Company’s website at www.snfcapital.com.my, Bursa Malaysia Securities Berhad’s website and announcements from time to time for any changes to the administration of the 20th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

6. No e-Voucher, Gift and Food Voucher

There will be no distribution/provision of e-Voucher, gift and food voucher for shareholders and proxies who participate in the meeting.

We would like to thank our shareholders for your kind co-operation and understanding in these challenging times.

7. Enquiry

If you have any enquiries prior to the meeting, you may contact the Share Registrar at:

Bina Management (M) Sdn. Bhd.

Lot 10, The Highway Centre

Jalan 51/205

46050 Petaling Jaya

Selangor Darul Ehsan

Contact Person: Nor Syahirah binti Kamal Ibrahim

Email: syahirah@binamg168.com

Tel : 603-7784 3922

Fax : 603-7784 1988



S & F Capital Berhad

200201000757 (568420-K)
(Incorporated in Malaysia)

Number of Shares Held	
CDS Account No.	

Form of Proxy

I/We _____
(Full name in block, NRIC/Passport/Company No.)

Email and Tel: _____

of _____
being member(s) of **S & F CAPITAL BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting ("20th AGM") of the Company to be held at Room 3, 18th Floor, Tower 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia on **Monday, 28 November 2022** at **10:00 a.m.** or any adjournment thereof, and to vote as indicated below:

Ordinary Resolution	Agenda	For	Against
1	Payment of Directors' fees and benefits of up to RM480,000.00 for the period from 1 July 2022 to the next Annual General Meeting		
2	Re-election of Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin who retires pursuant to Clause 76(3) of the Constitution		
3	Re-election of Mr. Kor Yann Shiun who retires pursuant to Clause 76(3) of the Constitution		
4	Re-election of Mr. Tan Tai Ming who retires pursuant to Clause 76(3) of the Constitution		
5	Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
6	Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of Companies Act 2016		
7	Proposed Renewal of existing Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature		

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

Signed this _____ day of _____ 2022

Signature/Common Seal of Member*

* Manner of execution:

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

Fold this flap for sealing

Notes:

1. For the purpose of determining who shall be entitled to attend the forthcoming 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 21 November 2022. Only a member whose name appears on this Record of Depositors shall be entitled to attend the forthcoming 20th AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member who is entitled to attend, participate, speak and vote at the forthcoming 20th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend, participate, speak and vote at the forthcoming 20th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 20th AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's place of business at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - (ii) By electronic means via email
In the case of an appointment made via email transmission, the proxy form must be received via email at enquiry@snfcapital.com.my.
The Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's place of business at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

Then fold here

Affix
Stamp

S & F Capital Berhad
(Registration No. 200201000757 (568420-K))

Lot 1307, Level 13
Tower 2, Faber Towers
Jalan Desa Bahagia
Taman Desa
58100 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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10. Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is **Saturday, 26 November 2022 at 10:00 a.m.**
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC)/Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's place of business at Lot 1307, Level 13, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.
The certificate of appointment of authorised representative should be executed in the following manner:
 - i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - a. at least two (2) authorised officers, of whom one shall be a director; or
 - b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. It is important that you read the Administrative Guide for the conduct of the 20th AGM.
15. Shareholders are advised to check the Company's website at www.snfcapital.com.my, Bursa Malaysia Securities Berhad's website and announcements from time to time for any changes to the administration of the 20th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 20th AGM dated 28 October 2022.



www.snfcapital.com.my

S & F CAPITAL BERHAD

(Registration No.: 200201000757 (568420-K))

Lot 1307, Level 13, Tower 2
Faber Towers, Jalan Desa Bahagia
Taman Desa, 58100 Kuala Lumpur
Tel : 603-7982 3366
Fax : 603-7981 2767