

MAJUPERAK HOLDINGS BERHAD

[200201017726 (585389-X)]

**ANNUAL
REPORT**
2021

2021 ANNUAL REPORT CONTENTS



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200201017726 (585389-X)

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth (19th) Annual General Meeting (“AGM”) of Majuperak Holdings Berhad (“MHB” or “the Company”) will be held at Casuarina Convention Centre 3, Casuarina@Meru, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan on Tuesday, 28 June 2022 at 10.00 a.m. for the following purposes of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021, together with Directors’ Reports and Auditors’ Report thereon. **(Please refer to Note 2)**
2. To approve the payment of Directors’ Fees of RM398,418 for the financial year ended 31 December 2021. **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ Benefits (excluding Directors’ Fee) to Directors up to an amount of RM450,000 from 19th AGM until the next AGM of the Company. **(Ordinary Resolution 2)**
4. To re-elect the following Directors retiring by rotation pursuant to Clause 15.2 of the Company’s Constitution:
 - 4.1 Encik Ahmad Najmi Bin Kamaruzaman **(Ordinary Resolution 3)**
 - 4.2 Mr Lim Tian Huat **(Ordinary Resolution 4)**
 - 4.3 Dato’ Tun Hisan Bin Dato’ Tun Hamzah **(Ordinary Resolution 5)**
5. To re-appoint Messrs Al Jafree Salihin Kuzaimi PLT as Auditors of the Company for the financial year ending 31 December 2022 to hold office until the next AGM and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS, to consider and, if thought fit, with or without any modification, to pass the following Resolutions:

6. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES** **(Ordinary Resolution 7)**

“THAT, subject to the Companies Act, 2016 and the Company’s Constitution and approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”), Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 76 of the Companies Act, 2016, to issue and allot shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being (“Proposed 20% General Mandate”) and that such approval on Proposed 20% General Mandate shall continue be in force until 31 December 2022 or a later date which may allow by the relevant authorities whichever is later;

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

THAT with effect from 1 January 2023 or a later date which may allow by the relevant authorities whichever is later, the general mandate shall be reinstated from 20% General Mandate to 10% General Mandate provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of the issued shares of the Company (excluding treasury shares) of the Company for the time being (“Proposed General Mandate”);

THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities and such authority shall continue to be in force until the conclusion of the Annual General Meeting of the Company held next after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier;

THAT the Directors are exempted from the obligation to offer such New Shares first to existing shareholders pursuant to Section 85 of the Companies Act, 2016 in respect of the issuances of the New Shares pursuant to this Proposed General Mandate; and

THAT the New Shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such New Shares.”

7. **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)** (Ordinary Resolution 8)

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiaries and/or joint ventures (“Group”) be and is/are hereby authorised to enter into any of the transactions falling within the types of existing Recurrent Related Party Transactions of a Revenue or Trading Nature of the Group from time to time with related parties who may be a Director, a major shareholder of the Group or a person connected with such a Director and major shareholder, as specified in Section 2.1 of the Company’s Circular dated 29 April 2022 which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms’ length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company’s opinion, detrimental to minority shareholders of the Company.



NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

THAT the mandate given by the shareholders of the Company shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

8. To transact any other businesses of which due notice shall have been given in accordance with the Companies Act, 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the Record of Depositors as at 20 June 2022 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

By Order of the Board

CHAN EOI LENG
(SSM PC No. 202008003055)
(MAICSA 7030866)
Chartered Secretary

Ipoh, Perak Darul Ridzuan, Malaysia
29 April 2022

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

NOTES:

1) PROXY

- 1.1 A member of the Company may appoint more than one (1) proxy who need not be a member of the Company to attend, speak and vote at the same meeting. The appointed proxy/proxies must be at least 18 years and above and may but need not be member/members of the Company.
- 1.2 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 1.3 Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- 1.4 The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.
- 1.5 The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the Meeting, either by hand, post, courier, electronic mail to (bsr.helpdesk@boardroomlimited.com) or fax (603)78904670, otherwise the instrument of proxy should not be treated as valid.
- 1.6 For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original card of that other person.
- 1.7 Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"), all resolutions set out in the Notice of Nineteenth Annual General Meeting will be put to vote on a poll.
- 1.8 The registration for the above Meeting will commence on Tuesday, 28 June 2022 at 8.45 a.m.

2) AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Agenda 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 only requires the Audited Financial Statements to be laid before the Company at the Annual General Meeting and does not require shareholders' approval. Hence, Agenda 1 will not be put forward for voting.



3) DIRECTORS' FEES AND BENEFITS

Section 230(1) of the Companies Act, 2016 provides amongst others, that “fee” of the directors and “any benefits” payable to directors of a listed company shall be approved at a general meeting. Pursuant thereto, shareholders’ approval is sought for these payments in two separate resolutions.

Based on the Remuneration Committee’s recommendation, the Board decided that the Directors’ fee and Benefits shall remain unchanged taking into consideration of the current financial status of the Group. The proposed remuneration structure is set out below:

Payment of Directors’ Fee to Directors

The Directors’ Fee includes fee payable to the Chairman and members of the Board.

Payment of Directors’ Benefit (excluding Directors’ Fee) to Directors from 19th AGM until the next AGM in year 2023.

	Directors’ Fees (RM)	Meeting Allowances
Chairman	55,000/- per annum	1) Board & AGM – RM1,500 (Chairman: RM2,000) 2) Audit Committee – RM1,200 (Chairman: RM1,500)
Other Board Members	48,000/- per annum	3) Remuneration Committee – RM1,000 (Chairman: RM1,200) 4) Nomination Committee – RM1,000 (Chairman: RM1,200) 5) Risk Management Committee – RM1,000 (Chairman: RM1,200) 6) Any other Committees (Board or Management) – RM1,000 (Chairman: RM1,200)

The Directors’ Benefits (excluding Directors’ Fee) comprise the allowance payable to the Chairman and members of the Board and are calculated based on the current composition of the Board and Board Committees, the number of meetings scheduled for the Board and Board Committees and also the anticipation of additional meetings.

4) RE-ELECTION OF DIRECTORS

Encik Ahmad Najmi Bin Kamaruzaman, Mr Lim Tian Huat and Dato’ Tun Hisan Bin Dato’ Tun Hamzah are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at this AGM.

The Board has via the Nomination Committee had conducted an assessment on their effectiveness and contributions of the said retiring Directors including their skills, experience and strength in qualities and time commitment, has recommended for them to be re-elected to the Board. The profile of the retiring Directors is set out in the Profile of Directors of the Annual Report 2021.

5) RE-APPOINTMENT OF EXTERNAL AUDITOR (“EA”)

The Audit Committee (“AC”) had on 25 April 2022 deliberated the outcome of the annual assessment of the EA, which included an assessment of the engagement teams’ qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services, as well as to perform the work within MHB Group’s timeline by completing an assessment questionnaire. The AC in its assessment found Messrs Al Jafree Salihin Kuzaimi PLT to be sufficiently objective and independent and was satisfied with the suitability based on the quality of audit, performance, resources in terms of their audit team provided to the Group.

The Board therefore approved the AC’s recommendation that the re-appointment of Messrs Al Jafree Salihin Kuzaimi PLT as External Auditors of the Company for the financial year ending 31 December 2022 be put forward for shareholders’ approval at the AGM.

6) PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES

The Proposed Ordinary Resolution 7, if passed will empower the Directors of the Company, with the authority to issue and allot shares in the Company up to an amount not exceeding 20% of the total number of issued shares (excluding treasury shares) of the Company until 31 December 2022 or a later date as may be allowed by the relevant authorities. With effect from 1 January 2023 or a later date as may be allowed by the relevant authorities, the Proposed 20% General Mandate will be reinstated to a 10% limit (“Proposed General Mandate”) according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The said authority shall continue in force until the conclusion of the next AGM of the Company or expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

At the Annual General Meeting held on 29 June 2021, the Directors of the Company has been granted a general mandate by the members of the Company to issue and allot shares in the Company up to and not exceeding 20% of the total number of issued shares of the Company (“20% General Mandate). Up to the date of Notice, the Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

The Board of Directors of the Company, having considered the unprecedented uncertainty during this challenging time caused by Covid-19 pandemic and future financial needs of the Group is of the opinion that this 20% General Mandate is in the best interest of the Company and its shareholders. This General Mandate if passed will also provide flexibility to the Company for any possible fund-raising activities quickly and efficiently, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares. In addition, any delay arising from and cost involved in convening a General Meeting to approve such issuance of shares should be eliminated.



7) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

The proposed Ordinary Resolution 8, if passed, will allow the Group to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") under the Proposed Shareholders' Mandate pursuant to the provisions of the MMLR of Bursa Securities and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This will reduce substantially the expenses associated with the convening of general meetings on ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining the Group's corporate objectives and business opportunities.

The Proposed Shareholders' Mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 29 April 2022 which is available on the Company's website at <https://www.majuperak.com.my> for further information.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Redza Rafiq Bin Abdul Razak

Nizran Bin Noordin

Lim Tian Huat

Ahmad Najmi Bin Kamaruzaman

Dato' Tun Hisan Bin Dato' Tun Hamzah

Datuk Abu Bakar Bin Hassan

Dato' Mohd Azmi Bin Othman

Dato' Aminuddin Bin Md Hanafiah

Norazali Bin Nordin

Executive Chairman

Executive Director cum Group Chief Executive Officer

Senior Independent Non-Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

Non-Independent Non-Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

AUDIT COMMITTEE

Lim Tian Huat

Chairman,

Senior Independent Non-Executive Director

Ahmad Najmi Bin Kamaruzaman

Independent Non-Executive Director

Dato' Tun Hisan Bin Dato' Tun Hamzah

Independent Non-Executive Director

Datuk Abu Bakar Bin Hassan

Independent Non-Executive Director

Dato' Mohd Azmi Bin Othman

Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Ahmad Najmi Bin Kamaruzaman

Chairman,

Independent Non-Executive Director

Datuk Abu Bakar Bin Hassan

Independent Non-Executive Director

Norazali Bin Nordin

Independent Non-Executive Director

REMUNERATION COMMITTEE

Datuk Abu Bakar Bin Hassan

Chairman,

Independent Non-Executive Director

Lim Tian Huat

Senior Independent Non-Executive Director

Dato' Tun Hisan Bin Dato' Tun Hamzah

Independent Non-Executive Director



RISK MANAGEMENT COMMITTEE

Dato' Tun Hisan Bin Dato' Tun Hamzah

Chairman

Independent Non-Executive Director

Ahmad Najmi Bin Kamaruzaman

Independent Non-Executive Director

Nizran Bin Noordin

Executive Director cum Group CEO

ESOS COMMITTEE

Nizran Bin Noordin

Chairman

Executive Director cum

Group Chief Executive Officer

Ahmad Al-Hadi Bin Abdul Khalid

Group Chief Financial Officer

Jamaliah Binti Mustapha

General Manager,

Human Resources & Administration

COMMITTEE TO REVIEW PRESS OR PUBLIC ANNOUNCEMENT

Nizran Bin Noordin

Executive Director cum

Group Chief Executive Officer

Ahmad Al-Hadi Bin Abdul Khalid

Group Chief Financial Officer

MANAGEMENT TEAM

Datuk Redza Rafiq Bin Abdul Razak

Executive Chairman

Nizran Bin Noordin

Executive Director cum Group Chief Executive Officer

Nooryusazli Bin Yusoff

Chief Strategy Officer

Ahmad Al-Hadi Bin Abdul Khalid

Group Chief Financial Officer

Kamarul Bahrin Bin Baharudin

General Manager, Strategic Business

Pua Kian Sien

General Manager, Government Liaison

Jamaliah Binti Mustapha

General Manager, Human Resources & Administration

Md Shaizatul Azam Bin Che Soda

General Manager, Corporate Services

Helmy Iskandar Bin Nofan

General Manager, Property Development & Infrastructure



REGISTERED OFFICE

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan
Tel: (+605) 5474 833
Fax: (+605) 5474 363

PRINCIPAL PLACE OF BUSINESS

Aras 1, Bazar Ipoh
(formerly known as Kompleks Silveritage)
Jalan Sultan Nazrin Shah
31350 Ipoh
Perak Darul Ridzuan
Tel: (+605) 2262 888
Fax: (+605) 2262 889
Email: info@majuperak.com.my
Website: www.majuperak.com.my

COMPANY SECRETARY

Chan Eoi Leng
(SSM PC No. 202008003055)
(MAICSA 7030866)

AUDITORS

Al Jafree Salihin Kuzaimi PLT (SALIHIN) (AF 1522)
Chartered Accountants
555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves, Selangor Darul Ehsan

PRINCIPAL BANKERS

RHB Bank Berhad
Malayan Banking Berhad
Bank Islam Malaysia Berhad
Affin Bank Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: (+603) 7890 4700 (Helpdesk)
Fax: (+603) 7890 4670
Website: www.boardroomlimited.com
Email: BSR.Helpdesk@boardroomlimited.com

SOLICITORS

Messrs. Awi & Co.
Messrs. Hasanuddin Shafarin & Ghazali
(fka. Messrs. Hasanuddin Yusoff)
Messrs. Tiffany Lee, Tan & Fatin
Messrs. Ami Rozaidi, Edynoor & Mu'az

STOCK EXCHANGE LISTING

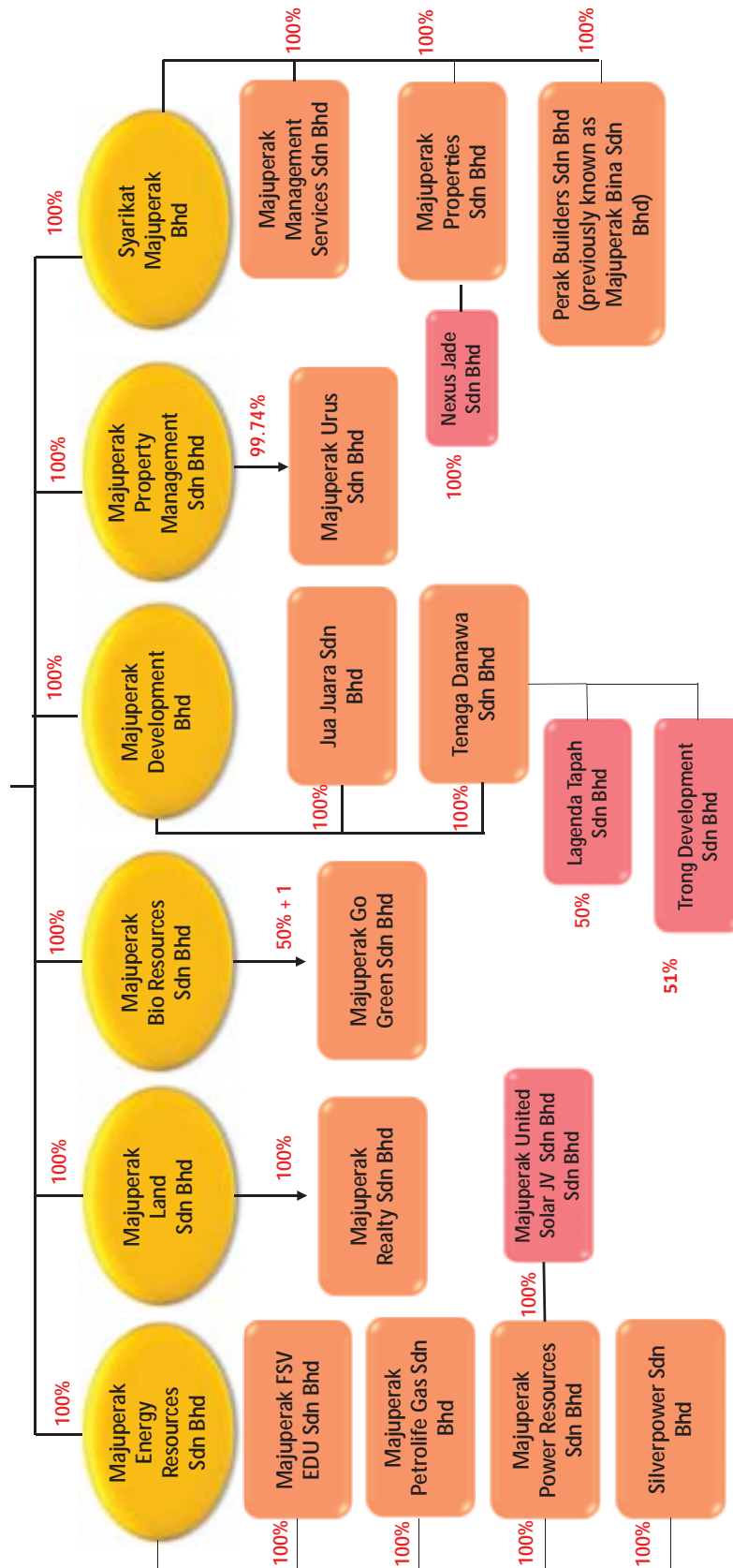
Main Board of Bursa Malaysia Securities Berhad
Stock Code: 8141
Stock Short Name: MJPERAK



CORPORATE STRUCTURE



MAJUPERAK HOLDINGS BERHAD



BOARD OF DIRECTORS

DATUK REDZA RAFIQ BIN ABDUL RAZAK EXECUTIVE CHAIRMAN

Male, Malaysian, aged 53

Date of Appointment

- 24 February 2021 as Non-Independent Non-Executive Director
- 3 March 2021 redesignated as Executive Chairman

Length of Services as Director (as at 29 April 2022)

- 1 year 2 months

Length of Services as Executive Chairman (as at 29 April 2022)

- 1 year 1 month

Date of Last Re-appointment

29 June 2021

Academic/ Professional Qualification(s)

- Honorary Doctorate (Economics), Universiti Malaysia Perlis
- BSc.(Hons.) Economics & Business, University of Hull

Present Directorship(s)

- Executive Chairman, Majuperak Holdings Berhad (listed in Bursa Malaysia)
- Non Independent Non-Executive Director, Perak Corporation Berhad (listed in Bursa Malaysia)

Present Appointment(s)

- Chief Executive, Perbadanan Kemajuan Negeri Perak

Past Directorship(s) and/or Appointment(s)

- Chief Executive Officer - Sime Darby Property, Malaysian Vision Valley 2.0
- Director - Investment - Sime Darby Property
- Chief Executive - Northern Corridor Implementation Authority
- Managing Director - Cyberview Sdn. Bhd.
- Chief Executive Officer - Cyberview Sdn. Bhd.
- Chief Operations Officer - Cyberview Sdn. Bhd.

Family Relationship/Conflict of Interest

He does not have any family relationship with other Directors and/or major shareholders of the Company or any personal interest, in any business arrangement involving the Company.

Securities holdings in the Company

Nil

Conviction of offences

He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 11 of 11



BOARD OF DIRECTORS (CONTINUED)

NIZRAN BIN NOORDIN

EXECUTIVE DIRECTOR CUM GROUP CHIEF EXECUTIVE OFFICER

Male, Malaysian aged, 44

Date of Appointment

- 10 June 2020 as Executive Director
- 1 November 2019 as Group Chief Executive Officer (Group CEO)

Length of Services as Executive Director (as at 29 April 2022)

- 1 year 10 months

Length of Services as Group Chief Executive Officer (as at 29 April 2022)

- 2 years 6 months

Date of Last Re-appointment

- 22 September 2020

Academic/ Professional Qualification(s)

- Bachelor of Arts with Honours (Major: Accounting and Finance), Lancaster University, United Kingdom

Present Directorship

- Majuperak Holdings Berhad (listed in Bursa Malaysia)

Present Appointment(s)

- Group Chief Executive Officer Majuperak Holdings Berhad

Past Directorship(s) and/or Appointment (s)

- Private Secretary to the Chief Minister of Perak – State Government of Perak Darul Ridzuan
- Executive Director – Epiweb Sdn Bhd
- Assistant Manager Corporate Finance – AmInvestment Bank Berhad
- Internal Audit Executive – Park May Berhad (assigned to Crest Petroleum Berhad)

Family Relationship

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any personal interest, in any business arrangement involving the Company.



Securities holdings in the Company

- 400,000 ordinary shares

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 12 of 12

LIM TIAN HUAT

SENIOR INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 67

Date of Appointment

- 11 August 2020

Length of Services (as at 29 April 2022)

- 1 year 8 months

Date of Last Re-appointment

- 22 September 2020

Academic/ Professional Qualification(s)

- BA in Economic (Hons.); Manchester Metropolitan University, United Kingdom.
- Member & Founding President, Insolvency Practitioners' Association of Malaysia ("IPAM")
- Member, Malaysian Institute of Accountants ("MIA")
- Member, Malaysian Institute of Certified Public Accountants ("MICPA")
- Fellow, Association of Chartered Certified Accountants ("ACCA")

Present Directorship(s)

- Majuperak Holdings Berhad (listed in Bursa Malaysia)
- Malaysia Building Society Berhad (listed in Bursa Malaysia)
- Anglo-Eastern Plantations Plc (listed in London stock exchange)
- DUET Acquisition Corp (listed in Nasdaq)
- PLUS Malaysia Berhad
- Pacific & Orient Insurance Co. Berhad
- Andersen Corporate Restructuring Sdn. Bhd.

Present Appointment(s)

- Managing Partner, Lim Tian Huat & Co
- Managing Partner, Rodgers Reidy & Co
- Managing Director, Andersen Group of Companies

Past Directorship(s) and/or Appointment(s)

- Partner, Ernst & Young Malaysia
- Partner, Arthur Andersen Malaysia
- Commissioner, United Nations Compensation Commission
- Director, Perbadanan Insurans Deposit Malaysia (PIDM)
- Director, UEM Sunrise Berhad
- Director, Bank of Yingkou, China

Family Relationship

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any personal interest, in any business arrangement involving the Company.

Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 12/12



BOARD OF DIRECTORS (CONTINUED)

AHMAD NAJMI BIN KAMARUZAMAN INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 40

Date of Appointment

- 10 August 2018

Length of Services (as at 29 April 2022)

- 3 years 8 months

Date of Last Re-appointment

- 22 September 2020

Academic/ Professional Qualification(s)

- Masters of Business Administration (AMBA Accredited) ; University of Portsmouth
- Bachelor of Business Administration (Second Class Upper) ; International Islamic University of Malaysia

Present Directorship(s)

- Majuperak Holdings Berhad (listed in Bursa Malaysia)
- Managing Director, Green Pluslink Sdn Bhd

Past Directorship(s) and/or Appointment(s)

- Chief Executive Officer, Integrated Container Terminal
- Executive (Credit Monitoring Department), Export-Import Bank of Malaysia Berhad (Exim Bank)
- Executive (Corporate Communications Department), Export-Import Bank of Malaysia Berhad (Exim Bank)
- Document Analyst (PLB Trade Department), Scope International (Standard Chartered)

Family Relationship

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any personal interest, in any business arrangement involving the Company.



Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 12 of 12

DATO' TUN HISAN BIN DATO' TUN HAMZAH DPMS, DIMP, DSPN, PSPP, PJP, AMN. INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 63

Date of Appointment

- 11 August 2020

Length of Services (as at 29 April 2022)

- 1 year 8 months

Date of Last Re-appointment

- 22 September 2020

Academic/ Professional Qualification(s)

- Master Degree in Social Sciences; University Kebangsaan Malaysia (UKM), Malaysia

Present Directorship(s)

- Majuperak Holdings Berhad (listed in Bursa Malaysia)

Present Appointment(s)

- Director, TUN Security Services Sdn. Bhd.

Past Directorship(s) and/or Appointment(s)

- Chief Police Officer of Selangor, Royal Malaysia Police
- Executive Chairman, TUN Security Services Sdn. Bhd.
- Director of Tun Poultry Farm Sdn. Bhd.
- Director of SMobile(M). Sdn Bhd.
- Director of Westrank Equity Sdn. Bhd.
- Chairman of Convep Mobilogy Sdn. Bhd.
- Director of Totalrenewables Sdn Bhd.

Family Relationship

- He does not have any family relationship with other Directors and/or major shareholders
- of the Company or any personal interest, in any business arrangement involving the Company.

Securities holdings in the Company

- Nil



Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 12 of 12

BOARD OF DIRECTORS (CONTINUED)

DATUK ABU BAKAR BIN HASSAN INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 67

Date of Appointment

- 11 August 2020

Length of Services (as at 29 April 2022)

- 1 year 8 months

Date of Last Re-appointment

- 29 June 2021

Academic/ Professional Qualification(s)

- Bachelor Degree in Art (Hons), University of Malaya
- Diploma in Public Management; Institut Tadbiran Awam Negara (INTAN)

Present Directorship(s)

- Majuperak Holdings Berhad (listed in Bursa Malaysia)
- Director, Zhongtian ARDC Sdn.Bhd
- Ivory Properties Group Berhad (listed in Bursa Malaysia)

Present Appointment(s)

- Nil

Past Directorship(s) and/or Appointment(s)

- Federal Secretary of Sabah, Sabah Federal Secretary's Office
- Director General, National Housing Department
- Yang Dipertua (YDP), Penang Municipal Council
- Director, Department of Land and Mine (Negeri Sembilan)

Family Relationship

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any personal interest, in any business arrangement involving the Company.

Securities holdings in the Company

- Nil



Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 12 of 12

DATO' AMINUDDIN BIN MD HANAFIAH INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 58

Date of Appointment

- 24 May 2021

Length of Services (as at 29 April 2022)

- 11 months 20days

Date of Last Re-appointment

- 29 June 2021

Academic/ Professional Qualification(s)

- Master's Degree in Science (Politics and Government); University Putra Malaysia
- Bsc. in Business Administration (Finance); University of Tulsa, Oklahoma, United States of America
- Diploma in Business Studies (Marketing); University of Technology MARA

Present Directorship(s)

- Majuperak Holdings Berhad (listed in Bursa Malaysia)
- Director, Rapid Rail Sdn. Bhd. (Subsidiary of PRASARANA)

Present Appointment(s)

- Board of Trustee Yayasan Bina Upaya
- Board Member of University Technical Malaysia Melaka (UTeM)
- Chairman, Felcra Plantation Services Sdn Bhd

Past Directorship(s) and/or Appointment(s)

- Board of Trustees; Lembaga Biasiswa Anak-Anak Perak
- Board Member; Datasonic Technologies
- Board Member; Perak State Economic Development Corporation
- Board Member; Syarikat Perumahan Negara Berhad
- Perak State Assemblyman (State Legislature) for N24, Hulu Kinta
- Political Secretary to Minister of Finance II, Ministry of Finance, Malaysia
- Executive Director; M.S.B. Development Sdn. Bhd.
- Director /General Manager; Seri Rapat Sdn. Bhd.
- Senior Manager, Finance and Admin; Meru Valley Resort Berhad
- Manager; Finance and Admin; Darul Ridzuan Golf Club, Meru
- Officer, Industrial Promotion; Perak State Economic Development Corporation



Family Relationship/Conflict of Interest

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 8 of 8



BOARD OF DIRECTORS (CONTINUED)

DATO' MOHD AZMI BIN OTHMAN NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 54

Date of Appointment

- 24 May 2021

Length of Services (as at 29 April 2022)

- 11 months

Date of Last Re-appointment

- 29 June 2021

Academic/ Professional Qualification(s)

- Bachelors' Degree in Law (Hons.), Universiti Teknologi MARA (UiTM)

Present Directorship(s)

- Director, Perbadanan Kemajuan Negeri Perak
- Majuperak Holdings Berhad (listed in Bursa Malaysia)
- Director, KYM Holdings Berhad (listed in Bursa Malaysia)

Present Appointment(s)

- Advocate & Solicitor, Messrs. Azmi Hisham & Co.
- Director, USAS Berhad
- Ahli Lembaga Pemegang Amanah, Yayasan Nur Ikhlas

Past Directorship(s) and/or Appointment(s)

- Director, Utusan Melayu (M) Berhad
- Director, Majuperak Holdings Berhad (2014-2018)
- Director, Royal Perak Golf Club Berhad
- Member of Investment and Development Committee, Majlis Agama Islam Dan Adat Melayu Perak (MAIPK)
- Member of Committee, Dewan Perniagaan Melayu Malaysia Negeri Perak
- Secretary General, Majlis Kebajikan Masyarakat Negeri Perak
- Member of Committee, Majlis Gagasan Badan Ekonomi Melayu (GABEM)
- Member of Disciplinary Committee, Badan Peguam Malaysia (Perak)

Family Relationship

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any personal interest, in any business arrangement involving the Company.



Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings attended

- 8 of 8

NORAZALI BIN NORDIN INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 48

Date of Appointment

- 24 May 2021

Length of Services (as at 29 April 2022)

- 11 months 7 days

Date of Last Re-appointment

- 29 June 2021

Academic/ Professional Qualification(s)

- Bachelor of Arts (LLB) (Hons.); University of Nottingham, United Kingdom
- Admitted to English Bar – Michaelmas 1997

Present Directorship

- Majuperak Holdings Berhad (listed in Bursa Malaysia)

Present Appointment(s)

- Advocate & Solicitor; Messrs. Maxwell Kenion Cowdy & Jones
- Member; Disciplinary Committee, Advocates Complaints Board

Past Directorship(s) and/or Appointment (s):

- Nil

Family Relationship/Conflict of Interest

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

Board Meetings Attended

- 8 of 8



KEY SENIOR MANAGEMENT

DATUK REDZA RAFIQ BIN ABDUL RAZAK EXECUTIVE CHAIRMAN

Refer to the Profile of Directors on page 13.

NIZRAN BIN NOORDIN EXECUTIVE DIRECTOR CUM GROUP CHIEF EXECUTIVE OFFICER

Refer to the Profile of Directors on page 14.

NOORYUSAZLI BIN YUSOFF CHIEF STRATEGY OFFICER

Male, Malaysian aged, 45

Date of Appointment

- 7 February 2022

Length of Services (as at 29 April 2022)

- 2 months

Academic/ Professional Qualifications

- Masters of Business Administration; Strategy, Finance and Leadership from Cranfield School of Management (10/2007 – 09/2008); Cranfield, U.K.
- Masters of Science in International Securities, Investment and Banking from University of Reading, ICMA Centre (10/2006 – 06/2007); Reading, U.K.
- Bachelor of Science Degree in Chemical Engineering; Minor in Economics from Washington University, St. Louis (09/1995 – 05/1999); Missouri, U.S.A.

Working experiences

- Chief Strategy and Sustainability Officer - NEPS Capital Group, Cyberjaya Malaysia (10/2018-2022)
- Chief of Special Projects (Group); CEO of Indonesia- Aerodyne Group, Cyberjaya, Malaysia (02/2021-08/2021)
- Chief Transformation Officer (CTO); CEO of France-Malaysia JVCo- Sapura Secured Technology, Malaysia (03/2019-12/2020)
- Vice President (VP), Strategic Planning- Mubadala Investment Company, Abu Dhabi, U.A.E. (04/2018-10/2018)
- Advisor, Finance, Strategy and Risks - Saudi Arabian Oil Company (Aramco), Dhahran, Saudi Arabia (11/2012-03/2018)
- Head, Corporate Portfolio, Group Strategy- Petroliaam National Berhad (Petronas), Malaysia (09/1999-11/2012)

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

- Nil

Family Relationship/Conflict of Interest :

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company

Securities holdings in the Company

- Nil

Conviction of offences:

- He has not been convicted for any offence within the past 5 years



KEY SENIOR MANAGEMENT (CONTINUED)

AHMAD AL-HADI BIN ABDUL KHALID GROUP CHIEF FINANCIAL OFFICER

Male, Malaysian aged, 57

Date of Appointment:

- 27 August 2018

Length of Service (as at 29 April 2022)

- 3 years 8 months

Academic/Professional Qualification(s)

- ACCA (UK)
- Chartered Accountant, Malaysia (MIA Member)

Working experiences

- General Manager, Corporate Planning of PKNP Group- (Dec 2013-Aug 2018)
- Chief Operations Officer of Dakna Travel & Tours Sdn Bhd - (Dec 2012 – November 2013)
- Manager, Corporate Finance & Accounts of Tricubes Berhad - (Mar 2010 – Nov 2012)
- Chief Financial Officer of Ode Solution Associates Sdn Bhd (OSA) - (Nov 2008 – Mar 2010)
- Vice President of Codegen Technologies Sdn Bhd – (Aug 2005 – Oct 2008)
- General Manager of Advance Interactive Digital Sdn Bhd (Aidigital) – (Oct 2004 – July 2005)
- Consultant (Freelance on project basis) of Messrs. Abdul Raji & Co. – (Aug 2003 – Sept 2004)
- General Manager (Operations) of OICnetworks Sdn Bhd – (Dec 2000 – July 2003)
- Manager (Finance) of EPNCR (M) Sdn Bhd (KL) - (Aug 1999 – Jul 2000)
- Accountant of Edaran Positif (M) Sdn Bhd, Shah Alam – (Aug 1997 – Apr 1999)
- Vice President of Capitalcorp Securities Sdn Bhd, (KL) – (Jan 1993 – Aug 1997)
- Executive (Management Accounting) of Celcom Sdn Bhd – (Dec 1989 – Dec 1992)
- Accountant of Pasdec Berhad, Pahang - (1987 – 1989)
- Audit Assistant of Kassim Chan & Co., Kuala Lumpur – (1987 (6 months))

Directorship(s) in Public Companies and Listed Issuers :

- Nil

Family relationship/Conflict of Interest

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.



Securities holding in the Company

- Nil

Conviction of offences:

- He has not been convicted for any offence within the past 5 years.

KAMARUL BAHRIN BIN BAHARUDIN GENERAL MANAGER, STRATEGIC BUSINESS

Male, Malaysian aged, 48

Date of Appointment

- 1 October 2019

Length of Services (as at 29 April 2022)

- 2 years 6 months

Academic/ Professional Qualification(s)

- BA (Hons) Accountancy Studies, Portsmouth University, UK
- Diploma In Accountancy, Institut Teknologi Mara
- Directorships in Public Companies and Listed Issuer Nil

Present Appointment(s):

- General Manager, Strategic Business Division, Majuperak Holdings Berhad

Working Experience(s)

- Senior Manager, Tenaga Danawa Sdn Bhd (Housing & Property Development) MHB Group (2009-2014)
- Manager, Renewable Energy Unit, PKNP Group (2014-2016)
- Director, Perak Coastal Management Council PKNP Group (2016-2018)

Family Relationship/ Conflict of Interest

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

Directorship(s) in Public Companies and Listed Issuers :

- Nil

Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.



KEY SENIOR MANAGEMENT (CONTINUED)

PUA KIAN SIEN

GENERAL MANAGER, GOVERNMENT LIAISON

Male, Malaysian aged, 41

Date of Appointment

- 1 November 2020

Length of Services (as at 29 April 2022)

- 1 year 5 months

Academic/ Professional Qualification(s)

- Ijazah Sarjana Pengurusan Sumber Tanah, Universiti Putra Malaysia, 2014
- Ijazah Sarjana Muda Sains Pentadbiran dan Pembangunan Tanah (Kelas Pertama), Universiti Teknologi Malaysia, 2003
- Diploma Pengurusan Awam (Kepujian), INTAN 2006
- Directorships in Public Companies and Listed Issuer Nil

Present Appointment(s):

- General Manager, Government Liaison, Majuperak Holdings Berhad (Secondment to MHB for 2 years)

Working Experience(s)

- Chief Assistant Director (Sectoral), State Economic Planning Unit, State Secretary's Office, Perak Darul Ridzuan (Mar 2017-Nov 2020)
- Chief Assistant Head of Division, Research and Development Division, National Institute of Lands and Surveys, Ministry of Natural Resources and Environment (July 2014-Mac 2017)
- Chief Assistant Director, Finance & Accounts Unit, Perak State Health Department, Ministry of Health Malaysia (Nov 2010-Sept 2012)
- Chief Assistant Secretary, Management and Professional Unit, Human Resources Division, Ministry of Health Malaysia (MOH) (Aug 2009-Nov 2010)
- Senior Assistant Director, Human Resources Unit, Administration and Finance Section
- Department of Director General of Lands and Mines, Ministry of Natural Resources and Environment (Aug 2008-Aug 2009)
- Assistant Director, Strata Titles Section, Department of the Director General of Lands and Mines, Ministry of Land and Cooperative Development (Aug 2005-Aug 2008)
- Personal Financial Consultant, Hong Leong Bank Berhad, Sekinchan Branch, Selangor (July 2003-Mac 2005)



Directorship(s) in Public Companies and Listed Issuers :

- Nil

Family Relationship/Conflict of Interest

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

JAMALIAH BINTI MUSTAPHA

GENERAL MANAGER, HUMAN RESOURCES & ADMINISTRATION

Female, Malaysian aged, 53

Date of Appointment

- 1 December 2020

Length of Services (as at 29 April 2022)

- 1 year 4 months

Academic/ Professional Qualification(s)

- BA Degree (Hons) Business Administration (Human Resource Management), Universiti Kebangsaan Malaysia (UKM)

Present Appointment(s):

- General Manager, Human Resources & Administration, Majuperak Holdings Berhad

Working Experience(s)

- Director, Human Resources, PKNP Group (2016-2018)
- Head, Human Resources & Admin., Sapura Resources Berhad (2012-2014)
- Senior Manager, Human Resource, Nord Anglia Middle East Holding S.P.C. (UK Company) (2010-2012)
- Group Senior Manager, Human Resource & Admin., The IA Group (Innovation Associates Consulting Sdn. Bhd.) (2008-2010)
- Manager, Human Resource, Malaysian Building Society Berhad (2005-2008)
- Group Human Resource Manager, UM Land Berhad (2002-2005)
- Group Head Human Resource (Compensation & Benefits), KPJ Healthcare Group-Tawakal Hospital, Ampang Puteri Specialist Hospital & Damansara Specialist Hospital (Shared Services) (1996-2002)

Directorship(s) in Public Companies and Listed Issuers :

- Nil

Family Relationship/Conflict of Interest

- She does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.



Securities holdings in the Company

- Nil

Conviction of offences

- She has not been convicted for any offence within the past 5 years.

KEY SENIOR MANAGEMENT (CONTINUED)

MD SHAIZATUL AZAM BIN CHE SODA GENERAL MANAGER, CORPORATE SERVICES

Male, Malaysian aged, 55

Date of Appointment

- 1 April 2021

Length of Services (as at 29 April 2022)

- 1 year 29 days

Academic/ Professional Qualification(s)

- Master Degree in Business Administration, Universiti Teknologi MARA (UiTM)
- Professional Qualification of ICOSA (UK)
- Fellow Member of MAICSA and Chartered Governance Institute (UK)
- Member of Malaysian Institute of Corporate Governance (MICG)
- Associate member of Institute of Business Administration (UK)
- Chartered Company Secretary (CS)
- Chartered Corporate Governance Professional (CGP)
- Certified HRDF Trainer

Present Appointment(s):

- General Manager, Corporate Services, Majuperak Holdings Berhad

Working Experience(s)

- General Manager, Corporate Services of PKNP Group (2017-2021)
- Vice President (Group Corporate) of Alliance Bank Berhad (2015-2017)
- General Manager, Legal & Secretarial of Eversendai Corporation Berhad (2014-2015)
- Group Company Secretary / Compliance of Batu Kawan Berhad (KLK Group) (1998-2014)
- Executive Director of Whitmore Holdings Sdn. Bhd. (2005-2014)
- Group Company Secretary & Head of Corporate Services of TF Corporation Sdn. Bhd. Group (1994-1998)
- Senior Officer of Malaysia Airlines System Berhad (1992-1994)
- Officer of Public Bank Berhad (1991-1992)

Directorship(s) in Public Companies and Listed Issuers :

- Nil



Family Relationship/Conflict of Interest

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

Securities holdings in the Company

- 3,000 ordinary shares

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

HELMY ISKANDAR BIN NOFAN GENERAL MANAGER, PROPERTY & DEVELOPMENT

Male, Malaysian aged, 42

Date of Appointment

- 4 October 2021

Length of Services (as at 29 April 2022)

- 6 months

Academic/ Professional Qualification(s)

- Bachelor's Degree in Civil & Environmental Engineering UKM (1999-2003)
- UKM Matriculation Certificate in Science (1997-1998)

Present Appointment(s):

- General Manager, Property Development and Infrastructure, Majuperak Holdings Berhad

Working Experience(s)

- Head, QHSE Management, Perbadanan Pr1ma Malaysia (2019)
- Manager, QAQC (Head of Unit) SP Setia Berhad (2014-2015)
- Manager, Quality Assurance/TQM (Assistant Head of Department), Sunway Berhad (2013-2014)
- Assistant Manager, Quality Assurance (Regional Head) / Sunway Construction Sdn.Bhd (2012-2013)
- Assistant Manager, Quality Assurance, Silver Coast-Sunway Innopave Jv, (2008-2012)
- Engineer, Quality Assurance, Sunway Construction Sdn.Bhd (2008)
- Senior Engineer, Pristine Hub Sdn.Bhd (2007-2008)
- Engineer/ coordinator, Tenaga Nirwana Sdn.Bhd (2003-2007)

Directorship(s) in Public Companies and Listed Issuers :

- Nil

Family Relationship/Conflict of Interest

- He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.



Securities holdings in the Company

- Nil

Conviction of offences

- He has not been convicted for any offence within the past 5 years.

CHAIRMAN'S STATEMENT

Dear Shareholders,
In the name of Allah, the Most Compassionate, the Most Merciful.
Assalamualaikum Warahmatullahi Wabarakatuh.

On behalf of the Board of Directors, I am pleased to present the 2021 Annual Report and Audited Financial Statements of the Group and the Company for the Financial Year Ended 31 December 2021.

FINANCIAL REVIEW

In the financial year ended 31 December 2021, the Group managed to register a post-tax profit of RM12.71 million on the back of RM29.67 million revenue. The performance for this financial year has been mainly driven by land & property sales, continuous contribution by property and facilities management segment, a growing contribution from trading business and renewable energy and aided by the land swap between the Group and Perbadanan Kemajuan Negeri Perak (PKNPk).

The Group has managed to maintain its positive momentum for two consecutive years albeit with lower revenue and profit compared to last year's revenue of RM 34.37 million and profit after tax of RM32.64 million, after taking into account the contribution made by the aforesaid land swap. The Group has cash and bank balances of RM0.97 million as of 31 December 2021 and the Group's net asset per share is at RM0.75 compared to RM0.71 in the previous year.

As a Group, the financial performance demonstrated its resilience despite an ongoing global pandemic over the last two years that has created havoc on the world's economy.

AFFECTED LISTED ISSUER

The Group has been classified as an Affected Listed Issuer since 13 April 2020 and we are presently working with our Principal Advisor to submit a regularisation plan.

The Group applied for the Extension of Time from Bursa Malaysia on 1 April 2022 and on 26 April 2022, Bursa has granted the Extension of Time of 6 months up to 11 October 2022.



OPERATIONAL REVIEW

Property Development and Infrastructure Segment

In the year under review, the property development segment has achieved RM15.29 million in revenue (2021: RM23.79 million), essentially derived from disposal of land. The main contributor would be several land sales in Batu Gajah, Perak amounting to RM12.6 million to monetise our assets that is no longer part of our development plans. And, there was another land sale amounting to RM2.69 million in Buntong, Perak which was only concluded in the year after remaining outstanding since 2016.

Assets & Facilities Management Segment

This segment derives its revenue mainly from property rental and facilities management.

In the rental segment, Wisma Majuperak and Bazar Ipoh managed to generate higher rental income around RM2.22 million in 2021 (2020: RM1.82 million).

The facilities management segment meanwhile generated total revenue of RM3.76 million in 2021 as compared to RM5.30 million in 2020. The imposition of Movement Control Order (MCO) in 2021 has halted a lot of corrective maintenance work resulting in a lower contribution in 2021.

Renewable Energy

Majuperak Energy Resources Sdn Bhd ("MERSB") is a wholly-owned subsidiary of MHB that owns and operates a solar farm located in Keramat Pulai, Simpang Pulai, Perak. For FYE 2021, the renewable energy segment recorded RM1.19 million revenue (2020: RM1.30 million) and generated around 1,128 megawatts ("MW") (2020: 1,246 MW), which contributed to approximately 4% of the Group's total revenue.

Trading and Others

This segment contributed RM6.97 million in revenue to the Group in FYE 2021 compared to RM1.91 million in 2020. The trading business through Nexus Jade Sdn Bhd ("NJSB") is the driver for this segment of the business by contributing a higher revenue at RM2.79 million to the Group compared to RM1.26 million in the previous year, which is a 122% increase. The increase in its revenue in 2021 is mainly contributed by the sale of advertising and promotional material related to go-green initiatives in Perak State; and sales of COVID-19 vaccines and Rapid Test Kits (RTK).

Other Income

The Group's other income for the year amounts to RM52.42 million, of which RM33.47 million profit was gained from the land swap exercise with PKNPk.

Talent Management

The COVID-19 pandemic has made a huge impact on our daily lives and operations, as it has for all businesses worldwide. We believe in the safety of MHB employees together with our customers and stakeholders in which we operate. With this mindset, we constantly adhered to the standard operating procedures (SOP) and guidelines that governed how we work in the 'new normal'. The SOP and policies complied with regulations issued by the Ministry of Health, Ministry of International Trade and Industry, and National Security Council. Recommended practices such as physical social distancing, wearing of face masks, and maintaining hygienic practices were all detailed in our SOP and policies, which have been notified to all staff for reference.

In spite of the pandemic, MHB continues to engage with employees via various communication platforms such as townhall sessions. Group townhalls facilitate open and transparent dialogue between the management and staff on company matters. MHB has attended a town hall session on 23 February 2021 with Chief Executive, Perbadanan Kemajuan Negeri Perak (PKNPK) cum Executive Chairman of Majuperak Holdings Berhad. Key topics included the Company's overall performance, future strategies, employee-related initiatives, and business expansion plans.

We also emphasised on training and developing our employees. Due to the restraint on physical activities brought by COVID 19 pandemic, we used online platforms to achieve training goals. We managed to chalk up 460 training hours with 81% of employees attending online training.

The Group is committed to adhere to internationally recognized management system standards to improve operational efficiency and comply with statutory and regulatory requirements relevant to our services. MHB is embarking on the journey to get itself certified under the ISO 9001: 2015 for Quality Management System. MHB's Human Resource Division is leading the journey towards certification.

Dividend

The Board does not recommend the payment of dividends in respect of the financial year ended 31 December 2021.

OUTLOOK & PROSPECTS

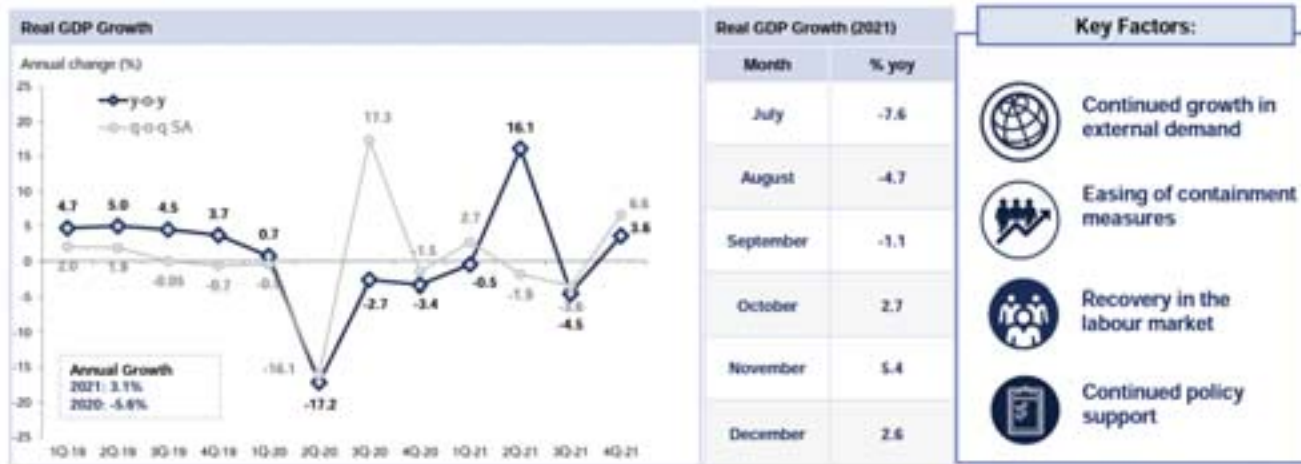
After almost two years into the COVID-19 pandemic, the world is slowly getting into recovery phase despite the multiple waves of infections from variants of the virus.

The same can be seen in Malaysia, where the government has assured that no more lockdowns are to be imposed in order to stimulate the economy while the number of new cases stagnates. As of 31 March 2022, the total number of COVID-19 cases reached 3,795,490 cases, while the number of active cases stood at 320,877 with 33,807 deaths.

With the complete vaccination (2 doses) coverage of 78.9% of Malaysia's total population and 46.8% has received their booster, Malaysia is on track towards the recovery phase and the government has announced its intention to move towards the pre-endemic phase starting 1 April 2022.

Furthermore, Bank Negara Malaysia reported that the Malaysian economy in 2021 had rebounded to a full growth at the rate of 3.1%.

Malaysia's GDP rebounded to 3.6% in 4Q 2021, bringing full year growth to 3.1%



Source: Department of Statistics Malaysia
 BANK NEGARA MALAYSIA
 CENTRAL BANK OF MALAYSIA

JAKATAN PERANGKAIAN MALAYSIA
 DEPARTMENT OF STATISTICS MALAYSIA

Diagram 1 – Malaysia GDP Data (Source: Bank Negara Malaysia, Economic Performance for Quarter 4 2021)

The Malaysian property market expects to show stronger signs of recovery in 2022 as the COVID-19 pandemic appears to have been brought under control with the achievement of a high vaccination rate and the reduction in serious infection cases, according to a report by Henry Butcher Real Estate Sdn Bhd. The report also noted that landed residential properties, high-rise apartments in the affordable price range, smaller units and niche high-end projects in good locations will continue to be in demand.

It is believed that 2022 will be a market recovery year with business digitalisation. Moving forward, the new hybrid style of working from home and office, being the main enabler adopted by many major companies, will reduce office space requirements. The Group will explore various efforts and strategies to address this situation and demand for properties throughout 2022 and beyond.

The growth in the renewable energy industry is poised to accelerate in 2022, as concern for climate change and support for environmental, social, and governance (ESG) considerations grow and demand for cleaner energy sources from most market segments accelerates. In 2021, the Ministry of Energy and Natural Resources of Malaysia (KeTSA) had set a target to reach 31% of RE share in the national installed capacity mix by 2025.

This target supports Malaysia's global climate commitment is to reduce its economy-wide carbon intensity (against GDP) of 45% in 2030 compared to the 2005 level. Realization of the Government's vision is crucial in supporting the nation to achieve its Nationally Determined Contributions (NDC) targets.



The Group is determined to develop, cooperate, and seize potential prospects to fuel further advancement in the renewable energy sector in the coming year, as the renewable energy industry is expected to enter a new phase of growth by 2022.

The facilities management environment in Malaysia is evolving alongside the renewable energy sector. The emerging trend of Industry Revolution (IR 4.0) and digitalization, along with the increasing adoption of the Internet of Things (IoT) and cloud-based software, currently represents the key factors driving the growth of the market. The utilization of advanced technologies, such as cloud computing and augmented reality (AR) for managing buildings, has enabled managers to reduce their dependency on human resources and improve their operational efficiencies. (Research and Markets, 2022).

The Group will continue to manage its asset and facilities management services efficiently to ensure future growth and be a significant contributor towards the Group's growth and profitability.

Given the positive outlook, the Group is optimistic about the long-term prospects and is confident in seizing the opportunities.

ACKNOWLEDGEMENTS

As we move into the endemic phase, the Group is confident that there is some hope for an end to the pandemic conundrum. Further growth to the economy would present an opportunity for the Group to be at the forefront of the recovery phase.

Nevertheless, we must not waver in our determination to work harder to overcome the challenges ahead.

On behalf of the Board, I would like to extend our gratitude and appreciation to my fellow Board members, the management and staff for their continuous commitment and valuable contributions to the Group. We would also like to thank all our valued customers, suppliers, business partners, bankers and various government authorities for their support and confidence in the MHB Group.

Therefore, I conclude this year's review and we look forward to 2022, to drive the Group results to the next level. Thank you and our warmest regards.

DATUK REDZA RAFIQ BIN ABDUL RAZAK

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Majuperak Holdings Berhad Group (“MHB”) has recorded a profit after tax of RM12.71 million on the back of total revenue amounting to RM29.67 million during the financial year under review. The Group’s main revenue is from disposal of land which have accounted for 51% of the Groups’ total revenue, followed by property and facilities management business which has contributed about 21%, trading and others at 24% and renewable energy contributed 4% to the Group’s total revenue.

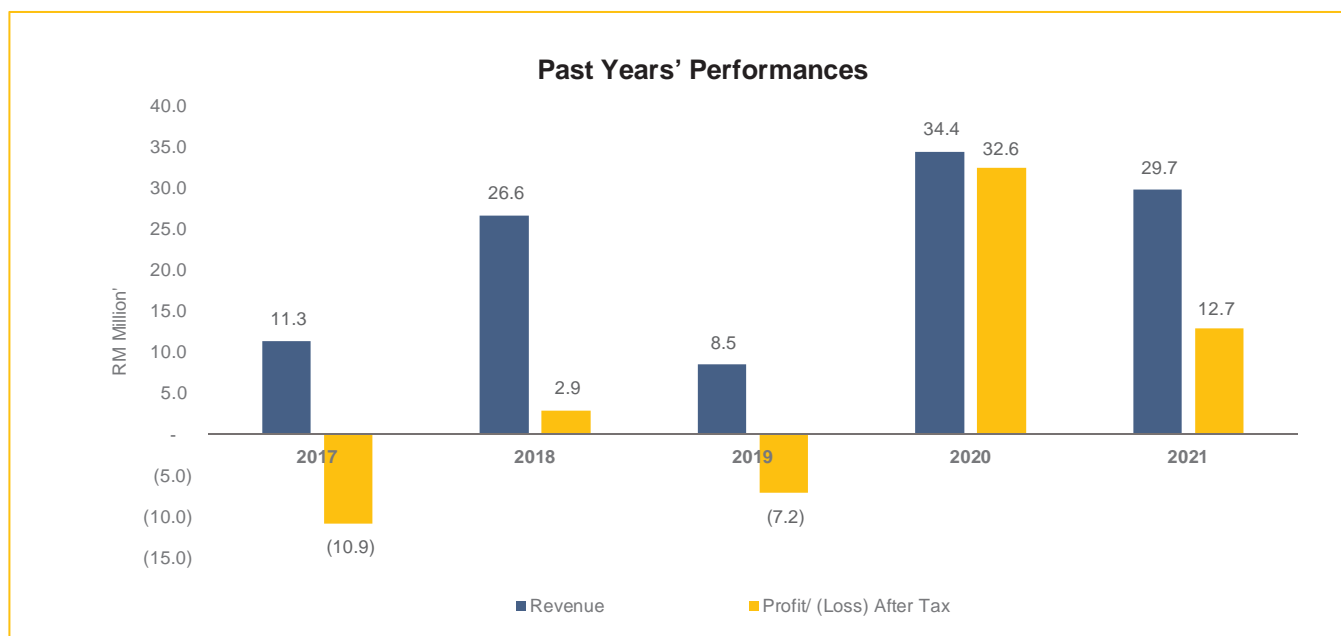
The Group’s net profit of RM12.71 million in the financial year under review is hugely supported by other income which amounts to RM52.42 million, with RM33.47 million which is contributed by the land swap exercise with PKNPk.

FINANCIAL REVIEW

The Group recorded revenue of RM29.67 million in 2021 which declined by 13.67% from RM34.37 million in the preceding year, and land disposal remain as the main contributor at RM15.29 million for the financial year under review.

The Group registered a post-tax profit of RM12.71 million in 2021 compared to RM32.64 million in 2020, which decreased by 61.06%.

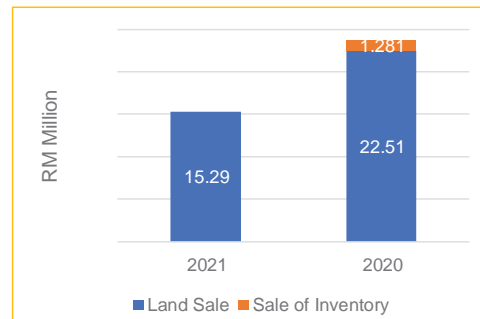
The Company recorded profit per share attributable to ordinary equity holders of the Company at 4.85 sen for the year 2021 lower compared to the previous year at 11.74 sen. Meanwhile, the net assets per share as of 31 December 2021 is at RM0.75 (2020: RM0.71).



OPERATIONAL REVIEW

Property Development & Infrastructure

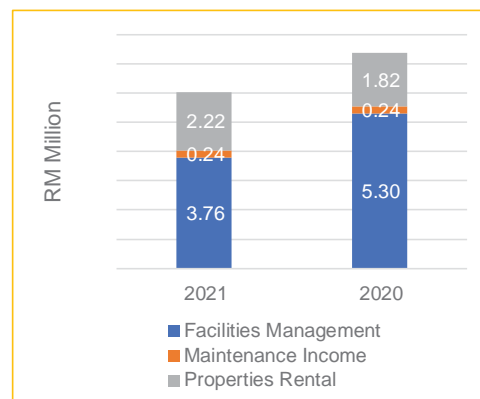
In the year under review, this segment has garnered revenue from disposal of land of RM15.29 million (2020: RM22.51 million). The revenue was derived from Batu Gajah land sale amounting to RM12.6 million and RM2.69 million for another disposal in Buntong, Perak.



Assets and Facilities Management

The revenue in this segment was mainly contributed by facilities management business where for the year ended 2021 this segment has recorded total revenue of RM6.22 million (2020: RM7.36 million).

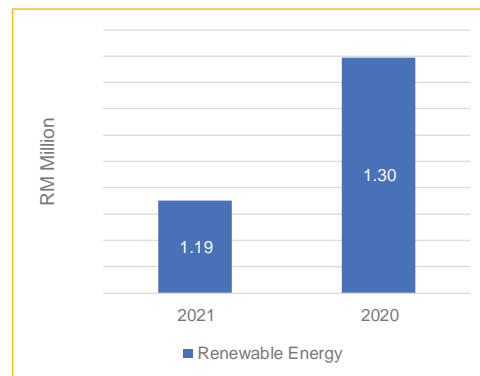
The facilities management income in 2021 registered a total of RM3.76 million, decreased by 29% against the FYE 2020 revenue of RM5.3 million due to lesser corrective maintenance work recorded in 2021. Currently, the Group is still providing services in a significant subcontracting job valued at approximately RM15 million over 3 years starting from 2019. This will allow this segment to sustain its performance.



Rentals from the Group’s properties and office rental persistently contributed to the Group’s income and the revenue for this year has recorded an improvement over previous year. The main rental contributor is from office rental at Wisma Majuperak which is located along Jalan Sultan Idris Shah at the heart of Ipoh City Centre. Other rental revenue includes rental of shoplots at Bazaar Ipoh, cafeteria in Kompleks Majuperak, and shoplots in Jelapang.

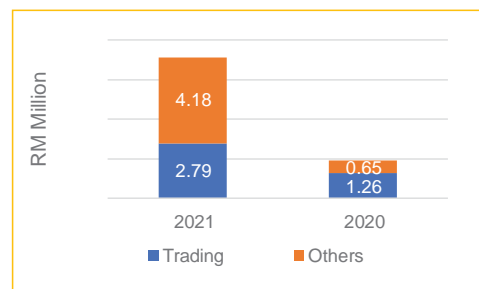
Renewable Energy

Renewable energy also is one of the core businesses of this Group. Going into its sixth year in renewable energy business through its wholly owned subsidiary, Majuperak Energy Resources Sdn Bhd (“MERSB”), the solar farm has recorded RM1.19 million revenue in FYE2021 (2020: RM1.3 million). For 2021, the energy generation from solar plants is 1,128 megawatts (“MW”) (2020: 1,246 MW). The reduction in energy generation is due to higher rainy days recorded in November and December 2021.



Trading & Others

This segment recorded revenue of RM6.97 million (2020: RM1.91 million) an increase of 265% from last year. The trading business through Nexus Jade Sdn Bhd (“NJSB”) contributed a higher revenue at RM2.79 million to the Group compared to RM1.26 million in previous year, which is a 122% increase. We believe NJSB has begun to show results in supplying a steady contribution to the Group’s overall revenue.



Apart from the abovementioned, there are also other activities that contributed to the Groups revenue. Others segment recorded revenue of RM4.18 million (2020: RM0.65 million) which is mainly contributed by the land royalty from Kaolin activity amounting to RM3.51 million. Other revenues also included dividend income and sand/land rentals.

Other Income

The Group’s other income for this year amounts to RM52.41 million (2020: RM58.84 million) which was mostly contributed by RM33.47 million profits arising from the land swap exercise with Perbadanan Kemajuan Negeri Perak (PKNPk).

Bursa Malaysia Listing Requirements (LR) – Rule 8.03A(2b) – “Affected Listed Issuer”

The Group has been classified as an Affected Listed Issuer since 13 April 2020 and we are presently working with our Principal Advisor to submit a Regularisation Plan.

The Group has applied for an Extension of Time from Bursa Malaysia on 1 April 2022 and on 26 April 2022, Bursa has granted the Extension of Time of 6 months up to 11 October 2022.

FUTURE PROSPECTS

As we enter the new fiscal year, the economic turmoil and health crisis caused by the Covid-19 pandemic and global market uncertainties remain high. The Covid-19 pandemic did affect the operation and business of the Group, but we believe the Group will rebound and pull through these tough times in line with the projected global recovery. On a more positive note, with the rapid progress of the nationwide vaccination programme, the reopening of the Malaysian economy has been picking up the pace again. Malaysia’s economy is predicted to grow between 5.5% and 6.5 % in 2022, underpinned by considerable improvements in global trade, stabilised commodity prices, pandemic control, and progressive improvement in consumer and business optimism.

The Group will remain committed to strengthening its core businesses, whilst diversifying its revenue stream with sustainable business opportunities to navigate the challenges ahead.

Moving forward, more resources efforts and strategies will be put in to explore collaborative opportunities to improve revenue and profitability of the Group to unlock more value from our assets and prospects.

STATEMENT ON SUSTAINABILITY

INTRODUCTION

The Group remain steadfast in the financial year 2021 on sustainability-related issues: expanding our business, developing human capital, fostering long-term relationships with all stakeholders, whilst conserving the environment for the future generation. It is the driving force behind our business ambitions.

The lessons from the Covid-19 pandemic have imprinted significant scars and cause huge societal costs, particularly for younger generations and despite adversity in both our professional and personal lives, our employees have exhibited an unshakeable commitment to deliver the best for the Group.

Looking ahead, MHB continues to implement sustainability initiatives by generating value through creativity, as we aim to give stakeholders broader value creation. As an active player in stimulating economic growth in the Perak State, the Group is striving to ensure that the development impact is felt by both stakeholders and the community.

This statement would incorporate certain standard disclosures from Bursa Malaysia on the Sustainability Reporting Guideline and meeting the expectations of Bursa Malaysia's revised Main Market Listing Requirements covering sustainability reporting. Materiality in sustainability terms is not limited to the matters that have significant financial impact to the organisation but also considering the impact of economic, environment and social ("EES") to the Group's ability to meet the needs of present and future generations.

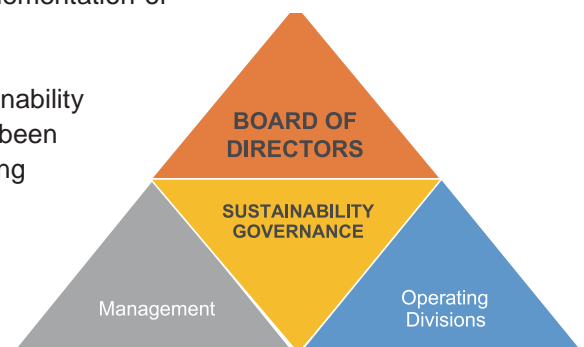
1. SUSTAINABILITY GOVERNANCE

Our commitment to sustainability at MHB is underpinned by good decision making, sound policies, and procedures, as well as robust internal controls to manage risks, as detailed in our Statement of Risk Management and Internal Controls.

Initially we developed the governance structures required to define interactions between the Board of Directors, management, employees, and other stakeholders. MHB is currently governed by an experienced Board of Directors who contribute a diverse variety of experience and skills in sectors such as accounting, finance, economics, management, and law. MHB's business operations are overseen by the Board of Directors, who provide independent and sound judgement on matters such as strategy, performance, resources, and standards code of conducts and business ethics.

Our sustainability framework is following the "tone from the top" leadership. It is led by the Board of Directors and further monitored by the management who is then responsible to develop sustainability strategy and recommend subsequent revisions to the Board of Directors. They are also needed to oversee the implementation of the strategy and to approve relevant targets/goals.

Given that this is the initial phase of implementing sustainability within the company operations, the early focus has been placed on establishing the necessary baselines. Moving forward, the Group will further refine and establish a more robust sustainability framework to ensure efficient monitoring process.



STATEMENT ON SUSTAINABILITY (CONTINUED)

2. STAKEHOLDERS ENGAGEMENT

Listening and responding to stakeholders is an essential component of our sustainability strategy. Stakeholders are those who have an influence on our activities or are afflicted by them. Proactive stakeholder engagement ensures our business activities are viable, strategic, and relevant. We engage with a diverse group of stakeholders as shown in the following table:

Stakeholders	Key Focus Area	Methods of Monitoring
Shareholders	<ul style="list-style-type: none"> • Business outlook and corporate strategy • Financial and operational performance • Profitability and dividend • Shareholders' value/responsibility 	<ul style="list-style-type: none"> • Annual general meetings • Company website • Annual reports
Clients, Suppliers and Partners	<ul style="list-style-type: none"> • Timely delivery of projects • Project and service quality • Payment terms and timeliness • Company's reputation 	<ul style="list-style-type: none"> • Customer satisfaction survey and supplier evaluation form • Meetings and engagements • Events and site visits • Networking sessions • Credit control policy & debt collection strategy
Regulators and Government Authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Certifications / awards • Industry best practices and updates • Corporate governance 	<ul style="list-style-type: none"> • Compliance and certification exercises • Periodic site visits, inspections, and audits • Briefings and trainings • Meetings and engagement sessions
Employees	<ul style="list-style-type: none"> • Performance Management System • Talent Management Strategy • Learning and development • Employee welfare and benefits • Employee wellness • Health and safety 	<ul style="list-style-type: none"> • Regular communications via email circulation • Annual performance appraisal • Management-staff Engagement Sessions (Town Hall) • Forums, trainings and workshops • Sports clubs i.e Kelab Warga • Employee events including festive celebrations (i.e Raya Celebration) and annual dinners • Senior Management Retreat
Local community, Industry Associations, Academia and Non-Governmental Organisations ("NGOs")	<ul style="list-style-type: none"> • Company reputation and branding • Corporate Social Responsibility • Best management practices • Partnerships, alliances and collaboration 	<ul style="list-style-type: none"> • Community outreach and development programmes • Educational site visits • Briefings and trainings



STATEMENT ON SUSTAINABILITY (CONTINUED)

 Environmental <ul style="list-style-type: none">• Energy Management 	 Social <ul style="list-style-type: none">• Human Capital Development• Corporate Social Responsibility 	 Governance <ul style="list-style-type: none">• Ethics and Integrity 
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3. MATERIALITY ASSESSMENT

According to the Bursa Malaysia Sustainability Reporting Guide, an item is material if it poses major economic, environmental, and social consequences or if it substantively influences the judgements and decisions of stakeholders.

Governed by the Board of Directors, the Management Team reviews and oversees the planning and implementation of sustainability practices in a continuous and systematic manner.

The 4-material key sustainability matters that the management identified are as follows:



A – Energy Management

We remain committed to preserving the environment by implementing environmental-friendly practices in our operations and management of energy efficiently within the operations focusing on renewable energy.

Renewable Energy

The Group through its wholly owned subsidiary, Majuperak Energy Resources Sdn Bhd (MERSB) owns and operates a solar power farm which is located at Keramat Pulai, Simpang Pulai, Perak. The plant collectively generates around 1,900 MW of electricity per annum. Besides generating revenue for the company, this business is reflective of the Group's efforts towards contributing to green and clean energy. For year 2021, the plant generates around 1,128 MW of electricity. The plant is estimated to produce around 1,900 MW electricity in 2022.



Net Energy Metering (NEM) Project

In addition to that, the Group had also started an initiative of installing solar panels in buildings throughout the Perak state via the Net Energy Metering (NEM) Project. In 2021, the NEM Project has completed two of such schemes in Bazar Ipoh and Majlis Daerah Perak Tengah. The Group targets to complete three more in Majlis Daerah Pengkalan Hulu, Majlis Daerah Selama and Majlis Bandaraya Ipoh by the fourth quarter of 2022. The Group is continuously engaging with other local district governments in Perak to implement such scheme.

MHB also has fully moved its corporate office location to Bazar Ipoh in August 2021 and implemented the NEM Project to manage and improve its energy usage. The solar panels at Bazar Ipoh were installed in April 2021. We also encourage energy-saving measures such as controlling the air conditioning temperature at a reasonable level and turning off electrical appliances when no one is using them.

Moving forward, we are looking forward to expanding our initiatives by looking to implement the energy cost-saving programme. Furthermore, we intend to explore more ways and take proactive steps to develop our footprint in this strategic area.

B – Human Capital Development

Through continuous strategic human capital development programmes, we are committed to developing an agile, competent, and talented workforce to meet current and future demands. Our learning and development programmes, as well as knowledge sharing, are also extended to our business partners, vendors, and communities. We are currently focusing on staff upskilling and reskilling, as well as optimising performance to suit the business's present and future demands.

Talent Management Strategy

MHB Talent Management Strategy (MHB TMS) focuses to drive actions toward achieving the mission of a **High-Performance Culture**. A comprehensive TMS will provide MHB with a competitive edge as a high-performing organization. There are five (5) strategic initiatives that will be the priorities list to be focused in FY 2022 which are: -

1. MHB Talent Management Strategy
2. Intensified Performance Management System (iPMS)
3. MHB Development Plan
4. MHB Remuneration Policy & Strategy
5. MHB Succession Planning

MHB Talent Management Strategy (MHB TMS) has the imperative purpose of **Prioritizing People** where our key focus is to create a condition so that our talents can reach their fullest potential and leads to positive business results.

Employee Management & Benefits

We understand that developing a high-performing staff begins with providing fair remuneration and benefits, as well as reward-related programmes and activities. We have implemented appropriate employee remuneration, benefits, and incentives to encourage effective employee behaviour, which we regularly monitor. This guarantees that our overall remuneration system is in line with competitive market norms and allows for prudent manpower cost management while offering attractive remuneration to our employees.

Some examples of key benefits we offer to the MHB staffs are:

- Leaves – annual leave, medical/sick leave, maternity leave;
- Medical benefit - provisions for outpatient expenses, hospitalisation, dental and optical;
- Insurance – medical insurance that covers the employees and their family (for married staff)
- Allowance – provide telephone allowance, meal allowance and accommodation allowance for staffs who attends trainings or seminars.

Employee wellbeing has important implications for productivity and work relationships. To encourage wellbeing among the employees, we have our own clubs such Kelab Warga and various sports such as badminton, table tennis and bowling to provide ways for employees to join, promote team building and encourage healthy lifestyle.

Career Development

One of the Group's primary initiatives is to train our employees to be a multi-skilled workforce devoted to our fundamental values, as this will drive the growth aspirations of the Group, while also assuring nimbleness and employee mobility across the various business sectors.

All employees undergo performance assessments as a group practise. This is to assess their accomplishments in relation to key performance indicators that contribute to the Group's performance scorecard, as well as to aid in charting their career growth within the Group.

Aside from existing skill requirements, our learning and development plan considers the need for all levels of our workforce to be skilled and prepared to meet future expectations. To that purpose, different human capital development activities such as training seminars, information sharing sessions, briefings, and e-learning programs/webinars are held throughout the year to ensure our employees' continuous improvement and learning.

The numerous lockdowns and physical distance restrictions have no significant influence on our training plans for 2021. Moving forward, with training SOPs that will necessitate physical separation in the near future, embracing e-learning will be the new normal. While some learning activities are still more successful in face-to-face settings, the Group will continue to invest in and prioritise e-learning where possible to meet our talent development objectives while maintaining our employees' safety.

In addition to the foregoing, we have an Internship Program in place that offers university students with relevant work experience. We work along with higher learning institutions such as Universiti Sains Malaysia, UiTM, UNISEL, and Universiti Sultan Azlan Shah to offer internship programmes for their students. These internship programmes aim to provide the students practical exposure to real-world corporate considerations that would benefit them upon graduation.

C – Ethics and Integrity

Guided by the Malaysian Code on Corporate Governance 2017, MHB are committed in ensuring the principles and best practices of good corporate governance is applied throughout the Group. Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of the Annual Report 2021.

STATEMENT ON SUSTAINABILITY (CONTINUED)

We have established effective standard operating policies and procedures, defined levels of authority and guidelines for recruitment and human capital development in our effort to ensure compliance with internal controls, laws and regulations. These policies, procedures and guidelines are subjected to regular reviews and improvements; and have been communicated to all employees.

Code of conduct

The Group is committed to conduct its business fairly, impartially, and ethically and to comply with all laws and regulations. To this end, the Group has a Code of Conduct (the “Code”) which sets standards for the employees within the Group. The Code primarily promotes honest and ethical conduct, including the ethical handling of actual or apparent conflict of interest between personal and professional relationships at the workplace and for employees to observe applicable rules, regulations, and local laws. In the performance of duties, the employees are expected to carry out their mandate and responsibility to the best of their ability and judgement and maintain the highest standard of integrity and conduct.

Anti-Corruption and Integrity Pledge

We are committed to creating a corporate culture to operate our businesses in an ethical manner while upholding the highest standards of professionalism practice at all levels of the organisation. As part of our continuous commitment towards creating a business environment built on transparency, integrity and free corruption, we have made our Integrity Pledge on 8 January 2020.

This Integrity Pledge is a voluntary pledge to ensure the organisation and its leadership as well as each of its members accountable and responsible for carrying out their duties and to deter them from engaging in any corrupt misconduct throughout their tenure.

Starting 1 June 2020, a new provision in Malaysia Anti-Corruption Commission Act 2009 (Amended 2018), has been enforced under Section 17A which is known as corporate liability to encourage business activities carried out with integrity and to promote good governance practices in organisations. The commercial organisation could be considered liable in the event when its management or representative is aware of the corrupt act committed by the employee or associate.

However, the commercial organisation is allowed to defend itself to prove that it had ‘adequate procedures’ in place to prevent corruption in their operations or businesses. To date, several activities has been done such as trainings and establishing a code of conduct for the employees.

Whistleblowing Policy

The Group has also established the Whistleblowing Policy. The policy encourages employees or a person or entity making a protected disclosure (“Whistleblower”) to raise concerns, be they internally and/or at a high-level, and to disclose information where such Whistleblower believes that a form of malpractice or misconduct is being committed. This also covers concerns which are in the public interest and may be investigated at least initially, so that appropriate remedial action can be taken.



D – Corporate Social Responsibility

We believe in not just giving back, but also actively investing in the development of the communities in which we operate. CSR is vital to us since most of our staff is local, and positively influencing these communities will eventually contribute to the Group's business's sustainability.

i) External CSR

Free COVID-19 Test Kit

In July 2021, MHB rolls out free COVID-19 Antigen Rapid Test (RTK-Ag) programme as part of its free, targeted community screening initiative for the residents of Batang Padang District due to the implementation of the enhanced movement control order (EMCO) in Tapah and Bidor. This effort was driven via its subsidiary, Nexus Jade Sdn Bhd in collaboration with EB Holdings Sdn Bhd.



Food Box and Face Masks Distribution to Frontliners

The Group in January 2021 donated boxes that contained face mask to the Ipoh District Police Headquarters (IPD) and the Perak Contingent Police Headquarters (IPK).

The donation was received by DSP Koo Boon Kuat, Head of the Ipoh IPD Traffic Investigation & Enforcement Division and representatives of officers from their respective divisions.

In February 2021, the Group along with YAB Menteri Besar Perak, Perbadanan Menteri Besar Perak (MB Inc) and Perbadanan Pembangunan Pertanian Negeri Perak (PPPMP) contributed Basic Food Box to the Tapah Prison Staff who were affected by the implementation of PKPD in the area.

The donation presented by YB Dato Sham Bin Mat Sahat, Political Secretary of YAB Menteri Besar Perak amounting to 500 boxes of food containing basic daily necessities such as coffee, soy sauce, sugar, milk, cooking oil and so on were given to the Tapah Prison staff.



COVID-19 Kit Distribution



The distribution of donations sponsored by the Seoul Business Agency which is an agency under the Seoul Metropolitan Government was carried out on 26 November 2021 in collaboration with Luve Sdn Bhd and MHB to the relevant Perak state government departments and agencies.

The "Seoul Made COVID-19 Kit" donation pack contains COVID-19 virus prevention tools such as face masks, hand sanitizers, herbal soaps, sunscreen lotions and more for joint venture measures to tackle the spread of the joint pandemic.

STATEMENT ON SUSTAINABILITY (CONTINUED)

Rental Payment Exemption to Tenants in MHB Group Owned Assets

The management is concerned and takes note of the difficulties of the tenants in conducting business during the period of the Full Movement Control Order (FMCO). During this period, almost all tenants were not allowed to operate because they did not belong to the list of essential services. In addition, the limited business hours, and control of the movement of people also have a significant impact on the income sources of tenants.

Therefore, the management of MHB has taken appropriate action to offer rental payment exemption for June 2021 to a total of 76 traders, entrepreneurs and tenants (small & medium traders) to help alleviate the burden they face when this dire situation.

ii) Internal CSR

Vaccination Programme

We are all aware that being physically and psychologically fit is critical in protecting each of us from dangerous diseases or illnesses, especially during this pandemic. MHB had offered free vaccination to all the employees and their spouses in 2021 to ensure all the employees are fully vaccinated. This is as a part of an ongoing initiative of the Group in managing the employee's welfare and health being. This program is also one of the strategies implemented in assisting and supporting the State Government's efforts to accelerate the vaccination process to achieve herd immunity as well as state targets to increase vaccine distribution.



Ramadhan Packages for Iftar to Employees during Ramadhan



Due to the cancellation of the Iftar Ceremony with the employees and families following the implementation of work from home (WFH) for a week as a measure to prevent the spread of COVID-19, the Group Chief Executive Officer, Mr. Nizran Noordin has taken appropriate action to be kind to all employees by donating Ramadan packages for Iftar with family members at home.

ASPIRATION IN 2022

In the financial year 2022, the Group aspires to develop and establish a comprehensive ESG Framework expected to be delivered by quarter four (Q4) of 2022 to bring the Group's aspiration aligned to the sustainable development goals (SDG) advocated by the United Nations.

Although ESG movement is still relatively nascent in Malaysia, the Group believes that the ESG agenda will soon become mainstream and adopting early will enable the Group to tap on more competitive financing options from financial institutions.



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) of Majuperak Holdings Berhad (“MHB” or the “Company”) is highly committed to maintaining sound risk management and internal control system in the Company and its subsidiaries (collectively referred to as the “Group”). The Board is pleased to present the Group’s Statement on Risk Management and Internal Control for the financial year ended 31 December 2021.

This Statement is prepared under paragraph 15.26(b) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) which calls for the annual report to incorporate a ‘statement about the state of risk management and internal control of the listed issuer as a group’ and Practice 9.2 of the Malaysian Code on Corporate Governance (“MCGG”) which stipulates that “the board should disclose the feature of its risk management and internal control framework, and the adequacy and effectiveness of this framework”. In preparing for this statement, the Board has taken into consideration the enumerations encapsulated in the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuer” (the “Guidelines”), a publication endorsed by Bursa Securities.

This Statement however does not cover joint ventures whereby risk management and internal control are overseen by the respective governing bodies.

BOARD’S RESPONSIBILITY

Moving forward into another year of implementation, the Board asserts its obligation to maintain a comprehensive risk management framework and internal control system and review its adequacy and effectiveness. To achieve business goals and objectives, the Board suggested that the risk management framework and internal control system be devised to manage the Group’s risk within a tolerable risk appetite rather than discarding the risk failure. This will then lead to a reasonable assurance against misrepresentation, fraud, or loss.

In order to drive business goals and objectives, the Board have set up a suitable control structure and process to identify, evaluate, monitor, manage, and respond to significant risks identified by the Group. Regular reviews sessions are conducted to ensure that the structure and process are adaptable to changes in the business environment.

The role of Management includes:

- Identifying and evaluating the inherent risks, and the achievement of business objectives and strategies.
- Formulating relevant policies and procedures to manage these risks.
- Designing, implementing, and monitoring the effective risk management framework and internal control system implementation.
- Implementing the policies approved by the Board; and
- Reporting promptly to the Board any changes to the risks and the corrective actions taken.

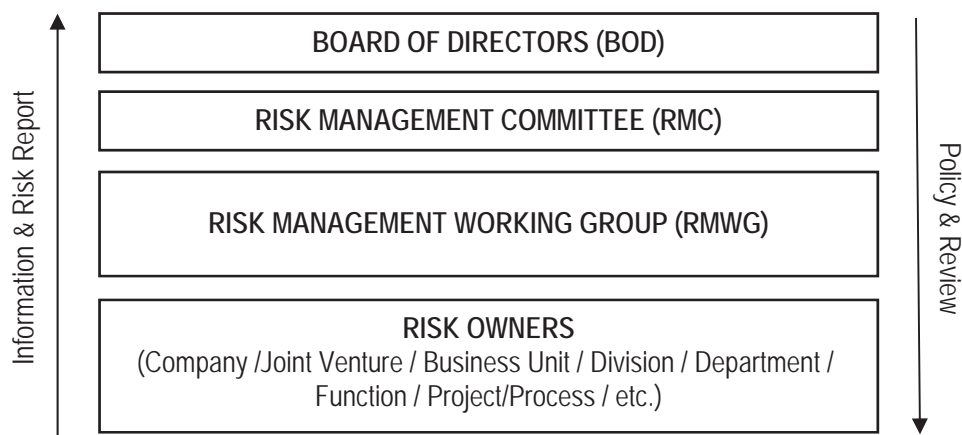


STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT FRAMEWORK

The Board recognises the importance of risk management in all business operations and hence endorses the contents of the Risk Management and Internal Control Guidance. The Audit Committee (“AC”) and Risk Management Committee (“RMC”) are handled separately to fulfil their oversight responsibilities.

The RMC oversees the Group’s overall risk management. RMC will assess the Group’s Risk Management System (“RMS”) for sufficiency and integrity. The Risk Management Workgroup (“RMWG”), on the other hand, helps the Group’s RMS, which contains the core activities of risk identification, assessment, mitigation, monitoring, and reporting, to be continuously monitored and evaluated.



Risk Management Reporting Structure

The AC and RMC would assess and recommend to the Board any approved policy and framework created to identify measures and monitor various risk components and internal control systems. In addition, the AC and RMC analyse and assess the policies’ appropriateness, as well as ensure that infrastructure, resources, and systems are effectively deployed and executed.

All employees have access to these principles, policies, processes, and practices, which are updated basis regularly to guarantee relevance and compliance with current applicable laws and regulations.

The Group’s risk management framework includes the following elements:

a) Risk Management Committee

Responsible for identifying, communicating, and reporting to the Board on the Group’s important risks, changes, and management action plans to mitigate the risks.

The Risk Management Committee comprises three Board Members as follows: -

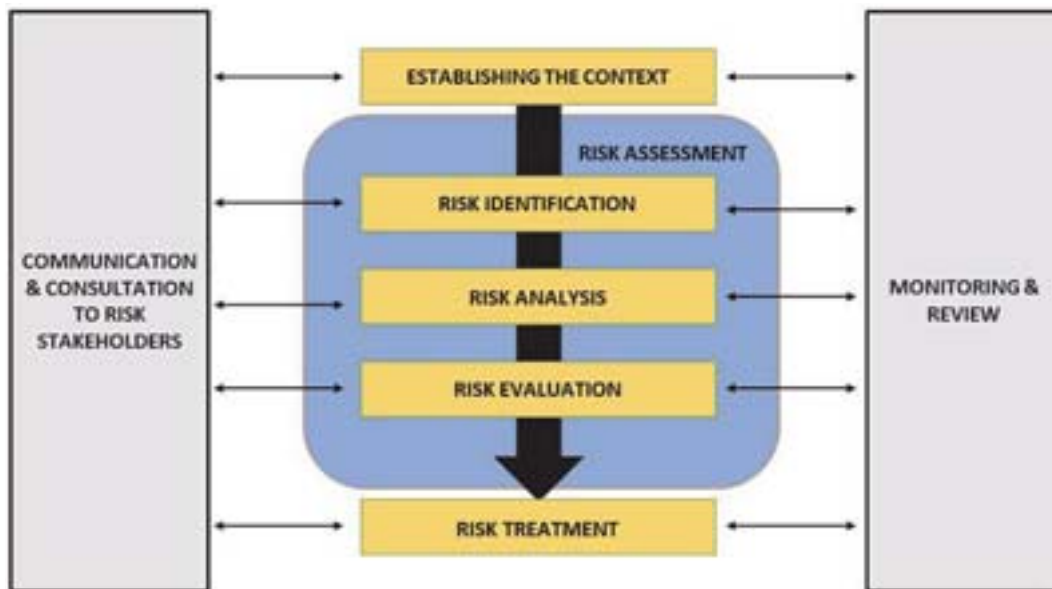
- i. Dato’ Tun Hisan Bin Dato’ Tun Hamzah (Chairman)
- ii. Encik Nizran Bin Noordin (Member)
- iii. Encik Ahmad Najmi Bin Kamaruzaman (Member)



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

b) Key Management Staff

The RMWG, consisting of managers and key staff, has the fundamental role of identifying and assessing risks by employing the following methodologies:



Risk Management Methodology

- i. Identification of significant risks by risk owners/stakeholders
- ii. Assessment/Analysis of the likelihood and impact of the risks identified
- iii. Evaluating the control strategies concerning the risks
- iv. Formulating an action plan to address control deficiencies
- v. Setting Key Risk Indicators to monitor the risks

Key Management Staff maintains constant communication, evaluation, and enhancement of the Risk Management Policy, as well as facilitating risk assessment, continuing monitoring, and reporting of key risks, and timely reporting to RMC.

c) Risk Management Reporting

Reported risks are updated regularly throughout the financial year. The risk is segregated into 4 different categories as follows

- i. Compliance & Reporting Risk
- ii. Strategy & Planning Risk
- iii. Operations & Infrastructure Risks
- iv. Health, Safety & Environmental Risk.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Towards the end of the financial year, there is a total of seventy-five (75) risks have been recorded in the risk register. The following is the risk heat map of the register at the end of the financial year.

Risk Heat Map			Risk Impact				
			Insignificant	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Risk Likelihood	Low	1	44	5	9	3	2
	Medium	2	8	1	8	1	0
	High	3	1	0	1	0	1

Risk Heat Map for the year ended 31 December 2021

Residual Risk Rating	Number of Risks
Low	58
Medium	16
High	1
TOTAL	75

Residual Risk Rating for the year ended 31 December 2021

Throughout the years, several risks have been mitigated until the risk is no longer significant based on the Company's risk appetite. This resulted in the segregation of risks into ACTIVE and INACTIVE risks. The risk that is no longer significant is categorized as inactive while Active risks are given prior attention and are discussed and addressed in the Risk Management Workgroup Meeting to update on the risk development.

This provides a better view & understanding of the register to mitigate risks efficiently. From the total number of risks registered, thirty-two (23) risks are categorized as active risks and the remaining belong as Inactive risks.

Risk Status	Number of Risks
ACTIVE	23
INACTIVE	52
TOTAL	75

Active and Inactive Risks for the year ended 31 December 2021



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Among the Active Residual Risks, nine (9) are classified as low-level risk, thirteen (13) medium level risks and one (1) high-level risk. The following shows the number of residual risks associated with risk rating for ACTIVE risks.

ACTIVE Risk:	
Residual Risk Rating	Number of Risks
Low	9
Medium	13
High	1
TOTAL ACTIVE	23

Residual Risk Rating of Active Risks for the year ended 31 December 2021

Notable risks throughout the financial year were as follows.

Risk Class	Risk Title	Residual Risk
Compliance & Reporting	Breach of contract by one party and the contractual liabilities that might arise: Bilang Semarak Sdn Bhd	Medium
Compliance & Reporting	Affected Listed Issuer under MMLR paragraph 8.03A	Medium
Strategy & Planning	Standard Operating Procedure (SOP) Documentation	Medium
Operations & Infrastructure	Land Title Transfer to Team Keris	Medium

The RMWG reports to the RMC periodically. The RMC will then meet to discuss and evaluate the RMWG's reports for adoption.

INTERNAL CONTROL FRAMEWORK

The Audit Committee ("AC") and the Board regularly review the adequacy and operating effectiveness of the Group's internal controls, being mindful that a sound system of internal controls minimizes the risks that could hamper the Group's in achieving its goals and strategic objectives.

The key elements of the Group's internal control framework are listed below:

a) Board Meetings

The Board meets at least quarterly and has a structured agenda for discussing issues. The ED cum CEO is in charge of presenting board documents and providing explanations on pertinent issues. A comprehensive deliberation and discussion by the Board are required when making decisions based on Management's recommendations. The Board is also kept up to date on the Group's activities and operations regularly.

b) Organisation Structure

To provide a quick response to changes in the evolving business environment, effective supervision of day-to-day operations, and accountability for operations performance, the Group has in place an appropriate organisational structure with clearly defined lines of responsibility and delegated authority established for directors and management within the group.

c) Board Charter

A Board Charter is established to ensure that all Board members acting collectively on behalf of the Company are aware of their duties and responsibilities as Board members, with a focus on implementing high standards of corporate governance throughout the Group in safeguarding the interest of all stakeholders as well as enhancing shareholders' value and financial performance of the Group. Further details on the Board Charter are outlined on MHB's website.

d) Board Committees

The Board has four (4) Board Committees:

Audit Committee ("AC")

The primary function of the AC is to review quarterly and annual financial statements before submission to the Board, external and internal audit plans, systems of internal controls and related party transactions as well as other responsibilities as may be agreed to by the AC and the Board.

The AC is accountable to ensure the adequacy and integrity of the internal control system within the group, whereas the Internal Auditors provide support to the AC in carrying out its duties.

The AC, which comprises of majority Independent Non-Executive Directors are as follows: -

- i. Mr Lim Tian Huat (Chairman)
- ii. Encik Ahmad Najmi Bin Kamaruzaman (Member)
- iii. Datuk Abu Bakar Bin Hassan (Member)
- iv. Dato' Tun Hisan Bin Dato' Tun Hamzah (Member)
- v. Dato' Mohd Azmi Bin Othman (Member) (Appointed on 16 July 2021)

Internal Auditors follow the Internal Audit Plan approved by the AC when conducting audits for the Group. In the AC meeting, members of the AC, as well as management, will then review the findings from the audit report. Further details of the AC are outlined in the Terms of Reference available on MHB's website.

Nomination Committee (“NC”)

The NC is established to review the structure, size, and composition of the Board and to recommend any adjustment deemed necessary to the Board. The NC are also responsible to identify and nominate suitable candidates to fill Board vacancies as and when they arise. The NC is required to assess the effectiveness of the Board and the contribution of each Director. Further details of the NC are outlined in the Terms of Reference available on MHB’s website.

Remuneration Committee (“RC”)

The Remuneration Committee’s primary duties include setting, reviewing, and recommending to the Board for approval, the company’s overall remuneration policy and strategy including the top management of the Company. The RC is also responsible for the top management performance review. Further details of the Remuneration Committee are outlined in the Terms of Reference available on MHB’s website.

Risk Management Committee (“RMC”)

The RMC is established to assist the Board in identifying, assessing, and monitoring key business risks and recommending the risk management policies, strategies, and mitigations to address risk for the Company. Further details of the RMC are outlined in the Terms of Reference available on MHB’s website.

e) Integrity and ethical values

The Board recognises that setting a positive tone at the top is essential for fostering an ethical corporate culture that moulds the Company’s values and serves as the foundation for sustainable growth of the business. The Board recognises that ethical leadership has become even more critical with the implementation of corporate liability provisions [vide the Malaysian Anti-Corruption Commission (Amendment) Act 2018 on June 1, 2020, which places the onus on Directors and Management to proactively avert corrupt practises through the establishment of adequate procedures and due diligence.

The Group will continue to strengthen its ethical framework; considering the reform measure introduced by the corporate liability provision as well as the accompanying Guidelines on Adequate Procedures released by the National Centre for Governance, Integrity, and Anti-Corruption, which is currently comprised of the following key components

Code of Conduct (the “Code”)

The Group is dedicated to conducting business in a fair, impartial, and ethical manner while adhering to all applicable laws and regulations. For that purpose, the Group maintains a Code of Conduct (the “Code”) that establishes standards for its personnel. The Code encourages employees to operate honestly and ethically in the workplace, including the ethical treatment of actual or apparent conflicts of interest between personal and professional relationships, as well as adherence to applicable rules, regulations, and local laws. Employees are expected to carry out their mandate and obligation to the best of their abilities and judgement while maintaining the highest level of integrity and conduct while doing their tasks. The Code of Conduct document is made available on MHB’s website.

Whistleblowing Policy and Procedures

The Whistleblower Policy has also been created by the Group. Employees or a person or entity making a protected disclosure (“Whistleblower”) are encouraged to voice concerns, whether internally or at a high level, and to reveal information if the Whistleblower feels malpractice or misconduct is occurring. This includes public-interest concerns that may be investigated, at least in the beginning, so that appropriate corrective action can be implemented.

The Whistleblower Policy also includes provisions that protect the whistleblower’s confidentiality and ensure that the whistleblower will not face reprisal if he or she acted in good faith.

Complaints or reports should be submitted to the Group CEO or the Human Resources General Manager. Furthermore, if the Whistleblower believes that the Group would be better served if the report was directed to higher levels of management, the complaint or report might be directed directly to the Chairman of the AC. The Whistleblowing Policy and Procedures document is being made available on MHB’s website.

Anti-Bribery and Corruption Policy

Through the adoption of the Anti-Bribery and Corruption Policy (“the Policy”), the Board has taken steps to direct the establishment of adequate procedures to prevent the commission of corrupt acts by anyone associated with the Group. The Policy, amongst others, covers areas on gifts, donations, and sponsorships; support letters; facilitation payments; conflict of interest; and sanctions for non-compliance.

The Policy is based on a supply-chain-wide perspective, which includes third parties such as agents, suppliers, and vendors, as well as contractors, subcontractors, and distributors. The Staff Declaration Form requires all workers to certify that they have read, understood, and will adhere to the Policy. The Anti Bribery and Corruption Policy document is made available on MHB’s website.

f) Limits of Authority

Through relevant terms of reference, organisational structures, and appropriate authority limits, including matters requiring the Board’s approval, clearly defined and documented lines and limits of authority, responsibility, and accountability have been established in the Company. The LOA outlines and empowers individuals or groups of persons in making decisions on behalf of the companies under MHB and will not change, compromise or diminish any powers to individual directors or principal officers as stipulated by the prevailing laws, enactments and regulations.

g) Planning, Monitoring and Reporting

The following internal control processes have been deployed by the Group:

Documented Policies and Procedures

Internal policies and procedures, which are laid out in a series of clearly documented standard operating manuals that cover most of the Group’s operations, are kept up to date and reviewed as needed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Management Financial Report

Quarterly financial and performance reports are submitted to the Board and reviewed, which include explanation and management action taken for improvement of results. Regular visits to the subsidiaries by the members of the management are conducted to monitor and assess the Group's performance and control.

Strategic Business Planning Processes

Annual business planning and budgeting are carried out to establish plans and targets against which performance is continuously monitored. The annual business plan and budget are presented to the Board for approval.

Quality Control

The Group takes continuous efforts in maintaining the quality of its products and services. Appointment of Quality Management Representative and a team of Certified Internal Quality Auditors ("IQA") among employees from different segments of operation. The IQA has been trained and certified to conduct an internal quality audit by looking into different segmentations available in the Company and is projected to maintain a high standard of quality.

ISO 9001:2015 Quality Management System Accreditation

The Group is in the process of obtaining ISO 9001:2015 accreditation, i.e., an international standard that specifies requirements for a quality management system. Accreditation plays a vital role in securing higher income projects for the company.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with the Audit and Assurance Practice Guides ("AAPG") 3, Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on the review, the external auditors have reported to the Board that nothing has come to the attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the internal controls of the Group. AAPG 3 does not require the external auditors to, and they did not consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedure.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

CONCLUSION

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review and several minor structural deficiencies were identified during the period, all of which have been addressed. However, none of the deficiencies has resulted in any material losses, contingencies or uncertainties that required disclosure in the Company's annual report.

Moving forward, MHB Group plans to develop and establish an Enterprise Risk Management (ERM) Framework to provide an integrated and company-wide approach to risk management. The proposed framework is in line with global best practices and accepted risk management standards (ISO 31000:2018). This is consistent with the company's vision to develop a fully institutionalized risk management in MHB by the year 2025.

This Statement on Risk Management and Internal Control was reviewed and approved by the Board of Directors on 26 April 2022.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the Board) recognizes the importance of good corporate governance and is committed to uphold the value of good corporate governance is practiced throughout the Company and its subsidiaries (“the Group”) by continuously advocating transparency, accountability, integrity and responsibility with the ultimate objective to protect and enhance long term shareholders’ values and the financial performance of the Group.

As required under the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), this Corporate Governance Overview Statement reports on how the Company has applied the Principles and Practices to the extent of compliance with the recommendations of good corporate governance as set out in the Malaysian Code on Corporate Governance (“MCCG”) throughout the financial year ended 31 December 2021 (“the Year” or “2021”). This statement is to be read together with Corporate Governance Report 2021 based on a prescribed format as outlined in Paragraph 15.25(2) of the Listing Requirements, which can be downloaded from MHB’s website at www.majuperak.com.my or from Bursa Securities’ website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Charter

The Company has formalised a Board Charter which clearly set out the composition, roles and responsibilities of the Board and Board committees and the processes and procedures for convening their meetings. The Board Charter serves as a reference providing prospective and existing members of the Board and management insight into the fiduciary duties of directors.

In promoting good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures, full details of which will be made available on the Company’s website:

- Code of Conduct and Ethics
- Whistleblowing Policy and Procedures
- Anti-Bribery and Corruption Policy

The Board reviews the Board Charter on a regular basis to ensure it is up to date with the changes in Bursa Securities Listing Requirement, other relevant regulations and best practices and ensure its effectiveness and relevance to Board’s objectives. The Board Charter is available at the Company’s website at www.majuperak.com.my.

Principal Roles

The Company is led by an experienced and dynamic Board. The Directors together as a team set values and standards of the Company and ensure that the Group’s business is properly managed to safeguard the Group’s assets and shareholders’ interests. The Board assumes full responsibility for the oversight and overall management of the Company.



Roles and Responsibilities

The Board's principal focus is the overall strategic direction, development and control of the Group. In support of this focus, the Board maps out and reviews the Group's medium and long term strategic plans on a basis, so as to align the Group's business directions and goals with the prevailing economic and market conditions.

The Board considers all aspects of the operations of the Group and particularly in the following areas:

- Reviewing the management's performance and ensures that necessary financial and human resources are available to meet the Group's objectives;
- Overseeing the conduct of the business of the Group;
- Review the yearly and quarterly financial result;
- Succession planning for senior management;
- Identifying and putting in place systems to manage any principal risk;
- Reviewing the adequacy and integrity of the management information and internal control system.

Management manages the day-to-day operations in accordance with a Limit of Authority with clearly defined authority limits for capital expenditure, operating expenditure, contract awards, safeguarding of assets, business decision activities, segregation of duties and other significant transactions, among others. Defined authority limits continue to be closely monitored in response to prevailing market conditions.

Separation of Chairman and Group CEO

The role of the Executive Chairman, Datuk Redza Rafiq Bin Abdul Razak and the Group CEO, Encik Nizran Bin Noordin are separated with a clear distinction of responsibility between them. The role of the Chairman is to focus on governance and compliance and ensure the smooth and effective functioning of the Board. His duties include providing leadership for the Board, ensuring the Board carries out its responsibilities in the best interest of the Company and that all the key issues are discussed in a timely manner. The Chairman is also tasked with facilitating active discussion and participation by all Directors and ensuring that sufficient time is allocated to discuss all relevant issues at the Board meetings. Whereas the Group CEO serves as the conduit between the Board and the Management in ensuring the success of the Group's governance and management function. The Group CEO has the responsibility for day-to-day running of the business and implementation of Board's policies, strategies and decisions adopted by the Board.

Board Meetings

The Board meets on a quarterly basis and additional meetings were convened and held when specific urgent or important matters are required to be considered and decided between the scheduled meetings. During the financial year, the Board met twelve (12) times, as follows, where the Board deliberated and considered a variety of matters including the Group's financial results, budget and strategy, corporate proposals and strategic issues that affect the Group's business operations.

- 23 February 2021;
- 29 March 2021;
- 24 May 2021;
- 22 June 2021;
- 29 June 2021;
- 11 August 2021;
- 24 September 2021;
- 29 September 2021;
- 15 November 2021;
- 29 November 2021;
- 3 December 2021; and
- 7 December 2021



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

All the Directors have complied with the minimum attendance at Board Meetings as stipulated by Bursa Securities during the financial year and details as below:

Name of Directors	No. of Meetings Attended
Datuk Redza Rafiq Bin Abdul Razak (Appointed as Non-Independent Non-Executive Director on 24 February 2021 and redesignated as Executive Chairman on 3 March 2021)	11/11
Nizran Bin Noordin	12/12
Ahmad Najmi Bin Kamaruzaman	12/12
Lim Tian Huat	12/12
Dato' Tun Hisan Bin Dato' Tun Hamzah	12/12
Datuk Abu Bakar Bin Hassan	12/12
Dato' Mohd Azmi Bin Othman (Appointed on 24 May 2021)	8/8
Dato' Aminuddin Bin Md Hanafiah (Appointed on 24 May 2021)	8/8
Norazali Bin Nordin (Appointed on 24 May 2021)	8/8
Khairul Nizam Bin Tajul Hasnan (Retired on 29 June 2021)	4/4

Access to Information and Advice

The Board had unrestricted access to timely and accurate information, necessary in the furtherance of their duties. In carrying out their duties, the Directors have complete access to all staff for information pertaining to the Group's affair. The Directors have full access and dedicated support services of the Company Secretaries, Independent Professional Advisers, and Internal/External Auditors in appropriate circumstances at the Company's expense, if required to ensure effective functioning of the Board. The Directors may also interact directly with, or request further explanation, information and updates on any aspect of the Company's operations or business concerns from the Management.

The Board and Board Committees meetings are planned in advance prior to the commencement of a new calendar year and the schedule is circulated to the Directors and Committee members well in advance to enable them to plan ahead. Board members are given at least seven (7) days' notice before any Board meeting is held. The agenda for each Board meeting and papers relating to the matters to be deliberated at the meeting are forwarded to all Directors at least five (5) days before the Board meeting. The Board papers are comprehensive covering agenda items to facilitate informed decision-making. In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board will be tabled for notation at next Board meeting.



The Board also peruses the decisions deliberated by Board Committees through minutes of these Committees. The Chairman of the Board Committees is responsible to inform the Directors at Board meeting of any salient matters noted by the Committees and which require the Board's notice or direction. All proceedings of Board meetings are minuted and signed by the Chairman of the meeting in accordance with the provisions of Companies Act, 2016.

The Directors are notified of any corporate announcements released to Bursa Securities. They are also notified of the impending restriction in dealing with the securities of the Company at least thirty (30) days prior to the targeted released date of the quarterly financial results announcement.

Board Composition

The Group is helmed by an effective and experienced Board comprising individuals of caliber and credibility from diverse professional backgrounds with a wealth of experience, skills and expertise which are crucial for the Board to function effectively.

The Board has nine (9) members, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and a strong presence of six (6) Independent Non-Executive Directors. The presence of a majority of Independent Non-Executive Directors provides an effective check and balance in the functioning of the Board which is in compliance with Paragraph 15.02 of Bursa Securities Listing Requirements. The Independent Directors which make up more than half the Board play a crucial role in the exercise of independent assessment and objective participation in Board deliberations and decision-making process.

The Company has also complied with Practice 1.4 of the MCCG 2021 where the Chairman of the Board shall not be a member of the Board Committees. However, the Executive Chairman, Datuk Redza Rafiq Bin Abdul Razak was invited to the Board Committee's meetings held during the financial year ended 31 December 2021, hence this practice has deemed as departure. Moving forward, the Board would ensure the Executive Chairman will not be invited to attend the Board Committees Meetings.

The Board is of the view that the composition is well balanced, representing both the majority and minority shareholders' interests and complies with the Listing Requirements whereby majority of the Board comprises of Independent Directors. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations. In addition, they also ensure that the interests of all shareholders, and not only the interest of a particular fraction or group are indeed taken into account by the Board in its decision-making process.

The Board Charter provides that the Board should consist of qualified individuals with diverse experiences, backgrounds and perspectives. The Constitution of the Company provides a minimum of two (2) and a maximum of eleven (11) Directors. The composition and size of the Board should be such that it facilitates the making of informed and critical decisions without limiting the level of individual participation, involvement and effectiveness.

The Board believes that the Board composition provides the appropriate balance in terms of skills, knowledge and experience in the fields of developer operations, finance and accounting, business management, risk management and general experience in management. This combination of different professions and skills working together enables the Board to promote the interests of all shareholders and to govern our Group effectively.

With regards with gender diversity in the Board's composition, none of the directors is a female. Notwithstanding this, the Board will periodically review the composition of the Board and source for suitable directors considering the diversity in business background, area of expertise, skills, educational background, gender, ethnicity as well as others factors that might provide the Board with a broader range of viewpoints and perspective.



Appointment to the Board and Re-election of Directors

In accordance with the Company's Constitution, all directors who were appointed by the Board are subject to re-election at the first opportunity after their appointment and at least one third of the remaining directors are subject to re-election by rotation at each Annual General Meeting ("AGM"). The Constitution also provide that all directors shall retire at least once in every three (3) years.

The proposed appointment of new Board members as well as the proposed re-election/re-appointment of existing Directors who are seeking re-election/re-appointment at the Annual General Meeting are first considered and evaluated by the Nomination Committee (NC). For the purpose of determining the eligibility of the Directors to stand for re-election at the AGM, the NC had also conducted an annual review of the performance of the Board to ensure that it is continuously effective.

The review conducted via a set of questionnaires to assist the reviewer in his assessment is spread over the following three (3) key areas:

- The performance and contribution of each of the Directors based on their self and peer assessment results of the Board Effective Evaluation;
- The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities and
- The level of independence demonstrated by each of the Non-Executive Directors (NED) and his ability to act in the best interest of the Company in decision making, to ensure that the NED were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interest of the Company.

Upon its evaluation, the NC will make recommendations on the proposal(s) to the Board for approval, taking into account the Director's attendance at meetings, participation, contribution, professionalism and time commitment. The Board makes the final decision on the proposed appointment or re-election/re-appointment to be presented to shareholders for approval.

Tenure of Independent Directors

The Board does not have term limits for Independent Directors. However, in line with the recommendation of the Code, the Company follows the guidelines which provide a limit of a cumulative term of nine (9) years on the tenure of the independent directors unless extended by shareholders. None of the existing Independent Directors has exceeded cumulative term of nine (9) years tenure.

Directors' Training and Development

The Board acknowledges the importance of continuous education and training broaden one's perspective and to keep abreast with the current and future developments in the industry and global markets, regulatory updates as well as management strategies to enhance the Board's skills and knowledge in discharging their duties. An orientation program is initiated for newly appointed Directors who have attended the Mandatory Accreditation Programs prescribed by Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

All Directors attended at least one training / seminar during the financial year ended 31 December 2021. The details are as follows:

Directors	Programs	Date
Datuk Redza Rafiq Bin Abdul Razak	Mandatory Accreditation Programs for Directors of Public Listed Companies	31 May – 2 June 2021
	Seeing the Big Picture – Getting Grip On Business Finance	22 & 23 June 2021
Nizran Bin Noordin	Seeing the Big Picture – Getting Grip On Business Finance	22 & 23 June 2021
	Malaysian Code on Corporate Governance	27 July 2021
Lim Tian Huat	Pacific & Orient Group – Awareness Briefing on MACC Act Section 17A and Adequate Procedures	15 January 2021
	MIA Conference 2021	8 – 10 June 2021
	ICAAP	24 June 2021
	SAC, BOARD & MANCO Session 2021	5 July 2021
	Integrated Thinking Model ESG (Sustainability)	13 August 2021
	Cyber Security Awareness	10 September 2021
	Digital Banking BNM Guidelines on Recovery Planning	1 October 2021
	Maximising Integrity: The Role of Directors and Senior Management	7 October 2021
	AML/CFT and Corporate Liability Training	5 November 2021
	The Importance of Considering the ‘Code of Ethics’ when Exercising Judgement.	22 November 2021
	Practical MPERS for Inventories, Investment Property, PPE and Intangible Assets other than Goodwill.	2 December 2021
	MIA Forum with Audit Practitioners	9 December 2021
Ahmad Najmi Bin Kamaruzaman	Seeing the Big Picture – Getting Grip On Business Finance	22 & 23 June 2021
Dato’ Tun Hisan Bin Dato’ Tun Hamzah	Seeing the Big Picture – Getting Grip On Business Finance	22 & 23 June 2021
	Risk Management in Technology (RMiT) & Digital Transformation: What they mean for Governance and Strategy of Bank and Insurance Board	20 April 2021
	Malaysian Code on Corporate Governance	14 June 2021
	Security Disclosure – Persatuan Industri Keselamatan Malaysia.	30 June 2021



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Directors	Programs	Date
Datuk Abu Bakar Bin Hassan	Seeing the Big Picture – Getting Grip On Business Finance	22 & 23 June 2021
Dato' Mohd Azmi Bin Othman	AOB Conversation with Audit Committees	6 December 2021
Dato' Aminuddin Bin Md Hanafiah	Mandatory Accreditation Programs for Directors of Public Listed Companies	26-28 July 2021
	Seeing the Big Picture – Getting Grip On Business Finance	22 & 23 June 2021
Norazali Bin Nordin	Mandatory Accreditation Programs for Directors of Public Listed Companies	26-28 July 2021

BOARD COMMITTEES

Audit Committee (AC)

The AC of the Company comprises of majority Independent Non-Executive Directors, as follows:

1. Lim Tian Huat – Chairman
Senior Independent, Non-Executive Director
2. Ahmad Najmi Bin Kamaruzaman
Independent, Non-Executive Director
3. Datuk Abu Bakar Bin Hassan
Independent, Non-Executive Director
4. Dato' Tun Hisan Bin Dato' Tun Hamzah
Independent, Non-Executive Director
5. Dato' Mohd Azmi Bin Othman
Non-Independent, Non-Executive Director
(Appointed on 16 July 2021)

A full report of the Audit Committee with details of its membership and a summary of work performed during the financial year are set out in the Audit Committee Report of this annual report.



Nomination Committee (NC)

The NC of the Company comprises entirely of Non-Executive Directors, as follow:-

1. Ahmad Najmi Bin Kamaruzaman – Chairman
Independent, Non-Executive Director
2. Datuk Abu Bakar Bin Hassan
Independent, Non-Executive Director
3. Norazali Bin Nordin
Independent, Non-Executive Director
(Appointed on 16 July 2021)

The role of the NC is set out in its terms of reference and available for reference on the Company's website at www.majuperak.com.my.

The NC meets at least once in a financial year and wherever required. The NC met twice during the financial year i.e. 3 March 2021 and 21 May 2021 and also passed 2 NC Circular Resolutions to undertake the following activities:

- considered nomination letter from the major shareholder of the Company, Perbadanan Kemajuan Negeri Perak dated 23 February 2021 nominating the changes to its nominees directors for the appointment of Datuk Redza Rafiq Bin Abdul Razak in place of Encik Mohd Ariff and also new appointment of directors and members of Board Committees;
- reviewed the mix of skills, independence, experience and other qualities of the Board;
- reviewed the retirement by directors by rotation for re-election, and assess and recommend to the Board on their eligibility for re-election and re-appointment;
- reviewed the terms of office and performance of the Audit Committee and each of its members annually;
- assessed the independence of the Independent Directors by completing a form of declaration of independence to facilitate the assessment process as to ensure the IDs were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or ability to act in the best interest of the Company. The NC concluded that that all the IDs satisfied the independence test and met all requirement to be ID under the Main Market Listing Requirement of Bursa Securities and were able to discharge their responsibilities as IDs.
- reviewed the trainings and seminars attended by the directors and evaluate the continuing education programmes and training needs for individual directors;
- reviewed the annual assessment of the effectiveness, composition and balance of the Board as well as the effectiveness of the Committees and contribution of each individual directors using the following criteria:

Audit Committee, Remuneration Committee & Risk Management Committee

- i) Quality and Composition;
- ii) Skills and Competencies; and
- iii) Meeting Administration and Conduct

Board of Directors

- i) Board Structure;
- ii) Board Operations; and
- iii) Board Roles and Responsibilities

The Director who is subject to re-election and/or re-appointment at the next Annual General Meeting is assessed by the NC before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the NC are based on the yearly assessment conduct.

The NC, having conducted an annual assessment of the Board and its individual members, the Audit Committee and its members, and the NC was satisfied with the current board size and the effectiveness of the Board/Board Committees in discharging their roles and responsibilities through attendance at their respective meetings, their performance and contribution, attributes, capabilities and qualifications considered necessary or desirable for service and demonstration of independence, integrity and impartiality in decision-making. Thus, no recommendation on the change of composition of the Board is made. The Board is also of the opinion that the NC has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions as listed in the Terms of Reference of the NC. The assessment and evaluation were properly documented.

Remuneration Committee (RC)

The RC comprises entirely of Non-Executive Directors as follows: -

1. Datuk Abu Bakar Bin Hassan – Chairman
Independent, Non-Executive Director
2. Lim Tian Huat
Senior Independent, Non-Executive Director
3. Dato' Tun Hisan Bin Dato' Tun Hamzah
Independent, Non-Executive Director

The RC is responsible for recommending the remuneration package for all Directors. The individual Directors plays no part in deciding their own remuneration. The RC reviews the remuneration package, terms of employment, benefits and reward structure of the Executive Directors, the Managing Director and/or Group CEO and other Senior Management, reviewed the fees and benefits payable to Non-Executive Directors and makes the necessary recommendations for the decision of the Board. Meetings of the RC are held as and when necessary, at least once a year. The RC met twice during the year i.e. 3 March 2021 and 21 May 2021.

Directors' Remuneration

The Company rewards its employees and the Directors both Executive and Non-Executive with options under ESOS. All Directors are paid Directors' fees as approved by the shareholders at the Annual General Meeting based on the recommendation of the Board. The determination of the level of fees of the Non- Executive Directors is a matter decided by the Board as a whole to ensure that it is sufficient to attract and retain the services of the Non-Executive Directors which are vital to the Company.

The RC also recommends to the Board the remuneration packages of Executive Chairman, Group Managing Director (if any) and/or Group CEO and it is the responsibility of the Board to approve the remuneration packages of Executive Director. In evaluating the Group CEO's remuneration, the RC takes into account the Group's financial performance and performance on a range of non-financial factors which reflects the level of risk, responsibility as well as performance of the Company and the industry norm.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The remuneration of the Directors of the Company served during the financial year ended 31 December 2021 is as follows:

Group/Company Name of Directors	Fees RM	@ Salary RM	Other Emoluments RM	Benefit- in-kind RM	Total RM
Mohd Ariff Bin Yeop Ishak (Former Executive Chairman) (Resigned as Director/Chairman on 5 February 2021)	4,583.33*	89,623.95	-	-	94,207.28
Datuk Redza Rafiq Bin Abdul Razak (Executive Chairman) (Appointed as Non-Independent Non-Executive Director on 24 February 2021 and redesignated as Executive Chairman on 3 March 2021)	45,833.33*	415,666.92	-	-	461,500.25
Nizran Bin Noordin	48,000*	501,948.60	-	-	549,948.60
Ahmad Najmi Bin Kamaruzaman	48,000	-	-	-	48,000
Khairul Nizam Bin Tajul Hasnan (Retired on 29 June 2021)	24,000*	-	-	-	24,000
Lim Tian Huat	48,000	-	-	-	48,000
Dato' Tun Hisan Bin Dato' Tun Hamzah	48,000	-	-	-	48,000
Datuk Abu Bakar Bin Hassan	48,000	-	-	-	48,000
Dato' Mohd Azmi Bin Othman (Appointed on 24 May 2021)	28,000	-	-	-	28,000
Dato' Aminuddin Bin Md Hanafiah (Appointed on 24 May 2021)	28,000	-	-	-	28,000
Norazali Bin Nordin (Appointed on 24 May 2021)	28,000	-	-	-	28,000

* If approved by the shareholders at the forthcoming AGM, this amount is payable to the holding company, Perbadanan Kemajuan Negeri Perak (PKNP) in view that the individual is a nominee director of PKNP.

@ Basic salary plus EPF/SOCSSO employers' contribution.

The disclosure of Directors' remuneration is made in accordance with the Malaysian Code of Corporate Governance ("MCCG").



Key Senior Management's Remuneration

The Board took cognizance of the disclosure requirements under MCCG on the Key Senior Management's remuneration. The remuneration component including salary, bonus, benefits in-kind and other emoluments of the current key senior management of the Company within the bands of RM50,000 for the financial year ended 31 December 2021.

The profiles of the Key Senior Management are disclosed in this Annual Report. Key Senior Management are those primarily responsible for managing the business operations and corporate divisions of the Group. The Board, after consideration, decided not to disclose on a named basis the top five Key Senior Management's remuneration in bands of RM50,000 in order to allay valid concerns of intrusion on staff confidentiality as well as maintaining the Company's ability to retain talented senior management in view of the competitive employment environment, in particular of the Group's property development business. The non-disclosure on named basis of the remuneration of the top senior management will not significantly affect the understanding and the evaluation of the Group's governance and will ensure the confidentiality of the remuneration of the top senior management.

Employees' Share Option Scheme ("ESOS") Committee

An ESOS was duly implemented with effect from 6 March 2020 pursuant to Paragraph 6.43 of the Bursa Securities Listing Requirement. The ESOS Committee was established and appointed by the Board to oversee the administration as well as to ensure proper implementation of ESOS according to the By-Laws of ESOS. The Company's Employees' Share Option Scheme ("the Scheme") would be in force for a period of five (5) years from the date of implementation with an option to extend for another period of up to a total of five years, unless being terminated by the Board.

The ESOS Committee had made the offer and the details of the vesting of options under the ESOS are set out in the Annual Report.

The Committee Members comprise of the following:

- 1) Nizran Bin Noordin – Chairman, the Group CEO
- 2) Ahmad Al Hadi Bin Abd Khalid – Member, Group CFO
- 3) Jamaliah Binti Mustapha – Member, General Manager, Human Resources

Corporate Integrity

The Board has formalised and adopted the Code of Ethics of Directors (the "Code"), which is based on the core principles of integrity, transparency, accountability and corporate social responsibility. The Code enables the Board and each Director to focus on areas of ethical risk, provides guidance to Directors to help them recognise and deal with ethical issues, provides mechanisms to report unethical conducts and helps foster a culture of honesty and accountability. It also serves as an avenue for any Director to channel any suspected violations of the Code to the Chairman of the Audit Committee ("AC"). Investigation will be carried out by the Board and appropriate action will be taken in the event of any violations of the Code.

Besides, the Group also adopted a Code of Conduct which sets standards for the employees within the Group to promote honest and ethical conduct, including the ethical handling of actual or apparent conflict of interest between personal and professional relationships in the workplace and to observe applicable rules, regulations and local laws.



The Board and all employees are committed to observe the highest standards of personal and corporate integrity when dealing within the Group and with external parties.

In addition to the above, the Company's Whistle Blower Policy (the "Policy") aims to maintain the highest level of corporate ethics within the Group. All employees of the Group have a professional responsibility to disclose any known malpractices or wrongdoings. The Board has the overall responsibility for overseeing the implementation of the Policy, and all whistleblowing reports are addressed to the Chairman of the AC (for matters relating to financial reporting, unethical or illegal conduct), and the Group CEO or Head of Human Resource Department (for employment-related concerns).

The Code of Ethics of Directors, Code of Conduct and Whistle Blower Policy can be found on the Company's website at www.majuperak.com.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The Group has delegated certain responsibilities to the Board Committees which operate within defined terms of reference approved by Board to assist the Board in discharging its fiduciary duties and responsibilities. The Board Committees include the Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee.

The Board Committees exercise transparency and full disclosure in their proceedings. Where necessary, issues deliberated by the Board Committees are presented to the Board with the appropriate recommendations. The ultimate responsibility for the final decision on all matters however, lies with the Board.

Audit Committee (AC)

The AC assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group. The Chairman of the AC is not the Chairman of the Board. The AC conducts a review of the Internal Audit Function in terms of its authority, resources and scope as defined in the Internal Audit Charter adopted by the Group.

Relationship with Auditors

The Company, through its Audit Committee, has established a transparent and appropriate relationship with the Company's auditors, both internal and external. It is the policy of the Audit Committee to meet the external auditors to discuss their audit plan, audit findings and the financial statements.

The Group has an in-house Internal Audit Unit that assists the Audit Committee in the discharge of its duties and responsibilities. The Internal Audit Unit function includes evaluation of the processes by which significant risks are identified, assessed and managed. The audits are carried out to ensure instituted controls are appropriate, effectively applied and within acceptable risk exposures and consistent with the Group's risk management policy. The Internal Audit Unit reports directly to the Audit Committee and audit findings and recommendations are communicated to the Board.



Risk Management Committee

The members are as follows:

1. Dato' Tun Hisan Bin Dato' Tun Hamzah – Chairman
Independent Non-Executive Director
2. Ahmad Najmi Bin Kamaruzaman
Independent Non-Executive Director
3. Nizran Bin Noordin
Executive Director cum Group Chief Executive Officer

The ultimate responsibility for ensuring a sound and effective internal control framework lies with the Board. The Board sets policies and procedures for internal control and oversees that the implementation of the internal control system is properly carried out by the Management to safeguard shareholders' investments and the Company's assets. The oversight of the Group and Company's risk management framework and policies is also embedded in the AC Charter.

The Board acknowledges that while the internal control system is devised to cater for particular needs of the Group and risk management, such controls by their nature can only provide reasonable assurance against material misstatements or loss.

During the Financial Year 2021, the Committee: -

- reviewed risk management's resource requirements, scope, adequacy and activities;
- reviewed the Group's strategic risks and provide feedback to Management on risks mitigation strategies and improvement on quarterly basis; and
- reviewed the Group's divisional risk report and provision of feedback on the mitigation strategies and improvement on quarterly basis.
- The Board also acknowledges its overall responsibility in maintaining an internal control system that provides reasonable assurance of effective and efficient operations, compliance with laws and regulations, as well as internal procedures and guidelines. However, the Group's system of internal control is designed to manage and not eliminate the risk of failure to achieve the Group's objectives, hence the internal control system can only provide reasonable and not absolute assurance against the risk of material errors, fraud or loss.

Further details of the Group and Company risk management and internal controls framework are as set out in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANING FULL RELATIONSHIP WITH STAKEHOLDER

Communication with Shareholders

The Board is committed to provide shareholders and investors accurate, useful and timely information about the Company, its business and its activities. The Company has regularly communicated with shareholders and investors in conformity with the disclosure requirements.

The Company's AGM remains the principal forum for dialogue and interaction with shareholders and provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's business and corporate development.

Notice of the AGM together with the Annual Report are sent out to shareholders at least twenty-eight (28) days before the date of meeting.

The Board encourages participation from shareholders by having a question and answer session during the AGM. The directors and the GCEO are available to provide responses to questions from shareholders during the meeting.

All resolutions set out in the notice of general meetings of the Company are to be conducted by poll and an independent scrutineer is appointed to monitor the conduct of polling for each general meeting.

At the AGM held on 29 June 2021, poll voting was conducted in respect of all resolutions by way of e-polling process and Boardroom Corporate Services Sdn. Bhd. was appointed as Scrutineers to verify the poll results. The outcome of the poll against the resolutions was announced at the same meeting and detailed results stating the votes cast were announced at Bursa's website on the same day of the AGM. A summary of the key matters discussed at the 2021 AGM was published on the Company's website at www.majuperak.com.my

The Group ensures that timely disclosures are made to the public with regard to the Group's corporate proposals, financial results and other required announcement.

Corporate and financial information of the Group as well as the Company's announcements to Bursa Securities are also made available to the public through the Company's website at www.majuperak.com.my

Compliance with the Code

The Group has complied with the Principles of Corporate Governance as contained in the Code except for the following exception that, in the opinion of the Directors, adequately suit the circumstances:

- Practice 1.4 (The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee)
- Practice 4.4 (Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities)
- Practice 5.9 (The board comprises at least 30% women directors)
- Practice 5.10 (The board discloses in its annual report the company's policy on gender diversity for the board and senior management)
- Practice 8.2 (The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000)
- Practice 9.2 (The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee)

The explanation for departure is further disclosed in the Corporate Governance Report.

This CG Overview Statement was approved by the Board of Directors of MHB on 26 April 2022.



AUDIT COMMITTEE REPORT

The Board of Directors of Majuperak Holdings Berhad (“MHB”) is pleased to present the report of the Audit Committee (“AC”) for the financial year ended 31 December 2021 in compliance with Paragraph 15.15 of the Main Market Listing Requirement (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The AC composition meets the requirement of Paragraph 15.09 and 15.10 of the MMLR of Bursa Securities, which set out that the AC must be comprised of not fewer than three (3) members, all of whom must be non-executive directors, with the Chairman and a majority of the members being independent directors and at least one (1) member of the AC must be a member of the Malaysian Institute of Accountants.

Mr. Lim Tian Huat as the Chairman of MHB AC is a Council Member and Founding President of Insolvency Practitioners Association of Malaysia, a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountant. Accordingly, MHB complies with requirements of Paragraphs 15.09(1)(c)(i) of the MMLR of Bursa Securities. He has over 40 years of experience in the field of assurance, corporate advisory, restructuring and insolvency.

During the year under review, the Board, via the Nomination Committee, performed the annual assessment on the term of office and performance of the AC and each of its members pursuant to Paragraph 15.20 of the MMLR of Bursa Securities. The Board is satisfied that the AC and each of its members have discharged their responsibilities and duties in accordance with the AC’s Terms of Reference (“TOR”) and supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

During the FYE 2021, a total of seven (7) MHB AC meeting were held. The composition of MHB AC members and attendances at each member at the committee meetings held during the financial year are as follows: -

Members	Directorate	Appointment	Attendances
Mr Lim Tian Huat (Chairman)	Senior Independent and Non-Executive	18/08/2020	7/7
Encik Ahmad Najmi Bin Kamaruzaman (Member)	Independent and Non-Executive	10/08/2018	7/7
Datuk Abu Bakar Bin Hassan (Member)	Independent and Non-Executive	18/08/2020	7/7
Dato’ Tun Hisan Bin Dato’ Tun Hamzah (Member)	Independent and Non-Executive	18/08/2020	7/7
Dato Mohd Azmi Bin Othman (Member)	Non-Independent and Non-Executive	16/07/2021	3/3

The Company Secretary attended all the meetings held during the financial year. Minutes of each AC Meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. The Group Chief Executive Officer (“GCEO”) and Group Chief Financial Officer (“GCFO”) were invited to the Meetings to facilitate direct communication and to provide clarification on financial/audit issue and the Group’s operations matters. The GCEO will also brief the AC on specific issue arising from the audit reports or any matters of interest. In FYE 2021, the AC Chairman presented to the Board the Committee’s recommendation to approve the annual and quarterly financial statements and any significant concern as and when raised by the External Auditors or Internal Auditors. The AC Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditor or Internal Auditor in the respective quarterly presentations.



AUTHORITY AND DUTIES

The details of the terms of reference of the AC are available for reference at www.majuperak.com.my and it is updated until 24 April 2019.

SUMMARY OF ACTIVITIES

During the financial year, the AC in the discharge of its function and duties as set out in its Terms of Reference, carried out the following main activities: -

1. Financial Reporting
 - i. Reviewed the quarterly financial statements including the draft announcements pertaining thereto and made recommendations to the Board for approval of the same as follows: -

Date of Meetings	Review of Quarterly Financial Statement
22 February 2021	Interim financial statements for fourth quarter ended 31 December 2020
26 March 2021	Interim financial statements for fourth quarter ended 31 December 2020 (Revised).
24 May 2021	i. Draft audited financial statements for the financial year ended 31 December 2020
	ii. Interim financial statements for first quarter results for the financial year ended 31 March 2021
23 September 2021	Interim financial statement for second quarter ended 30 June 2021
29 November 2021	Interim financial statements for third quarter result for the financial year ended 30 September 2021

The above review was to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting Standards, provisions of the Companies Act 2016, provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other legal and regulatory requirement.

- ii. Reviewed and made recommendations to the Board for approval in respect of the audited financial statements of the Company and the Group for the financial year ended 31 December 2020 at its meeting held on 24 May 2021 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and it is in compliance with all disclosure and regulatory requirements.

- iii. To safeguard the integrity of information, the GCFO had also given assurance to the AC that:
- a) appropriate accounting policies had been adopted and applied consistently;
 - b) the going concern basis applied in the Annual Financial Statements was appropriate;
 - c) prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS;
 - d) the Audited Financial Statements and Quarterly consolidated financial statements did not contain material misstatement and gave a true and fair view of the financial positions of the Group and its subsidiaries for the financial year ended 2021.

2. External Audit

i. Reviewed with the external auditors:

- a) Audit planning memorandum for the year ended 31 December 2021 comprising the audit plan, audit strategy and scope of work for the year.
- b) Annual audit report and management letter together with management's responses to the findings of the external auditors.
- c) Updates on new accounting standards applicable.

ii. Met the external auditors twice for the discussion without the presence of the management.

iii. Assessed the independence and objectivity of the external auditors during the year and prior to the appointment of the external auditors for ad-hoc non-audit services.

iv. Evaluate the performance and effectiveness of the external auditors and made recommendations to the Board of Directors on their audit fees and for their reappointment to hold office until the conclusion of the next Annual General Meeting. The evaluation of the external auditor would include the following: -

- a) Performance
 - Level of knowledge, capabilities, experience and quality of previous work;
 - Level of engagement with the board;
 - Ability to provide constructive observation, implications and recommendations in areas which require improvement;
 - Appropriateness of audit approach and the effectiveness of audit planning; and
 - Ability to perform the audit work within the agreed duration given.
- b) Independence and objectivity
 - Non-audit services rendered by auditor does not impede independence; and
 - Auditor demonstrates unbiased stance when interpreting the standards and policy adopted



3. Internal Audit

- i. Reviewed and approved the annual internal audit plan as proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;
- ii. Reviewed the internal audit budget, resources, initiatives, skills and competencies. During the financial year end, a Senior Internal Audit Manager, with vast experience in internal audit work was identified and engaged on 1 October 2021;
- iii. Reviewed the internal audit reports tabled during the year, which outlined the audit issues, recommendations and management response. Discussed with the management to rectify and improve the system of internal controls and workflow processes based on the internal auditors' recommendations for improvement to ensure control lapses are addressed;
- iv. Monitored the corrective actions taken on the outstanding audit issues to ensure that all key risks and control lapses have been addressed and implemented by the management; and
- v. Reviewed the minutes of the Committee Meeting and matters arising based on the previous meetings.

4. Related Party Transactions ("RPT")

AC reviewed the related party transactions presented by Management to ensure that the transactions were not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders.

During the financial year end, the AC had

- a) reviewed the Circular on Recurrent RPT and ensure that it would not be detrimental to the minority shareholders and was in the best interest of the Company and recommended to the Board for shareholders' approval.
- b) reviewed the Circular on the Proposed Land Swap between Majuperak Energy Resources Sdn Bhd (MERSB), a wholly owned subsidiary of Majuperak Holdings Berhad (MHB) and Perbadanan Kemajuan Negeri Perak (PKNP), the major shareholder of the Company. Having considered all aspects of the Proposed Land Swap, including the salient terms of the Land Swap Agreement, the basis and justification for the Disposal Consideration, Acquisition Consideration, the rationale for the Proposed Land Swap, industry overview and prospects of PKNP Lands as well as the effects of the Proposed Land Swap, was of the opinion that the Proposed Land Swap was:-
 - (i) in the best interest of the Company;
 - (ii) fair, reasonable and on normal commercial terms; and
 - (iii) not detrimental to the interest of the minority shareholders.

5. Annual Report

Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and additional compliance information before submitting for the Board's approval and inclusion in the Company's Annual Report.



6. Whistle Blowing/Anti-Corruption and Bribery cases

Ensured that the Group's Whistle Blowing Policy and Anti-Bribery and Corruption Policy are actively implemented with appropriate actions taken whenever reports are received. There were no reporting of whistle blowing nor bribery and corruption cases.

7. Others

Assessed and recommended to the Board of Directors on the settlement of intercompany borrowing.

GROUP INTERNAL AUDIT FUNCTION

The internal audit function is performed in-house and undertaken by MHB Group's Internal Audit Division ("IAD"). The IAD functionally reports to the AC as an independent unit that provides independent and objective assurance on the adequacy and effectiveness of MHB Group's internal control systems implemented by Management.

The function of the IAD is to assist the AC in discharging its duties and responsibilities by independently reviewing and reporting on the adequacy and integrity of the MHB Group's system of internal controls. The IAD adopts the relevant requirements on internal audit:-

i) International Professional Practice Framework issued by the Institute of Internal Auditors (IIA)

To ensure that the IAD operates competently and professionally, a series of professional standards have been adopted. They adopt the internationally accepted "International Professional Practice Framework pronounced by the Institute of Internal Auditors".

ii) The IAD is also guided by the Internal Audit Charter, Internal Audit Manual and the Committees' Terms of Reference. The Internal Audit Manual documents audit processes, methodology, roles, duties and responsibilities of internal auditors.

The function of internal audit is an independent, objective assurance and consulting activity designed to add value and improve MHB Groups' operations. It evaluates whether:-

- i) Resources are effectively and economically utilised
- ii) Internal controls are adequate, efficient and effective
- iii) The objectives of MHB Group are being achieved efficiently and effectively
- iv) The established policies and procedures are being followed.

The Head of IAD reports directly to the AC Chairman and administratively to the Group Chief Executive Officer.

The IAD provides periodic reports to the AC deliberating the results of the audit conducted in terms of risk management of the unit, operating effectiveness of internal controls, compliance with internal and regulatory requirements and overall management of the unit.

Key control issues, significant risks and recommendations are highlighted along with the Management's responses and action plans for improvement and/or rectification where applicable. The IAD also carries out investigative audits where there are improper, illegal and dishonest acts reported. This enables the Committees to execute their oversight function by forming an opinion on the adequacy of measures undertaken by the Management.

The cost incurred for the Group's Internal Audit function in respect of the financial year ended 31 December 2021 was approximately RM185,000.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the year ended 31 December 2021

1. Details of the Recurrent Related Party Transactions

The details of the RRPTs entered into by the Company and its subsidiaries during the financial year are disclosed in Note 36 to the financial statements on page 84.

2. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year.

3. Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2021 is as follows:

	Group RM	Company RM
Audit Fees	284,000	60,000
Non-Audit Fees	–	–
	284,000	60,000

4. Material Contracts and Contract Relating to Loans awarded to Directors, Chief Executive and Substantial Shareholders

There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries which involve the Directors, Chief Executive who is not a Director and substantial shareholders entered into since the previous financial year.

5. Employees Share Option Scheme (ESOS)

The ESOS was approved by the Company's shareholder at Annual General Meeting held on 2 March 2020 on the establishment of an ESOS of up to 5% of the total number of issued shares of MHB (Excluding Treasury Shares) for eligible Directors and employees of MHB and its non-dormant subsidiaries. The ESOS shall be in force for a period of 5 years. The effective date of the implementation of the ESOS was on 6 March 2020 and would expire on 6 March 2025.



ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

- a) The number of schemes currently in existence during the financial year 2021

Total number of options granted in 2021	Total number of options exercised in the financial year 2021	Total number of options outstanding
2,240,000	1,179,000	12,680,800

(All figures are as at Financial Year ended 31 December 2021).

- b) in regard to options or shares granted to the Directors and Chief Executives (Chief Executive Officer (CEO) & Chief Financial Officer (CFO):

Director / CEO /CFO	Total number of options granted	Total number of options exercised in the financial year 2021	Total number of options outstanding
Directors	2,600,000	Nil	2,600,000
CEO (also Director)	1,000,000	Nil	600,000
CFO	600,000	Nil	600,000

- c) in regard to options or shares granted to the Directors and Senior Management –

- (i) aggregate maximum allocation applicable to Directors and Senior Management in percentage is 50%
- (ii) the actual percentage granted to them:

No. of Option Directors	No of Option Senior Management	Total options
2,600,000	3,000,000	5,600,000 (39%)

ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

- d) a breakdown of the options offered to and exercised by, or shares granted to and vested in (if any) non-executive Directors pursuant to an ESOS in respect of the financial year in tabular form as follows:

As at 31 December 2021

Name of Executive Directors	Number of options offered	Number of options exercised
Datuk Redza Rafiq Bin Abdul Razak	1,400,000	Nil
Nizran Bin Noordin	1,000,000	400,000
Mohd Ariff Bin Yeop Ishak (Resigned on 5 February 2021)	1,400,000	980,000
Total	3,800,000	1,380,000

Name of Non-Executive Directors	Number of options offered	Number of options exercised
Lim Tian Huat	300,000	Nil
Ahmad Najmi Bin Kamaruzaman	300,000	Nil
Datuk Abu Bakar Bin Hassan	300,000	Nil
Dato' Tun Hisan Bin Dato' Tun Hamzah	300,000	Nil
Total	1,200,000	



LIST OF PROPERTIES AS AT 31 DECEMBER 2021 (ABOVE RM1 MILLION)

No.	Name of Owner	Title/Location	Tenure/ Age of Building	Land Use	Land Area/ Built up Area	Net Book Value as at 31.12.2021 (RM)	Valuation Date
A. INVESTMENT PROPERTIES							
1.	Syarikat Majuperak Berhad	PN 31150, Lot 008051N, Bandar Ipoh, Daerah Kinta, Negeri Perak. Wisma Maju Perak, Jalan Sultan Idris Shah, 30000 Ipoh, Perak.	Leasehold of 99 years expiring on 16/06/2086	Building	24,089 sq. ft/ 67,414 sq. ft	11,152,000	23/03/2021
2.	Syarikat Majuperak Berhad	PN 213729, Lot 9225N, Bandar Ipoh (U), Daerah Kinta, Negeri Perak. Lot No. 9225N, Jalan Sultan Idris Shah, 30000 Ipoh, Perak.	Leasehold of 99 years expiring on 17/08/2095	Building	71,581 sq. ft/ 8,085 sq. ft	11,400,000	13/12/2021
3.	Syarikat Majuperak Berhad	GRN 59907, Lot 28801, Bandar Ipoh (S), Daerah Kinta, Negeri Perak. Lot No. 28801, Jalan Sultan Idris Shah, 30000 Ipoh, Perak.	Freehold	Building	16,226 sq. ft	1,710,000	13/12/2021
4.	Syarikat Majuperak Berhad	HSM22021, PT231697, Tempat RPT Meru Tin, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak. 4A & 4B Jalan Jelapang 1, Pusat Komersial Jelapang, 30020 Ipoh, Perak.	Leasehold of 99 years expiring on 31/03/2114	Building	4,229 sqf/ 10,098 sqf	2,000,000	15/12/2021
5.	Syarikat Majuperak Berhad	HSM 22020, PT231698, Tempat RPT Meru Tin, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak. 6A & 6B Jalan Jelapang 1, Pusat Komersial Jelapang, 30020 Ipoh, Perak.	Leasehold of 99 years expiring on 31/03/2114	Building	2,971 sqf/ 5,430 sqf	1,120,000	15/12/2021
6.	Syarikat Majuperak Berhad	PN398749, Lot 521086, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak. Jelapang Square, Pusat Komersial Jelapang, 30020 Ipoh, Perak.	Leasehold of 99 years expiring on 01/09/2109	Building	32.551.sq. ft/ 5,035 sq.ft	3,250,000	15/12/2021
7.	Majuperak Land Sdn Bhd	PN293621, Lot312489 Mukim Hulu Kinta, Daerah Kinta Silveritage Complex, Jalan Raja Dr Nazrin Shah, Medan Gopeng, 31350 Ipoh, Perak.	Leasehold of 99 years expiring on 06/02/2097	Building	303,105 sq.ft/ 38.105 sq.ft	21,097,600	22/03/2021



LIST OF PROPERTIES AS AT 31 DECEMBER 2021 (CONTINUED)

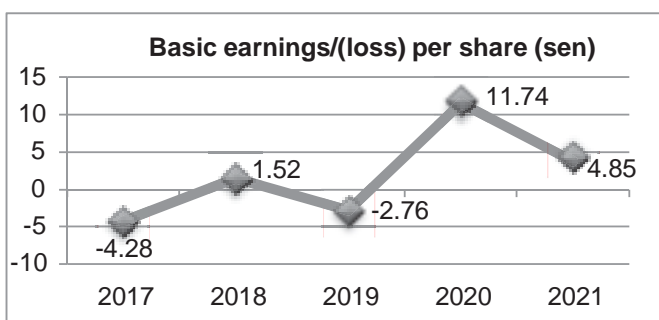
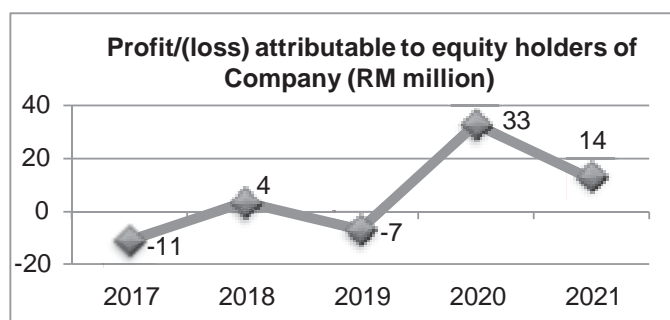
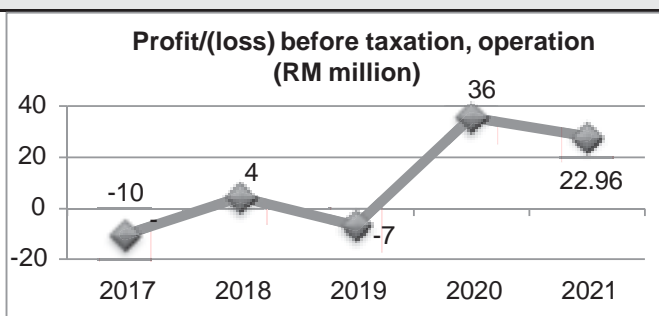
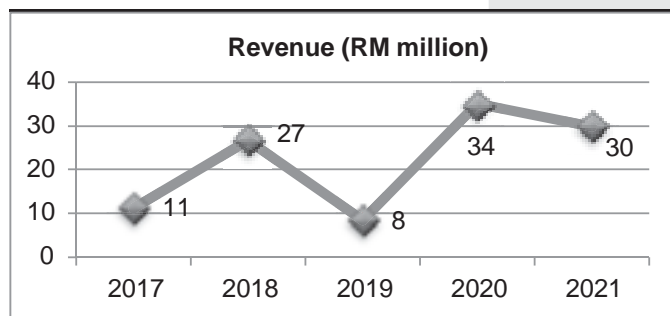
No.	Name of Owner	Title/Location	Tenure/ Age of Building	Land Use	Land Area/ Built up Area	Net Book Value as at 31.12.2021 (RM)	Valuation Date
B. DEVELOPMENT PROPERTIES							
1.	Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PN 423726 - 54.93 acre, PN 423727 - 88.18 acre. Mukim of Ulu Bernam, District of Muallim	99 years	a) Residential/ Commercial	143.11 acres	1,418,284	2002
2.	Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad)	Mukim of Ulu Bernam, District of Batang Padang, Perak, located off the 2½ M.S. Jalan Slim Lama and lies adjoining the Bernam Industrial Park, Proton City, Tanjung Malim, Perak	99 years	a) Residential/ Commercial b) Industry c) Agriculture	203.44 acres	2,356,327	2002
3.	Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PN 361193 PT 1779 [HS(D) 25344 PT 1984 [HS(D) 33224 Mukim Trong, District of Larut Matang, Perak	Leasehold of 99 years expiring in year 2107	Residential/ Commercial	121.37 acres	3,087,018	2001
4.	Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PT 1312 - 1319, PT 1321 - 1552, PT 1680 - 1716, (HS(D) LM 14102 - 14109), (HS(D) LM 14111 - 14342), (HS(D) LM 14470 - 14506), Taman Trong Bakti, Trong, District of Larut Matang, Perak. (Trong Phase 2: 277 lot)	Leasehold of 99 years expiring in year 2099	Commercial / Residential	7.73 acres	3,253,338	2000
5.	Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	Tapah Road, District of Batang Padang, Perak (UCM)	#99 years (Plot 30B) *99 years (Plot 29B)	Residential/ Commercial Residential / Commercial	26.39 acres 98.61 acres	21,206,040	2006 2006
		A portion of the above land, title issued PT 6748 [HS(D) 17221] PT 4943 (Cemetery)	Leasehold of 99 years expiring in 2110	Residential/ Commercial	100 acres 4.73 acres (cemetery)		2006

Notes: * In the process of issuing individual title # In the process of issuing block title

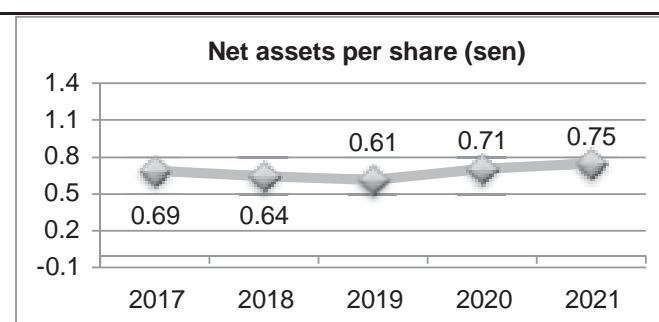
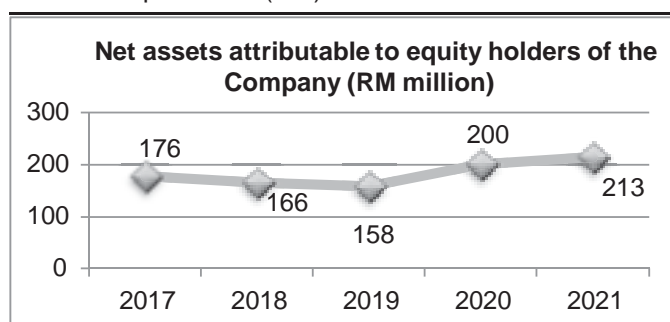


GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

Financial Results	2017	2018	2019 (restated)	2020	2021
Revenue (RM'000)	11,291	26,580	8,451	34,365	29,669
Profit/(loss) before taxation, operation (RM'000)	(10,472)	4,331	(6,791)	35,614	22,956
Profit/(loss) attributable to equity holders of the Company (RM'000)	(11,010)	3,632	(7,095)	32,980	13,621
Basic earnings/(loss) per share (sen)	(4.28)	1.52	(2.76)	11.74	4.85



Financial Positions	2017 (restated)	2018 (restated)	2019 (restated)	2020	2021
Total assets (RM'000)	249,529	244,583	234,731	277,471	308,807
Total liabilities (RM'000)	72,264	79,120	76,710	77,472	95,313
Net assets attributable to equity holders of the Company (RM'000)	176,166	165,710	157,977	200,437	213,494
Number of ordinary shares issued and fully paid ('000 shares)	257,052	257,052	257,052	283,243	284,422
Net assets per share (RM)	0.69	0.64	0.61	0.71	0.75



STATISTICS ON SHAREHOLDINGS

AS AT 31 MARCH 2022

Analysis of Shareholdings

Size of Shareholdings	No. of Holders		No. of Shares		% of Issued	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	698	6	22,112	184	0.01	0.00
100 - 1,000	1,104	12	651,614	6,826	0.23	0.00
1,001 - 10,000	1,198	24	4,563,968	96,334	1.60	0.03
10,001 - 100,000	529	12	17,939,021	551,330	6.31	0.19
100,001 to less than 5% of issued shares	111	6	93,581,424	2,090,000	32.90	0.73
5% and above of issued shares	3	0	164,919,052	0	57.98	0.00
Total	3,643	60	281,677,191	2,744,674	99.03	0.97
Grand Total	3,703		284,421,865		100.00	

Directors' Shareholdings

No.	Name of Directors	No. of Shares	
		Direct Interest	%
1	Datuk Redza Rafiq Bin Abdul Razak	–	–
2	Ahmad Najmi Bin Kamaruzaman	–	–
3	Norazali Bin Nordin	–	–
4	Nizran Bin Noordin	400,000	0.14
5	Dato' Tun Hisan Bin Dato' Tun Hamzah	–	–
6	Lim Tian Huat	–	–
7	Dato' Aminuddin Bin Md Hanafiah	–	–
8	Dato' Mohd Azmi Bin Othman	–	–
9	Datuk Abu Bakar Bin Hassan	–	–

Substantial Shareholders

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:

No.	Name of Substantial Shareholders	No. of Shares					
		Direct Interest		Deemed Interest		Total Interest	
		(A)	%	(B)	%	(A+B)	%
1	Perbadanan Kemajuan Negeri Perak	141,682,309	49.81	4,538,773*	1.60	146,221,082	51.41
2	KUB Malaysia Bhd	14,429,143	5.07	-	-	14,429,143	5.07
3	Gunung Resources Sdn Bhd	21,807,600	7.67	-	-	21,807,600	7.67
4	G Capital Berhad	-	-	21,807,600**	7.67	21,807,600	7.67

Note:

* Deemed interested by virtue of its shareholdings in Cherry Blossom Sdn. Bhd. and Fast Continent Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016.

** Deemed interested by virtue of its shareholdings in Gunung Resources Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016.



STATISTICS ON SHAREHOLDINGS (CONTINUED)

TOP 30 SHAREHOLDERS AS AT 31 MARCH 2022

NO.	NAME	HOLDINGS	%
1	PERBADANAN KEMAJUAN NEGERI PERAK	128,682,309	45.24
2	GUNUNG RESOURCES SDN BHD	21,807,600	7.67
3	KUB MALAYSIA BERHAD	14,429,143	5.07
4	PERBADANAN KEMAJUAN NEGERI PERAK	13,000,000	4.57
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL	9,010,900	3.17
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR YAP YEE PING	7,000,000	2.46
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR HAN FOOK FONG (E-PPG)	6,156,700	2.16
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LOH YING FATT	4,699,800	1.65
9	CHERRY BLOSSOM SDN BHD	4,038,686	1.42
10	JENNY WONG	3,712,400	1.31
11	BAN-SENG PACKAGING SDN BHD	3,400,000	1.20
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR DATO' CHAN WENG SANG	2,648,200	0.93
13	LIM HAN KONG	2,444,010	0.86
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHAN WENG SANG (E-TMI)	1,849,000	0.65
15	CHAN WAN MOI	1,322,429	0.46
16	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LOH YING FATT (MY3330)	1,276,000	0.45
17	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR JUNAIDI BIN ISNEN HADZIRI (MY3342)	1,228,542	0.43
18	TAN ENG HAI	1,224,000	0.43
19	PERCETAKAN SANWA INDUSTRIES SDN. BHD.	1,203,700	0.42
20	UOBM NOMINEES (TEMPATAN) SDN BHD UNITED OVERSEAS BANK (MALAYSIA) BHD (PCP)	1,146,606	0.40
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LEE YOON SING (MY3586)	1,010,000	0.36
22	SU-AZIAN @ MUZAFFAR SYAH BIN ABD RAHMAN	1,000,000	0.35
23	MOHD ARIFF BIN YEOP ISHAK	980,000	0.34
24	ADAM LEE BIN ABDULLAH	975,000	0.34
25	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	890,000	0.31
26	MUHAMMAD FADHLI BIN ISMAIL	720,100	0.25
27	YAP KOK WAI	705,010	0.25
28	MOHD FAIZ BIN MOKHTAR	699,400	0.25
29	LAI THIAM POH	678,300	0.24
30	SIKAP UTAMA SDN BHD	644,850	0.23



DIRECTORS' STATEMENT OF RESPONSIBILITY

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the financial year end and of the results and the cash flows of the Group and of the Company for that financial year.

In preparing these financial statements, the Directors have: -

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable Financial Reporting Standards in Malaysia have been complied; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company at any time and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 2016.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.





MAJUPERAK HOLDINGS BERHAD

Registration Number 200201017726 (585389-X)
(INCORPORATED IN MALAYSIA)

**DIRECTORS' REPORT &
AUDITED FINANCIAL STATEMENTS**

31 DECEMBER 2021

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522
Chartered Accountants

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CORPORATE INFORMATION

DIRECTORS	:	DATUK REDZA RAFIQ BIN ABDUL RAZAK NIZRAN BIN NOORDIN LIM TIAN HUAT AHMAD NAJMI BIN KAMARUZAMAN DATO' TUN HISAN BIN DATO' TUN HAMZAH DATUK ABU BAKAR BIN HASSAN DATO' MOHD AZMI BIN OTHMAN DATO' AMINUDDIN BIN MD HANAFIAH NORAZALI BIN NORDIN
COMPANY SECRETARY	:	CHAN EOI LENG (SSM PC No. 202008003055) (MAICSA 7030866)
REGISTERED OFFICE	:	55A, MEDAN IPOH 1A MEDAN IPOH BISTARI 31400 IPOH PERAK DARUL RIDZUAN
PRINCIPAL PLACE OF BUSINESS	:	ARAS 1, BAZAR IPOH <i>(Previously known as Kompleks Silveritage)</i> JALAN SULTAN NAZRIN SHAH 31350 IPOH PERAK DARUL RIDZUAN
AUDITORS	:	AL JAFREE SALIHIN KUZAIMI PLT 201506002872 (LLP0006652-LCA) & AF 1522 CHARTERED ACCOUNTANTS 555, JALAN SAMUDRA UTARA 1 TAMAN SAMUDRA 68100 BATU CAVES SELANGOR DARUL EHSAN
PRINCIPAL BANKERS	:	MALAYAN BANKING BERHAD BANK ISLAM MALAYSIA BERHAD CIMB BANK BERHAD RHB BANK BERHAD AFFIN BANK BERHAD



DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiary and associate companies are stated in Note 12 of the financial statements.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) for the year attributable to:		
Equity holders of the Company	13,620,519	(5,538,963)
Non-controlling interest	(909,975)	-
	<u>12,710,544</u>	<u>(5,538,963)</u>

In the opinion of the directors, the results of the operations of the Group and Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

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

DIVIDENDS

No dividend is paid or declared by the Company since the date of the last reports. The Directors do not recommend payment of any dividend in respect of the current financial year.

ISSUED SHARE CAPITAL

During the financial year, the issued and paid-up share capital of the Company was increased from RM188,085,327 to RM188,421,342 by issuance of new ordinary shares pursuant to the 1,179,000 shares via options exercised under the Employees' Share Option Scheme ("ESOS") at exercise prices of RM0.285 per share.

The newly issued ordinary shares rank pari passu in all respects with the Company's existing shares.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 2 March 2020, shareholders approved on the establishment of an ESOS of up to 5% of the total number of issued shares of the company (Excluding Treasury Shares) for eligible Directors and employees of the Company and its non-dormant subsidiaries.

The effective date of the ESOS was on 6 March 2020. These options are for 5 years and shall expire on 6 March 2025. The options are exercisable provided the employee has not served a notice of resignation or receive a notice of termination from the date of grant and certain conditions as detailed in Note 28 to the financial statements are met.

The salient features and other terms of the ESOS are disclosed in Note 28 to the financial statements.

Details of the options exercised to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2021 are as follows:

Expiry date	Exercise Price	
	RM	No. of Option
5 March 2025	0.285	1,664,200
		<u>1,664,200</u>

Details of share options granted to Directors are disclosed in the section on Directors' Interests in this report.

DIRECTORS

The names of the directors of the Company in office since the end of the last report and at the date of this report are:

Datuk Redza Rafiq Bin Abdul Razak	(Appointed on 24.02.2021)
Nizran Bin Noordin *	
Ahmad Najmi Bin Kamaruzaman	
Dato' Tun Hisan Bin Dato' Tun Hamzah	
Datuk Abu Bakar Bin Hassan	
Lim Tian Huat	
Dato Mohd Azmi Bin Othman	(Appointed on 24.05.2021)
Norazali Bin Nordin	(Appointed on 24.05.2021)
Dato' Aminuddin Bin Md Hanafiah	(Appointed on 24.05.2021)
Khairul Nizam Bin Tajul Hasnan	(Retired on 29.06.2021)

* Directors of the Company and certain subsidiaries



DIRECTORS' REPORT

DIRECTORS (CONTD.)

Other than as stated above, the names of the Directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Ahmad Al-Hadi Bin Abdul Khalid	
Aidee Radzwan Bin Rosidi	(Appointed on 05.04.2022)
Helmy Iskandar Bin Nofan	(Appointed on 08.02.2022)
Nor Azman Bin Zulkifli	(Appointed on 01.11.2021)
Derwina Binti Mariman	(Resigned on 01.11.2021)
Kamarul Bahrin Bin Baharudin	
Ku Adenan Bin Ku Ismail	(Resigned on 01.07.2021)
Dato' Abdul Manaf Bin Hashim	
Hamidon Bin Othman	

DIRECTORS' INTEREST

According to the Registers of Director's shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of Directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

Name of Directors of this Company	As at 1.1.2021	Ordinary shares		As at 31.12.2021
		Bought	Sold	
Nizran bin Noordin	400,000	-	-	400,000

Other than as stated above, none of the 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.

Name of Directors of this Company	As at 1.1.2021	Option Over Ordinary Shares		As at 31.12.2021
		Granted	Exercised	
Datuk Redza Rafiq bin Abdul Razak	-	1,400,000	-	1,400,000
Ahmad Najmi bin Kamaruzaman	300,000	-	-	300,000
Datuk Abu Bakar bin Hassan	300,000	-	-	300,000
Dato' Tun Hisan bin Dato' Tun Hamzah	300,000	-	-	300,000
Lim Tian Huat	300,000	-	-	300,000
Nizran bin Noordin	600,000	-	-	600,000

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsists any arrangements, to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the date of the last financial statements, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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.

DIRECTORS' REMUNERATION

The aggregate amounts of remunerations received/receivable by Directors of the Group and of the Company for the financial year are disclosed in Note 6 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Company maintains Directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016 throughout the year, which provides appropriate insurance cover for the Directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM25,000.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances, which would render:

- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; and
- (ii) the values attributed to the current assets in the financial statements of the Group and Company are misleading.



DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTD.)

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

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 Company which would render any amount stated in the financial statements misleading.

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

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

In the opinion of the directors:

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

ULTIMATE HOLDING CORPORATION

The Directors regard Perbadanan Kemajuan Negeri Perak, a statutory body established under the Perak State Economic Development Corporation Enactment, 1967 as the ultimate holding corporation.

DIRECTORS' REPORT

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Al Jafree Salihin Kuzaimi PLT (AF 1522), have expressed their willingness to accept the appointment.

Auditors' remuneration as disclosed in Note 6 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2022.

DATUK REDZA RAFIQ BIN ABDUL RAZAK

Director

NIZRAN BIN NOORDIN

Director

Ipoh, Perak Darul Ridzuan



**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016**

We **DATUK REDZA RAFIQ BIN ABDUL RAZAK** and **NIZRAN BIN NOORDIN**, being two of the directors of **MAJUPERAK HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financing Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2022.

DATUL REDZA RAFIQ BIN ABDUL RAZAK
Director

NIZRAN BIN NOORDIN
Director

Ipoh, Perak Darul Ridzuan

**STATUTORY DECLARATION
PURSUANT TO SECTION 251 (1)(b) OF THE COMPANIES ACT 2016**

I, **AHMAD AL-HADI BIN ABDUL KHALID**, being the Officer primarily responsible for the financial management of **MAJUPERAK HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at *Ipoh*)
in the state of *Perak Darul Ridzuan*)
on 28 April 2022)

**AHMAD AL-HADI BIN ABDUL
KHALID**

Before me:

KONG WAI NGEE
NO: A 213
BC/K/591
1.1.2021 – 31.12.2023
Commissioner of Oaths

Ipoh, Perak Darul Ridzuan

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAJUPERAK HOLDINGS BERHAD**
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Majuperak Holdings Berhad**, which comprise the consolidated statements of financial position as at 31 December 2021 of the Group and Company, and the statement of comprehensive income, statements of changes in equity and statement of cash flows of the Group and Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, as set out on pages 16 to 97.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and Company as of 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financing Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

We have determined the matters described below to the key audit matters to be communicated in our report.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAJUPERAK HOLDINGS BERHAD (Contd.)**
(Incorporated in Malaysia)

Key Audit Matters

Key audit matters	How our audit addressed the key audit matters
Impairment on goodwill on consolidation	
<p>The Group's carrying value of goodwill on consolidation amounting to RM9,681,081 is disclosed in Note 19 to the financial statements.</p> <p>We focused on this area due to the significance of the goodwill balance with indefinite useful life which is subject to annual impairment assessment pursuant to the requirement of MFRS 136.</p> <p>The impairment assessment performed by the Directors involved significant degree of judgements in estimating the assumptions on growth rate and discount rate used. The key assumptions are disclosed in Note 3.8 to the financial statements and kindly refer to Note 4.2(d) for the Significant Accounting Judgement, Estimates and Assumptions.</p>	<p>In respect to assessment of impairment of goodwill, we have obtained the Group's impairment assessment and assessed the methodology used by the Directors to estimate the recoverable value of the cash-generating unit (CGU) to ensure that this is consistent with the accounting standards.</p> <p>In performing the impairment assessment, our procedures included amongst others, the following:</p> <ul style="list-style-type: none"> • We have challenged the key assumptions used by the Directors in the discounted cash flows projections in determining the recoverable amounts which include the annual revenue growth rate and discount rate; • We have assessed the reliability of the forecast through the review of past trends of actual financial performances against previous forecasted results; and • Evaluated the adequacy of the Group's disclosures of key assumptions used in estimations.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAJUPERAK HOLDINGS BERHAD (Contd.)**
(Incorporated in Malaysia)

Key Audit Matters (contd.)

Key audit matters	How our audit addressed the key audit matters
Impairment of trade and other receivables	
<p>As at 31 December 2021, the Group's trade and other receivables amounting to RM5,336,505 and RM9,834,175, as disclosed in Note 20 and Note 21 to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> • specific known facts or circumstances on customers' ability to pay; and/or • by reference to past default experiences <p>The Group assessed at each of the reporting date whether there is any objective evidence that trade receivables are impaired based on the validity of contractual terms, analysis of customer creditworthiness, past historical payment trends and expectation of repayment. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to evaluate the adequacy of the allowance for impairment losses and estimation of future cash collection.</p> <p>We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risk exposures to assess the recoverability of trade receivables.</p>	<p>Our audit procedures included, amongst others:-</p> <ul style="list-style-type: none"> • We have reviewed and understand the management's assessment of recoverability of major trade receivables; • We have reviewed contractual terms to ensure the Group has contractual right to recognise revenue and collect payments; • We have reviewed recoverability of major trade receivables including but not limited to the review of subsequent collections; • We enquired management on receivables status for major customers; • We have reviewed collections and sales trends during the financial year of major trade receivables; and/or • We have reviewed management's basis of estimation on the adequacy of the Group's allowance for impairment loss on trade receivables.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAJUPERAK HOLDINGS BERHAD (Contd.)**
(Incorporated in Malaysia)

Key Audit Matters (contd.)

Key audit matters	How our audit addressed the key audit matters
Investment properties	
<p>(a) Valuation of investment properties</p> <p>As at 31 December 2021, the carrying value of the Group's investment properties amounted to RM54,357,053 which represents 18% of the Group's total assets.</p> <p>The Group adopts the fair value model for its investment properties. The Group had engaged an external valuer to determine the fair value of the investment properties at the reporting date.</p> <p>We focused on this area because the determination of the fair values via external valuation by the independent valuer involved significant judgements and estimations that could result in material misstatement.</p> <p>Refer to Note 4.2(a) on significant accounting judgements, estimates and assumptions, Note 3.9 on Summary of Significant Accounting Policies and Note 14 to the financial statements.</p>	<p>Our audit procedures included, amongst others: -</p> <ul style="list-style-type: none"> • We evaluated the competency, independence and integrity of the professional values engaged by the Group; • We obtained an understanding of the techniques used by the external valuers in determining the valuations of investment properties; • We have discussed the critical assumptions made by the external valuers for the key input used in the valuation techniques; and • We have tested the integrity of information, including underlying lease and financial information provided by the independent valuers.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAJUPERAK HOLDINGS BERHAD (Contd.)**
(Incorporated in Malaysia)

Key Audit Matters (contd.)

Key audit matters	How our audit addressed the key audit matters
Investment properties (contd.)	
<p>(b) Disposal</p> <p>During the year, the Group has entered into Land Swap Agreement with Perbadanan Kemajuan Negeri Perak (“PKNP”) whereby the Group required to sell 4 pieces of land located at Sungai Raya with a consideration of RM100,000,000. The transaction has occurred on 25 November 2021 and the sale has been recognised during the year and the disposal has resulted in the gain on disposal being recognised in the financial statements amounting to RM43,123,689.</p> <p>In exchange, the Group has the obligation to acquire 3 pieces of land in Mukim Hulu Kinta from PKNP with a consideration of RM140,000,000. This transaction has yet to occur during the financial year ended 31 December 2021.</p>	<p>Our audit procedures included, amongst others: -</p> <ul style="list-style-type: none"> • We have obtained all the information related to land swap between Perbadanan Kemajuan Negeri Perak and Majuperak Energy Resources Sdn. Bhd.; • We have assessed to criteria of the fulfillment of performance obligation relating to the disposal of the land and ensured that it is consistent with the terms of the agreement; and • We have assessed the financial impact with regards to the gain on disposal recognised and have checked the mathematical accuracy of the calculation of the gain on disposals.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAJUPERAK HOLDINGS BERHAD (Contd.)**
(Incorporated in Malaysia)

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 Annual Report but does not include the financial statements of the Group and Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and 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 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 Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and Company that give a true and fair view in accordance with Malaysian Financial Reporting Standard, 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and Company, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and 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
MAJUPERAK HOLDINGS BERHAD (Contd.)**
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (contd.)

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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and Company, including the disclosures, and whether the financial statements 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAJUPERAK HOLDINGS BERHAD (Contd.)**
(Incorporated in Malaysia)

Other matters

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

The financial statements of the Company for the year ended 31 March 2020 were audited by another auditor whom have expressed an unmodified opinion on these financial statements on 24 May 2021.

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522
CHARTERED ACCOUNTANTS

SALIHIN BIN ABANG
NO. 02230/02/2024 J
CHARTERED ACCOUNTANT

Dated: 28 April 2022

Selangor, Malaysia.



**STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	GROUP		COMPANY	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	5	29,669,569	34,365,663	3,022,038	3,022,038
Cost of sales		<u>(19,216,275)</u>	<u>(25,951,030)</u>	-	-
Gross profit		10,453,294	8,414,633	3,022,038	3,022,038
Other income		52,416,828	58,844,741	683,694	843,656
Administrative expenses and operating expenses		<u>(39,493,555)</u>	<u>(30,762,849)</u>	<u>(9,226,207)</u>	<u>(7,226,662)</u>
Profit/(Loss) from operations	6	23,376,567	36,496,525	(5,520,475)	(3,360,968)
Finance costs	7	<u>(420,541)</u>	<u>(882,332)</u>	<u>(30,700)</u>	<u>(313,479)</u>
Profit/(Loss) before taxation		22,956,026	35,614,193	(5,551,175)	(3,674,447)
Income tax (expense)/credit	8	<u>(10,245,482)</u>	<u>(3,251,491)</u>	12,212	(22,815)
Profit/(Loss) from continuing operation		12,710,544	32,362,702	(5,538,963)	(3,697,262)
Profit/(Loss) from discontinuing operation	9	-	278,983	-	-
Net profit/(loss) for the year		<u>12,710,544</u>	<u>32,641,685</u>	<u>(5,538,963)</u>	<u>(3,697,262)</u>
Other comprehensive income					
Item that may be subsequently reclassified to profit or loss:					
Financial assets at fair value through other comprehensive income		<u>146,330</u>	<u>78,090</u>	-	-
Net other comprehensive income for the financial year		<u>146,330</u>	<u>78,090</u>	-	-
Total comprehensive income/(loss) for the year		<u>12,856,874</u>	<u>32,719,775</u>	<u>(5,538,963)</u>	<u>(3,697,262)</u>

The accompanying notes form an integral part of the financial statements



**STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTD.)**

	Note	GROUP		COMPANY	
		2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) attributable to:					
Equity holders of the company		13,620,519	32,980,248	(5,538,963)	(3,697,262)
Non-controlling interest		(909,975)	(338,563)	-	-
		<u>12,710,544</u>	<u>32,641,685</u>	<u>(5,538,963)</u>	<u>(3,697,262)</u>
Comprehensive income/(loss) attributable to:					
Equity holders of the Company		13,766,849	33,058,338	(5,538,963)	(3,697,262)
Non-controlling interest		(909,975)	(338,563)	-	-
		<u>12,856,874</u>	<u>32,719,775</u>	<u>(5,538,963)</u>	<u>(3,697,262)</u>
Earnings per share					
Basic	10	<u>4.85 sen</u>	<u>11.74 sen</u>		
Diluted	10	<u>4.78 sen</u>	<u>11.57 sen</u>		

The accompanying notes form an integral part of the financial statements



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		GROUP		COMPANY	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Assets					
Non-current Assets					
Property, plant and equipment	11	24,311,804	20,336,410	2,365,807	796,779
Investment in subsidiary companies	12	-	-	173,517,535	148,127,743
Inventories	13	55,749,322	58,422,374	-	-
Investment properties	14	54,357,053	105,096,301	-	-
Investment in associates	15	-	-	-	-
Investment in jointly control entity	16	120,487	125,000	-	-
Other investment	17	9,211,516	9,065,188	-	-
Development expenditure	18	1,593,069	2,030,187	-	-
Goodwill on consolidation	19	9,681,081	9,832,657	-	-
		<u>155,024,332</u>	<u>204,908,117</u>	<u>175,883,342</u>	<u>148,924,522</u>
Current Assets					
Inventories	13	20,068,367	32,367,937	-	-
Trade receivables	20	5,336,505	9,407,720	-	-
Other receivables, deposits and prepayment	21	9,834,175	10,904,537	354,828	320,772
Amount due from ultimate holding corporation	22	104,277,726	5,054,857	8,359,359	8,887,458
Amount due from subsidiary companies	23	-	-	30,298,358	48,876,111
Amount due from related companies	24	8,812,742	12,151,614	1,442,569	3,829,422
Tax recoverable		977,862	542,702	979,565	964,316
Cash and cash equivalents	25	4,474,528	2,133,160	231,561	255,876
Total current assets		<u>153,781,905</u>	<u>72,562,527</u>	<u>41,666,240</u>	<u>63,133,955</u>
Total Assets		<u><u>308,806,237</u></u>	<u><u>277,470,644</u></u>	<u><u>217,549,582</u></u>	<u><u>212,058,477</u></u>

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTD.)

		GROUP		COMPANY	
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
Equity and Liabilities					
Equity Attributable to Equity Holders of the Company					
Share capital	26	188,421,242	188,085,327	188,421,242	188,085,327
Investment revaluation reserves	27	748,284	601,954	-	-
Employee share option reserves	28	1,227,524	905,597	1,227,524	905,597
Accumulated profits/(losses)		<u>23,096,578</u>	<u>10,8403,692</u>	<u>(19,841,556)</u>	<u>(14,302,593)</u>
Shareholders' equity		213,493,728	200,436,570	169,807,310	174,688,331
Non-controlling interest	29	-	(437,448)	-	-
Total equity		<u>213,493,728</u>	<u>199,999,122</u>	<u>169,807,310</u>	<u>174,688,331</u>
Non-current Liabilities					
Bank borrowings	30	8,097,580	9,040,930	6,026,424	6,969,774
Hire purchase payables	31	278,822	133,552	-	-
Lease liabilities	32	3,294,196	2,914,971	-	-
Deferred taxation	33	<u>15,240,682</u>	<u>16,349,613</u>	<u>16,429</u>	<u>29,416</u>
		<u>26,911,280</u>	<u>28,439,066</u>	<u>6,042,853</u>	<u>6,999,190</u>
Current Liabilities					
Trade payables		984,900	985,142	-	-
Other payables and accruals	34	38,995,127	23,166,392	4,720,709	1,795,704
Amount due to subsidiary companies	23	-	-	26,091,638	17,692,226
Amount due to related companies	24	25,456,944	21,297,211	9,929,033	9,476,818
Bank borrowings	30	2,945,666	3,084,353	958,039	958,039
Hire purchase payables	31	16,924	17,046	-	-
Lease liabilities	32	<u>1,668</u>	<u>482,312</u>	<u>-</u>	<u>448,169</u>
		<u>68,401,229</u>	<u>49,032,456</u>	<u>41,699,419</u>	<u>30,370,956</u>
Total Liabilities		<u>95,312,509</u>	<u>77,471,522</u>	<u>47,742,272</u>	<u>37,370,146</u>
Total Equity and Liabilities		<u>308,806,237</u>	<u>277,470,644</u>	<u>217,549,582</u>	<u>212,058,477</u>

The accompanying notes form an integral part of the financial statements



STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

GROUP	Note	Share capital RM	Investment revaluation reserves RM	Employee share option reserves RM	Accumulated profits RM	Total RM	Non controlling interest RM	Total equity RM
As at 31 December 2021								
At 1 January 2021		188,085,327	601,954	905,597	10,843,692	200,436,570	(437,448)	199,999,122
Changes in ownership interest in a subsidiary	12	-	-	-	-	-	(147,001)	(147,001)
Acquisition of non-controlling interest		-	-	-	(1,494,424)	(1,494,424)	1,494,424	-
Total comprehensive income for the year		-	146,330	-	13,620,519	13,766,849	(909,975)	12,856,874
Transaction with owners:								
Issuance of ordinary share pursuant to Employee Share Option Scheme ("ESOS")		336,015	-	-	-	336,015	-	336,015
Share option granted under ESOS		-	-	321,927	-	321,927	-	321,927
Disposal of subsidiary company		-	-	-	126,791	126,791	-	126,791
Total transaction with the owner		336,015	-	321,927	126,791	784,733	-	784,733
At 31 December 2021		188,421,342	748,284	1,227,524	23,096,578	213,493,728	-	213,493,728

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTD.)

GROUP	Note	Share capital RM	Investment revaluation reserves RM	Employee share option reserves RM	Accumulated (losses)/ profits RM	Total RM	Non controlling interest RM	Total equity RM
As at 31 December 2020								
At 1 January 2020		179,592,841	523,864	-	(22,139,923)	157,976,782	43,985	158,020,767
Changes in ownership interest in a subsidiary	12	-	-	-	3,367	3,367	(142,870)	(139,503)
Total comprehensive income for the year		-	78,090	-	32,980,248	33,058,338	(338,563)	32,719,775
Transaction with owners:								
Issuance of ordinary share pursuant to private placement		8,354,204	-	-	-	8,354,204	-	8,354,204
Issuance of ordinary share pursuant to Employee Share Option Scheme ("ESOS")		138,282	-	-	-	138,282	-	138,282
Share option granted under ESOS		-	-	905,597	-	905,597	-	905,597
Total transaction with the owner		8,492,486	-	905,597	-	9,398,083	-	9,398,083
At 31 December 2020		188,085,327	601,954	905,597	10,843,692	200,436,570	(437,448)	199,999,122

The accompanying notes form an integral part of the financial statements



STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTD.)

COMPANY	Share capital RM	Employee share option reserves RM	Accumulated losses RM	Total RM
At 1 January 2021	188,085,327	905,597	(14,302,593)	174,688,331
Total comprehensive income for the year	-	-	(5,538,963)	(5,538,963)
Transaction with owners:				
Issuance of ordinary share pursuant to private placement	336,015	-	-	336,015
Share option granted under ESOS	-	321,927	-	321,927
Total transaction with the owner	336,015	321,927	-	657,942
At 31 December 2021	188,421,342	1,227,524	(19,841,556)	169,807,310

The accompanying notes form an integral part of the financial statements



STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTD.)

COMPANY	Share capital RM	Employee share option reserves RM	Accumulated losses RM	Total RM
As at 31 December 2020				
At 1 January 2020	179,592,841	-	(10,605,331)	168,987,510
Total comprehensive income for the year	-	-	(3,697,262)	(3,697,262)
Transaction with owners:				
Issuance of ordinary share pursuant to private placement	8,354,204	-	-	8,354,204
Issuance of ordinary share pursuant to Employee Share Option Scheme ("ESOS")	138,282	-	-	138,282
Share option granted under ESOS	-	905,597	-	905,597
Total transaction with the owner	8,492,486	905,597	-	9,398,083
At 31 December 2020	188,085,327	905,597	(14,302,593)	174,688,331

The accompanying notes form an integral part of the financial statements



STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES				
Cash received from customers	24,774,513	16,821,346	3,245,962	3,022,038
Cash received from other income	475,145	6,178,561	339,215	30,597
Cash received from deposit	-	605,018	-	-
Cash paid to employees	(9,227,083)	(10,573,796)	(1,428,462)	(1,268,628)
Cash paid for other expenses	(7,654,348)	(9,364,563)	(3,373,397)	(5,292,254)
Cash paid for interest	-	(587,959)	-	(313,479)
Cash paid to supplier	(3,665,465)	(9,618,688)	-	-
Tax paid	(385,756)	(382,055)	(147,488)	(22,176)
Tax refund	-	60,144	-	-
Net cash generated/(used in) from operating activities	<u>4,317,007</u>	<u>(6,861,992)</u>	<u>(1,364,170)</u>	<u>(3,843,902)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of development expenditure	-	(44,832)	-	-
Purchase of property, plant and equipment	(6,298,856)	(351,012)	-	(249,003)
Acquisition of jointly control entity	-	(125,000)	-	-
Interest received	151,465	26,148	2,321	413,984
Acquisition of non-controlling interest on subsidiary	-	(291,080)	-	-
Disposal of subsidiary	-	(3,504)	-	-
Purchase of inventories	(441,401)	(288,591)	-	-
Acquisition of subsidiary company	-	-	-	-
Net cash (used in)/generated from investing activities	<u>(6,734,329)</u>	<u>(1,077,871)</u>	<u>2,321</u>	<u>164,981</u>

The accompanying notes form an integral part of the financial statements



STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTD.)

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
CASH FLOW FROM FINANCING ACTIVITIES				
Cash received from ultimate holding corporation	-	387,959	-	367,869
Cash received from/(paid to) related companies	-	429,827	1,337,676	331,134
Cash (paid to)/received from subsidiary companies	-	-	-	(4,789,740)
Proceeds from borrowings	4,825,368	-	-	-
Repayment of bank borrowings	-	(573,210)	-	(458,735)
Repayment of lease liabilities	-	(307,919)	-	(80,018)
Repayment of deposit	-	(50,000)	-	-
Repayment of hire purchase payable	(43,465)	(31,676)	-	-
Issuance of share capital	-	8,492,486	-	8,492,486
Net cash generated from financing activities	<u>4,781,903</u>	<u>8,347,467</u>	<u>1,337,676</u>	<u>3,862,996</u>
Net increase/(decrease) in cash and cash equivalents	2,364,580	407,604	(24,315)	184,075
Cash and cash equivalents at beginning of year	<u>111,487</u>	<u>(296,117)</u>	<u>255,876</u>	<u>71,801</u>
Cash and cash equivalents at end of year	<u><u>2,476,067</u></u>	<u><u>111,487</u></u>	<u><u>231,561</u></u>	<u><u>255,876</u></u>
Cash and cash equivalents at end of year comprised:				
Fixed deposit with licensed banks	3,502,087	319,401	-	184,075
Cash and bank balances	<u>972,441</u>	<u>1,813,759</u>	<u>231,561</u>	<u>71,801</u>
	4,474,528	2,133,160	231,561	255,876
Less:				
Bank overdraft	(1,987,206)	(1,971,673)	-	-
Deposit pledged to financial institution	<u>(11,255)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
	<u><u>2,476,067</u></u>	<u><u>111,487</u></u>	<u><u>231,561</u></u>	<u><u>255,876</u></u>

The accompanying notes form an integral part of the financial statements



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

1. CORPORATE INFORMATION

The Company is a public limited liability company, domiciled and incorporated in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office is located at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan and principal place of business is located at Aras 1, Bazar Ipoh (*Previously known as Kompleks Silveritage*), Jalan Sultan Nazrin Shah, 31350 Ipoh, Perak Darul Ridzuan.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiary and associate companies are stated in Note 12 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”) which is the functional currency of the Company.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgments and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgments and estimation uncertainties are disclosed in Note 4.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Changes in Accounting Policies

The accounting policies adopted by the Company are consistent with those adopted in a previous financial year except as follows:

On 1 January 2021, the Company adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2021:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7: Interest Rate Benchmark Reform	1 January 2021
Amendment to MFRS 4: Insurance Contract	1 January 2021
Amendments to MFRS 116: COVID-19 Related Rent Concessions	1 April 2021

The adoption of the above Amendments and Annual Improvements did not have any significant impact on the financial statements.

Amendments to MFRS 16: COVID-19-Related Rent Concession beyond 30 June 2021

The Group and the Company have elected to early adopt amendment to MFRS 16 “COVID-19-Related rent concessions” which will take effect on or after 6 April 2021.

In accordance with the transitional provisions provided in the amendment to MFRS 16, the comparative information was not restated and continued to be reported under the previous accounting policies in accordance with the remeasurement of lease liabilities modification principles in MFRS 16.

2.3 Standards, Amendments and Interpretations Issued but Not Yet Effective

The Standard, Amendments and Annual Improvements that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these Standards, Amendments and Annual Improvements, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141 “Annual Improvements to MFRS Standards 2018-2020”	1 January 2022
Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of fulfilling a Contract	1 January 2022



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Standards, Amendments and Interpretations Issued but Not Yet Effective (contd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 116: Property, Plant and Equipment	
- Proceeds before Intended Use	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Accounting Policies Changes in Accounting Estimates and Errors	
- Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Incomes Taxes	
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture	Deferred

The Company will adopt the above pronouncements, if applicable, when they become effective in the respective annual periods. These pronouncements are not expected to have a material financial impact to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Business Consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). The cost of investments includes transaction costs.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.1 Business Consolidation (contd.)

(ii) Business combination

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

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisitions date as:

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

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquire either at fair value or the appropriate share of the acquiree's identifiable net assets at the acquisition date.

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

Acquisitions before 1 January 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRS Goodwill arising from acquisitions before 1 January 2011 has been carried forward from the previous FRS framework as at the date of transition.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.1 Business Combinations and Consolidation (contd.)

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the statements of comprehensive income.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) 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 investees 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.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Revenue recognition

(i) Property development activities

Revenue is recognised when or as the control of the property is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control is transferred over time, revenue is recognised progressively when property development services are rendered and such services do not create an asset with an alternative used to the Group and the Company, and the Group and the Company have a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's and the Company's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the complete satisfaction of the contract.

Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group and the Company have a present right to payment for the property sold.

When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised when the points are redeemed or when they expire 12 months after the initial sale.

A contract liability is recognised until the points are redeemed or expire.

(ii) Interest income

Interest income is recognised using the effective interest method, and accrued on a time basis.

(iii) Dividend income

Dividend income is recognised when the shareholder's rights to receive payment are established.

(iv) Rental income

Rental income is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Revenue recognition (contd.)

(v) **Management service and fees**

Revenue from management services and fees is recognised on an accrual basis.

(vi) **Sale of completed properties**

Revenue relating to the sale of completed properties is recognised, net of discounts, upon the transfer of significant risk and reward of ownership to the buyer.

(vii) **Contract income**

Income from contracts/projects of the Group is recognised in the statements of comprehensive income on the percentage of completion method.

(viii) **Merchandise**

Sale of merchandise products is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the customers.

(ix) **Solar energy**

Revenue from solar energy is recognised on an accrual basis.

3.3 Employee Benefits

(a) **Share-based payment transactions**

The fair value of the options granted is recognised as an employee expense with a corresponding increase in equity. The fair value determined at the grant date is expensed in accordance with MFRS 2 over the period during which the employees become unconditionally entitled to the options, based on the Group's and the Company's estimate of the shares that will eventually vest, and adjusted for the effect of non-market-based vesting conditions.

At each reporting date, the Group and the Company revise the estimates of the number of options that are expected to become exercisable, and recognise the impact of the revision of the original estimates in employee expenses and in a corresponding adjustment to equity over the remaining vesting period.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.3 Employee Benefits (contd.)

(b) Short term employee benefits

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

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

Profit-sharing and bonus plans are recognised when the Group and the Company has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Group and the Company have no realistic alternative but to make the payments.

(c) Defined contribution plan

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



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.4 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset when the expenditures for the asset and borrowing costs are being incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended during any extended periods in which active development is interrupted and ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the profit or loss in the financial year in which they are incurred.

3.5 Tax Assets and Tax Liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are charged or credited to other comprehensive income or equity if the tax relates to items that are credited or charged directly to other comprehensive income or equity.

Current tax liabilities are measured based on the amounts expected to be paid, using the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences which are the differences between the carrying amount in the financial statements and the corresponding tax base of an asset or liability at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that taxable profit will probably be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the reporting date.

The carrying amount of the deferred tax assets are reviewed at each reporting date, and the carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land and buildings.

Assets stated at valuation

Freehold land and buildings are stated at their revalued amount, being its fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent impairment losses, if any. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Any revaluation increase arising from the revaluation is recognised in other comprehensive income and accumulated in equity under the heading of the revaluation reserves account, except when the increase is recognised in the profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any revaluation decrease arising from the revaluation is recognised in profit or loss, except when the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserves account in respect of that asset. Revaluation surplus is transferred directly to retained profits when the asset is derecognised.

Except for freehold land and assets under construction, depreciation is provided on a straight-line method so as to write off the cost or valuation of the assets over their estimated useful lives, as follows:

Items	Useful lives (years)
Long term leasehold land and buildings	Over lease term
Shop houses	50 years
Renovation	5 to 10 years
Plant and machinery, furniture, fittings and office equipment	5 to 10 years
Motor vehicles	5 to 10 years
Solar panel	20 years

Depreciation of an asset begins when it is ready for its intended use.

The residual values and the useful lives of assets, if significant, are reviewed at each reporting date.

The gain or loss arising from the derecognition of an asset, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.7 Leases**

The Group and the Company assess at contract inception whether a contract is or contains a lease. That is, of the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand alone prices.

As a lessee

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

(i) Right-of-used assets

The Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the lease assets transfer to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimates useful lives of the assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.7 Leases (contd.)

(ii) Lease liabilities (contd.)

In calculating the present value of lease payments, the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

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

(iv) Extension options

The Company, in applying their judgement, determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

As a lessor

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



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.8 Goodwill**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

3.9 Investment properties

The Company recognises land, building (including a floor of a building), or both land and building, as an investment property if it is held for capital appreciation, rental income or both. An investment property is recorded at cost on initial recognition. Cost of an investment property comprises the purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for uses and investment property.

For the purpose of subsequent measurement, items of equipment that are irremovable and items that are physically attached to a building, such as lifts, elevators, electrical system and air-conditioning system, are treated as an integral part of the property. The Company uses the fair value model to measure an investment property after initial recognition if the fair value can be measured reliably without undue cost or effort. Fair value is determined by reference to a quoted market price, if observable. Changes in fair value of an investment property are recognised in profit or loss for the periods in which they arise. All other investment property is measured at cost less accumulated depreciation and impairment loss.

3.10 Investment in associates

Associate companies are companies in which the Company has significant influence, but no control, over their financial and operating policies.

The Group's investment in its associate companies is accounted for using the equity method. Under the equity method, investment in an associate company is carried in the statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate company since the acquisition date.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.10 Investment in associates (contd.)**

The share of the results of an associate company is reflected in profit or loss. In addition, any change in other comprehensive income of those investee is presented as part of the Group's other comprehensive income. Where there has been change recognised directly in the equity of an associate company, the Group recognises and discloses its share of this change, when applicable, in the statements of changes in equity. Unrealised gains or losses resulting from transactions between the Group and the associate companies are eliminated to the extent of the interest in the associate company. When the Group's share of losses exceeds its interest in an associate company, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate company.

The financial statements of the associate company are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associate company in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate companies. The Group determined at the end of the reporting date whether there is any objective evidence, the Group calculate the amount of impairment as the difference between the recoverable amount of the investment in associate companies and their carrying amount and recognise the amount in the "share of profit of associate companies" in profit or loss.

Upon loss of significant influence over an associate company, the Group measures and recognise any retaining investment at its fair value. Any difference between the carrying amount of the associate company upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss. In the Company's separate financial statements, investment in associate company is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

3.11 Land held for development

Land held for development representing lands held for future development is stated at cost of acquisition including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use. Such assets are transferred to development properties when significant development work is to be undertaken and is expected to complete within the normal operating cycle.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 2 to 3 years. Cost associated with the acquisition of land includes price of the land professional fees, stamp duties, commissions, conversion fees and other relevant levies.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.12 Property development cost**

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis for such activities. Property, development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value. The excess of revenue recognised in the statement of comprehensive income over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the statement of comprehensive income is shown under trade payables.

3.13 Inventories**(i) Developed properties held for sale**

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing properties to completion.

(ii) Cleaning supplies and inventory spare parts

Cleaning supplies and inventory spare parts are stated at the lower of cost and net realisable value.

3.14 Development expenditure**(i) Renewable energy development**

Direct and indirect expenditure payments for solar energy projects under development are stated at a cost in the financial statements. Such expenditures are capitalised until the project is capable to generate income. The policy of the recognition and measurement of impairment losses are in accordance with impairment of assets to the financial statements. The amount of development costs recognised as assets set are amortised and recognised as an expense on a systematic basis so as to reflect the pattern in which the related economic benefits are recognised.

(ii) Intangible assets

Expenditure incurred on research activities and internally generated goodwill are recognised in profit or loss as and when it is incurred. An internally generated intangible asset is recognised only if the item is identifiable, and it is probable that the expected future economic benefits will flow to the entity, and the cost can be measured reliably. Other intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.14 Development expenditure (contd.)****(iii) Intangible assets**

Expenditure incurred on research activities and internally generated goodwill are recognised in profit or loss as and when it is incurred. An internally generated intangible asset is recognised only if the item is identifiable, and it is probable that the expected future economic benefits will flow to the entity, and the cost can be measured reliably. Other intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(iv) Accounting for hire purchase arrangements

Assets acquired under hire purchase arrangements are being capitalised and the corresponding obligations are treated as liabilities in the financial statements. Finance costs are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire purchase payables. Assets acquired under hire purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets.

(v) Impairment of non-financial assets

At each reporting date, the Group and the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amounts of the assets are estimated. Irrespective of whether there is any indication of impairment, the Group and the Company test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

When it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.14 Development expenditure (contd.)

(iv) Impairment of non-financial assets (contd.)

An impairment loss is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease. An impairment loss recognised in prior periods for an asset, other than goodwill, is reversed if there has been a change in the estimate used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised, and is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation increase.

(v) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. On initial classification as held for sale, non-current assets or disposal groups are measured at the lower of the carrying amounts and fair value less costs to sell. Immediately before the initial classification as held for sale, the carrying amounts of non-current assets or disposal groups are measured in accordance with applicable MFRSs. An impairment loss shall be recognised for any initial or subsequent write-down of the assets or disposal groups to fair value less costs to sell. Subsequent increase in fair value less costs to sell shall be recognised as a gain in profit or loss, to the extent of the cumulative impairment loss that has been recognised.

3.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.15 Financial assets (contd.)

(i) Classification of financial assets (contd.)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

(ii) Amortised cost and effective interest method

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. For purchased or originated credit-impaired financial assets, the Group and the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the "investment income" line item.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.15 Financial assets (contd.)****(iii) Debt instruments classified as at FVTOCI**

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 classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Interest revenue and foreign exchange gains and losses which are recognised in profit or loss. OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.15 Financial assets (contd.)****(iv) Equity instruments**

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(v) Financial assets at fair value through profit or loss ('FVTPL')

This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group and the Company do not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

(vi) Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI), lease receivables, amounts due from customers under construction contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.15 Financial assets (contd.)

(vi) Impairment of financial assets (contd.)

The Group and the Company always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(vii) Derecognition of financial assets

The Group and the Company derecognise a financial asset when the contractual right to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and the Company enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.16 Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits pledge to financial institutions.

3.17 Provisions

A provision is recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised based on a reliable estimate of the amount of the obligation.

3.18 Segmental Reporting

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

Segment reporting is presented for enhanced assessment of the Group's and of the Company's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, results, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, results, assets and liabilities are determined after elimination of intragroup balances and intragroup transactions as part of the consolidation process.

3.19 Contingent liabilities

The Group does not recognise contingent liabilities but discloses their existence in the financial statements. A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.20 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 receivable fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in the statements of comprehensive income over the period of guarantee. If the receivable fails to make payment relating to the financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative recognised.

3.21 Finance lease

Leases of property, plant and equipment, which are classified as finance leases, where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Group and the Company.

Assets under finance lease are depreciated on a straight-line basis over the shorter of the lease terms or their useful lives. Lease interest is recognised as an expense in profit or loss over the lease period so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

All other leases are classified as operating lease and the lease rentals are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3.22 Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**3.22 Financial liabilities (contd.)**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) Financial liabilities at FVTPL

This category comprises only out-of-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Group and the Company do not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group and the Company do not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

(ii) Other financial liabilities

Other financial liabilities include the following items:

- bank borrowings and the Group's and the Company's perpetual preference shares are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- liability components of convertible loan notes are measured as described further below.
- trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.22 Financial liabilities (contd.)

(iii) Derecognition of financial liabilities

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

4.1 Judgements and Assumption Applied

In the selection of accounting policies of the Group, the areas that requires significant judgements and assumptions are in: (a) deferred tax assets.

(a) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed capital allowances, unutilised business losses and unutilised investment tax allowance to the extent that it is probable that future taxable profits will be available against which the capital allowances, business losses and investment tax allowance can be recognised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4.2 Estimation Uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group are in measuring: (a) fair value of investment properties (b) allowance for expected credit loss; (c) useful lives of property, plant and equipment and investment properties; (d) impairment goodwill; (e) income taxes/deferred tax liabilities: and (f) contingent liabilities.

(a) Fair value of investment properties

Fair value of the investment properties and certain property, plant and equipment of the Group were based on valuations carried out by independent professional valuers. The valuation applies estimates, judgements and assumptions in the determination of fair values.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

4.2 Estimation Uncertainty (contd.)

(b) Allowance for expected credit loss

The Group assessed at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(c) Useful lives of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. The management exercises their judgement in estimating the useful lives of the depreciable assets. The Group and the Company assess annually the useful lives of the property, plant and equipment and investment properties and if the expectation differs from the original estimate, such difference will impact the depreciation in the period in which such estimate has been charged.

(d) Impairment of goodwill

The Group determined whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units (“CGU”) to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future revenue from the CGU.

(e) Income taxes/Deferred tax liabilities

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

The Group recognised tax liabilities based on an estimate of whether additional tax will be due. Where the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the income tax provisions in the period in which such determined is made.

(f) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management’s view of the expected outcome of the applicable contingency.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

5. REVENUE

	2021 RM	GROUP 2020 RM	2021 RM	COMPANY 2020 RM
<u>Over time</u>				
Contract services	3,763,130	5,368,859	-	-
<u>Point in time</u>				
Contract services	3,531,000	175,000	-	-
Sales of land	15,289,743	22,626,000	-	-
Sales of property	-	1,258,010	-	-
Solar energy	1,429,828	1,299,377	-	-
Rental income	2,803,031	2,356,660	-	-
Management fee	-	-	3,022,038	3,022,038
Merchandise products	2,786,682	1,256,949	-	-
Dividend	66,155	24,808	-	-
	<u>25,906,439</u>	<u>28,996,804</u>	<u>3,022,038</u>	<u>3,022,038</u>
	<u>29,669,569</u>	<u>34,365,663</u>	<u>3,022,038</u>	<u>3,022,038</u>

6. PROFIT/(LOSS) FROM OPERATION

Profit/(Loss) from operation is stated after charging/(crediting) the following items:

	2021 RM	GROUP 2020 RM	2021 RM	COMPANY 2020 RM
Auditors' remuneration	280,000	141,400	60,000	45,000
Director's remuneration:				
- fee - current year	285,833	335,000	285,833	335,000
- other than fee	549,948	730,000	549,948	730,000
Depreciation of property, plant and equipment	1,044,222	1,694,409	588,385	511,995
Impairment loss on receivables	703,314	918,204	-	-
Impairment loss on related parties	472,392	337,198	257,411	199,011

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

6. PROFIT/(LOSS) FROM OPERATION (CONTD.)

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Impairment on investment	-	2,964,285	-	-
Staff cost:				
- Short term benefit	5,247,297	9,526,094	395,490	375,970
- EPF	1,587,332	1,455,131	193,933	174,658
- Share option granted under ESOS	321,927	905,597	321,927	905,597
Gain in fair value of investment properties	(2,271,695)	(51,934,013)	-	-
Gain on disposal of investment properties	(43,123,689)	-	-	-
Loss/(Gain) on disposal of property, plant and equipment	28,440	(4,483,482)	-	-
Interest income	(151,029)	(205,450)	(2,321)	(5,332)
Interest charged to related companies	-	(253,823)	-	(253,823)
Rental income	(295,200)	(227,133)	-	-
Other income	(13,925)	(75,730)	(1,200)	-

Remunerations of the Directors comprise the following:

	GROUP/COMPANY	
	2021	2020
	RM	RM
Directors fee:		
Executive directors	48,000	50,333
Non-executive directors	237,833	284,667
	<u>285,833</u>	<u>335,000</u>

	GROUP/COMPANY	
	2021	2020
	RM	RM
Directors others than fee:		
Executive directors salary	549,948	730,000

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

6. PROFIT/(LOSS) FROM OPERATION (CONTD.)

The number of Directors of the Group whose total salary or other emoluments during the year fell within the following bands is analysed below:

	Number of directors	
	2021	2020
Executive directors:		
RM200,001 - RM250,000	-	-
RM300,001 - RM350,000	-	1
RM350,001 - RM400,000	-	1
RM450,001 - RM500,000	1	-
RM500,001 - RM550,000	1	-
	<u>1</u>	<u>-</u>

	Number of directors	
	2021	2020
Non-executive directors:		
RM10,001 - RM20,000	-	-
RM20,001 - RM30,000	3	-
RM30,001 - RM40,000	-	-
RM40,001 - RM60,000	4	6
	<u>4</u>	<u>6</u>

7. FINANCE COST

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest on term loan	104,676	499,678	-	253,823
Interest on hire purchase	6,281	7,670	-	-
Interest on bank overdraft	109,584	111,654	-	-
Interest on lease liability	377,450	263,330	30,700	59,656
	<u>420,541</u>	<u>882,332</u>	<u>30,700</u>	<u>313,479</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

8. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Taxation based on profit/(loss) for the financial year:				
- Malaysian income tax	590,916	1,297,181	-	-
- Real property gain tax	9,661,086	283,068	-	-
- Deferred taxation	1,108,931	4,964,549	12,987	12,987
	<u>10,252,002</u>	<u>6,544,798</u>	<u>12,987</u>	<u>12,987</u>
(Over)/Under provision in prior year:				
- Malaysian income tax	(6,520)	(375,066)	(775)	-
- Deferred taxation	<u>(1,108,931)</u>	<u>(2,918,241)</u>	<u>-</u>	<u>9,828</u>
Total income tax expense/(credit)	<u>10,245,482</u>	<u>3,251,491</u>	<u>12,212</u>	<u>22,815</u>

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the company are as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit/(Loss) before taxation	<u>22,956,026</u>	<u>35,614,193</u>	<u>(5,551,175)</u>	<u>(3,674,447)</u>
Taxation at Malaysia statutory tax rate 24% (2020: 24%)	5,509,446	8,547,406	(1,332,282)	(881,867)
<i>Tax effect on:</i>				
Expenses disallowed during the year	2,462,108	3,143,369	1,345,269	793,511
Deferred tax asset not recognised during the year	-	774,369	-	101,343
Effect on different tax rate	(6,271,707)	(4,930,908)	-	-
Real property gain tax	9,661,086	283,068	-	-
Income not subject to tax	-	(1,272,506)	-	-
(Over)/Under provision in prior year	<u>(1,115,451)</u>	<u>(3,293,307)</u>	<u>(775)</u>	<u>9,828</u>
	<u>10,245,482</u>	<u>3,251,491</u>	<u>12,212</u>	<u>22,815</u>



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

8. INCOME TAX EXPENSE (CONTD.)

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

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Unabsorbed capital allowance	405,966	405,966	210,894	210,894
Unutilised tax losses	<u>17,729,920</u>	<u>17,729,920</u>	<u>1,986,139</u>	<u>1,986,139</u>
	<u>18,135,886</u>	<u>18,135,886</u>	<u>2,197,033</u>	<u>2,197,033</u>

The above unabsorbed capital allowances and unutilised tax losses are available indefinitely for offset against future taxable profit subject to the approval of the Inland Revenue Board. Deferred tax assets have not been recognised in respect of this item due to uncertainty of its recoverability. The unutilised tax losses carry-forward will be limited to 7 years of assessment starting from the year of assessment 2019.

9. PROFIT/(LOSS) FROM DISCONTINUING OPERATION

On 24 November 2020, Majuperak Development Berhad ("MDB") entered into a Sales and Purchase of Shares Agreement ("SPA") with Mainiza Teknitek Recowaste Sdn. Bhd. ("MAINIZA") for MDB to dispose off its shares of 4,653,000 units in Majuperak Utilities Management Sdn. Bhd. ("MUMSB") for a cash consideration of RM1 (collectively known as "the Proposed Disposal"). As at 31 December 2019, the investment in MUMSB was not a discontinued operation as classified as assets held for sale and the comparative consolidated statement of profit and loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Profit/(Loss) attributable to the discontinued operation was as:

	2021	GROUP 2020
<i>Result of discontinued operation</i>		
Revenue	-	-
Cost of sales	-	-
Other operating income	-	-
Administrative expenses	-	(45,984)
Result from operating activities	-	(45,984)
Tax expenses	-	-
Result from operating activities, net of tax	-	(45,984)
Result from operating activities, net of tax	-	324,967
Profit/(Loss) for the year	-	278,983

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

9. PROFIT/(LOSS) FROM DISCONTINUING OPERATION (CONTD.)

The profit/(loss) from the discontinued operation of RM278,983 is attributable entirely to the owner of the Company.

	2021	GROUP 2020
	RM	RM
<i>Cash flow from discontinued operation</i>		
Net cash generated from/(used in) operating activities	-	-
Net cash generated from/(used in) investing activities	-	(3,504)
Net cash (used in)/generated from financing activities	-	-
Effect on cash flow	-	(3,504)

	2021	GROUP 2020
	RM	RM
<i>Effect of disposal on the financial position of the Group</i>		
Cash and bank balances	-	3,505
Other payables and accruals	-	(19,043)
Amount owing to related company	-	(309,428)
Net assets and liabilities	-	(324,966)
Profit on sales of discontinue operation	-	324,967
Consideration received, satisfied by cash	-	1
Cash and cash equivalent disposed off	-	(3,505)
Net cash outflow	-	(3,504)

10. EARNINGS/(LOSS) PER SHARE

a) Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the Group's net profit/(loss) attributable to shareholders by the weighted average number of shares in issue during the year.

	2021	GROUP 2020
	RM	RM
Net income attributable to shareholders	13,620,519	32,980,248
Weighted average number of ordinary shares in issue	280,806,095	280,806,095
Basic earnings per share (Sen)	4.85	11.74



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

10. EARNINGS/(LOSS) PER SHARE (CONTD.)

b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between average share price for the financial year and exercise price.

	2021 RM	GROUP 2020 RM
Net income attributable to shareholders	13,620,519	32,980,248
Weighted average number of ordinary shares in issue	<u>280,806,095</u>	<u>280,806,095</u>
Effects of dilution due to:		
- ESOS	4,356,800	4,356,800
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	<u>285,162,895</u>	<u>285,162,895</u>
Basic earnings per share (Sen)	<u>4.78</u>	<u>11.57</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Long term leasehold land and buildings		Office equipment		Renovation		Motor vehicles		Solar panel		Buildings		Equipment		Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Cost																	
As at 1 January 2021	1,280,576	3,223,920	8,776,286	1,499,784	11,663,966	2,598,032	4,585	29,047,149									
Additions	5,015	2,163,113	3,955,539	175,189	-	-	-	6,298,856									
Disposal	(108,664)	-	-	(224,446)	-	(960,515)	-	(1,293,625)									
Transfer to investment property	(238,503)	-	-	-	-	-	-	(238,503)									
As at 31 December 2021	938,424	5,387,033	12,731,825	1,450,527	11,663,966	1,637,517	4,585	33,813,877									



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

GROUP	Long term	Office	Renovation	Motor	Solar panel	Buildings	Equipment	Total
	leasehold land and buildings RM	equipment RM	RM	vehicles RM	RM	RM	RM	RM
As at 1 January 2021	539,047	2,592,205	404,560	1,365,957	2,863,308	941,842	3,820	8,710,739
Depreciations	30,946	236,987	171,475	79,347	576,971	(52,267)	763	1,044,222
Disposal	(28,444)	-	-	(224,444)	-	-	-	(252,888)
As at 31 December 2021	541,549	2,829,192	576,035	1,220,860	3,440,279	889,575	4,583	9,502,073
Carrying amount								
As at 31 December 2021	396,875	2,557,841	12,155,790	229,667	8,223,687	747,942	2	24,311,804

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

GROUP	Long term	Office	Renovation	Motor	Solar panel	Buildings	Equipment	Total
	leasehold land and buildings RM	equipment RM	RM	vehicles RM	RM	RM	RM	RM
As at 1 January 2020	8,881,557	2,974,917	19,369,061	1,499,784	11,663,966	4,195,684	4,585	48,589,554
Additions	-	249,003	102,009	-	-	-	-	351,012
Reclassification	-	-	408,406	-	-	-	-	408,406
Disposal	(28,440)	-	-	-	-	-	-	(28,440)
Transfer from land held for development	168,245	-	-	-	-	-	-	168,245
Transfer to investment property	(7,740,786)	-	(11,103,190)	-	-	(1,597,652)	-	(20,441,628)
As at 31 December 2020	1,280,576	3,223,920	8,776,286	1,499,784	11,663,966	2,598,032	4,585	29,047,149



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

GROUP	Long term leasehold land and buildings	Office equipment	Renovation	Motor vehicles	Solar panel	Buildings	Equipment	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated depreciation								
As at 1 January 2020	2,539,376	2,423,937	585,735	1,291,898	2,274,015	536,107	2,292	9,653,360
Depreciations	83,937	168,268	291,707	74,059	589,293	485,617	1,528	1,694,409
Disposal	(13,078)	-	-	-	-	-	-	(13,078)
Transfer to investment property	(2,071,188)	-	(472,882)	-	-	(79,882)	-	(2,623,952)
As at 31 December 2020	539,047	2,592,205	404,560	1,365,957	2,863,308	941,842	3,820	8,710,739
Carrying amount								
As at 31 December 2020	741,529	631,715	8,371,726	133,827	8,800,658	1,656,190	765	20,336,410

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

COMPANY	Office equipment RM	Motor vehicles RM	Right-of-use Building RM	Total RM
Cost				
As at 1 January 2020	843,817	177,200	1,260,154	2,281,171
Additions	-	-	-	-
As at 31 December 2020	843,817	177,200	1,260,154	2,281,171
Additions	2,157,413	-	-	2,157,413
As at 31 December 2021	3,001,230	177,200	1,260,154	4,438,584
Accumulated depreciation				
As at 1 January 2020	375,147	177,199	420,051	972,397
Additions	91,944	-	420,051	511,995
As at 31 December 2020	467,091	177,199	840,102	1,484,392
Additions	168,333	-	420,052	588,385
As at 31 December 2021	635,424	177,199	1,260,154	2,072,777
Carrying amount				
As at 31 December 2021	2,365,806	1	-	2,365,807
As at 31 December 2020	376,726	1	420,052	796,779

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

12. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2021 RM	2020 RM
Investment in subsidiaries	174,608,395	149,218,603
Less: Accumulated impairment losses	(1,090,860)	(1,090,860)
Carrying amounts	<u>173,517,535</u>	<u>148,127,743</u>

Details of the Company's subsidiaries as at 31 December 2021 are as follows:

Name	Principal activities	Effective equity interest (%)	
		2021	2020
Syarikat Majuperak Berhad *	Property development	100	100
Majuperak Energy Resources Sdn. Bhd. *	Renewable Energy	100	100
Majuperak Development Berhad *	Management services	100	100
Majuperak Property Management Sdn. Bhd. *	Property development	100	100
Majuperak Land Sdn. Bhd. *	Property development	100	100
Majuperak Bio Resources Sdn. Bhd. *	Contract management	100	100
Held through Syarikat Majuperak Berhad:			
Majuperak Management Services Sdn. Bhd. *	Management and secretarial services	100	100
Majuperak Properties Sdn. Bhd. *	Property development	100	100
Perak Builders Sdn. Bhd. * (Previously known as Majuperak Bina Sdn. Bhd.)	Property development	100	100
Bihun Jaya (Perak) Sdn. Bhd. **	Dormant	-	100

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

12. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD.)

Details of the Company's subsidiaries as at 31 December 2021 are as follows (contd.):

Name	Principal activities	Effective equity interest (%)	
		2021	2020
Held through Majuperak Energy Resources Sdn. Bhd.:			
Majuperak Kinta Hydro Sdn. Bhd. * <i>(Previously known as Majuperak Power Resources Sdn. Bhd.)</i>	Dormant	100	100
Majuperak Petrolife Gas Sdn. Bhd. *	Dormant	100	100
Majuperak FSV EDU Sdn. Bhd. *	Dormant	100	-
Silverpower Sdn. Bhd. *	Dormant	100	100
Held through Majuperak Development Berhad:			
Tenaga Danawa Sdn. Bhd. *	Property development	100	100
Jua Juara Sdn. Bhd. *	Property development	100	100
Held through Majuperak Property Management Sdn. Bhd.:			
Majuperak Urus Sdn. Bhd. *	Contract service	99.74	51
Held through Majuperak Land Sdn. Bhd.:			
Majuperak Realty Sdn. Bhd. *	Dormant	100	51
Held through Majuperak Properties Sdn. Bhd.:			
Nexus Jade Sdn. Bhd. *	Merchandise sourcing and supply business	100	100

* Audited by Al Jafree Salihin Kuzaimi PLT ("ASK")

** Audited by a firm other than ASK



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

12. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD.)

CHANGES IN OWNERSHIP INTEREST IN A SUBSIDIARY

On 27 April 2021, the Group disposed 100% equity interest in Bihun Jaya (Perak) Sdn Bhd. with total consideration of RM1,200,000.

On 19 March 2021 and 30 September 2021, the Group acquired the remaining 49% equity interest in Majuperak Realty Sdn. Bhd. (“MRSB”) and Majuperak Urus Sdn. Bhd. (“MUSB”) respectively. Pursuant to that, the Group equity interest in MRSB and MUSB increased from 51% to 100%. The Group recognised a decrease in all amount of non-controlling interest due to the Group acquiring 100% for all the subsidiaries.

13. INVENTORIES

		GROUP		COMPANY	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<u>Non-current</u>					
Land held for development	(a)	55,749,322	58,422,374	-	-
<u>Current</u>					
Property held for sale	(b)	1,739,845	2,928,087	-	-
Property development cost	(c)	18,301,342	29,380,895	-	-
Cleaning equipment		27,180	58,955	-	-
		<u>20,068,367</u>	<u>32,367,937</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

13. INVENTORIES (CONTD.)

a) Land Held for Development

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
At cost:				
As at 1 January	58,558,488	78,772,264	-	-
Addition	-	354,894	-	-
Disposed	-	(30,698)	-	-
Reclassification	(1,281,236)	883,251	-	-
Written of	-	(200,414)	-	-
Transfer to property, plant and and equipment	-	(168,245)	-	-
Transfer to investment properties	(1,391,816)	(21,052,564)	-	-
As at 31 December	<u>55,885,436</u>	<u>58,558,488</u>	<u>-</u>	<u>-</u>
	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Less : Accumulated impairment				
As at 1 January	(136,114)	(136,114)	-	-
Addition	-	-	-	-
As at 31 December	<u>(136,114)</u>	<u>(136,114)</u>	<u>-</u>	<u>-</u>
Net Book Value	<u>55,749,322</u>	<u>58,422,374</u>	<u>-</u>	<u>-</u>

Certain land held for the development of the Group amounting to RM5,329,074 (2020: RM5,329,074) are held in trust and have been registered under the name of the ultimate holding corporation. The Group however, has been granted beneficial interest to the land pursuant to a transfer of the assets and liabilities agreement and is supplementary agreement which had been mutually agreed between the Group and the ultimate holding corporation dated 28 December 2001 and 15 April 2002, respectively.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

13. INVENTORIES (CONTD.)

b) Property Held for Sale

	2021	GROUP
	RM	2020
		RM
At cost:		
Shop house	1,109,820	1,207,567
Shop office	-	1,091,646
Bungalow	630,025	628,874
	<u>1,739,845</u>	<u>2,928,087</u>

c) Property Development Cost

	2021	GROUP
	RM	2020
		RM
At cost:		
As at 1 January	29,380,895	45,229,800
Addition	-	44,832
Transfer to investment properties	-	(76,346)
Disposal	<u>(11,079,553)</u>	<u>(15,817,391)</u>
As at 31 December	<u>18,301,342</u>	<u>29,380,895</u>

Development cost that is expected to be completed within the normal operating cycle of 2 to 3 years is classified as a current assets.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

14. INVESTMENT PROPERTIES

	2021 RM	GROUP 2020 RM	2021 RM	COMPANY 2020 RM
Cost				
As at 1 January	53,162,288	4,548,322	-	182,620
Additions	-	9,850,000	-	-
Transfer from property, plant and equipment	-	17,817,676	-	-
Transfer from land held for development	1,391,816	21,052,564	-	-
Transfer from property development cost	-	76,346	-	-
Transfer from property held for sale	1,091,645	-	-	-
Disposal **	(3,560,391)	(87,000)	-	(87,000)
Reclassification	-	(95,620)	-	(95,620)
As at 31 December	<u>52,085,358</u>	<u>53,162,288</u>	<u>-</u>	<u>-</u>
Changes in fair value	2,271,695	51,934,013	-	-
Fair value as at 31 December	<u>54,357,053</u>	<u>105,096,301</u>	<u>-</u>	<u>-</u>

** During the financial year, the Group has disposed one of its investment property with carrying amount at fair value of RM56,876,411 (consists of an amounts at cost of RM3,560,931 and accumulated changes in fair value as at 31 December 2021 of RM53,315,480).

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

14. INVESTMENT PROPERTIES (CONTD.)

The investment properties are stated at fair value, whereby these have been determined based on valuations performed by an independent professional valuer. There are no material events that affect the valuation between the valuation date and financial year end.

The description of valuation techniques used and key inputs to the valuation on investment properties are as follows:

Types of investment properties	Valuation technique	Significant unobservable inputs
Buildings and land	Comparison method of Valuation	This method of valuation seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sales evidence involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvement made if any, surrounding developments, facilities and amenities available.

15. INVESTMENT IN ASSOCIATES

	2021 RM	GROUP 2020 RM
Unquoted shares at cost	97,965	97,965
Less: Allowance for diminution in value	<u>(97,965)</u>	<u>(97,965)</u>
	<u>-</u>	<u>-</u>

Details of the associates companies, which are incorporated in Malaysia as follows:

Name	Principal activities	Effective equity interest (%)	
		2020	2019
Held through Majuperak Properties Sdn. Bhd.:			
Brewster Village Sdn. Bhd. *^~	Dormant	30	30

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**15. INVESTMENT IN ASSOCIATES (CONTD.)**

- * These financial statements are not audited by Al Jafree Salihin Kuzaimi Plt.
- ^ The Group has discontinued recognition of its shares of losses as the share of accumulated losses of the associates have exceeded the Group's investment in that associate.
- ~ There is no financial information available for the associates that are not individually material as of 31 December 2021. These associates are dormant companies and the Group and the Company have fully impaired the carrying amount for these associates in the financial statements.

16. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	2021	GROUP
	RM	2020
		RM
Unquoted shares at cost	1,125,000	1,125,000
Share of post - acquisition loss	<u>(1,004,513)</u>	<u>(1,000,000)</u>
	<u>120,487</u>	<u>125,000</u>

Details of the jointly controlled entity, which is incorporated in Malaysia as follows:

Name	Principal activities	Effective equity interest (%)	
		2021	2020
Held through Majuperak Bio Resources Sdn. Bhd.:			
Majuperak Go Green Sdn. Bhd. *~	Dormant	50	50
Held through Tenaga Danawa Sdn. Bhd.:			
Lagenda Tapah Sdn. Bhd. *~	Construction of buildings. Yet to commence its business activities.	50	50

- * These financial statements are not audited by Al Jafree Salihin Kuzaimi Plt.
- ~ There is no financial information available for the jointly controlled entity and they are not individually material as of 31 December 2021. These jointly controlled entities are dormant companies.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

17. OTHER INVESTMENT

	2021 RM	GROUP 2020 RM
Financial assets at fair value through other comprehensive income		
At fair value		
Quoted shares	1,456,881	1,310,553
Unquoted share	10,718,920	10,718,920
	12,175,801	12,029,473
Less: Impairment losses	(2,964,285)	(2,964,285)
	<u>9,211,516</u>	<u>9,065,188</u>

18. DEVELOPMENT EXPENDITURE

	2021 RM	GROUP 2020 RM	2021 RM	COMPANY 2020 RM
Agriculture land:				
As at 1 January	963,166	2,510,189	-	1,490,668
Additions	-	-	-	-
Reclassification	-	(1,291,657)	-	(1,291,657)
Disposal	(437,118)	(255,366)	-	(199,011)
As at 31 December	<u>526,048</u>	<u>963,166</u>	<u>-</u>	<u>-</u>
Renewable energy:				
As at 1 January/ 31 December	<u>1,400,466</u>	<u>1,400,466</u>	<u>-</u>	<u>-</u>
Accumulated amortisation				
As at 1 January	333,445	266,756	-	-
Additions	-	66,689	-	-
Disposal	-	-	-	-
As at 31 December	<u>333,445</u>	<u>333,445</u>	<u>-</u>	<u>-</u>
Net Book Value	<u>1,067,021</u>	<u>1,067,021</u>	<u>-</u>	<u>-</u>
Grand total	<u>1,593,069</u>	<u>2,030,187</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

19. GOODWILL ON CONSOLIDATION

	2021 RM	GROUP 2020 RM
Purchased goodwill, at cost		
As at 1 January	89,675,864	89,524,288
Additional	-	151,576
Disposal	(151,576)	-
As at 31 December	89,524,288	89,675,864
Less: Accumulated impairment losses	(79,843,207)	(79,843,207)
Net carrying amount	9,681,081	9,832,657

Goodwill arising from business combinations has been allocated to one individual cash-generating unit (“CGU”) for impairment testing and during the financial year, no impairment charge is recognised in the consolidated statement of profit and loss and other comprehensive income.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period.

20. TRADE RECEIVABLES

	2021 RM	GROUP 2020 RM
Trade receivables	12,925,792	16,293,693
Less: Accumulated impairment losses	(7,589,287)	(6,885,973)
	5,336,505	9,407,720



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**20. TRADE RECEIVABLES (CONTD.)**

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

	2021	GROUP
	RM	2020
		RM
Neither past due nor impaired	862,122	7,567,789
1 to 30 days past due not impaired	356,553	35,337
31 to 90 days past due not impaired	287,201	82,282
91 to 180 days past due not impaired	3,159,628	666,962
More than 180 days past due not impaired	671,001	1,057,350
	<u>5,336,505</u>	<u>9,409,720</u>
Impaired	7,589,287	6,885,973
	<u>12,925,792</u>	<u>16,295,693</u>

Trade receivables that are neither past due nor impaired

Trade receivables that were neither past due nor impaired relate to customers for whom there were no default.

Trade receivables that are past due but not impaired

Based on past experience and no adverse information to date, the Directors of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Movement in impairment losses:

	2021	GROUP
	RM	2020
		RM
As at 1 January	6,885,973	6,146,676
Impairment during the year	703,314	918,204
Bad debt written off	-	(27,139)
Bad debt recovery	-	(151,768)
As at 31 December	<u>7,589,287</u>	<u>6,885,973</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021	GROUP 2020	2021	COMPANY 2020
	RM	RM	RM	RM
Other receivables	12,489,852	14,693,608	58,709	24,653
Deposits	322,871	296,446	207,089	207,089
Prepayment	320,733	355,475	89,030	89,030
	<u>13,133,456</u>	<u>15,345,529</u>	<u>354,828</u>	<u>320,772</u>
Less: Allowance for impairment	<u>(3,299,281)</u>	<u>(4,440,992)</u>	<u>-</u>	<u>-</u>
	<u>9,834,175</u>	<u>10,904,537</u>	<u>354,828</u>	<u>320,772</u>

Movement in impairment losses:

	2021 RM	GROUP 2020 RM
As at 1 January	4,440,992	5,028,052
Impairment during the year		
Bad debt written off	(642,212)	(378,977)
Bad debt recovery	<u>(499,499)</u>	<u>(208,083)</u>
As at 31 December	<u>3,299,281</u>	<u>4,440,992</u>

22. AMOUNT DUE FROM ULTIMATE HOLDING CORPORATION

The ultimate holding corporation is Perbadanan Kemajuan Negeri Perak, a statutory body established under the Perak State Economic Development Corporation Enactment No.3, 1967.

The amount due from ultimate holding corporation is unsecured, interest charged at a rate of Nil (2020: Nil), and repayable on demand.

23. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

Amount due from/(to) subsidiary companies are unsecured, interest free and repayable on demand.

24. AMOUNT DUE FROM/(TO) RELATED COMPANIES

Amount due from/(to) related companies are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

25. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Fixed deposit with licensed bank	3,502,087	319,401	-	184,075
Cash and bank balances	972,441	1,813,759	231,561	71,801
	<u>4,474,528</u>	<u>2,133,160</u>	<u>231,561</u>	<u>255,876</u>

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following as at the statements of financial position date:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Fixed deposit with licensed bank	3,502,087	319,401	-	-
Cash and bank balances	972,441	1,813,759	231,561	255,876
	<u>4,474,528</u>	<u>2,133,160</u>	<u>231,561</u>	<u>255,876</u>
Less:				
Bank overdraft	(1,987,206)	(1,971,673)		
Deposit pledged to financial institution	(11,255)	(50,000)		
	<u>2,476,067</u>	<u>111,487</u>	<u>231,561</u>	<u>255,876</u>

Included in the Group's cash and bank balances are amounts of RM140,717 (2020: RM140,473) subjected to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002).

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

26. ISSUED SHARE CAPITAL

	GROUP/COMPANY	
	Number of shares	
	2021	2020
	Units	Units
At beginning of the financial year	283,242,865	257,052,423
Issued for cash under ESOS	1,179,000	485,200
Issued for cash under private placement	-	25,705,242
At end of the financial year	<u>284,421,865</u>	<u>283,242,865</u>
	Monetary value	
	RM	RM
At beginning of the financial year	188,085,327	179,592,841
Issued for cash under ESOS	336,015	138,282
Issued for cash under private placement	-	8,354,204
At end of the financial year	<u>188,421,342</u>	<u>188,085,327</u>

27. INVESTMENT REVALUATION RESERVES

	GROUP	
	2021	2020
	RM	RM
As at beginning of the year	601,954	523,864
Comprehensive income for the year	146,330	-
Effect of adopting the fair value measurement on security available-for-sale	-	78,090
As at end of the year	<u>748,284</u>	<u>601,954</u>

28. EMPLOYEE SHARE OPTION RESERVES

	GROUP/COMPANY	
	2021	2020
	RM	RM
As at beginning of the year	905,597	-
Share options granted under ESOS	<u>321,927</u>	<u>905,597</u>
As at end of the year	<u>1,227,524</u>	<u>905,597</u>



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**28. EMPLOYEE SHARE OPTION RESERVES (CONTD.)**

The company's Employee Share Option Scheme ("ESOS") is governed by the by-laws which was approved by the shareholders at the Extraordinary General Meeting held on 2 March 2020.

The main features of the ESOS are as follows:

- (a) the ESOS shall be in force for a period of five years from the date of the receipt of the last of the requisite Approvals.
- (b) eligible persons are employees and Directors of the Group who have been confirmed in their employment. The eligibility for participation in the ESOS shall be at the discretion of the options committee appointed by the Board of Directors.
- (c) the total number of shares to be issued under the ESOS shall not exceed in aggregate 5% of the issued and paid-up share capital of the company at any point of time during the tenure of the ESOS.
- (d) the option price for each share shall be the 5-days weighted average market price of the underlying shares before the ESOS options are granted, with either a premium or a discount of not more than ten percent (10%).
- (e) an option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the vesting date but before the expiry on 5 March 2025.
- (f) all new ordinary shares issued upon exercise of the options granted under the ESOS will rank Pari Passu in all respect with the existing ordinary shares of the Company.
- (g) the options shall not carry any right to vote at a general meeting of the Company.

The option granted during the year are as follows:

Batch	Grant date	No. of option	Vesting Period
Batch 3	07-01-21	336,000	7/1/2021 - 5/3/2025
Batch 3	07-01-21	252,000	1/3/2021 - 5/3/2025
Batch 3	07-01-21	252,000	1/3/2022 - 5/3/2025
Batch 4	02-07-21	980,000	2/7/2021 - 5/3/2025
Batch 4	02-07-21	420,000	1/3/2022 - 5/3/2025
Total share option		2,240,000	



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**28. EMPLOYEE SHARE OPTION RESERVES (CONTD.)**

The number and weighted average exercise prices of the share option are as follows:

	Number of options 2021
Outstanding at 1 January	11,619,800
Granted during the year	2,240,000
Exercised during the year	<u>(1,179,000)</u>
Outstanding at 31 December	<u>12,680,800</u>
Exercisable at 31 December	<u>10,995,800</u>

The options outstanding at 31 December 2021 have an exercise price range of RM0.285 to RM0.387.

During the financial year, 240,000 shares options were exercised at a weighted average share price of RM0.387 per share.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes model, with the following input:

Fair value of share options and assumptions

Fair value at the grant date	RM0.048 - RM0.176
Weighted average share price	RM0.312 - RM0.405
Share price at grant date	RM0.285 - RM0.365
Expected volatility (weighted average volatility)	19 - 42%
Option life (expected weighted average life)	2 - 5 years
Expected dividends	-
Risk-free interest rate (based on Malaysian government bonds)	<u>2 - 5 years</u>

29. NON-CONTROLLING INTEREST**GROUP**

This consists of the non-controlling shareholders' proportion of share capital and reserves of subsidiaries.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

30. BANK BORROWINGS

	GROUP		COMPANY		Effective profit/ Interest rate
	2021	2020	2021	2020	
	RM	RM	RM	RM	
Not later than 1 year					
Secured loan	-	154,641	-	-	5.1%
Term loan	950,178	958,039	958,039	958,039	10.75%
Bank overdraft	1,987,206	1,971,673	-	-	4.0%
Short term borrowings	<u>2,945,666</u>	<u>3,084,353</u>	<u>958,039</u>	<u>958,039</u>	
Later than 1 year and not later than 5 years:					
Secured loan	119,731	491,931	-	-	5.1%
Term loan	3,152,728	3,204,020	2,558,501	3,204,020	10.75%
	<u>3,272,459</u>	<u>3,695,951</u>	<u>2,558,501</u>	<u>3,204,020</u>	
Later than 5 years:					
Secured loan	1,357,198	1,579,225	-	-	5.1%
Term loan	3,467,923	3,765,754	3,467,923	3,765,754	10.75%
	<u>4,825,121</u>	<u>5,344,979</u>	<u>3,467,923</u>	<u>3,765,754</u>	
Long term borrowings	<u>8,097,580</u>	<u>9,040,930</u>	<u>6,026,424</u>	<u>6,969,774</u>	
Total borrowings	<u>11,043,246</u>	<u>12,125,283</u>	<u>6,984,463</u>	<u>7,927,813</u>	

- (i) Secured loan (“Bai-Bithaman Ajil”) is secured by a property of the Group. The secured loan profit is charged at a rate of 5.1%. The repayment is within 240 months and commenced on September 2012.
- (ii) Term loan relates to Business Financing-I (“Tawarruq”) up to RM10,000,000 to finance the refurbishment and renovation cost of Silveritage Galleria Complex. The term loan is secured by way of the first legal charge over the leasehold land attached with the building. The term loan profit is charged at a rate of 10.75% and the repayment is within 132 months, commencing on July 2016. This financing has been disbursed based on progressive claims.
- (iii) The bank overdraft facility of the Group is secured by a first and second, third and fourth fixed charges amounting to RM2 million (2020: RM2 million) over certain properties of the Group. The bank overdraft bears interest at a rate of 4% (2020: 4%).

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

31. HIRE PURCHASE PAYABLES

	2021 RM	GROUP 2020 RM
Minimum finance lease payment:		
Not later than 1 year	179,552	24,072
Later than 1 year	136,291	154,406
	<u>315,843</u>	<u>178,478</u>
Future finance charges of finance lease	(20,097)	(27,880)
Present value of finance lease liabilities	<u>295,746</u>	<u>150,598</u>
Present value of finance lease liabilities:		
Not later than 1 year	16,924	17,046
Later than 1 year	278,822	133,552
	<u>295,746</u>	<u>150,598</u>

The average effective interest rate per annum of the finance lease payables at the statement of financial position date is 2.47% to 3.60% (2020: 2.47% to 3.60%).

32. LEASE LIABILITIES

	2021 RM	GROUP 2020 RM	2021 RM	COMPANY 2020 RM
As at 1 January	3,397,283	3,840,947	448,169	867,606
Additions	-	-	-	-
Accretion of interest	377,450	263,312	30,700	59,656
Payment	(199,530)	(307,919)	(199,530)	(80,036)
Waiver of payment	(279,339)	(399,057)	(279,339)	(399,057)
As at 31 December	<u>3,295,864</u>	<u>3,397,283</u>	<u>-</u>	<u>448,169</u>
Representing:				
Not later than 1 year	1,668	482,312	-	448,169
Later than 1 year	3,294,196	2,914,971	-	-
	<u>3,295,864</u>	<u>3,397,283</u>	<u>-</u>	<u>448,169</u>

The lease liabilities of the Group and the Company bear interest at rates 6.85% per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

33. DEFERRED TAXATION

	2021 RM	GROUP 2020 RM	2021 RM	COMPANY 2020 RM
As at 1 January	16,349,613	14,303,305	29,416	6,601
Transfer to income statement	(1,108,931)	2,046,308	(12,987)	22,815
As at 31 December	<u>15,240,682</u>	<u>16,349,613</u>	<u>16,429</u>	<u>29,416</u>

The deferred tax, determined before appropriate offsetting as follows:

Deferred tax asset	14,131,751	(4,717,023)	3,442	-
Deferred tax liabilities	1,108,931	21,066,816	12,987	29,416
	<u>15,240,682</u>	<u>16,349,613</u>	<u>16,429</u>	<u>29,416</u>

34. OTHER PAYABLES AND ACCRUALS

	2021 RM	GROUP 2020 RM	2021 RM	COMPANY 2020 RM
Other payables	22,525,633	5,217,198	4,093,100	1,066,032
Retention sum	45,526	45,526	-	-
Deferred income	-	1,400,000	-	-
Deposit and accruals	16,423,968	16,503,668	627,609	729,672
	<u>38,995,127</u>	<u>23,166,392</u>	<u>4,720,709</u>	<u>1,795,704</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

35. SEGMENTAL REPORTING

(i) Business segment

31 December 2021

	Property development RM	Property management RM	Solar RM	Merchandise, contract services and others RM	Total RM
Revenue	15,289,743	6,220,251	1,189,828	6,969,805	29,669,569
Results					
Segment results	(10,471,320)	(1,997,515)	(2,415,452)	37,840,313	22,956,026
Taxation					(10,245,482)
Net profit for the year					12,710,544
Discontinuing operation					-
Non-controlling interest					909,975
Net profit for the year attributable to equity holders of the Company					13,620,519

31 December 2020

	Property development RM	Property management RM	Solar RM	Merchandise, contract services and others RM	Total RM
Revenue	23,884,010	2,356,660	1,539,377	6,585,616	34,365,663
Results					
Segment results	(4,593,321)	(839,864)	(2,838,748)	43,886,126	35,614,193
Taxation					(3,251,491)
Net profit for the year					32,362,702
Discontinuing operation					278,983
Non-controlling interest					338,563
Net profit for the year attributable to equity holders of the Company					32,980,248

(ii) Geographical segment

The segmental information is not presented by geographical segment as the Group's business activities are predominantly located in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

36. SIGNIFICANT RELATED PARTY TRANSACTION

For the purpose of these financial statements, parties are considered to be related to the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group or the Company and the party subject to common control or common significant influence.

(a) Transaction within the Group

	2021	GROUP 2020	2021	COMPANY 2020
	RM	RM	RM	RM
Ultimate Holding corporation				
Rental expenses	(200,000)	(200,000)	-	-
Sales of goods	160,821	126,011	-	-
Subsidiary company				
Management fee	-	-	3,022,038	3,022,038
Interest income	-	-	400,834	407,098
Related companies				
Rental expenses	(478,869)	(478,869)	(478,869)	(478,869)
Shared services:				
- Maintenance charges	(74,626)	(189,655)	(74,626)	(189,655)
- Information technology	(177,564)	(305,370)	(177,564)	(305,370)
Waiver of debt	-	399,075	-	399,075
Sales of good	57,418	44,805	-	-

(b) Transaction with key personnel management

Key personnel management are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company. The details analysis of transactions made during the financial year are disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS

Financial Risk Management

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. Note 3 to the Financial Statements describe how the classes of financial instruments are measured, and how income and expense, including fair value gains or losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

GROUP

At 31 December 2021

Financial Assets	Designated fair value through other comprehensive income RM	Amortised cost RM	Total RM
Other investment	9,211,516	-	9,211,516
Trade receivables	-	5,336,505	5,336,505
Other receivables, deposit and prepayments	-	9,834,175	9,834,175
Amount due from ultimate holding corporation	-	104,277,726	104,277,726
Amount due from related companies	-	8,812,742	8,812,742
Cash and cash equivalents	-	4,474,528	4,474,528
	<u>9,211,516</u>	<u>132,735,676</u>	<u>141,947,192</u>
Financial Liabilities			
Trade payable	-	984,900	984,900
Other payables and accruals	-	39,012,051	39,012,051
Amount due to related companies	-	25,456,944	25,456,944
Bank borrowings	-	11,043,246	11,043,246
Hire purchase payables	-	295,746	295,746
Lease liabilities	-	3,295,864	3,295,864
	<u>-</u>	<u>80,071,827</u>	<u>80,071,827</u>



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management (contd.)

(a) Classification of financial instruments (contd.)

GROUP

At 31 December 2020

Financial Assets	Designated fair value through other comprehensive income RM	Amortised cost RM	Total RM
Other investment	9,065,188	-	9,065,188
Trade receivables	-	9,407,720	9,407,720
Other receivables, deposit and prepayments	-	10,904,537	10,904,537
Amount due from ultimate holding corporation	-	5,054,857	5,054,857
Amount due from related companies	-	12,151,614	12,151,614
Cash and cash equivalents	-	2,133,160	2,133,160
	<u>9,065,188</u>	<u>39,651,888</u>	<u>48,717,076</u>
Financial Liabilities			
Trade payable	-	985,142	985,142
Other payables and accruals	-	23,166,392	23,166,392
Amount due to related companies	-	21,297,211	21,297,211
Bank borrowings	-	12,125,283	12,125,283
Hire purchase payables	-	150,598	150,598
Lease liabilities	-	3,397,283	3,397,283
	<u>-</u>	<u>61,121,909</u>	<u>61,121,909</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management (contd.)

(a) Classification of financial instruments (contd.)

COMPANY

At 31 December 2021

Financial Assets	Designated fair value through other comprehensive income RM	Amortised cost RM	Total RM
Other receivables, deposit and prepayments	-	354,828	354,828
Amount due from ultimate holding corporation	-	8,359,359	8,359,359
Amount due to subsidiary companies	-	30,298,358	30,298,358
Amount due from related companies	-	1,442,569	1,442,259
Cash and cash equivalents	-	231,561	231,561
	<u>-</u>	<u>40,686,675</u>	<u>40,686,675</u>
Financial Liabilities			
Other payables and accruals	-	4,720,709	4,720,709
Amount due to subsidiary companies	-	26,091,638	26,091,638
Amount due to related companies	-	9,929,033	9,929,033
Bank borrowings	-	6,984,463	6,984,463
Lease liabilities	-	-	-
	<u>-</u>	<u>47,725,843</u>	<u>47,725,843</u>



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management (contd.)

(a) Classification of financial instruments (contd.)

COMPANY

At 31 December 2020

Financial Assets	Designated fair value through other comprehensive income RM	Amortised cost RM	Total RM
Other receivables, deposit and prepayments	-	320,772	320,772
Amount due from ultimate holding corporation	-	8,887,458	8,887,458
Amount due to subsidiary companies	-	48,876,111	48,876,111
Amount due from related companies	-	3,829,422	3,829,422
Cash and cash equivalents	-	255,876	255,876
	<u>-</u>	<u>62,169,639</u>	<u>62,169,639</u>
Financial Liabilities			
Other payables and accrual	-	1,795,704	1,795,704
Amount due to subsidiary companies	-	17,692,226	17,692,226
Amount due to related companies	-	9,476,818	9,476,818
Bank borrowings	-	7,927,813	7,927,813
Lease liabilities	-	448,169	448,169
	<u>-</u>	<u>37,340,730</u>	<u>37,340,730</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)*Financial Risk Management (contd.)*

(b) Financial risk management objectives and policies

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

(i) Credit risk

a) Receivables

The Group's exposure to credit risk arises mainly from receivables. Receivables are monitored on an on-going basis via a management reporting procedure and action is taken to recover debts when due.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk arising from receivables is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

b) Other receivables and other financial assets

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

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, 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. Especially the following indicators are incorporated.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management (contd.)

(b) Financial risk management objectives and policies (contd.)

(i) Credit risk (contd.)

b) Other receivables and other financial assets (contd.)

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the borrower.
- Significant increase in credit risk on other financial instruments of the same borrower.
- Significant changes in the value of the collateral supporting the obligation or on the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

c) Inter-company balances

The Group and the Company provide unsecured loans and advances to related companies. Loans and advances are only provided to related companies which are wholly owned by the ultimate holding corporation.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management (contd.)

(c) Financial risk management objectives and policies (contd.)

(ii) Liquidity and cash flow risk

The Group and the Company actively manage its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met.

The table below summarises the maturity profile of the Group and of the Company's liabilities at the financial year end based on contractual undiscounted repayment obligations.

GROUP

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
At 31 December 2021				
Trade and other payables	39,980,027	-	-	39,980,027
Amount due to related companies	25,456,944	-	-	25,456,944
Bank borrowings	2,945,666	3,310,308	4,787,272	11,043,246
Finance lease payables	16,924	120,269	158,553	295,746
Lease liabilities	1,668	31,097	3,263,099	3,295,864
	<u>65,455,563</u>	<u>3,461,674</u>	<u>7,833,293</u>	<u>80,071,827</u>

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
At 31 December 2020				
Trade and other payables	24,151,534	-	-	24,151,534
Amount due to related companies	21,297,211	-	-	21,297,211
Bank borrowings	3,084,353	3,695,951	5,344,979	12,125,283
Finance lease payables	17,046	57,607	75,945	150,598
Lease liabilities	482,312	27,503	2,887,468	3,397,283
	<u>49,032,456</u>	<u>3,781,061</u>	<u>8,308,392</u>	<u>61,121,909</u>



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management (contd.)

(b) Financial risk management objectives and policies (contd.)

(ii) Liquidity and cash flow risk (contd.)

COMPANY

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
At 31 December 2021				
Other payables	4,720,709	-	-	4,720,709
Amount due to subsidiary companies	26,091,638	-	-	26,091,638
Amount due to related companies	9,929,033	-	-	9,929,033
Bank borrowings	958,039	2,770,360	3,256,064	6,984,463
Lease liabilities	-	-	-	-
	<u>41,699,419</u>	<u>2,770,360</u>	<u>3,256,064</u>	<u>47,725,843</u>
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
At 31 December 2020				
Other payables	1,795,704	-	-	1,795,704
Amount due to subsidiary companies	17,692,226	-	-	17,692,226
Amount due to related companies	9,476,818	-	-	9,476,818
Bank borrowings	958,039	3,204,020	3,765,754	7,927,813
Lease liabilities	448,169	-	-	448,169
	<u>30,370,956</u>	<u>3,204,020</u>	<u>3,765,754</u>	<u>37,340,730</u>



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management (contd.)

(b) Financial risk management objectives and policies (contd.)

(iii) Interest rate risk

The Group constantly monitors its interest rate risk by reviewing its debt portfolio to ensure favorable rates are obtained. The Group is exposed to interest rate risk arising from its short- and long-term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Company.

Interest rate risk sensitivity

An increase in market interest rates by 1% on financial asset and financial liability of the Group which have variable interest rates at the end of the reporting period would increase loss before taxation. This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial assets and financial liability of the Group and the Company which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

(iv) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, receivables, payables, intercompany balances and short-term borrowings including hire purchases approximate their fair values due to the relatively short-term nature of these financial instruments.

The fair values of investment properties are disclosed in Note 14 to the financial statements.

The fair values of quoted shares is determined directly by reference to its published market bid price at the financial year end.

The fair values of all other financial assets and liabilities of the Group and of the Company as at 31 December 2020 are not materially different from their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS (CONTD.)

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debts. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statements of financial position) less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2021 and 2020 were as follow:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Amount due to subsidiary companies	-	-	26,091,638	17,692,226
Amount due to related companies	25,456,944	21,297,211	9,929,033	9,476,818
Bank borrowings	11,043,246	12,125,283	6,984,463	7,927,813
Hire purchase payables	295,746	150,598	-	-
Lease liabilities	3,295,864	3,397,283	-	448,169
	<u>40,091,800</u>	<u>36,970,375</u>	<u>43,005,134</u>	<u>35,545,026</u>
Less: Cash and cash equivalent	<u>(2,476,067)</u>	<u>(111,487)</u>	<u>(231,561)</u>	<u>(255,876)</u>
Net debt	37,615,733	36,858,888	42,773,573	35,289,150
Total equity	<u>213,493,728</u>	<u>199,999,122</u>	<u>169,807,310</u>	<u>174,688,331</u>
Total capital	<u>251,109,461</u>	<u>236,858,010</u>	<u>212,580,883</u>	<u>209,977,481</u>
Gearing ratio	<u>14.98%</u>	<u>15.56%</u>	<u>20.12%</u>	<u>16.81%</u>

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**38. FAIR VALUE HIERARCHIES**

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 December 2020 are as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly, (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
As at 31 December 2021				
Asset				
Other Investment	1,511,276	7,700,240	-	9,211,516
Investment properties	-	54,357,699	-	54,357,699
As at 31 December 2020				
Asset				
Other Investment	1,310,553	7,754,635	-	9,065,188
Investment properties	-	105,096,301	-	105,096,301

There were no transfers between Level 1 and Level 2 during the current and previous financial years. The Group and the Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 3 as at 31 December 2021 and 31 December 2020.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

39. SIGNIFICANT EVENTS DURING THE YEAR

Coronavirus outbreak

The rapid spread of the coronavirus (“COVID-19”) pandemic situation has had a devastating impact on the lives of people, businesses and economics around the world. The year of 2021 sees Malaysia still battles with the COVID-19 as the Movement Control Order (MCO) were implemented from January 2021 until June 2021 under Conditional Movement Control Order and Full Movement Control Order. The MCO would only eased on June 2021 when the Government introduces National Recovery Plan (NRP) to help Malaysia emerge from the fallout of the COVID-19 earlier. This plan which has a 4-phase timeline only ended in January 2022.

The company has assessed the impact of the COVID-19 on the Company’s operations, including the recoverability of the carrying amount of the assets and measurements of assets and liabilities and concluded that there are no material adverse effects on the financial statements for the financial year ended 31 December 2021.

To ensure the continuity of business operations of the Group, management have implemented adequate safety protocols to minimise any possible disruptions from COVID-19 pandemic and to ensure the product quality is maintained. The carrying amounts of the Group’s assets and liabilities as at the balance sheet date have been reviewed and found to be appropriate taking into consideration of any possible impact of COVID-19 pandemic. However, as the global COVID-19 situation remains fluid at the date of the financial statements, management cannot reasonably ascertain the full extent of probable impact, if any, to the Group’s financial results for future periods.

Pursuant to Paragraph 8.03A(2b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia

The Group has announced on 13 April 2020 that it has triggered para 8.03A(2b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia. As an Affected Listed Issuer, the Company is required to regularise its condition within twenty-four (24) months and submit its regularisation plan to Bursa Malaysia by 12 April 2022.

On 1 April 2022, the Group applied for the extension of time from Bursa Malaysia and on 26 April 2022, Bursa has granted the extension of time of 6 months up to 11 October 2022.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

40. SIGNIFICANT EVENT AFTER BALANCE SHEET DATE

- (a) On 31 March 2022, the Company entered into a Share Sale Agreement (“SSA”) with Sloane Infinity Asia Pacific Sdn Bhd (“SIAP”) for the acquisition of 51% equity interest in Nexusbase Development Sdn Bhd (“NDSB”) from SIAP for a purchase consideration of Ringgit Malaysia Twelve Million Five Hundred Thousand (RM12,500,000.00) only.
- (b) Majuperak Land Sdn Bhd (MPLSB) was served with a Notice of Adjudication on 13 December 2021 filed by Canggih Kilat Sdn. Bhd. (“CKSB”) in relation to disputes arising from alleged payment claim from its sub-contractor, CKSB under Section 7 and 8 of the CIPAA against MPLSB dated 16 November 2021 for the sum of RM4,309,064.12 or a sum to be determined for the contract works known as “Cadangan Membaiki, Menaik Taraf Dan Penjenamaan Semula Kompleks Silveritage Galleria at Bandaraya Ipoh, Perak Darul Ridzuan”.

Subsequently, MPLSB had on 10 February 2022 received Adjudication Claim from CKSB’s Solicitor where MPLSB has served the Adjudication Response on 24 February 2022. The Adjudicator has delivered his decision via Adjudication Decision dated 4 April 2022 and duly received by MPLSB on 8 April 2022. MPLSB is not challenging the Adjudication Decision upon consultation with its Legal Counsel and has made full payment of the RM4,304,346.41, being the adjudicated sum together with interest and costs of the adjudication, to CKSB on 15 April 2022.

41. COMPARATIVE

The comparative figures are audited by another firm of Chartered Accountants other than Al Jafree Salihin Kuzaimi PLT.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Board of Directors in accordance with a resolution of the Board of Directors on the date of these financial statements.



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No. of Shares Held	
CDS Account No.	
Telephone No.	
E-mail Address	

MAJUPERAK HOLDINGS BERHAD 200201017726 (585389-X)
(Incorporated in Malaysia)

I/We, _____

NRIC No./Passport No./Company No. _____ of _____

_____ being a member of

Majuperak Holdings Berhad hereby appoint the following person(s):

Name of Proxy & NRIC No.	No. of Ordinary Shares	%
1. _____	_____	_____
or failing him/her		
2. _____	_____	_____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Nineteenth (19th) Annual General Meeting ("19th AGM" and/or "AGM") of the Company to be held on Tuesday, 28 June 2022 at 10.00 a.m. and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

No.	Resolutions	Resolution No.	For	Against
1.	Approval for the payment of Directors' Fees	Ordinary Resolution 1		
2.	Approval for the payment of Directors' Benefits	Ordinary Resolution 2		
3.	Re-election of Encik Ahmad Najmi Bin Kamaruzaman as Director	Ordinary Resolution 3		
4.	Re-election of Mr Lim Tian Huat as Director	Ordinary Resolution 4		
5.	Re-election of Dato' Tun Hisan Bin Dato' Tun Hamzah as Director	Ordinary Resolution 5		
6.	Re-appointment of Messrs Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 6		
7.	Proposed Authority to Allot and Issue Shares	Ordinary Resolution 7		
8.	Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 8		

Please indicate with (✓) or (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date: _____ Signature of Shareholder/
Common Seal _____

NOTES:

- Only members whose names appear on the Record of Depositors as at 20 June 2022 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/ her stead.
- A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. A proxy must be 18 years and above and need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy must be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603)78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid.
- For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

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80 SEN
STAMP
(Within
Malaysia)

The Share Registrar
MAJUPERAK HOLDINGS BERHAD
Registration No. 200201017726 (585389-X)
11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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MAJUPERAK HOLDINGS BERHAD

[200201017726 (585389-X)]

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