Menang Corporation (M) Berhad

Registration No. : 196401000240 (5383-K)

Annual Report 2021

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Group Managing Director
Mr. Toh May Fook

Executive Director
Mr. Lee Min Huat
Ms. Liew Sook Pin

Non-Independent Non-Executive Director
Mr. Too Kok Leng

Independent Non-Executive Directors
Mr. Chee Wai Hong
Mr. Yee Chun Lin
Mr. Kee Hock Kee

SECRETARIES

Mr. Chin Wai Yi
(MAICSA 7069783)
SSM Practicing Certificate
No. 202008004409

Ms. Florence Toh Sue Mei
(MAICSA 7074778)
SSM Practicing Certificate
No. 202108000143

Ms. Khoo Wei Lee
(MAICSA 7063165)
SSM Practicing Certificate
No. 201908001577

REGISTERED OFFICE

E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2181 0516
Fax : (603) 2181 0516

BUSINESS ADDRESS

Wisma OZ, No. 11-1
Jalan Kuchai Maju 5
Kuchai Entrepreneurs' Park
Jalan Kuchai Lama
58200 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 7971 1771
Fax : (603) 7971 1333

REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2783 9299
Fax : (603) 2783 9222

AUDITORS

Baker Tilly Monteiro Heng PLT
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan

PRINCIPAL BANKERS

MBSB Bank Berhad

Bank Pembangunan
Malaysia Berhad

Public Bank Berhad

SOLICITORS

Rahman Too & Co
5, Jalan Wolff
70000 Seremban
Negeri Sembilan
Darul Khusus

Mah-Kamariyah & Philip Koh
3A07 Block B, Phileo
Damansara 2
15, Jalan 16/11, Seksyen 16
46350 Petaling Jaya
Selangor Darul Ehsan

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad

Stock Name : **MENANG**
Stock Code : **1694**
Sector : **PROPERTIES**

DIRECTORS' PROFILE

MR. TOH MAY FOOK

Group Managing Director

Malaysian • Aged 63 • Male

Mr. Toh May Fook ("Mr. Toh") graduated with Bachelor of Accounting (Hons.) from University of Malaya. He is a qualified Chartered Accountant and Member of Malayan Institute of Accountants.

Mr. Toh has top management experience in various conglomerates in Malaysia, Indonesia and China, and he is currently the Executive Chairman of OZ Marketing Sdn. Bhd., well known for successful launching and marketing of significant numbers of famous fast moving consumer products in Malaysia.

Mr. Toh was appointed as a Non-Independent Non-Executive Director of Menang Corporation (M) Berhad on 29 January 2021 and was subsequently re-designated as the Group Managing Director on 1 February 2021. He attended three (3) board meetings held in the financial year ended 30 June 2021.

Mr. Toh does not hold any other directorship in public companies and listed issuers.

MR. LEE MIN HUAT

Executive Director

Malaysian • Aged 64 • Male

Mr. Lee Min Huat ("Mr. Lee") graduated with a Diploma in Aircraft Maintenance Engineering from Confederation College, Canada in 1979.

Upon graduation, he worked as a Manager at Kalayaan Sdn. Bhd., a property developer, from 1980 to 1984. For the past twenty (20) years, he has been involved in property development and commodity trading.

Mr. Lee was appointed as the Executive Director of Scope Industries Berhad ("SCOPE") on 15 July 2003 and re-designated to Executive Chairman on 24 February 2021. He also holds directorships in all subsidiary companies of SCOPE. He is currently responsible for the formulation of corporate strategies and plans for the Group and oversee the Group finance and manufacturing operations.

Mr. Lee was appointed as a Non-Independent Non-Executive Director of Menang Corporation (M) Berhad on 29 January 2021 and was subsequently re-designated to an Executive Director on 1 February 2021. He attended three (3) board meetings held in the financial year ended 30 June 2021.

Mr. Lee is the son of Dato' Lee Chin Hwa, a major shareholder of the Company.

MS. LIEW SOOK PIN

Executive Director

Malaysian • Aged 44 • Female

Ms. Liew Sook Pin ("Ms. Liew") has completed the final stage of Chartered Institute of Management Accounting. She started her management accounting career with Kalbe Malaysia in 1997. Over the years, she has accumulated extensive exposure and held responsibilities in the fields of finance and accounting, logistics management, marketing development, and strategic planning in fast-moving consumer products in Malaysia.

She currently holds the position of Managing Director in OZ Marketing Sdn. Bhd., well known for successful launching and marketing of significant numbers of famous fast moving consumer products in Malaysia.

Ms. Liew was appointed as a Non-Independent Non-Executive Director of Menang Corporation (M) Berhad on 29 January 2021 and was subsequently re-designated to an Executive Director on 1 February 2021. She attended three (3) board meetings held in the financial year ended 30 June 2021.

Ms. Liew does not hold any other directorship in public companies and listed issuers.

Directors' Profile

(continued)

MR. TOO KOK LENG

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian • Aged 62 • Male

Mr. Too Kok Leng ("Mr. Too") holds a B.A (Hons) in Law and was admitted to the Malaysian Bar in 1983. He started his own practice in 1988 and was practising under the name and style of Rahman, Too & Co. in Seremban and Kuala Lumpur. He specialised in the corporate and banking fields rendering legal advice to several banks and public listed companies. He has since ventured into his own private business in property and other related activities.

Mr. Too was appointed as an Independent Non-Executive Director of Menang on 1 August 1995. On 29 November 2016, Mr. Too was appointed as Group Managing Director/Group Chief Executive Officer of Menang and ceased to be the Chairman of Remuneration Committee and member of Audit Committee following his appointment as Group Managing Director/ Group Chief Executive Officer of Menang. Mr. Too has been re-designated as Group Vice Chairman on 1 December 2019 and further re-designated to a Non-Independent Non-Executive Director on 1 February 2021. He attended eleven (11) out of twelve (12) board meetings held in the financial year ended 30 June 2021.

Mr. Too also serves as an Independent Non-Executive Director in TH Heavy Engineering Berhad.

MR. CHEE WAI HONG

Independent Non-Executive Director

Malaysian • Aged 48 • Male

Mr. Chee Wai Hong ("Mr. Chee") holds an LLB Honours Degree from University of London, United Kingdom and a Master Degree in Business Administration from University Utara Malaysia. He is a qualified Advocate and Solicitor in the High Court of Malaya and is a member of the Malaysian Bar. He is also a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom and a Member of the Malaysian Institute of Accountants.

He was trained as a Chartered Accountant in BDO Malaysia and has helmed the position of Executive Director of a company listed under the Main Market of Bursa Malaysia Securities Berhad for twelve (12) years where he was involved in the area of corporate finance and accounting.

He is currently the managing partner of his own legal firm, Messrs. Allen Chee Ram.

He was appointed to the Board of Seal Incorporated Berhad as an Independent Non-Executive Director on 20 April 2012.

Mr. Chee was appointed as an Independent Non-Executive Director of Menang Corporation (M) Berhad on 29 January 2021. He was appointed as the Chairman of the Audit and Risk Management Committee, the Chairman of the Remuneration Committee and member of the Nomination Committee on 1 February 2021. He attended three (3) board meetings held in the financial year ended 30 June 2021.

MR. YEE CHUN LIN

Independent Non-Executive Director

Malaysian • Aged 41 • Male

Mr. Yee Chun Lin ("Mr. Yee") graduated with BSc in Accounting & Finance from London School of Economics (UoL). He is a Certified Internal Auditor from Institute of Internal Auditors. He is also a Certified Lead Auditor for ISO037001 (Anti Bribery Management System).

Mr. Yee has taken on senior management roles in two international consulting firms and pioneered the set-up of a corporate governance unit of a top ten international audit firm in Malaysia. With over a decade of experience in professional services, he has led and managed internal audit, IT Advisory and Indirect Tax units.

Mr. Yee is experienced in operational and IT audits, corporate governance and risk management advisory, business process improvement and re-engineering, IT general controls review, data analysis & interrogation, indirect taxes, anti-bribery measures and other advisory services including business continuity, disaster recovery planning and control implementation.

He is currently the Executive Director for Adequate Procedures Sdn. Bhd. that provides digital solutions and advisory services in relation to anti-bribery matters.

Mr. Yee was appointed as an Independent Non-Executive Director of Menang Corporation (M) Berhad on 29 January 2021. He was appointed as the Chairman of the Nomination Committee on 1 February 2021 and also appointed as a member of the Audit and Risk Management Committee and the Remuneration Committee on even date. He attended three (3) board meetings held in the financial year ended 30 June 2021.

Mr. Yee does not hold any directorship in public companies and listed issuers.

MR. KEE HOCK KEE

Independent Non-Executive Director

Malaysian • Aged 61 • Male

Mr. Kee Hock Kee ("Mr. Kee") is a qualified accountant and is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Mr. Kee has over forty (40) years of working experience and was involved in diverse areas of planning, finance, management and operations. He started his articleship with Price Waterhouse, Kuala Lumpur in 1980 and subsequently joined Ernst & Young.

In 1991, he joined the commercial industry and worked in various companies such as Metroplex Berhad, Malaysia Electric Corporation Berhad and Dijaya Corporation Berhad. His last position held was the Chief Financial Officer of Encorp Berhad. Since then, he has been assisting and/or advising private companies on planning, fund raising and business/strategic management.

Mr. Kee was appointed as Independent Non-Executive Director of Menang Corporation (M) Berhad on 22 July 2021. He was also appointed as a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee on even date. As Mr. Kee was appointed after the financial year ended 30 June 2021, He did not attend any board meetings held in the financial year ended 30 June 2021.

Mr. Kee does not hold any directorship in public companies and listed issuers.

OTHER INFORMATION

a. **Family relationship with Director and/or major shareholder**
Save as hereinabove disclosed, none of the Directors has any family relationship with the other Directors and/ or major shareholders of the Company.

b. **Conflict of Interest**
None of the Directors has any conflict of interest in the Company as disclosed in Note 28 of the financial statements.

c. **Conviction for Offence**
None of the Directors have any conviction for offences within the past 5 years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

d. **Other Directorship of Public Companies**
Save as disclosed, none of the Directors hold any directorship in any other public companies.

e. **Securities holdings in the Company**
Details of the Directors' securities holdings in the Company, and its subsidiaries are set out on page 114 of this Annual Report.

KEY SENIOR MANAGEMENT PROFILE

MR. SIMON WEE HOWE YEW

Group Chief Financial Officer

Malaysian • Aged 53 • Male

Mr. Simon Wee Howe Yew ("Mr. Simon") holds a Bachelor of Business in Accountancy (Distinction) from RMIT University, Australia. He is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants.

Mr. Simon has more than 25 years of experience in the field of auditing, financial reporting, treasury, taxation and corporate finance in various industries ranging from financial services, manufacturing, construction and property investment and development. Prior to joining the Group in January 2018, he served as the Chief Financial Officer and management of several listed companies.

Mr. Simon was re-designated as Group Chief Financial Officer on 1 December 2019. He oversees the corporate finance and financial functions of the Group.

Mr. Simon does not hold any directorship in public companies and listed issuers.

PN. NORIZA BINTI MOHD SHARIF

Chief Operating Officer

Malaysian • Aged 55 • Female

Pn. Noriza Binti Mohd Sharif ("Pn. Noriza") holds a Bachelor Degree in Civil Engineering from Marquette University, Wisconsin, USA.

Pn. Noriza has more than 30 years of experience in the construction industry and is involved in the UiTM Private Finance Initiative (PFI) projects such as the construction of UiTM Kampus Seremban, Kompleks Alam Bina dan SeniReka, UiTM Puncak Alam and Institut Latihan UiTM Nilai.

Prior to joining the Group in August 1990, she worked with Majlis Amanah Rakyat (MARA) under the Technical Division overseeing the construction projects under MARA.

Pn. Noriza was re-designated as Chief Operating Officer on 1 January 2020. She oversees the maintenance of the PFI Campuses (during the 20 years Maintenance Period) and operation of Menang Development (M) Sdn. Bhd., a subsidiary of Menang Corporation (M) Berhad.

Pn. Noriza does not hold any directorship in public companies and listed issuers.

MR. TAN FOOK WENG

Group Accountant

Malaysian • Aged 35 • Male

Mr. Tan Fook Weng ("Mr. Tan") graduated as Dean's List of Bachelor of Commerce (Honours) Accounting from Universiti Tunku Abdul Rahman, Malaysia. He actively participated in various curriculum activities during his time in university. Mr. Tan is a fellowship member of Association of Chartered Certified Accountants since year 2016.

Prior to joining the Group, Mr. Tan worked with BDO PLT and gained audit experience in various industry portfolios including property, plantation, oil & gas and education. He joined the Group as an Accounts Executive in 2009 and was subsequently promoted to Accountant of the Group of Companies.

Mr. Tan was re-designated as Group Accountant on 1 January 2020 and is currently responsible for the financial management and financial reporting of the Group.

Mr. Tan does not hold any directorship in public companies and listed issuers.

Key Senior Management Profile
(continued)

OTHER INFORMATION

a. Family relationship with Director and/or major shareholder

None of the key senior management has any family relationship with the Directors and/or major shareholders of the Company.

b. Conflict of Interest

None of the key senior management has any conflict of interest in the Company as disclosed in Note 28 of the financial statements.

c. Conviction for Offence

None of the key senior management has any conviction for offences within the past 5 years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Menang Corporation (M) Berhad ("Menang" or the "Company") was incorporated on 9 July 1964. The Company is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad. Menang and its subsidiaries' (the "Group") principal activities are in property development and government development projects.

Concession Projects

The Group successfully completed and delivered to UiTM and the Government of Malaysia, 3 Private Financing Initiative("PFI") projects as follows:

	UiTM Seremban 3	UiTM Puncak Alam	UiTM Nilai
Concession Company	Inovatif Mewah Sdn. Bhd. ("IMSB")	Rumpun Positif Sdn. Bhd. ("RPSB")	Protokol Elegan Sdn. Bhd. ("PESB")
Type of Development	Campus	Campus	Training Center
Concession period	4 May 2010 to 17 January 2034	30 April 2012 to 9 December 2035	25 July 2012 to 21 July 2036

Each concession agreement is for a period of 23 years comprising 3 years of construction works and from the certificate of acceptance date, 20 years of maintenance works ("**Maintenance Period**"). During the Maintenance Period UiTM will pay the concession companies charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements. Upon expiry of the Maintenance Period, the facilities and infrastructure will be handed over to UiTM at no cost in a well-maintained and operational condition.

The Group's concession arrangements continues to be the primary source of revenue for financial year ended 30 June 2021. The current pandemic has not affected the Group's business of managing the three (3) PFI concessions.

Property Development

During the FYE 2021, the property industry continued to experience contraction in activity due to various external factors such as:

i) COVID-19 and the Movement Control Orders ("MCO");
ii) oversupply of completed property units;
iii) tough lending conditions imposed on the property sector by the financial institutions; and
iv) inflationary pressure resulting in less disposable income to consumer.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND FINANCIAL CONDITION

Significant Changes in Performance, Financial Position and Liquidity

	2021	2020	Variance	%
Net assets (RM'000)	419,697	404,795	14,902	3.68
Net assets attributable to owner (RM'000)	329,767	322,611	7,156	2.22
Operating financial assets (RM'000)	749,124	789,302	(40,178)	(5.09)
Loans and borrowings (RM'000)	517,105	584,100	(66,995)	(11.47)
Net current (liabilities)/assets (RM'000)	(14,267)	30,222	(44,489)	(147.21)
NTAs per share (RM)	0.69	0.67	–	–
Gearing ratio (times)	1.57	1.81		
Revenue (RM'000)	88,282	89,837	(1,555)	(1.73)
Gross profit (RM'000)	66,326	69,062	(2,736)	(3.96)
Gross profit margin (%)	75.1	76.9		
Profit for the year (RM'000)	14,902	8,836	6,066	68.65
Total comprehensive income for the financial year (RM'000)	14,902	8,836	6,066	68.65

The figures above represent the financial position and performance of the Group, including both continuing and discontinued operations, without the classification required by MFRS 5 Non-Current Assts Held for Sale and Discontinued Operations ("MFRS 5"). The assets and liabilties held for sale classified in the prior financial year are disclosed in Note 13 of the financial statements.

Amidst a challenging financial year of uncertainties, the Group under the stewardship of the new board of directors that came at the helm with 5 months of the financial year remaining recorded a higher profit for the year of RM14.90 million. The RM6.07 million improvement over the previous year profit of RM8.84 million was mainly due to lower overall group expenses and finance costs by RM4.10 million and RM6.25 million respectively to offset the slightly lower group gross profit RM2.74 million and higher tax expense of RM2.32million.

The Group also improved its total net assets and net assets attributable to the shareholders by RM14.9 million and RM7.2 million respectively compared to previous financial year.

Operating financial assets of the 3 PFI busineses reduced by RM40.2 million as a result of the ongoing and recurring amortisation of the receivables at cost under the IC Interpretation 12 *Service Concession Arrangements* financial asset model adopted as disclosed in Note 3.8 of the Financial Statements.

Group borrowings reduced by RM67.0 million mainly due to settlement of bank overdrafts and scheduled repayments for the PFI loans during the financial year. Accordingly the group's gearing ratio reduced by from 1.81 times to 1.57 times. As at the end of the financial year the Group recorded net current liablilities amounting to RM14.3 million compared to the prior year net current assets of RM30.2 million due to reclassification of a loan from a financial institution amounting to RM40.0 million from non-current liabilities to current liabilities. The Group has undertaken measures to raise the requisite funding to repay the loan including borrowings from other financial institutions and a proposed SUKUK at 2 PFI subsidiaries to repay its advances owing to holding company. Subsequent to the financial year end, the Group has began to pay down the loan from internally generated funds.

The Group will continue its prudent approach towards managing its capital resources and enhancing efficiencies throughout its operations and expects its financial position to be strengthened for the ensuing financial year.

Capital Expenditure Requirements, Capital Structure and Capital Resources

The Group currently has no plans to incur material capital expenditure; nor are there any existing material commitment on capital expenditures.

REVIEW OF OPERATING ACTIVITIES

Concession Projects

The concession projects continue to provide stable and substantial revenue and cash flows to the Group. The termination of the proposed disposal of IMSB on 19 March 2021 is disclosed in Note 32(e) of the financial statements for the financial year ended 30 June 2021.

Properties

Due to the uncertainties caused by the COVID-19 pandemic, the Group remains cautious but optimistic on launching its property development projects, mainly in Seremban 3. The Group intends to launch new property development projects when the COVID-19 pandemic situation is under control and the country's economic condition improves. Meanwhile the Group will continue its efforts to maintain the infrastructure on its development properties and plans its launches.

Investment Holding; and Other Segments

There were no major changes in the Group's investment structure during the financial year under review.

IDENTIFIED ANTICIPATED OR KNOWN RISKS

The Group's main risks are interest rate risk and property market risk.

FORWARD-LOOKING STATEMENT

Under its new corporate stewardship in the second half of the financial year, the Group has transformed its organisation structure and business landscape. We foresee great business opportunities ahead for the group and are confident of growing the group on an upward trajectory given the Government's anticipated push to prime pump the economy post COVID-19.

As the global economy is showing signs of recovery from the COVID-19 pandemic buoyed by the ongoing vaccination programmes, Malaysia is likewise headed in the same direction being in the advanced stages of its accelerated vaccine rollout. A positive turnaround of the property industry is expected in the short to medium term with the revival of the Malaysian Vision Valley and major infrastructure projects.

The Group believes it is well positioned to take advantage of the economic turnaround to embark on its property development and new businesses and at the same time be mindful to address the risks it brings. We remain cautiously optimistic of the challenging and exciting times ahead.

CONCLUSION

The Board and management expresses its thanks and appreciation to all our stakeholders who have supported and worked hard to put Menang in its current enviable position. With challenge comes opportunity and we relish the opportunities that will come our way.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

CHAIRMAN
Mr. Chee Wai Hong (Independent Non-Executive Director)

MEMBERS
Mr. Yee Chun Lin (Independent Non-Executive Director)
Mr. Kee Hock Kee (Independent Non-Executive Director)

DETAILS OF ATTENDANCE OF MEMBERS AT AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS

During the financial year ended 30 June 2021, there were five (5) Audit and Risk Management Committee ("ARMC") Meetings held. The details of the attendance of each member are as follows:-

Committee Members	Date of Meetings Held/Attended					Total Attendance
	26 Aug 2020	16 Oct 2020	26 Nov 2020	25 Feb 2021	21 May 2021	
Mr. Chee Wai Hong[1]	N/A			√	√	2/2 (100%)
Mr. Yee Chun Lin[2]	N/A			√	√	2/2 (100%)
Mr. Kee Hock Kee[3]	N/A					
Mr. Chiam Tau Meng[4]	√	√	√	√	N/A	4/4 (100%)
Mr. Leou Thiam Lai[5]	√	√	√	N/A		3/3 (100%)
Dr. Christopher Shun Kong Leng[6]	√	√	√	N/A		3/3 (100%)
Mr. Wong Koon Wai[7]	N/A					
Mr. N.Sivagurunathan A/L V.Narayanasamy[8]	N/A					

1 Mr. Chee Wai Hong was appointed on 1 February 2021 and had attended all the ARMC meetings subsequent to his appointment.
2 Mr. Yee Chun Lin was appointed on 1 February 2021 and had attended all the ARMC meetings subsequent to his appointment.
3 Mr. Kee Hock Kee was appointed on 22 July 2021.
4 Mr. Chiam Tau Meng resigned on 20 May 2021 and had attended all the ARMC meetings prior to his resignation.
5 Mr. Leou Thiam Lai resigned on 17 December 2020 and had attended all the ARMC meetings prior to his resignation.
6 Dr. Christopher Shun Kong Leng resigned on 12 January 2021 and had attended all the ARMC meetings prior to his resignation.
7 Mr. Wong Koon Wai was appointed on 12 January 2021 and resigned on 29 January 2021. There were no ARMC meeting held during his tenure.
8 Mr. N.Sivagurunathan A/L V.Narayanasamy was appointed on 12 January 2021 and resigned on 29 January 2021. There were no ARMC meeting held during his tenure.

During the financial year ended 30 June 2021, the External Auditors, at the invitation of the ARMC, have attended three (3) ARMC Meetings.

RESPONSIBILITIES AND DUTIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's management of its financial risk processes, accounting and financial reporting practices, risk and sustainability management, ensuring the efficacy of the Group's system of internal control and in maintaining oversight of both the internal and external audit functions.

The Terms of Reference of the ARMC are reviewed regularly and approved by the Board. The current ARMC Terms of Reference is available on the Company's website at www.menangcorporation.com.

The Chairman of the ARMC engages on a continuous basis with the Management, the Internal Auditors and the External Auditors in order to be kept informed of significant matters affecting the Company.

REVIEW OF THE PERFORMANCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Board, through the Nomination Committee, performs an annual review and assessment of the term of office and performance of the ARMC to assess the ARMC's effectiveness in carrying out its duties as set out in the Terms of Reference. The Board is satisfied that the ARMC has effectively discharged its duties in accordance with the Terms of Reference for the financial year under review.

SUMMARY OF ACTIVITIES

In line with the Term of Reference of ARMC, the following activities were carried out by the ARMC during the financial year:-

1. Financial Reporting & Compliance

(i) Reviewed the quarterly unaudited financial results and audited financial statements prior to submission to the Board for approval and subsequent announcement, focusing on significant changes to accounting policies and practices, going concern assumptions, adjustments arising from the audits, compliance with the relevant accounting standards and other legal and regulatory requirements to ensure compliance with the provisions of the Companies Act, 2016 and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

(ii) Reviewed the Company's status of compliance with the provisions set out under the Malaysian Code on Corporate Governance ("MCCG") for the purpose of preparing the Corporate Governance Report pursuant to the requirement of Paragraph 15.25 of the MMLR of Bursa Securities and the prescribed corporate governance principles and practices under the MCCG before recommending them to the Board;

(iii) Reviewed the Audit and Risk Management Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control and recommending to the Board for inclusion in the Annual Report; and

(iv) Reviewed related party transactions (if any) that may arise within the Group.

(v) Conducted private sessions with the External and Internal Auditors in the absence of the Executive Directors and Management in conjunction with the ARMC Meetings.

SUMMARY OF ACTIVITIES (CONTINUED)

2. External Audit

(i) Reviewed the external auditors' scope of work, budget and audit plan outlining their audit team, audit timeline, key areas of audit focus, communication of other significant audit matters and other updates and amendments.

(ii) Reviewed the results of the audit, the external auditors' report, the management letter, including Management's response and internal controls recommendations in respect of control weaknesses noted in the course of their audit.

(iii) Reviewed and recommended to the Board of Directors the re-appointment and the remuneration of the external auditors.

3. Risk & Sustainability Management and Internal Audit

(i) Reviewed and assessed the internal audit function and risk & sustainability management needs, plans and performance for the financial year under review.

(ii) Reviewed and approved the internal audit plan and budget for the financial year ended 30 June 2021.

(iii) Reviewed the audit reports presented by Internal Auditors on findings and recommendations with regards to system and control weaknesses noted in the course of their audit and Management's responses thereto and ensuring material findings are adequately addressed by Management.

(iv) Reviewed the Risk & Sustainability Management Working Committee's Report and ensuring regular identification of risks and appropriate measures were taken to mitigate any significant risks.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function is outsourced to an independent professional firm, namely CGRM Infocomm Sdn. Bhd. ("CGRM") that reports directly to the ARMC. It is the responsibility of CGRM to provide the ARMC with independent and objective reports on the extent of compliance of the various operating units within the Group's established policies and procedures as well as relevant statutory requirements.

CGRM has conducted the following audit during the financial year:-

(i) Financial Control; and
(ii) Follow-up on Business Sustainability Management & Business Continuity Management

CGRM had assigned 2 internal audit personnel to assist the person responsible for internal audit. Details on the person responsible for the internal audit are set out below:-

Name	:	Jasmine Lee
Qualification	:	CIA (USA), CRMA (USA) and B Acc (Hons) (MMU)
Independence	:	Does not have any family relationship with any director and/or major shareholder of the Company
Public Sanction or penalty	:	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

INTERNAL AUDIT FUNCTION (CONTINUED)

In the Internal Audit Report, the findings arising from the audit fieldwork were highlighted together with suitable recommendations for improvement to the Management for review and further action where necessary. These findings covered key operational and management control areas as well as financial and accounting control.

As part of their scope of work, the Internal Auditors would also conduct a status update on the implementation of their recommendations to the Management. During the financial year, the effectiveness of Internal Audit Function brought up by Bursa Securities together with the Institute of Internal Auditors Malaysia ("IIAM") was highlighted and deliberated at the ARMC meeting. The Internal Auditors confirmed that they have covered all seven criteria of the Internal Audit Function which are aligned with Bursa Securities' Listing Requirements and the MCCG.

The total costs incurred for Internal Audit Function of the Group in respect of the financial year ended 30 June 2021 amounted to RM14,364.06.

Further details of the Internal Audit Function are set out in the Statement on Risk Management and Internal Control on page 23 of this Annual Report.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors (the “Board”) is committed to maintain high standards of corporate governance and strives to ensure that it is practiced throughout Menang Corporation (M) Berhad (the “Company”) and its subsidiaries (collectively referred as “the Group”) as a fundamental part of discharging its responsibilities in order to protect and enhance shareholders’ value and raise the performance of the Group.

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

In this Statement, the Board provides a summary of the corporate governance practices adopted and applied by the Company based on the principles and best practices set out in the Malaysian Code on Corporate Governance (“MCCG”) and the governance standards prescribed in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) throughout the year under review. This Statement is to be read together with the Corporate Governance (“CG”) Report 2021 of the Company which is available on the Company’s website at www.menangcorporation.com as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is responsible for the overall performance of the Group and retains full and effective control over the Group. This includes responsibility for reviewing and adopting strategic plans for the Group in line with its vision and objectives while overseeing the conduct of the Group’s business.

The Board comprises of members who have a wide range of experience in fields such as legal, management, finance, construction and property development to successfully direct and supervise the Group’s business activities. A brief profile of each Director is presented on pages 3 to 5 of this Annual Report.

The Board Charter

The Company has in place a Board Charter that sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and the Board Committees, as well as the relationship between the Board with the Management and shareholders. The Board Charter is reviewed by the Board from time to time and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities. The Board Charter was last updated on 21 May 2021 and is made available on the Company’s website.

Presently, the Company has not appointed a chairman of the Board and will endeavor to identify a suitable candidate to be appointed as Chairman of the Board soonest possible. Nevertheless, the roles of the Chairman and Group Managing Director (“GMD”) are distinct and separated to ensure a balance of power and authority is clearly set out in the Board Charter. The Chairman is responsible for the overall leadership and efficient functioning of the Board. Whilst, the GMD is the conduit between the Board and the Management in ensuring the success of the governance and management functions of the Company.

The Company has also implemented various policies such as Corporate Disclosure Policy, Code of Conduct & Ethics, Anti-Bribery & Anti-Corruption (“ABAC”) Policy and Whistle Blowing Policy and Procedures which would be periodically reviewed by the Board and is available on the Company’s website.

The Board Committees

The Board has established the following three (3) Board Committees to assist the Board:

- *the Audit and Risk Management Committee;*
- *the Nomination Committee; and*
- *the Remuneration Committee*

The Board appoints the Chairman and members of respective Board Committees. Each Board Committee is governed by their own Terms of Reference, which is approved by the Board and are periodically reviewed.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (continued)

The Management

The Board delegates the responsibility of implementing the Group's strategies, business plans, policies and day-to-day management to the Executive Committee ("EC") which consist of the GMD together with two (2) Executive Directors and supported by the Senior Management team and personnel. A brief profile on our Senior Management team is presented on pages 6 to 7 of this Annual Report.

The EC and Senior Management team provide assistance whenever appropriate and works with the Board and Board Committees in discharging their duties. The EC would report on the performance and significant developments and activities of the Group for the period under review.

The Company Secretaries

The Group is supported by three (3) qualified Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. They and their team play a supportive role by ensuring adherence to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time. The Company Secretaries monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

Financial Year Ended ("FYE") 30 June 2021

During the FYE 30 June 2021, twelve (12) Board Meetings were held. The attendance record of each Director is as follows:

Name of Directors	No. of Meetings Attended/Held (during tenure in office)	Percentage (%)
***Mr. Toh May Fook**	3/3	100.00
***Mr. Lee Min Huat**	3/3	100.00
***Ms. Liew Sook Pin**	3/3	100.00
***Mr. Chee Wai Hong**	3/3	100.00
***Mr. Yee Chun Lin**	3/3	100.00
Mr. Kee Hock Kee *(Appointed on 22 July 2021)*	N/A	N/A
Mr. Too Kok Leng	11/12	91.67
#Mr. Leou Thiam Lai	5/5	100.00
#Y.A.M. Raja Shahruddin Rashid	8/8	100.00
#Dr. Christopher Shun Kong Leng	8/8	100.00
#Mr. Chiam Tau Meng	10/11	90.90
***#Mr. Wong Koon Wai**	N/A	N/A
***#Mr. N.Sivagurunathan A/L V.Narayanasamy**	N/A	N/A
***#Dato' Shun Leong Kwong**	1/2	50.00
***#Ms. Marianna Binti Aly Shun**	1/2	50.00

* *Appointed during the financial year under review.*

\# *Resigned/Removed during the financial year under review.*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (continued)

Financial Year Ended ("FYE") 30 June 2021 (continued)

The Board acknowledges the importance of continuous education and training, in order to keep abreast with the industry, regulatory and compliance issues, trends and best practices and developments in the marketplace, to enable them to discharge their duties and responsibilities more effectively.

During the financial year, the Board have attended collectively and individually seminar(s), conference(s) and/or training(s) to continuously upgrade their skills and to keep abreast with current developments. The lists of topics on trainings (which are not exhaustive) attended are as follows:-

- Mandatory Accreditation Programme
- Bribery, what must we do within the first 48 hours of discovery?
- Anti-bribery and Whistleblowing: Can you have one without the other?
- The Anti-Money Laundering Act: Shell companies and their role in money laundering schemes around the globe
- Can we eradicate corruption through Blockchain Technology?
- Artificial Intelligence and Cryptocurrencies - Fighting Corruption and Money Laundering in the Digital Age
- Data Privacy, Information Security and Cybersecurity: What your business needs to know
- Corporate Fraud - Looking beyond the Boardroom

With the assistance of the Company Secretaries, the Board will continue to evaluate and determine the training needs of its members to assist them in discharging their duties as Directors of the Company effectively

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time and update the Board at Board Meetings. The External Auditors also briefed the Board members on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

II. BOARD COMPOSITION

As at 30 June 2021, the Board comprise of six (6) members; three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. Subsequent to the financial year, the Company appointed a new Independent Non-Executive Director on 22 July 2021 to join the Board resulting the Board to comprise of three (3) Independent Non-Executive Directors. The composition of the Board complies with Paragraph 15.02 of the MMLR of Bursa Securities. In view of their diversified background and extensive experience, they brought a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance.

Although the Board does not comprise at least 50% of Independent Directors as recommended in the MCCG, the Chairmen of the Audit & Risk Management Committee, the Nomination Committee and the Remuneration Committee are all Independent Non-Executive Directors, who are able to exercise strong independent judgement and provide independent views and advice to all Board deliberations.

The Board is of the view that diversity of the Board enhances the decision-making capability of the Company and improves the Board's discussion process by allowing different perspectives to be included in decision making. The current policy adopted by the Board is to avoid any gender bias and treat both genders with fair and equal consideration. It has been a long-standing practice for the Company to have at least one (1) female Director on the Board, which is still practising to date.

The Board believes that the current composition is appropriate given the collective skills and experiences of the Directors and the Group's current size and nature of business. The Board will continue to monitor and review the Board's size and composition as may be needed.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (continued)

The Nomination Committee

The Board has through its Nomination Committee, conducted an annual assessment on the effectiveness of the Board as a whole and the contribution of each individual Director. The Nomination Committee comprises exclusively of Non-Executive Directors as follows:

Mr. Yee Chun Lin (Chairman) - *Independent Non-Executive Director*

Mr. Chee Wai Hong (Member) - *Independent Non-Executive Director*

Mr. Kee Hock Kee (Member) - *Independent Non-Executive Director*

During the FYE 30 June 2021, the Nomination Committee held one (1) meeting on 16 October 2020 with full attendance of the Nomination Committee members. Below is a summary of the key activities undertaken by the Nomination Committee in discharge of its duties for the FYE 30 June 2021:

a) Annual assessment of the Board, the Board Committees and the individual Directors;
b) Recommended the re-election and retirement by rotation of Directors at the 56th Annual General Meeting ("AGM");
c) Reviewed the level of independence of Independent Directors and continuation of office of Independent Directors; and
d) Reviewed the term of office and performance of the Audit & Risk Management Committee and its members.

The Nomination Committee's Terms of Reference, approved by the Board on 27 May 2019, is made available for reference on the Company's website.

Annual Assessment

`The Nomination Committee is satisfied that the Board and its Committees are considered to be fully effective and have the right composition and sufficient knowledge of related areas. Overall, the quality of individual Director was considered strong and the Directors were found to possess the relevant qualifications, knowledge, experience and ability to understand the technical requirements, risk and management of the Company's business.

The effectiveness of the Board Committees are assessed in terms of composition, required mix of skills, experience, structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairmen of the respective Board Committees.

Furthermore, it is satisfied that each Director has allocated sufficient time and effort to carry out their responsibilities. None of the Directors on the Board hold more than five (5) directorships in other listed issuers on Bursa Securities.

Independence of Independent Directors

The Board also recognises the importance of independence and objectivity in the decision-making process. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgement and act in the best interests of the Group.

The Nomination Committee carried out an independence assessment of the Independent Directors based on the guidelines set out in the MMLR to assess the independence of candidate for directorship and existing directors. The Directors are also required to confirm their independence by completing the independence checklist on an annual basis. Based on the assessment carried out, the Nomination Committee was satisfied that the Independent Directors are independent of the management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Group.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (continued)

Re-election of the Board

The re-election of the Board is also done in accordance with the Company's Constitution whereby one-third (1/3) of the Directors for the time being or, if their number is not a multiple of three (3), the number nearest to one-third (1/3) with minimum of one (1), shall retire from office and an election of Directors shall take place. The Constitution further provide that each Director shall retire once in every three (3) years but shall be eligible for re-election.

The Nomination Committee also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement of the Directors standing for re-election at the forthcoming AGM of the Company.

At this forthcoming 57th AGM, Mr. Toh May Fook, Mr. Lee Min Huat, Ms. Liew Sook Pin, Mr. Chee Wai Hong, Mr. Yee Chun Lin and Mr. Kee Hock Kee shall retire from office and be eligible for re-election in accordance with Clause 110 of the Constitution of the Company. Their profiles are set out in the section on Director's Profile of this Annual Report.

Evaluation of the Audit and Risk Management Committee

The Board, through the Nomination Committee, undertook an evaluation on the Audit and Risk Management Committee, to review the Committee's performance and to determine whether the Committee had carried out its duties in accordance with its Terms of Reference. The Board was satisfied with the performance and effectiveness of the Audit and Risk Management Committee.

The Board was of the view that the internal evaluation was adequate to determine the overall effectiveness of the Board, the Board Committees and individual Directors.

III. REMUNERATION

The Remuneration Committee, comprise of only Non-Executive Directors, assisted the Board in reviewing and recommending remuneration packages to attract, retain and motivate the Directors in order to run the Group successfully. The Remuneration Committee consists of the following members:

Mr. Chee Wai Hong (Chairman) - *Independent Non-Executive Director*

Mr. Yee Chun Lin (Member) - *Independent Non-Executive Director*

Mr. Kee Hock Kee (Member) - *Independent Non-Executive Director*

During the FYE 30 June 2021, the Remuneration Committee held two (2) meetings on 16 October 2020 and 26 January 2021 with full attendance of the Remuneration Committee members.

The Remuneration Committee had reviewed the remuneration package for the Executive Directors and Key Senior Management personnel, which reflects the level of risk and responsibility, the individual's performance indicators in the job, the performance of the Company and concluded that the packages are well within comparable companies in similar industry.

The Remuneration Committee had also reviewed the Directors' Fees and Benefits Payable to the Directors, which reflects the experience and level of responsibilities undertaken by the individual Director concerned. The Remuneration Committee presented their recommendation accordingly to the Board.

The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board. The detailed remuneration of the Board is disclosed in the Corporate Governance ("CG") Report of the Company.

The Remuneration Committee's Terms of Reference, approved by the Board on 27 May 2019, is made available for reference on the Company's website at www.menangcorporation.com.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board is assisted by the Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure the financial statements of the Group comply with the applicable financial reporting standards in Malaysia.

The Audit and Risk Management Committee comprises of three (3) members, all of which are Independent Non-Executive Directors with both being members of the Malaysian Institute of Accountants, and all of them are financial literate and have sufficient understanding of the Group's business, namely:

Mr. Chee Wai Hong (Chairman) - *Independent Non-Executive Director*

Mr. Yee Chun Lin (Member) - *Independent Non-Executive Director*

Mr. Kee Hock Kee (Member) - *Independent Non-Executive Director*

The composition of the Audit and Risk Management Committee, including its roles and responsibilities, number of meetings and attendance of the Audit and Risk Management Committee members, summary of Audit and Risk Management Committee activities and Internal Auditors' reviews during the financial year under review are set out in Audit and Risk Management Committee Report on pages 11 to 14 of this Annual Report.

The Board maintains a good professional relationship with the External and Internal Auditors through the Audit and Risk Management Committee in discussing with them on their audit plans, audit findings and the financial statements. The Audit and Risk Management Committee invites the External Auditors to join Audit and Risk Management Committee Meeting at least twice a year to discuss their findings and Audited Financial Statements of the Group. In addition, the Audit and Risk Management Committee also met with the External Auditors twice during the FYE 30 June 2021 without the presence of the Executive Directors and Management.

The Audit and Risk Management Committee had undertaken an assessment of the performance and suitability of the External Auditors based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit. The Audit and Risk Management Committee was satisfied with the performance and suitability of the External Auditors and recommended to the Board and subsequently, proposed for shareholder's approval for the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as External Auditors of the Company for the financial year ending 30 June 2022.

For the FYE 30 June 2021, the total fees incurred disclosed for the External Auditors, Messrs. Baker Tilly Monteiro Heng PLT by the Company and the Group are disclosed on page 29 of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

During the current financial year, the Board and the Management maintained the existing risk management framework that was adopted previously. The Board, through the Audit and Risk Management Committee which is supported by the Risk and Sustainability Management Working Committee and Internal Auditors, oversaw the process of systematically identifying, assessing and reporting the significant risk areas of the Group.

The Group has outsourced its Internal Audit Function to CGRM Infocomm Sdn. Bhd. ("CGRM"). CGRM is an independent professional firm that supports the Audit and Risk Management Committee, and by extension, the Board, by providing an independent assurance on the adequacy and effectiveness of the Group's internal control systems. The results of the audits and the recommendations for improvement or actions needed to be taken by the Management were presented at the Audit and Risk Management Committee Meetings.

More further information is disclosed under the Statement of Risk Management and Internal Control on pages 23 to 24 of this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Company recognises the importance of accountability to its stakeholders through effective and constructive communication and timely dissemination of information on all material business and corporate developments to the shareholders, stakeholders and the public, in general. The Company keeps its shareholders informed through timely release of announcements, quarterly financial results, annual report and other explanatory circulars.

Any queries and concern regarding the Group may be conveyed to the Company Secretaries or through our Company email - general@menangcorporation.com. We have also made available our Whistle Blowing Policy and Procedures on our Company website for easy reference.

II. CONDUCT OF GENERAL MEETINGS

Through the Company's General Meetings, we provide shareholders with the opportunity to engage in candid dialogue, to seek and clarify issues and to have a better understanding of the Group's performance and activities. The Board would ensure that members of the Board, the Chairman of respective Board Committees and the External Auditors would be present to address any queries raised during the meetings.

In view of the COVID-19 outbreak and as part of the safety measures, the general meetings of the Company held in year 2020 and early 2021 were conducted entirely through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities. Shareholders were allowed to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the general meeting via the RPV facilities.

The Notice of General Meetings would be distributed to shareholders in a timely fashion and all resolutions set out in the Notice will continue to be carried out by poll voting. An independent scrutineer would also be appointed to validate the votes cast at any General Meeting of the Company.

The outcome of the General Meeting will be announced to Bursa Securities at the end of the meeting day while the Minutes of the General Meeting will be published on the Company's website as soon as practicable after the conclusion of the General Meeting.

This Statement was approved by the Board of Directors on 15 October 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

In Respect of the Annual Audited Financial Statements
(Pursuant to Paragraph 15.26(a) of the Listing Requirements of Bursa Malaysia)

As required under the Companies Act 2016, the Directors on page 106 of this Annual Report have made a statement expressing their opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company and the Group for the financial year ended 30 June 2021.

In the process of preparing these financial statements, and other than as disclosed in the notes to the financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

The Board has also taken all such necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

This Statement was approved by the Board of Directors on 15 October 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Menang Corporation (M) Berhad (the "Company") and its subsidiaries (the "Group") are committed to embracing the Malaysian Code on Corporate Governance and to adhere to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Therefore, pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities, we are pleased to present this statement on the risk management and internal control system practised throughout the business operations of the Group in general, and the processes that made up the framework in particular.

ACCOUNTABILITY OF THE BOARD OF DIRECTORS

The Board of Directors (the "Board") is responsible for the Group's overall system of risk management and internal control and regularly reviews its adequacy and integrity. In establishing the Group's system of risk management and internal control, the following criteria are taken into consideration:-

- Systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement, fraud or loss; and
- This system is a continuous process for identifying, evaluating and managing the significant risks faced by the Group.

The Board, through the Audit and Risk Management Committee ("ARMC"), periodically reviews the adequacy and effectiveness of the Group's risk management and internal control system with the support of the Risk and Sustainability Management Working Committee ("RSMWC") and the Internal Auditors. This would include the on-going process for identifying, evaluating and establishing mitigating procedures for any significant risk identified within the operations as a result of changes in business environment and regulatory requirements.

The RSMWC, which comprises of the Senior Management, is delegated to oversee the implementation and management of the systems of risk management and internal control within the established framework throughout the Group.

AN INTEGRATED RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The main features of the Group's risk management and internal control system are as follows:-

1. The Senior Management who assumes an active role in the day-to-day operations of the Group works closely and reports regularly to the Board on corporate and accounting developments, this in turn facilitates the prioritisation of risk related issues for the Group to plan its resources and address the risk accordingly.
2. Financial reports are presented to the ARMC and the Board on a quarterly basis for review and if necessary, corrective action are taken.
3. The Board, ARMC and Management regularly review the internal audit reports and monitor the status of the implementation of recommendations to address any internal control weaknesses identified.
4. A defined organisational and hierarchical structure outlining the lines of reporting and job responsibilities at the operational level. In ensuring that each operating unit is functioning efficiently, emphasis is placed on the integrity and competence of personnel employed through regular performance reviews and regular reviews and improvements on internal policies, objectives and operational procedure.
5. Adequate insurance coverage of major assets to ensure that assets of the Group are sufficiently covered against mishap that may result in losses to the Group.

INTERNAL AUDIT

The Internal Audit ("IA") function highlights issues to Executive and Operational Management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented. The extent of compliance is reported to the ARMC on a regular basis. The ARMC in turn reviews the adequacy and effectiveness of the system of risk management and internal control in operation and reports the results thereon to the Board.

The Group has outsourced its IA Function to CGRM Infocomm Sdn Bhd ("CGRM"), an independent professional firm who provides independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that the proper system of internal controls of the Group are in place and that it operates satisfactorily and effectively.

In the planning and throughout the course of their audit work, CGRM made reference to the International Professional Practices Framework and Code of Ethics issued by the Institute of Internal Auditors, Inc (USA) with classification and reporting according to the principles of COSO Internal Control – Integrated Framework as well as the Group's policies.

EFFECTIVENESS OF THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

Several internal control improvements and risk areas were identified by Internal Auditors and the RSMWC during the financial year ended 30 June 2021. These were reviewed by the ARMC and Board and closely monitored by Management to ensure the integrity of internal controls and minimisation of risks. The Management will continue to observe a conservative (low) risk appetite and to take adequate measures to strengthen the control environment in which the Group operates.

In addition to the above, the Board has received assurance from the Group Managing Director and the Group Chief Financial Officer of the adequacy and effectiveness of the Group's risk management and internal control system.

Based on the foregoing, the Board is of the opinion that the system of internal control and risk management processes are adequate to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interest. There were no major internal control weaknesses identified that may result in any material loss or uncertainties for the financial year ended 30 June 2021 that would require disclosure in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report.

This Statement was approved by the Board of Directors on 15 October 2021.

SUSTAINABILITY STATEMENT

INTRODUCTION

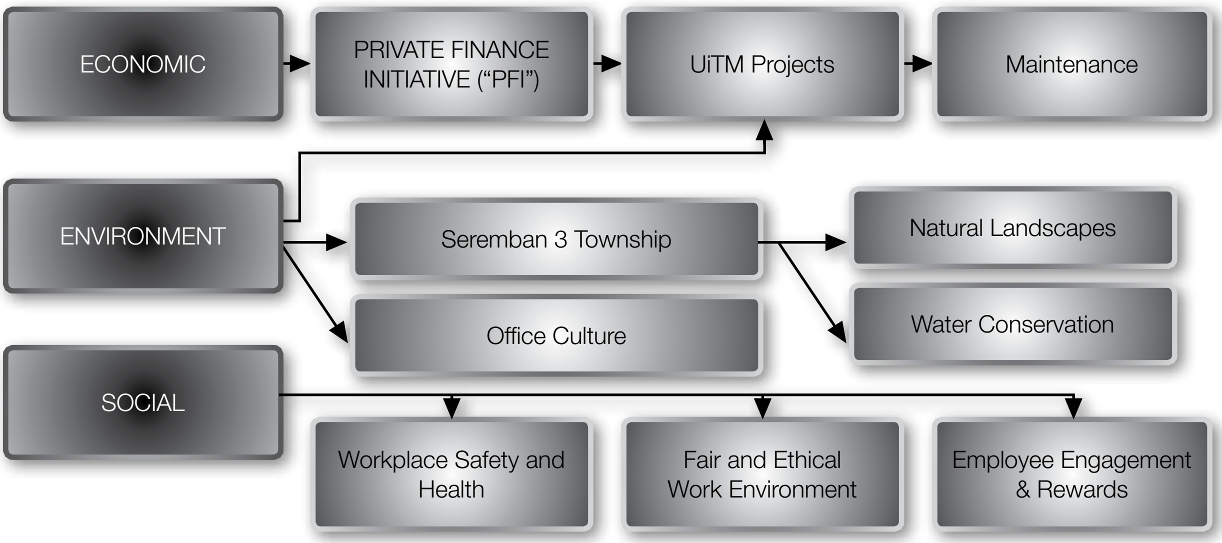
Menang Corporation (M) Berhad ("Menang" or the "Company") and its subsidiaries (the "Group") recognise the importance of sustainability and its increasing impact on the business and is committed to creating a culture of sustainability with an emphasis on integrating the Economic, Environment and Social ("EES") considerations in decision making.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's overall sustainability strategy is determined by the Board of Directors (the "Board" or "BOD") and implemented by the Executive Committee and Senior Management who are responsible for the overall implementation and management of sustainability matters which would include:

- identifying key sustainability areas and issues;
- determining materiality of sustainability issues;
- formulating and proposing action plans;
- implementing approved action plans; and
- reviewing performance and recommending improvements.

KEY SUSTAINABILITY AREAS



ECONOMIC

PRIVATE FINANCE INITIATIVE ("PFI")

The Group entered into 3 concession agreements with the Government of Malaysia and Universiti Teknologi Mara (UiTM) under PFI scheme to construct and maintain highly valued education and training facilities for the development of an enlarged pool of educated and skilled labour which could contribute positively to the Malaysian society. As of to date, the Group has successfully constructed and delivered 2 UiTM campuses and a training centre.

UiTM Projects

The Group's first UiTM project was completed and fully operational in 2014. Situated in our flagship Seremban 3 township, the UiTM Seremban 3 Campus houses 3 main faculties, namely, Faculty of Computer Science and Mathematics, Faculty of Sports Science and Recreation and Faculty of Administrative Science and Policy Studies. The UiTM Seremban 3 Campus is able to accommodate up to 5,000 students.

ECONOMIC (continued)

UiTM Projects (continued)

The second project was the Kompleks Alam Bina dan Seni Reka, UiTM Puncak Alam Campus which was completed in year 2015. The campus was designed to accommodate 3,000 students and house the Faculty of Building, Planning and Surveying as well as the Faculty of Art and Design.

The third and final project was the UiTM Institute of Leadership and Development located in Bandar Enstek, Nilai which commenced operations in the year 2016. The training centre conducts residential leadership and development programs for UiTM Academic and Non-Academic staff with state-of-the-art training facilities.

Maintenance of Campuses and Training Centre

Upon completion of all 3 UiTM Projects, the Group was placed with the responsibility of maintaining the campuses and the training centre for a period of 20 years. The Group provides an efficient and systematic way of maintaining the campuses and the training centre by ensuring proper resources such as well-trained and skilled workers and automated monitoring systems are in place. Steps are constantly being taken to achieve high level of maintenance standards and Key Performance Indicators (KPIs). The Group believes in setting a benchmark for all current and future projects to promote a culture of high level and effective maintenance of public buildings in the country. By doing so, the Group would be able to achieve its objective of maintaining the cashflow streams it derives from the Availabiliy Charges and Maintenance Charges from the Government for the 20-year maintenance period remain sustainable and well protected.

ENVIRONMENT

The Group is aware that the growth and development of the communities have a large impact on the natural environment and constantly keep in mind the environmental impact of the Group's operations and strive to minimise the negative impacts while contributing towards greener, more environmentally friendly initiatives.

UiTM Projects

During the construction of the UiTM campuses and training centre, the Group has endeavoured to implement many eco-friendly and green concepts and features in terms of the architecture and infrastructure design of the buildings in order to attain a high energy efficiency and sustainability level typical of Green Buildings.

Post-construction, the maintenance teams on-site provides assistance to the UiTM management by consistently monitoring water and energy usage throughout the campuses and the training centre. The maintenance team periodically identifies areas of concern and provide recommendations on how to conserve water and energy in these particular areas.

In the UiTM Seremban 3 Campus, the Group launched the first ever 'district cooling plant with ice-making facility' which serves to conserve and utilise energy as efficiently as possible. The cooling plant diverts energy used during off-peak hours to ice making facilities to produce ice which is then used as a cooling agent for the air conditioners during the daytime operating peak period. This helps to conserve high energy level needed to cool the buildings during peak hours.

Similarly, UiTM Puncak Alam Campus maintenance team is consistently focussing their efforts in creating a smart green campus through sustainable and energy conservation campus initiatives.

Seremban 3 Township

Our 457 acre flagship Seremban 3 township is just less than 10 minute drive from the heart of Seremban Town which is next to the UiTM Seremban 3 Campus, has been another focus point for the Group's green efforts. The Group has always made it a priority to preserve the natural landscape as much as possible when developing the property. It takes great effort in harvesting and replanting trees, plants and grass while expanding the natural water features and conserving the natural ecosystem that currently exists.

ENVIRONMENT
(continued)

Seremban 3 Township (continued)

Furthermore, the Group fieldwork predominantly utilises these natural water features and harvesting rainwater for fieldwork consumption such as watering the landscape towards our efforts in water conservation. The Group's priority is to preserve these natural ecosystems and avoid polluting them by minimising chemical usage on the property and instead opting for more organic solutions wherever possible.

Office Culture

The Group endeavours to encourage an office culture of green habits towards green efforts which include the 3Rs (Reduce, Reuse & Recycling), using environmentally friendly paper for our printing and photocopying purposes while encouraging double-sided printing and conserving energy when not in use. The Group also encourage employees to carpool and utilise the public transports (while keeping safe) when attending work or work events outside the office to minimise carbon emissions resulting from transportation.

SOCIAL

The Group recognises the importance of sustaining good internal dynamics and acknowledges that employees are one of the Group most important asset. As such, the Group is committed to providing staff with a safe, healthy, engaging and caring work environment to motivate and encourage high performance and productivity towards long-term success.

Workplace Safety and Health

During the 2020 COVID-19 Pandemic which continues to affect Malaysia, the Group have taken all the necessary precautions and have implemented new office policies guided through the guidelines set by the Malaysian authorities and Health Ministry. The safety and wellbeing of the staff is paramount and the Group is making every effort to protect against the spread and minimize the risk to the employees.

The Group strives towards zero life loss targets at all workplaces and ensures that all legislative requirements stipulated under Malaysian Occupational Safety and Health Act 1994 are met at all times.

A Fair and Ethical Work Environment

The Group strives to provide employees with an environment that presents professional and intellectual challenges and encourages effective teamwork whilst complying with the legal framework laid down in Malaysian Employment Act 1955. Furthermore, the Group subscribes to:

- a code of conduct and ethics that rejects any discrimination, harassment and intimidation;
- hiring and recruitment selection are conducted in a fair, objective and non-discriminatory manner; and
- encouraging re-employment of retired or former employees who are:
    - qualified for the job vacancy;
    - with good work history and good performance records;
    - in good physical and mental health.

SOCIAL
(continued)

Employee Engagement

The Group encourages an effective flow of information through regular communication and interaction. The following measures were implemented to align business goals and objectives across all levels of the workforce.

1. Open door policy that encourages communication between employees, finding productive solutions and resolving any issues together, promoting inter-departmental cooperation and aligning goals and objectives across all levels of the Group's workforce. Also, the Group encourages regular engagement among Senior Management, Human Resources and employees.
2. Regular Group events including collective employee birthday celebrations and Malaysian festival celebrations like Chinese New Year and Hari Raya lunches.
3. During the COVID-19 pandemic, while practising working from home together with the social distancing, many electronic communications, tele-conferences and video-conference sessions are held to maintain and reinforce close working relationships in this new challenging working environment.

Employee Incentive

The Group strives to provide competitive packages and comprehensive benefits including medical benefits to foster innovation, reward performance and maintain the morale of our employees even during this challenging times.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial period.

2. AUDIT FEES AND NON-AUDIT FEES

During the financial year, the amount incurred by the Company and Group in respect of the audit fees and non-audit fees for services rendered by the external auditors were as follows:-

Nature of Services	Company (RM'000)	Group (RM'000)
Audit Service	48	195
Non-Audit Services	10	10
Total	58	205

The non-audit services comprised the following assignments:-

(1) Review of Statement on Risk Management and Internal Control
(2) Review of Reporting on Other Information.

3. MATERIAL CONTRACTS

With exception to the transaction as described in Note 28 of the financial statement, there were no other material contracts entered into by the Company and its subsidiaries which involved directors' and major shareholders' interest either still subsisting at the end of the financial year ended 30 June 2021 or entered into since the end of the previous financial year.

4. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans entered into by the Group during the financial year ended 30 June 2021 that involved the interests of Directors and major shareholders.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no recurrent related party transactions that have been entered into by the Group during the financial year ended 30 June 2021 other than as disclosed in the audited financial statements.

This Statement was approved by the Board of Directors on 15 October 2021.

Financial Statements

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 9 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year, net of tax	14,902	(4,729)
Attributable to:		
Owners of the Company	7,156	(4,729)
Non-controlling interests	7,746	–
	14,902	(4,729)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2021.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issues or debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Mr. Too Kok Leng	
Mr. Toh May Fook*	(Appointed on 29 January 2021)
Mr. Lee Min Huat*	(Appointed on 29 January 2021)
Ms. Liew Sook Pin*	(Appointed on 29 January 2021)
Mr. Chee Wai Hong	(Appointed on 29 January 2021)
Mr. Yee Chun Lin	(Appointed on 29 January 2021)
Mr. Kee Hock Kee	(Appointed on 22 July 2021)
Dato' Shun Leong Kwong	(Appointed on 29 January 2021, Removed on 30 March 2021)
Ms. Marianna Binti Aly Shun	(Retired on 30 December 2020, Re-appointed on 29 January 2021, Removed on 30 March 2021)
Mr. Leou Thiam Lai	(Resigned on 17 December 2020)
Y.A.M. Raja Shahruddin Rashid	(Resigned on 29 January 2021)
Dr. Christopher Shun Kong Leng, CFP®, RFP™	(Resigned on 29 January 2021)
Mr. Chiam Tau Meng	(Resigned on 20 May 2021)
Mr. Wong Koon Wai	(Appointed on 31 December 2020, Resigned on 29 January 2021)
Mr. N.Sivagurunathan A/L V.Narayanasamy	(Appointed on 31 December 2020, Resigned on 29 January 2021)

* Directors of the Company and certain subsidiaries

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:

Mr. Teoh Choo Huang	
Dato' Shahrir Bin Abdul Jalil	
Mr. Lechumanan A/L Patoo	
Puan Jatil Aliah Binti Abdul Hasim	
Puan Mazliatul Akma Binti Zulkipli	
Puan Rauharofzazila Binti Ahmad	
Encik Nik Ahmad Fazlan Bin Nik Ali	
Mr. Lee Chee Seong (Alternate director to Encik Nik Ahmad Fazlan Bin Nik Ali)	
Encik Mohd Hasnan Bin Abu Hassan	(Appointed on 1 March 2021)
Dato' Abu Samah Bin Shabudin	(Appointed on 5 May 2021)
Puan Noriza Binti Mohd Sharif	(Appointed on 5 May 2021)
Encik Zeffree Bin Zainudin	(Appointed on 5 May 2021)
Dato' Abdul Mokhtar Ahmad	(Resigned on 5 May 2021)
Dato' Shun Leong Kwong	(Resigned on 1 February 2021)
Ms. Jeyashree A/P Segar	(Resigned on 1 March 2021)

DIRECTORS’ INTERESTS

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

Interests in the Company

	Number of ordinary shares			
	At 1 July 2020/ 29 January 2021 (date of appointment)	Additions	Sold	At 30 June 2021
The Company				
Direct interests				
Toh May Fook	60,099,300	–	–	60,099,300
Lee Min Huat	5,473,300	–	–	5,473,300
Liew Sook Pin	24,257,600	–	–	24,257,600
Too Kok Leng	23,743,440	–	–	23,743,440
Indirect interests				
Lee Min Huat[#]	–	13,000,000	–	13,000,000

[#] Shares held through company in which the director has substiantial financial interests.

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

DIRECTORS’ BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 22(a) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INDEMNITY TO DIRECTORS AND OFFICERS

Every director or other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Companies Act 2016 in which relief is granted to him by the court in respect of any negligence default breach of duty or breach of trust.

During the financial year, no indemnity was given to or insurance effected for, any director or officer of the Company.

SUBSIDIARIES

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events during the financial year and subsequent to the end of the financial year are disclosed in Note 32 to the financial statements.

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 22 to the financial statements.

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

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

LEE MIN HUAT
Director

LIEW SOOK PIN
Director

Date: 15 October 2021

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
Non-current assets					
Plant and equipment	5	336	207	207	46
Investment properties	6	51,643	53,466	9,924	10,087
Inventories	7	163,727	161,347	–	–
Operating financial assets	8	708,722	426,198	–	–
Investments in subsidiaries	9	–	–	314,123	274,995
Investment in an associate	10	–	230	–	–
Total non-current assets		924,428	641,448	324,254	285,128
Current assets					
Inventories	7	29,210	29,210	–	–
Operating financial assets	8	40,402	21,232	–	–
Trade and other receivables	11	34,675	36,538	6,010	51,017
Tax assets		417	247	57	55
Deposits, cash and bank balances	12	57,236	49,092	12	18
		161,940	136,319	6,079	51,090
Assets of disposal group classified as held for sale	13	–	375,426	–	–
Total current assets		161,940	511,745	6,079	51,090
TOTAL ASSETS		1,086,368	1,153,193	330,333	336,218

Statements of Financial Position
(continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	240,400	240,400	240,400	240,400
Retained earnings		89,367	82,211	32,902	37,631
		329,767	322,611	273,302	278,031
Non-controlling interests		89,930	82,184	–	–
TOTAL EQUITY		419,697	404,795	273,302	278,031
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	15	79,968	30,938	–	–
Loans and borrowings	16	409,490	339,315	21	40,000
Trade and other payables	17	1,006	–	1,006	–
Total non-current liabilities		490,464	370,253	1,027	40,000
Current liabilities					
Trade and other payables	17	48,073	67,627	15,659	18,187
Tax liabilities		461	–	–	–
Loans and borrowings	16	107,615	40,860	40,345	–
Contract liability	18	20,058	–	–	–
		176,207	108,487	56,004	18,187
Liabilities of disposal group classified as held for sale	13	–	269,658	–	–
Total current liabilities		176,207	378,145	56,004	18,187
TOTAL LIABILITIES		666,671	748,398	57,031	58,187
TOTAL EQUITY AND LIABILITIES		1,086,368	1,153,193	330,333	336,218

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Revenue from contract customers		56,412	56,349	2,280	2,280
Interest income		31,870	33,488	–	–
	18	88,282	89,837	2,280	2,280
Cost of sales	19	(21,956)	(20,775)	–	–
Gross profit		66,326	69,062	2,280	2,280
Other income:					
- reversal of inventory written down to net realisable value		2,380	–	–	–
- others		834	633	32	–
Administrative expenses		(9,602)	(13,179)	(2,278)	(2,911)
Net impairment losses on:					
- investment in subsidiaries		–	–	(11)	(30)
- investment property		(1,660)	–	–	–
- trade and other receivables		(50)	(128)	(208)	(6,655)
Other expenses		(641)	(1,160)	(539)	(879)
		(11,953)	(14,467)	(3,036)	(10,475)
Operating profit/(loss)		57,587	55,228	(724)	(8,195)
Finance costs	20	(33,764)	(40,016)	(4,005)	(1,985)
Share of results of an associate, net of tax		(230)	(3)	–	–
Profit/(Loss) before tax	21	23,593	15,209	(4,729)	(10,180)
Tax expense	22	(8,691)	(6,373)	–	–
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		14,902	8,836	(4,729)	(10,180)
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) attributable to:					
Owners of the Company		7,156	2,786	(4,729)	(10,180)
Non-controlling interests		7,746	6,050	–	–
		14,902	8,836	(4,729)	(10,180)
Earnings per share (sen):					
Basic/Diluted	23	1.49	0.58		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2021

	Note	← Attributable to owners of the Company → Share capital RM'000	Retained earnings RM'000	Subtotal RM'000	Non-controlling interests RM'000	Total equity RM'000
Group						
At 1 July 2019		240,398	79,425	319,823	76,134	395,957
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income		–	2,786	2,786	6,050	8,836
Transaction with owners						
Issuance of ordinary shares pursuant to warrant exercise, representing total transaction with owners	14	2	–	2	–	2
At 30 June 2020		240,400	82,211	322,611	82,184	404,795
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income		–	7,156	7,156	7,746	14,902
At 30 June 2021		240,400	89,367	329,767	89,930	419,697

	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Company				
At 1 July 2019		240,398	47,811	288,209
Total comprehensive loss for the financial year				
Loss for the financial year, representing total comprehensive loss		–	(10,180)	(10,180)
Transaction with owners				
Issuance of ordinary shares pursuant to warrant exercised, representing total transaction with owners	14	2	–	2
At 30 June 2020		240,400	37,631	278,031
Total comprehensive loss for the financial year				
Loss for the financial year, representing total comprehensive loss		–	(4,729)	(4,729)
At 30 June 2021		240,400	32,902	273,302

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		23,593	15,209	(4,729)	(10,180)
Adjustments for:					
Depreciation of investment properties		163	162	163	162
Depreciation of plant and equipment		94	57	51	12
Deposits written off		53	–	14	–
Gain on disposal of plant and equipment		–	(8)	–	–
Impairment loss on:					
- amounts owing by subsidiaries		–	–	211	6,730
- investments in subsidiaries		–	–	11	30
- investment property		1,660	–	–	–
- trade receivables		77	128	–	–
- other receivables		34	–	–	–
- deposits		–	22	–	–
Interest expense		33,764	40,016	4,005	1,985
Interest income		(481)	(607)	–	–
Interest income on operating financial assets		(31,870)	(33,488)	–	–
Reversal of inventory written down to net realisable value		(2,380)	–	–	–
Reversal of impairment loss on:					
- amounts owing by subsidiaries		–	–	(3)	(75)
- trade and other receivables		(61)	(22)	–	–
Share of results of an associate, net of tax		230	3	–	–
Operating profit/(loss) before changes in working capital		24,876	21,472	(277)	(1,336)
Changes in working capital:					
Inventories		–	(1,306)	–	–
Operating financial assets		72,048	72,045	–	–
Trade and other receivables		6,938	111	264	558
Trade and other payables		(20,282)	(10,375)	(1,525)	3,285
Contract liability		2,644	2,698	–	–
Net cash generated from/(used in) operations		86,224	84,645	(1,538)	2,507
Interest paid		(20)	(319)	–	–
Interest received		–	291	–	–
Tax refunded		148	–	–	–
Tax paid		(6,130)	(5,118)	(2)	(6)
Net cash from/(used in) operating activities carried down		80,222	79,499	(1,540)	2,501

Statements of Cash Flows

(continued)

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Net cash from/(used in) operating activities brought down		80,222	79,499	(1,540)	2,501
Cash flows from investing activities					
Advances to an associate		(12)	(13)	–	–
Interest received		481	316	–	–
Proceeds from disposal of plant and equipment		–	8	–	–
Purchase of plant and equipment	5(a)	(180)	(46)	(169)	(15)
Placement of time deposits		(3,275)	(283)	–	–
Repayments from/(Advances to) subsidiaries		–	–	5,382	(20,322)
Net cash (used in)/from investing activities		(2,986)	(18)	5,213	(20,337)
Cash flows from financing activities					
Drawdown of term loan	(a)	–	40,000	–	40,000
Interest paid		(32,392)	(39,697)	(3,677)	(1,985)
Payment of lease liabilities:	(a)				
- office rental		(6)	–	(6)	–
- finance lease		(6)	(7)	–	–
Proceeds from issuance of shares		–	2	–	2
Advances from consortium parties	(a)	–	494	–	–
Advances from/(Repayments to) directors	(a)	28	(155)	28	(32)
Repayments to subsidiaries	(a)	–	–	(24)	(77)
Repayments of term loans	(a)	(59,360)	(77,448)	–	(20,152)
Net cash (used in)/from financing activities		(91,736)	(76,811)	(3,679)	17,756
Net (decrease)/increase in cash and cash equivalents		(14,500)	2,670	(6)	(80)
Cash and cash equivalents at the beginning of the financial year		58,967	56,297	18	98
Cash and cash equivalents at the end of the financial year	12	44,467	58,967	12	18

Statements of Cash Flows

(continued)

(a) Reconciliation of liabilities arising from financing activities:

	Note	1 July 2020 RM'000	Cash flows RM'000	← Non–cash items → Acquisition RM'000	Other RM'000	30 June 2021 RM'000
Group						
Term loans	16(b)	574,997	(59,360)	–	1,350	516,987
Lease liabilities	16(c)	87	(12)	43	–	118
Amounts owing to consortium parties	17(e)	32,093	–	–	–	32,093
Amounts owing to directors	17(d)	72	28	–	–	100
		607,249	(59,344)	43	1,350	549,298
Company						
Term loans	16(b)	40,000	–	–	329	40,329
Lease liability	16(c)	–	(6)	43	–	37
Amounts owing to subsidiaries	17(c)	14,256	(24)	–	–	14,232
Amounts owing to directors	17(d)	72	28	–	–	100
		54,328	(2)	43	329	54,698

	Note	1 July 2019 RM'000	Cash flows RM'000	← Non–cash items → Acquisition RM'000	Other RM'000	30 June 2020 RM'000
Group						
Term loans	16(b)	612,445	(37,448)	–	–	574,997
Lease liability	16(c)	–	(7)	94	–	87
Amounts owing to consortium parties	17(e)	31,599	494	–	–	32,093
Amounts owing to directors	17(d)	227	(155)	–	–	72
		644,271	(37,116)	94	–	607,249
Company						
Term loans	16(b)	20,152	19,848	–	–	40,000
Amounts owing to subsidiaries	17(c)	14,333	(77)	–	–	14,256
Amounts owing to directors	17(d)	104	(32)	–	–	72
		34,589	19,739	–	–	54,328

(b) Total cash outflows for lease

During the financial year, the Group and the Company had total cash outflows for leases of RM310,000 (2020: RM408,000) and RM8,000 (2020: NIL) respectively.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Menang Corporation (M) Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur.

The principal place of business of the Company is located at Wisma OZ, No. 11-1, Jalan Kuchai Maju 5, Kuchai Entrepreneurs' Park, Jalan Kuchai Lama, 58200 Kuala Lumpur.

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 9. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 October 2021.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of amendments/improvements to MFRSs

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

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendment to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020.

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

2. BASIS OF PREPARATION (CONTINUED)

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

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

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021/
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 Januray 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018-2020*
# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. The initial application of the applicable new MFRS and amendments/ improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(b) Non-controlling interests

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

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

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments 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.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of an available-for-sale financial asset or a held for trading financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Transactions eliminated on consolidation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and an associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b).

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

3.3 Financial instruments

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

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

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

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

(a) Subsequent measurement

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

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

(i) Financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Group and the Company classify their debt instruments is as follows:

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

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

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(d) Derecognition

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

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

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

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

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

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

(e) Offsetting of financial instruments

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

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

3.4 Plant and equipment

(a) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Plant and equipment (continued)

(b) Subsequent costs

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

(c) Depreciation

Plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal depreciation rates are as follows:

Plant and machinery	10% - 25%
Motor vehicles	20%
Furniture, fittings and equipment	10% - 25%
Site office and signboards	20%
Renovation	10% - 20%

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

(d) Derecognition

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

3.5 Leases

(a) Definition of lease

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

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

(b) Lessee accounting

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

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 5 and lease liabilities in Note 16.

<u>Right-of-use asset</u>

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

(b) Lessee accounting (continued)

Right-of-use asset (continued)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

Lease liability

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

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

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

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

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

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

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

Short-term leases

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. The Group and the Company use the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

For building, depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of 50 years. Freehold land is not depreciated.

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use.

3.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

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

<u>Completed properties</u>

In the case of completed development properties held as inventories, cost includes:
- the cost of land, whether freehold or leasehold
- amounts paid to contractors for construction of the development properties
- an allocation of borrowing costs, planning and design costs, cost of site preparation, construction overheads, common costs including the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs.

The cost of each unit of development property is determined based on specific identification.

<u>Property under development</u>

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Operating financial assets

The Group entered into various public-to-private service concession arrangement to constructs or upgrades infrastructure (construction or upgrade services) and operates and maintains that infrastructure (operation services) for a specific period of time under a single contract or arrangement. Under these concession arrangements, the grantor controls significant residual interest in the infrastructure at the end of the concession period.

The Group accounts for its service concession arrangements under the financial asset model as the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The consideration received and receivable is allocated by reference to the relative fair values of the various services delivered, when the amounts are separately identified. The allocation is performed by reference to the fair values of the services provided even if the contract stipulate individual prices for certain services. This is because, the amounts specified in the contracts may not necessarily be representative of the fair values of the services provided or the price that would be charged if the services were sold on a standalone basis. The Group estimates the relative fair values of the services by reference to the costs of providing each service plus a reasonable profit margin.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carried under concession arrangements is derecognised when the contractual rights to the financial asset expire.

3.9 Non-current assets or disposal groups held for sale

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

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

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

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

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

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

If the Group has classified an asset or disposal group as held for sale, but the criteria for held for sale are no longer met, the Group shall cease to classify the asset or disposal group as held for sale. Thereafter, the non-current asset or disposal group that ceases to be classified as held for sale are measured at the lower of its carrying amount and recoverable amount at the date of the subsequent decision not to sell.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances, deposits and other short-term highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include deposits pledged that form an integral part of the Group's cash management. Cash and cash equivalents are presented net of bank overdrafts.

3.11 Contract liability

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

3.12 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost will be subject to the impairment requirement in MFRS 9 Financial Instruments which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit loss with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

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

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

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

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

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (continued)

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

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. 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 or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.13 Share capital

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

3.14 Provisions

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

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.15 Revenue and other income

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

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group and the Company reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Revenue and other income (continued)

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

(a) Maintenance income

Revenue is recognised over time when the service is rendered.

(b) Management fee

Management fee is recognised over time when the service is rendered.

(c) Interest income

Interest income is recognised using the effective interest method. The notional interest income resulting from the accretion of discount on operating financial assets using the effective interest rate method is recognised in profit or loss.

3.16 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

3.17 Borrowings costs

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Borrowings costs (continued)

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

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

3.18 Taxes

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

(a) Current tax

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

(b) Deferred tax

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

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Taxes (continued)

(b) Deferred tax (continued)

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

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

(c) Sales and services tax

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

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

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

3.19 Earnings per share

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

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

3.20 Operating segments

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

3.21 Fair value measurements

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Fair value measurements (continued)

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

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

3.22 Contingencies

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

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Impairment of investment properties

The Group and the Company assess impairment of investment properties whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use.

The carrying amounts of the Group's and the Company's investment properties are disclosed in Note 6.

(b) Carrying amount of inventories

Property inventories are stated at the lower of cost and net realisable value.

Significant judgement is required in arriving at the net realisable value, particularly the estimated selling price of property inventories in the ordinary course of the business. The Group has considered all available information, including but not limited to expected sales prices, property market conditions, locations of property inventories and target buyers. Where expectation differ from the original estimates, the difference will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 7.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following: (continued)

(c) Funding requirements and ability to meet short-term obligations

The Group applies judgement in determining the funding requirements and its ability to meet short-term obligations. The Group considers the facts and circumstances and makes assumptions about the future, including the cash flows to be generated from the operations of the Group and the available financing facilities.

The details of funding requirements and ability to meet short-term obligations are disclosed in Note 27(a).

5. PLANT AND EQUIPMENT

	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Right–of–use asset RM'000	Total RM'000
Group							
2021							
Cost							
At 1 July 2020	1,463	317	2,638	326	198	113	5,055
Additions	–	–	43	14	123	43	223
Written off	(1,414)	(166)	(1,998)	(236)	(198)	–	(4,012)
Transfer from disposal group classified as held for sale	–	–	5	–	–	–	5
At 30 June 2021	49	151	688	104	123	156	1,271
Accumulated depreciation							
At 1 July 2020	1,445	309	2,557	326	198	13	4,848
Charge for the financial year	8	8	29	1	25	23	94
Written off	(1,414)	(166)	(1,998)	(236)	(198)	–	(4,012)
Transfer from disposal group classified as held for sale	–	–	5	–	–	–	5
At 30 June 2021	39	151	593	91	25	36	935
Net carrying amount							
At 30 June 2021	10	–	95	13	98	120	336

5. PLANT AND EQUIPMENT (CONTINUED)

	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Right-of-use asset RM'000	Total RM'000
Group							
2020							
Cost							
At 1 July 2019	1,463	501	2,616	326	198	–	5,104
Additions	–	–	27	–	–	113	140
Disposals	–	(184)	–	–	–	–	(184)
Transfer to disposal group classified as held for sale	–	–	(5)	–	–	–	(5)
At 30 June 2020	1,463	317	2,638	326	198	113	5,055
Accumulated depreciation							
At 1 July 2019	1,425	492	2,539	326	198	–	4,980
Charge for the financial year	20	1	23	–	–	13	57
Disposals	–	(184)	–	–	–	–	(184)
Transfer to disposal group classified as held for sale	–	–	(5)	–	–	–	(5)
At 30 June 2020	1,445	309	2,557	326	198	13	4,848
Net carrying amount							
At 30 June 2020	18	8	81	–	–	100	207

	Motor vehicle RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Right-of-ues asset RM'000	Total RM'000
Company						
2021						
Cost						
At 1 July 2020	70	1,004	108	27	–	1,209
Additions	–	43	3	123	43	212
Written off	(70)	(423)	(18)	(27)	–	(538)
At 30 June 2021	–	624	93	123	43	883
Accumulated depreciation						
At 1 July 2020	70	958	108	27	–	1,163
Charge for the financial year	–	18	1	25	7	51
Written off	(70)	(422)	(19)	(27)	–	(538)
At 30 June 2021	–	554	90	25	7	676
Net carrying amount						
At 30 June 2021	–	70	3	98	36	207

5. PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicle RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Right-of-ues asset RM'000	Total RM'000
Company						
2020						
Cost						
At 1 July 2019	70	989	108	27	–	1,194
Additions	–	15	–	–	–	15
At 30 June 2020	70	1,004	108	27	–	1,209
Accumulated depreciation						
At 1 July 2019	70	946	108	27	–	1,151
Charge for the financial year	–	12	–	–	–	12
At 30 June 2020	70	958	108	27	–	1,163
Net carrying amount						
At 30 June 2020	–	46	–	–	–	46

(a) During the financial year, the Group and the Company acquired plant and equipment with an aggregate cost of RM223,000 (2020: RM140,000) and RM212,000 (2020: RM15,000) respectively, which are satisfied by the followings:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash payments	180	46	169	15
Lease arrangement	43	94	43	–
	223	140	212	15

(b) Right-of-use asset

The Group and the Company lease several assets including office space and a motor vehicle.

Information about lease for which the Group and the Company are lessees is presented below:

	Office space RM'000	Group Motor vehicle RM'000	Total RM'000
Carrying amount			
At 1 July 2019	–	–	–
Addition	–	113	113
Depreciation	–	(13)	(13)
At 30 June 2020	–	100	100
Addition	43	–	43
Depreciation	(7)	(16)	(23)
At 30 June 2021	36	84	120

5. PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use asset (continued)

	Company Office space RM'000
Carrying amount	
At 1 July 2020	–
Addition	43
Depreciation	(7)
At 30 June 2021	36

The Group and the Company lease office space with lease term of 2 years. The Group also leases a motor vehicle with lease term of 9 years

6. INVESTMENT PROPERTIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Freehold land, at cost				
At beginning/end of the financial year	59,879	59,879	4,325	4,325
Building, at cost				
At beginning/end of the financial year	8,114	8,114	8,114	8,114
Less: Accumulated depreciation				
At beginning of the financial year	(2,350)	(2,188)	(2,352)	(2,190)
Charge for the financial year	(163)	(162)	(163)	(162)
At end of the financial year	(2,513)	(2,350)	(2,515)	(2,352)
Less: Accumulated impairment loss				
At beginning of the financial year	(18,019)	(18,019)	–	–
Impairment loss for the financial year	(1,660)	–	–	–
At end of the financial year	(19,679)	(18,019)	–	–
Development expenditure				
At beginning/end of the financial year	5,842	5,842	–	–
Carrying amount				
At end of the financial year	51,643	53,466	9,924	10,087

Investment properties of the Group with carrying amount of RM6,840,000 (2020: RM8,500,000) have been pledged as security to secure the term loan granted to the Company as disclosed in Note 16(b).

6. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

The fair value of investment properties of the Group and of the Company are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2021				
Freehold land	–	6,840	110,331	117,171
Buildings	–	–	10,438	10,438
	–	6,840	120,769	127,609
2020				
Freehold land	–	8,500	88,617	97,117
Buildings	–	–	10,396	10,396
	–	8,500	99,013	107,513

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2021				
Freehold land	–	–	11,679	11,679
Buildings	–	–	10,438	10,438
	–	–	22,117	22,117
2020				
Freehold land	–	–	11,679	11,679
Buildings	–	–	10,396	10,396
	–	–	22,075	22,075

There are no Level 1 investment properties or transfer between Level 2 and Level 3 during the financial years ended 30 June 2021 and 30 June 2020.

Level 2 fair value

The valuation of Level 2 of an investment property of the Group as at 30 June 2021 and 30 June 2020 are determined using open market method which was derived by way of independent valuation performed by the professional valuer. The valuation is derived using the sales comparison approach, where sales price of comparable land in close proximately are adjusted for differences in key attributes such as property size. The directors and the professional valuer consider that it is appropriate to use the sales comparison approach.

Level 3 fair value

The valuation of Level 3 of certain investment properties of the Group and the Company as at 30 June 2021 and 30 June 2020 were based on information available through internal research and the directors' best estimate by reference to indicative market price of similar properties in the vicinity and replacement cost model.

6. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Direct operating expenses:				
- non-income generating investment properties	557	307	30	31

7. INVENTORIES

	Note	Group 2021 RM'000	Group 2020 RM'000
Non-current:			
Properties held for development			
- Freehold land		140,817	140,817
- Development costs		22,910	20,530
	(a), (b)	163,727	161,347
Current:			
Completed properties		415	415
Properties under development			
- Freehold land		16,226	16,226
- Leasehold land		9,236	9,236
- Development costs		3,333	3,333
	(c)	28,795	28,795
		29,210	29,210
		192,937	190,557

(a) Included in properties held for development are freehold lands and development expenditure with carrying amount of RM40,014,000 (2020: RM37,634,000) pledged as security to secure banking facilities granted to the Group as disclosed in Note 16(b).

(b) Included in properties held for development are two pieces of freehold land and development expenditure in Seremban with carrying amount of RM5,557,000 (2020: RM5,557,000) held by a subsidiary representing 50% of the total area held with the intention to jointly develop the lands with a third party.

(c) Included in properties under development are lands and development expenditure with carrying amount of RM28,795,000 (2020: RM28,795,000) which the Group has entered into Consortium Agreement, Deed of Trusts, Shareholders Agreements and Memorandum of Re-iteration and Confirmation. These inventories are subject to a joint venture arrangement where the Group has a 30% interest.

8. OPERATING FINANCIAL ASSETS

	Group	
	2021 RM'000	2020 RM'000
Non-current	708,722	426,198
Current	40,402	21,232
	749,124	447,430

(a) In previous financial year, operating financial assets of a subsidiary, namely IMSB amounted to RM341,872,000 has been included in assets of disposal group classified as held for sales as disclosed in Note 13.

(b) The Group entered into certain concession agreements with UiTM and the Government of Malaysia ("the Government") as represented by the Ministry of Higher Education Malaysia under a private finance initiative for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the facilities and infrastructure of UiTM campuses and to carry out the maintenance works in relation to the maintenance of the facilities and infrastructure.

Each concession agreement is for a period of 23 years comprising 3 years of construction works and 20 years of maintenance works ("Maintenance Period"). The maintenance works will commence upon the issuance of Certificate of Acceptance by UiTM and expiring on the last date of the Maintenance Period. Upon expiry of the Maintenance Period, the Group is required to handover the facilities and infrastructure at no cost to UiTM in a well-maintained and operational condition.

UiTM will pay the Group throughout the Maintenance Period concession charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements. The Group and UiTM may make request in writing for the review of the maintenance charges at the interval of every five years after the maintenance commencement date, subject to the Government's approval.

The amount, being the financial assets arising from the above concession agreements represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. They carry interest at rates ranging from 3.91% to 4.37% (2020: 3.91% to 4.37%) per annum and repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession agreements.

All rights, interest and title limited to the availability charges, any amount payable by the Government of Malaysia, and reimbursement of costs by UiTM are assigned to financial institutions to secure term loan facilities granted to the Group as disclosed in Note 16(a).

(c) On 24 June 2020, the Group entered into a share sale agreement to dispose of a subsidiary namely, Inovatif Mewah Sdn. Bhd. ("IMSB"). On 19 March 2021, the Group and the buyer have mutually agreed to terminate the share sale agreement as disclosed in Note 32(e).

9. INVESTMENTS IN SUBSIDIARIES

	Group 2021 RM'000	Group 2020 RM'000
Unquoted shares, at cost		
At beginning/end of the financial year	412,061	412,061
Less: Accumulated impairment losses		
At beginning of the financial year	(137,066)	(137,036)
Add: Impairment during the financial year	(11)	(30)
At end of the financial year	(137,077)	(137,066)
	274,984	274,995
Loans that are part of net investments	39,139	–
	314,123	274,995

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

The details of the subsidiaries, all of which have principal place of business and incorporated in Malaysia, are as follows:

Name of company	Effective interest in equity held by the Group 2021 %	Effective interest in equity held by the Group 2020 %	Principal activities
Menang Development (M) Sdn. Bhd.	100.00	100.00	Property development
Menang Leasing and Credit (M) Sdn. Bhd.	100.00	100.00	Leasing and hire purchase
Menang Management Services (M) Sdn. Bhd.	100.00	100.00	Management services
Menang Properties (M) Sdn. Bhd.	100.00	100.00	Property investment
Menang Aquatics Sdn. Bhd.	100.00	100.00	Investment holding and undertaking of landscaping projects
Menang Construction (M) Sdn. Bhd.	100.00	100.00	Property construction
Equitiplus Sdn. Bhd.	100.00	100.00	Investment holding
Hitung Panjang Sdn. Bhd.	100.00	100.00	Investment holding
Temeris Holdings Sdn. Bhd.	100.00	100.00	Investment holding
Menang Industries (M) Sdn. Bhd.	100.00	100.00	Investment holding

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries, all of which have principal place of business and incorporated in Malaysia, are as follows: (continued)

Name of company	Effective interest in equity held by the Group 2021 %	2020 %	Principal activities
Menang Plantations (M) Sdn. Bhd.	100.00	100.00	Dormant
Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.	100.00	100.00	Dormant
Subsidiary of Hitung Panjang Sdn. Bhd.			
Maztri Padu Sdn. Bhd.	100.00	100.00	Management services and property development
Subsidiary of Menang Leasing and Credit (M) Sdn. Bhd.			
Menang Finservices (M) Sdn. Bhd.	100.00	100.00	Licensed money-lender
Subsidiary of Menang Land (M) Sdn. Bhd.			
Menang Saujana Sdn. Bhd.	100.00	100.00	Property development
Subsidiary of Menang Aquatics Sdn. Bhd.			
Menang Greens Sdn. Bhd.	100.00	100.00	Landscaping and turf farming
Subsidiaries of Equitiplus Sdn. Bhd.			
Harapan Akuarium (M) Sdn. Bhd.	100.00	100.00	Investment holding
Menang Equities (M) Sdn. Bhd.	100.00	100.00	Investment holding
Subsidiary of Temeris Holdings Sdn. Bhd.			
Temeris Resorts Development Sdn. Bhd.	100.00	100.00	Property development
Subsidiaries of Menang Development (M) Sdn. Bhd.			
Menang Land (M) Sdn. Bhd.	100.00	100.00	Investment holding
Twin Version Sdn. Bhd.	100.00	100.00	Investment holding
Charisma Cheer Sdn. Bhd.	100.00	100.00	Investment holding
Inovatif Mewah Sdn. Bhd.	71.00	71.00	Concession arrangements
Rumpun Positif Sdn. Bhd.	51.00	51.00	Concession arrangements
Protokol Elegan Sdn. Bhd.	51.00	51.00	Concession arrangements

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	Inovatif Mewah Sdn. Bhd. RM'000	Rumpun Positif Sdn. Bhd. RM'000	Protokol Elegan Sdn. Bhd. RM'000	Total RM'000
2021				
NCI percentage of ownership interest and voting interest	29%	49%	49%	
Carrying amount of NCI	37,918	33,489	18,523	89,930
Profit allocated to NCI	3,960	2,438	1,348	7,746
2020				
NCI percentage of ownership interest and voting interest	29%	49%	49%	
Carrying amount of NCI	33,958	31,051	17,175	82,184
Profit allocated to NCI	3,564	1,457	1,029	6,050

(b) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Inovatif Mewah Sdn. Bhd. RM'000	Rumpun Positif Sdn. Bhd. RM'000	Protokol Elegan Sdn. Bhd. RM'000	Total RM'000
2021				
Assets and liabilities				
Non-current assets	303,980	293,781	110,962	708,723
Current assets	71,346	33,729	11,572	116,647
Non-current liabilities	(189,636)	(227,498)	(72,074)	(489,208)
Current liabilities	(54,941)	(36,875)	(17,870)	(109,686)
Net assets	130,749	63,137	32,590	226,476
Results				
Revenue	40,601	33,075	14,510	88,186
Profit for the financial year	13,655	4,976	2,751	21,382
Total comprehensive income	13,655	4,976	2,751	21,382

9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (continued)

	Inovatif Mewah Sdn. Bhd. RM'000	Rumpun Positif Sdn. Bhd. RM'000	Protokol Elegan Sdn. Bhd. RM'000	Total RM'000
2021				
Net cash from operating activities	44,143	40,301	4,417	88,861
Net cash used in investing activities	(140)	(43)	(3,000)	(3,183)
Net cash (used in)/from financing activities	(36,649)	(39,240)	402	(75,487)
Net increase in cash and cash equivalents	7,354	1,018	1,819	10,191
Cash and cash equivalents at the beginning of the financial year	28,369	3,119	(1,390)	30,098
Cash and cash equivalents at the end of the financial year	35,723	4,137	429	40,289
Dividends paid to NCI	–	–	–	–
2020				
Assets and liabilities				
Non-current assets	322,926	309,449	116,750	749,125
Current assets	63,827	41,070	16,694	121,591
Non-current liabilities	(219,964)	(251,368)	(78,638)	(549,970)
Current liabilities	(49,694)	(40,989)	(24,966)	(115,649)
Net assets	117,095	58,162	29,840	205,097
Results				
Revenue	41,409	33,672	14,627	89,708
Profit for the financial year	12,289	2,973	2,100	17,362
Total comprehensive income	12,289	2,973	2,100	17,362
Net cash from operating activities	45,144	35,992	7,627	88,763
Net cash from/(used in) investing activities	16,083	6,782	(2,878)	19,987
Net cash used in financing activities	(61,272)	(45,898)	(14,870)	(122,040)
Net decrease in cash and cash equivalents	(45)	(3,124)	(10,121)	(13,290)
Cash and cash equivalents at the beginning of the financial year	28,414	6,243	8,731	43,388
Cash and cash equivalents at the end of the financial year	28,369	3,119	(1,390)	30,098
Dividends paid to NCI	–	–	–	–

10. INVESTMENT IN AN ASSOCIATE

	Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost #	–	–
Share of results of associate		
At beginning of the financial year	230	233
Current year share of results	(230)	(3)
At end of the financial year	–	230
	–	230

This represents investment in an associate with a carrying amount of RM30 (2020: RM30).

The details of the associate which is incorporated in Malaysia are as follows:

Name of Associate	Ownership interest/ voting interest 2021 %	2020 %	Nature of relationship
Pacific Bright Sdn. Bhd.	30	30	To act as manager for a consortium

(a) The summarised financial information is not presented as the associate is not material to the group.

(b) The Group has not recognised its share of losses of the associate because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses.

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Trade receivables					
Third parties	(b)	12,889	13,732	–	–
Non-trade receivables					
Amount owing by an associate	(c)	1,147	1,136	–	–
Amount owing by subsidiaries	(c)	–	–	73,717	118,238
Other receivables	(d)	20,703	20,138	–	–
Deposits		18	1,262	6	17
Prepayments		462	1,128	40	307
		22,330	23,664	73,763	118,562

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Less: Allowance for impairment losses					
- trade receivables		(378)	(708)	–	–
- amount owing by an associate		(120)	(120)	–	–
- amount owing by subsidiaries		–	–	(67,753)	(67,545)
- other receivables		(34)	(8)	–	–
- deposits		(12)	(22)	–	–
		(544)	(858)	(67,753)	(67,545)
		34,675	36,538	6,010	51,017

(a) In previous financial year, trade and other receivables of a subsidiary, namely IMSB amounted to RM5,185,000 has been included in assets of disposal group classified as held for sales as disclosed in Note 13.

(b) The normal trade credit terms granted by the Group ranging from 30 to 60 (2020: 30 to 60) days from date of invoice.

Receivables that are impaired

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of the financial year	858	1,080	67,545	60,890
Transfer from/(to) disposal group classified as held for sale	751	(350)	–	–
Charge for the financial year - Individually impaired	111	150	211	6,730
Reversal of impairment loss	(61)	(22)	(3)	(75)
Written off	(1,115)	–	–	–
At end of the financial year	544	858	67,753	67,545

The information about the credit exposures are disclosed in Note 27(b).

(c) The amounts owing by subsidiaries and an associate represent advances and payments made on behalf, which are unsecured, interest-free and repayable upon demand in cash.

(d) Included in other receivables of the Group, is an amount of RM19,977,000 (2020: RM19,977,000) retained by High Court arising from the compulsory acquisition by the Malaysian Government of the Klang Lands against the quantum of compensation paid.

On 24 February 2021, the Shah Alam High Court awarded judgement in favour of the Company. On 19 July 2021, the Group received the balance compensation sum from Ministry of Works as disclosed in Note 32(c).

12. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	41,266	14,658	12	18
Deposits placed with licensed banks	15,970	34,434	–	–
	57,236	49,092	12	18

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

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	(b), (c)	82,113	76,540	12	18
Deposits placed with licensed banks	(d), (f)	15,970	34,434	–	–
Less: Monies held in maintenance reserve fund	(e)	(40,847)	(33,513)	–	–
Less: Bank balances included in disposal group (Note 13)	(a)	–	(28,369)	–	–
Deposits, cash and bank balances as reported in statements of financial position		57,236	49,902	12	18
Add: Bank balances included in disposal group (Note 13)	(a)	–	28,369	–	–
Less: Bank overdrafts (Note 16)		–	(9,016)	–	–
Less: Deposits with maturity more than 3 months and pledged as securities	(g)	(12,769)	(9,478)	–	–
Add: Bank balances classified as held for sale		–	28,369	–	–
Cash and cash equivalents as reported in the statements of cash flows		44,467	58,967	12	18

(a) In previous financial year, deposits, cash and bank balances of a subsidiary, namely IMSB amounted to RM28,369,000 has been included in assets of disposal group classified as held for sales as disclosed in Note 13.

(b) Included in cash and bank balances of the Group is an amount of RM19,834,000 (2020: RM17,194,000) which was held as Maintenance Reserve Fund for the purpose of utilisation for capital replacements, as disclosed in Note 18 and therefore restricted from use in other operations.

(c) Included in cash and bank balances of the Group are amount of RM15,101,000 (2020: RM16,259,000) which were held under Designated Accounts and pledged as securities for term loans granted to a subsidiary of the Group as disclosed in Note 16(b).

12. DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

(d) Included in deposits placed with licensed banks of the Group amounting to RM12,769,000 (2020: RM9,478,000) are placements made for a period of three months or less, depending on the immediate cash requirements of the Group and bear interest at rates ranging from 1.50% to 2.20% (2020: 1.95% to 2.20%) per annum.

(e) Monies held in maintenance reserve fund of 2 subsidiaries amounting to RM40,847,000 (2020: RM33,513,000) is excluded from the cash and bank balances of the Group.

(f) In the previous financial year, included in deposits placed with licensed banks of the Group amounting to RM9,000,000 are pledged as securities for bank overdrafts granted to subsidiaries of the Group as disclosed in Note 16(d).

(g) Deposits with maturities more than 3 months are placements made for a period of more than 3 months and bear interest at rates of 1.85% to 2.90% (2020: 2.10% to 3.65%) per annum and mature within one year.

13. ASSETS/(LIABILITIES) OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 27 November 2019, the Board of Directors announced that the Group entered into a Heads of Agreement with Widad Group Berhad and a minority shareholder ("the parties") for the disposal of its entire 71% equity interests in a subsidiary, namely IMSB for a total sales consideration of RM122,000,000. On 24 June 2020, the parties have entered into a share sale agreement.

During the current financial year, the Group have accepted a letter of termination of the share sale agreement as disclosed in Note 32(d), as a result this subsidiary ceased to be classified as disposal group held for sale. In accordance with MFRS 5 *Non-Current Assts Held for Sale and Discontinued Operations*, the assets and liabilities in previous financial year ended 30 June 2020 related to IMSB (part of the concession arrangements segment) have been presented as held for sale as follows:

Assets of disposal group classified as held for sale

	2020 RM'000
Operating financial assets (Note 8(a))	341,872
Trade and other receivables (Note 11(a))	5,185
Deposits, cash and bank balances (Note 12(a))	28,369
	375,426

Liabilities of disposal group classified as held for sale

	2020 RM'000
Contract liability (Note 18(a))	17,414
Deferred tax liabilities (Note 15(a))	46,016
Loans and borrowings (Note 16(a))	203,925
Trade and other payables (Note 17(a))	1,706
Tax liability	597
	269,658

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2021 Unit'000	2020 Unit'000	2021 RM'000	2020 RM'000
Issued and fully paid up (no par value):				
At beginning of the financial year	480,799	480,796	240,400	240,398
Issued during the financial year pursuant to:				
- exercise of warrants	–	3	–	2
At end of the financial year	480,799	480,799	240,400	240,400

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

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

15. DEFERRED TAX LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
At beginning of the financial year	(30,938)	(46,063)
Recognised in profit or loss (Note 23)	(3,014)	(1,653)
Net transfer (from)/to disposal group classified as held for sale	(46,016)	16,778
At end of the financial year	(79,968)	(30,938)

(a) In previous financial year, deferred tax liabilities of a subsidiary, namely IMSB amounted to RM46,016,000 has been included in liabilities of disposal group classified as held for sales as disclosed in Note 13.

(b) Presented after appropriate offsetting as follows:

	Group	
	2021 RM'000	2020 RM'000
Deferred tax assets	6,038	10,428
Deferred tax liabilities	(86,006)	(41,366)
	(79,968)	(30,938)

15. DEFERRED TAX LIABILITIES (CONTINUED)

(c) This is in respect of estimated deferred tax liabilities arising from temporary differences as follows:

	Group	
	2021 RM'000	2020 RM'000
Deferred tax assets		
Unutilised tax losses	4,957	6,252
Unabsorbed industrial building allowances	1,081	4,176
	6,038	10,428
Deferred tax liabilities		
Operating financial assets	(85,838)	(41,198)
Inventories	(168)	(168)
	(86,006)	(41,366)

(d) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	78,798	76,587	17,452	17,329
Unabsorbed capital allowance	2,324	2,249	24	–
Other temporary differences	5,601	7,981	–	–
	86,723	86,817	17,476	17,329
Potential deferred tax at 24%	20,814	20,836	4,194	4,159

The availability of unutilised tax losses for offsetting against future taxable profits of the Company and respective subsidiaries in Malaysia are subject to requirements under Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses available for offset against future taxable profits of the Group will expire in the following financial year:

	Group 2021 RM'000
2025	69,110
2026	4,101
2027	3,376
2028	2,211

16. LOANS AND BORROWINGS

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current - secured					
Term loan I	(b)	143,691	–	–	–
Term loan II	(b)	202,131	228,012	–	–
Term loan III	(b)	63,585	71,225	–	–
Term loan IV	(b)	–	40,000	–	40,000
Lease liability	(c)	83	78	21	–
		409,490	339,315	21	40,000
Current - secured					
Term loan I	(b)	32,683	–	–	–
Term loan II	(b)	27,348	25,105	–	–
Term loan III	(b)	7,220	6,730	–	–
Term loan IV	(b)	40,329	–	40,329	–
Lease liability	(c)	35	9	16	–
Bank overdrafts	(d)	–	9,016	–	–
		107,615	40,860	40,345	–
		517,105	380,175	40,366	40,000
Total loans and borrowings					
Term loans	(b)	516,987	371,072	40,329	40,000
Lease liability	(c)	118	87	37	–
Bank overdrafts	(d)	–	9,016	–	–
		517,105	380,175	40,366	40,000

(a) In previous financial year, loans and borrowings of a subsidiary, namely IMSB amounted to RM203,925,000 has been included in liabilities of disposal group classified as held for sales as disclosed in Note 13.

16. LOANS AND BORROWINGS (CONTINUED)

(b) **Term loans**

Term loan I of a subsidiary is repayable by monthly installments of RM3,331,000 over ten years commencing one month after the certificate of acceptance date and is secured over the following:

(i) all agreements in relation to the concession agreements (Note 8);
(ii) debenture creating a first fixed and floating charge over all present and future assets of a subsidiary;
(iii) assignment over designated accounts (Note 12(c)); and
(iv) corporate guarantee from two subsidiaries.

Term loan II of a subsidiary is repayable by monthly installments of RM3,300,000 over fifthteen years commencing one month after the certificate of acceptance date and is secured over the following:

(i) all agreements in relation to the concession agreements (Note 8);
(ii) debenture creating a first fixed and floating charge over all present and future assets of a subsidiary;
(iii) assignment over designated accounts (Note 12(c)); and
(iv) corporate guarantee from a subsidiary and a corporate shareholder of the subsidiary.

Term loan III of a subsidiary is repayable by monthly installments of RM972,000 over 15 years commencing one month after the certificate of acceptance date and is secured over the following:

(i) all agreements in relation to the concession agreements (Note 8);
(ii) debenture creating a first fixed and floating charge over all present and future assets of a subsidiary;
(iii) assignment over designated accounts (Note 12(c)); and
(iv) corporate guarantee from the Company, a subsidiary and a corporate shareholder of the subsidiary.

Term loan IV is secured over the following:

(i) legal charge over certain investment properties of a subsidiary (Note 6); and
(ii) legal charge over certain freehold lands and development expenditure held for development of subsidiaries (Note 7).

The interest rates of the term loans at the reporting date are as follows:

	2021	2020
Term loan I	4.40% - 6.32%	5.22% - 6.99%
Term loan II	4.00% - 6.90%	4.82% - 8.15%
Term loan III	6.05% - 6.15%	6.15% - 6.65%
Term loan IV	10%	10%

16. LOANS AND BORROWINGS (CONTINUED)

(c) **Lease liability**

The interest rate implicit in the lease is ranges between 4.81% - 10.00% per annum.

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Minimum lease payments:				
Not later than one year	37	13	24	–
Later than one year and not later than 5 years	100	93	16	–
	137	106	40	–
Less: Future finance charges	(19)	(19)	(3)	–
Present value of minimum lease payments	118	87	37	–
Present value of minimum lease payments:				
Not later than one year	31	9	21	–
Later than one year and not later than 5 years	87	78	16	–
	118	87	37	–
Less: Amount due within 12 months	(31)	(9)	(21)	–
Amount due after 12 months	87	78	16	–

(d) **Bank overdrafts**

In previous financial year, the bank overdrafts of the Group were secured by pledge of the fixed deposit of a subsidiary as disclosed in Note 12(f) and bear effective interest rate of 3.95% per annum.

17. TRADE AND OTHER PAYABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Other payables					
GST payables	(f)	1,006	–	1,006	–
Current					
Trade payables					
Trade payables	(b)	5,541	19,701	–	–
Other payables and accruals					
Amounts owing to subsidiaries	(c)	–	–	14,232	14,256
Amounts owing to directors	(d)	100	72	100	72
Other payables	(e)	34,897	34,584	168	628
GST payables	(f)	1,006	2,405	1,006	2,405
Accruals	(g)	6,524	7,993	153	826
Deposits		5	2,872	–	–
		42,532	47,926	15,659	18,187
Total current payables		48,073	67,627	15,659	18,187
Total current and non-current payables		49,079	67,627	16,665	18,187

(a) In previous financial year, trade and other payables of a subsidiary, namely IMSB amounted to RM1,706,000 has been included in liabilities of disposal group classified as held for sales as disclosed in Note 13.

(b) The normal trade credit terms granted to the Group ranging from 30 to 40 (2020: 30 to 40) days.

(c) Amounts owing to subsidiaries represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand.

(d) Amounts owing to directors represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand.

(e) Included in other payables of the Group as at the end of the financial year is an amount of RM32,093,000 (2020: RM32,093,000) distributable to the other consortium parties arising from the Consortium Agreement entered into between a subsidiary and consortium parties.

(f) GST payables of the Group and of the Company are payable on installment.

(g) Included in accruals are the following:

	Group 2021 RM'000	Group 2020 RM'000
Conversion premium to convert Seremban 3 land from agriculture land to residential land and commercial land	5,527	5,527

The conversion premium will be payable before the commencement of development of the land.

18. CONTRACT LIABILITY

	Group	
	2021 RM'000	2020 RM'000
Contract liability relating to a concession arrangement of a subsidiary	20,058	–

(a) In previous financial year, contract liability of a subsidiary, namely IMSB amounted to RM17,414,000 has been included in liabilities of disposal group classified as held for sales as disclosed in Note 13.

(b) Contract liability relating to a concession arrangement represents maintenance reserve fund established for the purpose of carrying out capital replacements for the Facilities and Infrastructure of UiTM campus by a subsidiary of the Company.

Significant change in contract balances

	Group	
	2021 RM'000	2020 RM'000
Increase due to consideration received from a customer, but revenue not recognised	2,644	2,698

19. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Over time:				
Revenue from contract customers:				
Management fees	96	96	2,280	2,280
Maintenance income				
- billings	24,092	24,028	–	–
- income allocation	32,224	32,225	–	–
Revenue from other source:				
Interest income on operating financial assets	31,870	33,488	–	–
	88,282	89,837	2,280	2,280

20. COST OF SALES

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Maintenance costs	21,726	20,726	–	–
Other costs	230	49	–	–
	21,956	20,775	–	–

21. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Interest expense on:				
- bank overdrafts	165	318	–	–
- lease liability	4	2	1	–
- term loans	33,426	39,502	4,004	1,985
- others	169	194	–	–
	33,764	40,016	4,005	1,985

22. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Auditors' remuneration:				
- statutory audit				
- current year	195	195	48	48
- others	–	5	–	5
- non-statutory audit				
- current year	10	20	10	20
Depreciation of investment properties	163	162	163	162
Depreciation of plant and equipment	94	57	51	12
Deposits written off	(53)	–	(14)	–
Employee benefits expense [Note (a)]	5,228	4,810	1,282	1,067
Expenses relating to short-term lease	294	400	–	–
Gain on disposal of plant and equipment	–	(8)	–	–
Impairment losses on:				
- amounts owing by subsidiaries	–	–	211	6,730
- investment property	1,660	–	–	–
- trade receivables	77	128	–	–
- other receivables	34	–	–	–
- deposits	–	22	–	–
- investments in subsidiaries	–	–	11	30
Interest income from:				
- deposits	(481)	(587)	–	–
- others	–	(20)	–	–
Reversal of inventory written down to net realisable value	(2,380)	–	–	–
Rental Income	(16)	–	–	–
Reversal of impairment losses on:				
- amount owing by subsidiaries	–	–	(3)	(75)
- trade receivables	(49)	(22)	–	–
- other receivables	(2)	–	–	–
- deposits	(10)	–	–	–
Share of results of associate	(230)	(3)	–	–

22. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

(a) Employee Benefits Expense

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Wages and salaries	4,650	3,839	1,118	876
Defined contribution plan	401	395	57	63
Social security contribution	26	30	6	7
Other employee benefits	302	546	101	121
	5,379	4,810	1,282	1,067

Included in employee benefits expenses are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive directors:				
- Fees	72	6	72	6
- Others emoluments	1,452	1,624	36	134
	1,524	1,630	108	140
Non-executive directors:				
- Fees	51	6	51	6
- Others emoluments	302	669	189	402
	353	675	240	408
	1,877	2,305	348	548
Directors of the Subsidiaries				
Non-executive directors:				
- Others emoluments	333	316	–	–
Total directors' remuneration	2,210	2,621	348	548

The estimated monetary value of benefits-in-kind received by former directors otherwise than in cash from the Group amounted to RM144,000 (2020: RM230,000).

23. TAX EXPENSE

	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	5,664	4,723	–	–
- Adjustment in respect of prior years	13	(3)	–	–
	5,677	4,720	–	–
Deferred tax: (Note 15)				
- Origination of temporary diferrences	2,341	1,557	–	–
- Adjustment in respect of prior years	673	96	–	–
	3,014	1,653	–	–
Tax expense	8,691	6,373	–	–

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

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

	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Profit/(Loss) before tax	23,593	15,209	(4,729)	(10,180)
Tax at Malaysian statutory income tax rate of 24% (2020: 24%)	5,662	3,650	(1,135)	(2,443)
Tax effect on non-deductible expenses	2,365	1,821	1,101	2,615
Tax effect on non-taxable income	–	(118)	–	–
Deferred tax assets not recognised during the financial year	548	927	34	–
Utilisation of deferred tax assets previously not recognised	(571)	–	–	(172)
Adjustment in respect of prior years:				
- current tax	13	(3)	–	–
- deferred tax	674	96	–	–
Tax expense	8,691	6,373	–	–

24. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021 RM'000	2020 RM'000 (Restated)
Profit attributable to owners of the Company:	7,156	2,786

	2021 '000	2020 '000
Weighted average number of ordinary shares for basic earnings per share	480,799	480,799

	2021 sen	2020 sen (Restated)
Basic earnings per ordinary share	1.49	0.58

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Group for the financial years ended 30 June 2021 and 2020 are the same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

25. OPERATING SEGMENTS

The Group is principally engaged in property development, concession arrangements, project management and investment holding.

The Group has arrived at four reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Property development	:	Development of residential and commercial properties.
Investment holding	:	Investment holding and provision of management services.
Concession arrangements	:	Construction and maintenance of facilities and infrastructure.

Other non-reportable segments which are below the quantitative thresholds for determining reportables segments.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax but not including non-recurring losses.

25. OPERATING SEGMENTS (CONTINUED)

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax assets.

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax liabilities.

The Group operates predominantly in Malaysia and hence, no geographical segment is presented..

	Investment holding RM'000	Property development RM'000	Concession arrangements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2021						
Business segments						
Revenue from external customer	96	–	88,186	–	–	88,282
Inter-segment revenue	2,280	–	–	–	(2,280)	–
Total revenue	2,376	–	88,186	–	(2,280)	88,282
Results:						
Included in the measure of segment (loss)/profit are:						
Interest income	22	2,278	247	–	(2,066)	481
Interest expense	(4,005)	(2)	(31,823)	–	2,066	(33,764)
Depreciation of plant and equipment and investment properties	(214)	(43)	–	–	–	(257)
Impairment losses on investment property trade, other receivables and deposits	(1,984)	–	–	–	213	(1,771)
Reversal of impairment losses on trade and other receivables	8	–	49	10	(6)	61
Reversal of inventory written down to net realisable value	–	2,380	–	–	–	2,380
Not included in the measure of segment (loss)/profit but provided to Group's chief executive officer are:						
Share of results of an associate, net of tax	–	(230)	–	–	–	(230)
Segment (loss)/profit	(8,864)	(3,959)	36,213	(4)	207	23,593
Tax expense	(5)	–	(8,686)	–	–	(8,691)
(Loss)/Profit for the financial year	(8,869)	(3,959)	27,527	(4)	207	14,902
Assets:						
Additions to non-current assets	212	11	–	–	–	223
Segment assets	17,136	255,062	813,642	111	–	1,085,951
Liabilities:						
Segment liabilities	43,083	40,813	502,337	9	–	586,242

25. OPERATING SEGMENTS (CONTINUED)

	Investment holding RM'000	Property development RM'000	Concession arrangements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2020						
Business segments						
Revenue from external customer	96	–	89,741	–	–	89,837
Inter-segment revenue	2,280	–	–	–	(2,280)	–
Total revenue	2,376	–	89,741	–	(2,280)	89,837
Results:						
Included in the measure of segment (loss)/profit are:						
Gain on disposal of plant and equipment	–	8	–	–	–	8
Interest income	14	990	316	–	(713)	607
Interest expense	(1,984)	(2)	(38,743)	–	713	(40,016)
Depreciation of plant and equipment and investment properties	(174)	(45)	–	–	–	(219)
Impairment losses on trade and other receivables	(140)	–	–	(10)	–	(150)
Reversal of impairment losses on trade receivables	22	–	–	–	–	22
Not included in the measure of segment (loss)/profit but provided to Group's chief executive officer are:						
Share of results of an associate, net of tax	–	(3)	–	–	–	(3)
Segment (loss)/profit	(6,012)	(7,269)	28,531	(42)	–	15,209
Tax credit/(expense)	2	–	(3,956)	–	–	(6,373)
(Loss)/Profit for the financial year	(6,010)	(7,269)	22,175	(42)	–	8,836
Assets:						
Investment in an associate	–	230	–	–	–	230
Additions to non-current assets	14	126	–	–	–	140
Segment assets	19,070	278,220	855,544	111	–	1,152,945
Liabilities:						
Segment liabilities	44,449	43,620	582,769	9	–	670,847

25. OPERATING SEGMENTS (CONTINUED)

Reconciliation of reportable segment assets and liabilities to the corresponding amounts of the Group are as follows:

(a) Reconciliation of assets and liabilities

	Group	
	2021 RM'000	2020 RM'000
Assets		
Segment assets	1,085,951	1,152,945
Tax assets	417	247
Total assets	1,086,368	1,153,192
Liabilities		
Segment liabilities	586,242	670,847
Deferred tax liabilities	79,968	76,954
Tax liabilities	461	596
Total liabilities	666,671	748,397

Information about major customers

Revenue from transactions with a major customer who individually accounted for 10% or more of the Group's revenue is as follows:

	Group	
	2021 RM'000	2020 RM'000 (Restated)
Universiti Teknologi MARA	88,186	89,741

26. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by classes of financial instruments to which they are assigned.

(i) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000
2021		
Financial assets		
Group		
Operating financial assets	749,124	749,124
Trade and other receivables, net of prepayments	34,213	34,213
Deposits, cash and bank balances	57,236	57,236
	840,573	840,573
Company		
Trade and other receivables, net of prepayments	5,970	5,970
Cash and bank balances	12	12
	5,982	5,982
Financial liabilities		
Group		
Trade and other payables, net of GST payable	47,067	47,067
Loans and borrowings	517,105	517,105
	564,172	564,172
Company		
Trade and other payables, net of GST payable	14,653	14,653
Loans and borrowings	40,366	40,366
	55,019	55,019

26. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000
2020		
Financial assets		
Group		
Operating financial assets	447,430	447,430
Trade and other receivables net of prepayments	35,410	35,410
Deposits, cash and bank balances	49,092	49,092
	531,932	531,932
Company		
Trade and other receivables net of prepayments	50,710	50,710
Cash and bank balances	18	18
	50,728	50,728
Financial liabilities		
Group		
Trade and other payables, net of GST payable	65,222	65,222
Loans and borrowings	380,175	380,175
	445,397	445,397
Company		
Trade and other payables, net of GST payable	15,782	15,782
Loans and borrowings	40,000	40,000
	55,782	55,782

(b) Fair value measurement

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

The carrying amounts of long-term floating rate term loan is reasonable approximation of fair values as the loans will be re-repriced to market interest rate on or near reporting date.

There have been no transfers between the levels during the current and previous financial years (2020: no transfer in either directions).

26. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

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

		Fair value of financial instruments not carried at fair value			
	Carrying amount RM'000	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Group					
2021					
Financial assets					
Operating financial assets	749,124	–	749,124	–	749,124
Financial liabilities					
Loans and borrowings					
- fixed rate	40,329	–	40,329	–	40,329
2020					
Financial assets					
Operating financial assets	447,430	–	447,430	–	447,430
Financial liabilities					
Loans and borrowings					
- fixed rate	40,000	–	40,000	–	40,000

Level 2 fair value

Fair value of financial instruments not carried at fair value

The fair value of loans and borrowings are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include liquidity risk, credit risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to ensure that the Group and the Company create value for their shareholders while minimising potential adverse effects on the performance of the Group and the Company. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's and the Company's financial risk management policies.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk

The Group and the Company actively manage their operating cash flow to suit the debt maturity profile so as to ensure that all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's and the Company's policy to ensure continuity in servicing their cash obligations in the future by way of measuring and forecasting their cash commitments and to maintain sufficient levels of cash or cash equivalents to meet their working capital requirements. In addition, the Group and the Company maintain sufficient credit facilities to meet their operational needs and to enable the Group and the Company to continue as going concerns.

As at 30 June 2021, the Group and the Company is in net current liabilities position of RM14,267,000 and RM49,925,000 respectively as compared to net current assets of RM27,417,000 and RM32,903,000 respectively as at the end of previous financial year ended 30 June 2020.

This is mainly due to reclassification of loan from a financial institution of RM40,000,000 of the Company which was included in non-current liabilities in the previous financial year to current liabilities in the current financial year as the said loan is due for repayment on 8 June 2022. Subsequent to the financial year ended 30 June 2021, the Group has partially repaid the loan from its internal funds.

The Group has taken measures to raise the requisite funding to repay this loan including but not limited to:
- Obtaining borrowings from other financial institution;
- Proposed issuance of SUKUK at 2 subsidiaries with concessions to repay its advances owing to holding company;
- Other proposed corporate exercise for fund raising; and
- Monetising certain property assets and other business opportunities.

The directors believe that the Group would be able to meet the repayment when it falls due in the next financial year.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

		← Contractual undiscounted cash flows →			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
2021					
Group					
Financial liabilities:					
Loans and borrowings	517,105	97,172	362,326	114,802	574,300
Trade and other payables	47,067	47,067	–	–	47,067
	564,172	144,239	362,326	114,802	621,367
Company					
Financial liabilities:					
Loans and borrowings	40,366	44,345	24	–	44,369
Trade and other payables	14,653	14,653	–	–	14,653
Financial guarantee contract	–	70,805	–	–	70,805
	55,019	129,803	24	–	129,827

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the financial year based on contractual undiscounted repayment obligations. (continued)

		Contractual undiscounted cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
2020					
Group					
Financial liabilities:					
Loans and borrowings	380,175	65,831	446,036	172,512	684,379
Trade and other payables	65,222	65,222	–	–	65,222
	445,397	131,053	446,036	172,512	749,601
Company					
Financial liabilities:					
Loans and borrowings	40,000	4,000	44,000	–	48,000
Trade and other payables	15,782	15,782	–	–	15,782
Financial guarantee contract	–	77,955	–	–	77,955
	55,782	97,737	44,000	–	141,737

(b) Credit risk

Credit risk refers to the risk that counterparty will default on their contractual obligations resulting in financial loss to the Group. The Group seeks to invest cash assets safely and profitably. The Group considers the risk of material loss arising in the event of non-performance by a financial counterparty to be unlikely, except when management deems recoverability of specific debtors as doubtful.

The Group's primary exposure to credit risk arises through its trade receivables. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of cash and bank balances placed with major financial institutions in Malaysia, the directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Trade Receivables

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

Trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the segments profits of its trade receivables on an ongoing basis.

As at 30 June 2021, 90.32% (2020: 92.53%) of Group's total trade receivables was due from one (2020: one) major customer in the concession businesses.

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the past due days.

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are as follows:

	Gross carrying amount RM'000
Group	
2021	
Current	11,307
1 to 30 days past due	7
31 to 60 days past due	7
61 to 90 days past due	7
91 to 120 days past due	2
More than 120 days past due	1,181
	1,204
Impaired - individually	378
	12,889

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Trade Receivables (Continued)

Credit risk concentration profile (continued)

	Gross carrying amount RM'000
Group	
2020	
Current	6,132
1 to 30 days past due	7
31 to 60 days past due	7
61 to 90 days past due	7
91 to 120 days past due	7
More than 120 days past due	6,864
	13,024
Impaired - individually	708
	13,732

Other receivables and other financial assets

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

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

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.

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

The Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than those disclosed in Note 11.

Refer to Note 3.12(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Financial guarantee contract

The Company is exposed to credit risk in relation to financial guarantee given to bank in respect of loan granted to a subsidiary. The Company monitors the results of a subsidiary and its repayment on an on-going basis. The maximum exposure to credit risks amounts to RM70,805,000 (2020: RM77,955,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 27(a). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee. The financial guarantee have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary' secured borrowings.

(c) Interest rate risk

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

The Group has interest bearing financial assets, comprising the deposits that are short-term in nature and are not held for speculative purposes but to earn a better yield than cash at banks.

The Group and the Company have interest bearing financial liabilities, comprising secured term loans and lease liability as disclosed in Note 16.

Interest rates on lease liability are fixed. Interest rates for other term loans and deposits vary with reference to the base lending rates of the financial institutions.

<u>Sensitivity analysis for interest rate risk</u>

As at the end of the financial year, if the interest rates had been 50 basis points higher or lower and all other variables held constant, the Group's profit net of tax would decrease or increase by approximately RM2,118,000 (2020: RM2,337,000), arising mainly as a result of exposure to floating rate loans and borrowings.

28. RELATED PARTY

(a) Identity of related parties

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

Related parties of the Group include:

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

28. RELATED PARTY (CONTINUED)

(b) Significant related party transactions

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Management fees received and receivable from:				
- Menang Development (M) Sdn. Bhd.	–	–	(480)	(480)
- Inovatif Mewah Sdn. Bhd.	–	–	(1,800)	(1,800)
Rental paid and payable to an executive director	8	–	8	–
Rental deposit paid to an executive director	6	–	6	–
Consultancy fees paid and payable to a non-executive director	30	–	30	–

(c) Compensation of key management personnel

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

The remuneration of the key management personnel is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors' remuneration:				
- Fees	123	12	123	12
- Other emoluments	2,087	2,609	225	536
	2,210	2,621	348	548
Other personnel remuneration:				
- Other emoluments	828	645	108	88
	3,038	3,266	456	636

The estimated monetary value of benefits-in-kind received by the key management personnel otherwise than in cash from the Group amounted to RM192,000 (2020: RM265,000).

29. COMPARATIVE FIGURES

(i) As disclosed in Note 8(b), on 19 March 2021, the Group have accepted a letter of termination of the share sale agreement to dispose of a subsidiary namely, IMSB. Accordingly, the Group has ceased to classify IMSB as discontinued operation in current financial year. The following comparative figures have been reclassified to conform with MFRS 101 *Presentation of financial statements* and MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*:

	As previously classified RM'000	Reclassification RM'000	As reclassified RM'000
2020			
Statements of Comprehensive Income			
Revenue	48,428	41,409	89,837
Cost of sales	(11,166)	(9,609)	(20,775)
Gross profit	37,262	31,800	69,062
Other income	633	–	633
Administrative expenses	(13,007)	(231)	(13,238)
Net impairment losses on trade and other receivables	(128)	–	(128)
Other expenses	(1,101)	–	(1,101)
	(14,236)	(231)	(14,467)
Operating profit	23,659	31,569	55,228
Finance costs	(27,304)	(12,712)	(40,016)
Share of results of an associate, net of tax	(3)	–	(3)
(Loss)/Profit before tax	(3,648)	18,857	15,209
Tax expense	(1,605)	(4,768)	(6,373)
(Loss)/Profit for the financial year from continuing operations	(5,253)	14,089	8,836
Profit for the financial year from discontinued operation, net of tax	14,089	(14,089)	–
Profit for the financial year	8,836	–	8,836

(ii) During the financial year, the classification of inventories as non-current and current was reassessed. The following comparative figures have been reclassified to conform with the current year presentation:

	As previously classified RM'000	Reclassification RM'000	As reclassified RM'000
2020			
Statements of Financial Position			
Inventories			
- Non-current	161,762	(415)	161,347
- Current	28,795	415	29,210

30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management are to ensure that they would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged since financial year ended 30 June 2020.

The Group and the Company manage its capital structure and make adjustments to it in light of changes in economic conditions. To remain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2021 and 30 June 2020.

The Group and the Company are not subject to any externally imposed capital requirements except as disclosed in Note 16.

The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, payables, less cash and bank balances. Capital represents equity attributable to the owners of the Company.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loans and borrowings				
- concession arrangements	476,658	534,997	–	–
- other loans	40,447	49,103	40,366	40,000
	517,105	584,100	40,366	40,000
Trade and other payables	49,079	69,333	16,665	18,187
	566,184	653,433	57,031	58,187
Less: Cash and bank balances	(57,236)	(77,461)	(12)	(18)
Net debts	508,948	575,972	57,019	58,169
Net debts (excluding term loans attributable to concession arrangements)	32,290	40,975	57,019	58,169
Total capital	329,767	322,611	273,302	278,031
Gearing ratio	61%	64%	17%	17%
Gearing ratio (excluding term loans attributable to concession arrangements)*	4%	5%	17%	17%

* Included in the borrowings of the Group is an amount of RM476,658,000 (2020: RM534,997,000) relating to concession agreements. UiTM throughout the Maintenance Period will pay the Group concession charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements.

30. CAPITAL MANAGEMENT (CONTINUED)

Arising from the concession arrangements, the Group's operating financial assets are as follows:

	2021 RM'000	2020 RM'000
Operating financial assets	749,124	789,302

31. MATERIAL LITIGATION

Kuala Lumpur High Court Writ of Summons No. WA-22NCC-155-04/2021 Dated 3 April 2021 -Dato' Shun Leong Kwong ("The Plantiff") V Toh May Fook ("1st Defendant"), Liew Sook Pin ("2nd Defendant"), Dato Lee Chin Hwa ("3rd Defendant"), Lee Min Huat ("4th Defendant"), Nicholas Pun Chee Cheang ("5th Defendant"), Siow Pei Tee ("6th Defendant"), Soon Ban Hin Oriental (M) Sdn. Bhd. ("7th Defendant") And Menang Corporation (M) Berhad ("8th Defendant")

On 8 April 2021, the Board of Directors of the Group were served with a Writ of Summons by the Plaintiff, through its solicitors, Messrs. Bahari & Bahari, to seek for the following orders:

(a) that the 1st Defendant to 7th Defendant to make an application to the Securities Commission to seek direction to undertake a mandatory general offer ("MGO") at the higher of the price paid by 1st Defendant to 7th Defendant being persons acting in concert ("PAC") and any other PAC with 1st Defendant to 7th Defendant in the six months prior to the triggering of the MGO; or the pre-determined acquisition price for certain members of the PAC to be paid by the PAC leader upon obtaining Board Control of the Company;

(b) that 1st Defendant to 7th Defendant jointly and severally pay to the Plaintiff special damages as pleaded and damages to be assessed including exemplary or aggravated damages in respect of the matters as stated in a Statement of Claim;

(c) until further orders, 1st Defendant to 7th Defendant or any one or more of them and the PAC be restrained from taking any steps including exercising their voting rights or; however, or if steps have been taken to restrain from proceeding with such steps the effect of which is to dilute the shareholding position of the Plaintiff in the Company;

(d) until further orders, the Company (the 8th Defendant) whether by itself or its agents or servants and/or directors or howsoever be restrained from in any way affecting any application to Bursa Malaysia and/or the Securities Commission for the issuance and/or listing of new shares in the Company howsoever arising including but not limited to the placement of shares, employee share issuance schemes and any related or non-related party transactions;

(e) that 1st Defendant to 7th Defendant comply with all provisions of the Capital Markets and Services Act 2007, the Malaysian Code on Take-Overs and Mergers 2016, Companies Act 2016 and Bursa Malaysia Main Market Listing Requirements;

(f) costs; and

(g) any further and/or reliefs or order as the Honourable Court deems just and proper.

On 14 October 2021, the High Court struck out the Plaintiff's order against the Company with a cost of RM18,000.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than as disclosed elsewhere in the financial statements, the significant events during the financial year and subsequent to the end of the financial year are:

(a) Coronavirus outbreak

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

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 30 June 2021.

Given the fluidity of the situation, the Group and the Company will continuously monitor the impact of COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.

(b) On the 56th Annual General Meeting held on 30 December 2020, the re-election of Ms Marianna Binti Aly Shun, the appointment of Ms. Liew Sook Pin, Mr. Toh May Fook and the removal of Dr. Christopher Shun Kong Leng as director of company have been withdrawn from tabling by the Chairman, Y.A.M. Raja Shahruddin Rashid.

On 18 January 2021, two members of the Company, namely Toh May Fook and Liew Sook Pin, have commenced court action against the Chairman of the Company, Y.A.M. Raja Shahruddin Rashid (1st Defendant) together with the Company (2nd Defendant). The Plaintiffs are seeking from Court the following declarations and orders:

(i) that the withdrawal of the Ordinary Resolutions 7, 8 and 9 ("the Withdrawn Resolutions") by the 1st Defendant during the 56th Annual General Meeting of 2nd Defendant held on 30 December 2020 ("AGM") is wrongful, illegal, in breach of the 1st Defendants' duties and in abuse of 1st Defendant's power conferred by law, the Companies Act 2016 ("the Act") and Constitution of the 2nd Defendant;

(ii) that the 1st Defendant has conducted the AGM of the 2nd Defendant in a manner oppressive, prejudicial and in disregard of the interest of the Plaintiffs as the members of the 2nd Defendant;

(iii) that the Withdrawn Resolutions have been validly and properly passed during the AGM and shall be binding upon the 2nd Defendant;

On 18 January 2021, the Company has received a Special Notice from shareholders, Dato' Lee Chin Hwa and Nicholas Pun Chee Cheang, holding 8.31% and 4.98% respectively of the issued share capital of the Company and carrying the right of voting at meeting of members of the Company of their intention to move resolutions for the removal and appointment of directors pursuant to Section 206(3) and 207(1) of the Companies Act 2016 at an Extraordinary General Meeting to be held by the Company in due course pursuant to Section 311(3)(a) of the Companies Act 2016 ("EGM").

- Ordinary Resolution 1 – Removal of Y.A.M. Raja Shahruddin Rashid as Director
- Ordinary Resolution 2 – Removal of Dr. Christopher Shun Kong Leng, CFP$^{@}$, RFP^{TM} as Director
- Ordinary Resolution 3 – Removal of Mr. Wong Koon Wai as Director
- Ordinary Resolution 4 – Removal of Mr. N.Sivagurunathan A/L V.Narayanasamy as Director
- Ordinary Resolution 5 – Removal of Director
- Ordinary Resolution 6 – Appointment of Mr. Yee Chun Lin as Director
- Ordinary Resolution 7 – Appointment of Mr. Chee Wai Hong as Director

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

(b) (continued)

On 29 January 2021, there was change in boardroom and the changes as follows:

No.	Name	Designation	Remarks
1	Y.A.M. Raja Shahruddin Rashid	Group Executive Chairman	Resigned with effect from 29 January 2021
2	Mr. Too Kok Leng	Group Vice Chairman	No change
3	Mr. Chiam Tau Meng	Independent Non-Executive Director	No change
4	Dr. Christopher Shun Kong Leng, CFP®, RFP™	Non-Independent Non-Executive Director	Resigned with effect from 29 January 2021.
5	Mr. Wong Koon Wai	Independent Non-Executive Director	Resigned with effect from 29 January 2021.
6	Mr. N.Sivagurunathan A/L V.Narayanasamy	Independent Non-Executive Director	Resigned with effect from 29 January 2021.
7	Dato' Shun Leong Kwong	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
8	Ms. Marianna Binti Aly Shun	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
9	Mr. Toh May Fook	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
10	Ms. Liew Sook Pin	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
11	Mr. Lee Min Huat	Non-Independent Non-Executive Director	Appointed with effect from 29 January 2021.
12	Mr. Chee Wai Hong	Independent Non-Executive Director	Appointed with effect from 29 January 2021.
13	Mr. Yee Chun Lin	Independent Non-Executive Director	Appointed with effect from 29 January 2021.

On 2 February 2021, the following Directors were redesignated:

No.	Name	Designation	Remarks
1	Mr. Toh May Fook	Group Managing Director	Redesignation from Non-Independent Non-Executive Director with effect from 1 February 2021
2	Ms. Liew Sook Pin	Executive Director	Redesignation from Non-Independent Non-Executive Director with effect from 1 February 2021
3	Mr. Lee Min Huat	Executive Director	Redesignation from Non-Independent Non-Executive Director with effect from 1 February 2021
4	Mr. Too Kok Leng	Non-Independent Non-Executive Director	Redesignation from Group Vice Chairman with effect from 1 February 2021

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

(c) On 26 January 2021, the Group filed a Notice of Application and Affidavit to Shah Alam High Court to recover the balance compensation sum amounting to RM20,061,000, plus interest, in relation to compulsory acquisition part of Klang Lands by Lembaga Lebuh Raya Malaysia. On 24 February 2021, the Shah Alam High Court awarded judgement in favour of the Group.

On 19 July 2021, the Group has received the balance compensation sum from Ministry of Works.

(d) On 15 February 2021, the Board of Directors resolved to suspend Dato' Shun Leong Kwong and Ms. Marianna Binti Aly Shun, both non-independent and non-executive directors, from exercising their duties and functions as directors of the Company with immediate effect until the conclusion of findings of an Independent Investigative Committee.

The rationale for the suspension of Dato' Shun Leong Kwong was to investigate his managing and handling of some land transactions in Seremban 3 and the Company's subsidiaries.

The rationale for the suspension of Ms. Marianna Binti Aly Shun was to investigate her conduct in the planning and the organising of the last AGM of the Company held on 30 December 2020.

The Independent Investigative Committee consists of 2 independent Board members together with an external independent advisor.

As at the date of this report, the investigation is still on going.

(e) On 19 March 2021, the Group together with the minority shareholder of IMSB (collectively refer as the "vendor") accepted a letter of termination of the Share Sale Agreement ("SSA") issued by Innovative City Holdings Sdn. Bhd. (the "purchaser"). Pursuant to a written notification by the vendor's solicitor dated 16 March 2021, the vendor has provided a confirmation that the conditions precedent in the SSA cannot be met by the extended cut off date of 23 March 2021, and all parties do not wish to extend further the extended cut-off date. Accordingly, the purchaser and the vendor mutually agreed to terminate the SSA with effect from 19 March 2021.

(f) On 30 March 2021, both Dato' Shun Leong Kwong and Ms. Marianna Binti Aly Shun were removed as directors pursuant to a Members' Resolution via an Extraordinary General Meeting.

(g) On 15 October 2021, the Company announced that a proposed bonus issue of up to 240,399,720 free warrants on the basis of one (1) warrant for every two (2) ordinary shares in the Company, whose names appear in the Record of Depositors of the Company at the close of business on the entitlement date to be determined later.

STATEMENT BY DIRECTORS

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

We, **LEE MIN HUAT** and **LIEW SOOK PIN**, being two of the directors of Menang Corporation (M) Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 36 to 105 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

LEE MIN HUAT
Director

LIEW SOOK PIN
Director

Kuala Lumpur

Date: 15 October 2021

STATUTORY DECLARATION

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

I, **SIMON WEE HOWE YEW**, being the officer primarily responsible for the financial management of Menang Corporation (M) Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements as set out on pages 36 to 105 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SIMON WEE HOWE YEW
(MIA Membership No.: 19329)

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

Before me,
PESURUHJAYA SUMPAH MALAYSIA
No: W685
TANG SOOK WEI
01.01.2019 - 31.12.2021
No. 14-1 (Tingkat 1), Jalan Kuchai Maju 16
(Jalan 6/116B), Kuchai Entrepreneur's Park,
Jalan Kuchai Lama, 58200 Kuala Lumpur,
Wilayah Persekutuan,
MALAYSIA

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MENANG CORPORATION (M) BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Menang Corporation (M) Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 36 to 105.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

Investment properties (Note 6 to the financial statements)

The Group has significant balances of investment properties. The Group assessed any indication of impairment in its investment properties based on indicative market value and market valuation performed by external independent valuer, if any. We focused on this area because significant judgements arise over the determination of recoverable amount of the investment properties based on fair value less cost of disposal.

Our audit response:

Our audit procedures included, among others:

- discussing with directors on the Group's assessment on estimated market value on selected investment properties items;
- comparing against the recent transacted prices, if any, of comparable land and completed properties;
- reading the valuation report of the property and discussing with external valuer on their valuation methodology and the judgements they made;
- considering the competence, capabilities and objectivity of the external valuer which included consideration of their qualifications and experience; and
- assessing the appropriateness of the key assumptions.

Key Audit Matters (continued)

Group (continued)

Inventories (Note 7 to the financial statements)

The Group has significant balances of land held for development and completed properties as at 30 June 2021. We focused on this area because assessment of their net realisable value of these land held for development and completed properties requires the application of significant judgement made by the directors.

Our response:

Our audit procedures included, among others:
- understanding the assumption used by the directors in determining the estimated selling price of the land held for development and completed properties;
- comparing against the recent transacted prices, if any, of comparable land and completed properties;
- discussing with directors on matters that may impact the carrying amount of inventories.
- discussing any impact assessment provided by the directors; and
- discussing with directors on the Group's assessment on estimated net realisable value on selected inventory items.

Funding requirements and ability to meet short term obligations (Note 27(a) to the financial statements)

As at 30 June 2021, the Group and the Company is in net current liabilities position of RM14,267,000 and RM49,925,000 respectively as compared to net current assets of RM27,417,000 and RM32,903,000 respectively as at the end of previous financial year ended 30 June 2020.

The Group's policies and processes for the management of liquidity risk is disclosed in Note 27(a) to the financial statements.

Our response:

Our audit procedures included, among others:
- comparing the Group's assumptions in cash flow forecast to externally derived data, which include the Group's assessment and consideration of the current economic and business environment, in relation to key inputs such as revenue and profit margin;
- testing the mathematical accuracy of the cash flow forecast calculation; and
- discussing with the Company on the measures taken in raising the requisite funding.

Company

We have determined that there are no key audit matters to be communicated in our report which arise from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report

(continued)

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

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

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

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

Other Matters

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

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

Ng Boon Hiang
No. 02916/03/2022 J
Chartered Accountant

Kuala Lumpur

Date: 15 October 2021

LIST OF PROPERTIES HELD
As at 30 June 2021

Location	Note	Tenue	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value	Year of Acquisition
Geran No. 27917 Lot No. 48 Mukim of Kapar Daerah Klang Selangor Darul Ehsan	1	Freehold Land	59.32 acres	Vacant Industrial Land for Future Development	N/A	18,410	1998
HSD 97332 PT 25008 Mukim of Kapar Daerah Klang Selangor Darul Ehsan	1	Leasehold 99 Years Expiry date - 2103	39.70 acres	Vacant Industrial Land for Future Development	N/A	6,115	1998
HSD 97333 PT 50718 Mukim of Klang Daerah Klang Selangor Darul Ehsan	1	Leasehold 99 Years Expiry date - 2103	27.72 acres	Vacant Industrial Land for Future Development	N/A	4,270	1998
Geran No. 21944 Lot No. 20 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan		Freehold Land	46.50 acres	Vacant Industrial Land for Future Development	N/A	8,717	1998
Lot No. 663, GM 3689 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan		Freehold Land	10.38 acres	Vacant Industrial Land for Future Development	N/A	1,945	1998
Lot No. 889, GM 3690 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan		Freehold Land	10.12 acres	Vacant Industrial Land for Future Development	N/A	1,898	1998
Lot 237, GM 583 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	4.20 acres	Vacant Service Apartments Land for Future Development	N/A	11,530	1998
Lot 1279, CT 6441 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	3.93 acres	Vacant Hotel Resort Land for Future Development	N/A	6,840	1998

List of Properties Held

(continued)

Location	Note	Tenue	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value	Year of Acquisition
Rasah Jaya Various subdivided lots Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus		Freehold Land	3.52 acres	On Going Mixed Development Land	N/A	2,882	1998
Seremban 3 Various subdivided lots Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus		Freehold Land	457.08 acres	On Going Mixed Development Land	N/A	173,513	2001
Lot 1570, Geran 3890 Mukim of Rantau, Seremban Negeri Sembilan Darul Khusus		Freehold Land	64.84 acres	Agricultural Land	N/A	5,102	2004
Lot 661, Geran No 587 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	1.01 acres	Agricultural Land	N/A	1,129	2004
Lot 996, Geran No 591 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus		Freehold Land	2.00 acres	Agricultural Land	N/A	2,230	2004

Note:

1. These properties are subject to a joint venture arrangement where the Group has a 30% interest. Please refer to Note 7(c), Note 11(d) and Note 32(c) of the financial statement for the financial year ended 30 June 2021.

ANALYSIS OF SHAREHOLDINGS

As at 1 October 2021

ORDINARY SHARES

Total Number of Issued Shares	:	480,799,440
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	331	3.49	8,288	0.00
100 to 1,000	3,296	34.75	1,754,899	0.37
1,001 to 10,000	5,010	52.83	13,282,381	2.76
10,001 to 100,000	719	7.58	20,627,697	4.29
100,001 to 24,039,971 (*)	122	1.29	182,253,880	37.91
24,039,972 and above (**)	6	0.06	262,872,295	54.67
TOTAL	9,484	100.00	480,799,440	100.00

Remarks: * - Less than 5% of issued shares
** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Mr. Toh May Fook	60,099,300	12.50	–	–
Dato' Lee Chin Hwa	26,888,540	5.59	26,647,660(1)	5.54
Mr. Lee Min Huat	5,473,300	1.14	25,379,300(2)	5.28
Chin Leong Thye Sdn. Bhd.	25,379,300	5.28	–	–
Ms. Liew Sook Pin	24,257,600	5.05	–	–
Dato' Abdul Mokhtar bin Ahmad	60,480	0.00	54,261,234(3)	11.29
Dato' Shun Leong Kwong	16,920	0.00	54,261,234(3)	11.29
Datin Mariam Binti Mohamed Eusoff	48,114,081	10.01	54,261,234(3)	11.29
Dr. Christopher Shun Kong Leng	48,132,000	10.01	–	–
Maymerge (M) Sdn. Bhd.	2,160	0.00	54,259,074(4)	11.29
Titian Hartanah (M) Sdn. Bhd.	54,259,074	11.29	–	–

Notes:-
1. Deemed interest through Chin Leong Thye Sdn. Bhd. and his spouse, Tan Tuan @ Tan Nya by virtue of Section 8 of the Companies Act 2016 ("the Act").
2. Deemed interest through Chin Leong Thye Sdn. Bhd. by virtue of Section 8 of the Act.
3. Deemed interest through Maymerge (M) Sdn. Bhd. and Titian Hartanah (M) Sdn. Bhd. by virtue of Section 8 of the Act.
4. Deemed interest through Titian Hartanah (M) Sdn. Bhd. by virtue of Section 8 of the Act.

Analysis of Shareholdings

(continued)

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Mr. Toh May Fook	60,099,300	12.50	–	–
Mr. Lee Min Huat	5,473,300	1.14	25,379,300[1]	5.28
Ms. Liew Sook Pin	24,257,600	5.05	–	–
Mr. Too Kok Leng	15,743,440	3.27	–	–
Mr. Chee Wai Hong	–	–	–	–
Mr. Yee Chun Lin	–	–	–	–
Mr. Kee Hock Kee	–	–	–	–

Notes:-
1. Deemed interest through Chin Leong Thye Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

LIST OF TOP 30 SHAREHOLDERS AS AT 1 OCTOBER 2021

Name of Shareholders	Holdings No. of Shares	% of Issued Capital
1. CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Toh May Fook (PB)	60,099,300	12.50
2. RHB Nominees (Tempatan) Sdn. Bhd. OSK Capital Sdn Bhd for Titian Hartanah (M) Sdn. Bhd.	54,259,074	11.29
3. Christopher Shun Kong Leng	48,132,000	10.01
4. RHB Nominees (Tempatan) Sdn. Bhd. OSK Capital Sdn. Bhd. for Mariam Binti Mohamed Eusoff	48,114,081	10.01
5. Lee Chin Hwa	26,888,540	5.59
6. Chin Leong Thye Sdn. Bhd.	25,379,300	5.28
7. Nicholas Pun Chee Cheang	23,809,500	4.95
8. Fong Lai Wah	15,846,540	3.30
9. RHB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Too Kok Leng	15,743,440	3.27
10. HSBC Nominees (Asing) Sdn. Bhd. Exempt An for The Hongkong And Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	15,000,000	3.12
11. Liew Sook Pin	13,301,600	2.77
12. Liew Sook Pin	10,956,000	2.28
13. Gan Ai Meng	8,122,020	1.69
14. Soong Ik Lin	7,671,920	1.60
15. Lai Yet Weng	5,860,800	1.22
16. Yong Kok Thye	5,686,560	1.18

Analysis of Shareholdings
(continued)

LIST OF TOP 30 SHAREHOLDERS AS AT 1 OCTOBER 2021 (CONTINUED)

Name of Shareholders		Holdings No. of Shares	% of Issued Capital
17.	Lee Min Huat	4,857,300	1.01
18.	Siew Lee Ying @ Siew Lee Yong	4,794,900	1.00
19.	Soon Ban Hin Oriental (M) Sdn. Bhd.	4,000,900	0.83
20.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Tan Kim Heung (PB)	3,600,000	0.75
21.	Khoo Chiow Ling	2,922,220	0.61
22.	Toh Gian Ming	2,125,620	0.44
23.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	1,758,940	0.37
24.	Robyn Lim Kit Yoong	1,496,600	0.31
25.	Public Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tea Su Ling (E-IMO/IGN)	1,381,500	0.29
26.	Tan Tuan @ Tan Nya	1,268,360	0.26
27.	Tea Su Ling	1,259,460	0.26
28.	Chong Yoke Ting	1,194,400	0.25
29.	Tan Shoo Li	1,149,160	0.24
30.	Pang Chok Hin	850,000	0.18

NOTICE OF FIFTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Seventh ("57th") Annual General Meeting ("AGM") of Menang Corporation (M) Berhad ("MCB" or "Company") will be conducted virtually via remote participation and electronic voting via the online meeting platform at Vote2U Online website at https://web.vote2u.my provided by Agmo Digital Solutions Sdn. Bhd. on Monday, 29 November 2021 at 10.00 a.m. and at any adjournment thereof for the following purposes:

AGENDA

Ordinary Business:

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with Reports of the Directors' and the Auditors' thereon.	**Please refer to Explanatory Note 1**
2.	To re-elect Toh May Fook as Director in accordance with Clause 110 of the Constitution of the Company.	**Ordinary Resolution 1**
3.	To re-elect Liew Sook Pin as Director in accordance with Clause 110 of the Constitution of the Company.	**Ordinary Resolution 2**
4.	To re-elect Lee Min Huat as Director in accordance with Clause 110 of the Constitution of the Company.	**Ordinary Resolution 3**
5.	To re-elect Chee Wai Hong as Director in accordance with Clause 110 of the Constitution of the Company.	**Ordinary Resolution 4**
6.	To re-elect Yee Chun Lin as Director in accordance with Clause 110 of the Constitution of the Company.	**Ordinary Resolution 5**
7.	To re-elect Kee Hock Kee as Director in accordance with Clause 110 of the Constitution of the Company.	**Ordinary Resolution 6**
8.	To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM500,000.00 for the period from 30 November 2021 until the next Annual General Meeting of the Company.	**Ordinary Resolution 7**
9.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 8**

Special Business:

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

10.	Authority under Section 76 of the Companies Act 2016 for the Directors to allot shares or grant rights "THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."	**Ordinary Resolution 9**
11.	To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.	

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No. 202008004409)
FLORENCE TOH SUE MEI (MAICSA 7074778) (SSM PC NO. 202108000143)
KHOO WEI LEE (MAICSA 7063165) (SSM PC NO. 201908001577)
Company Secretaries

Kuala Lumpur
Date: 29 October 2021

NOTES:

1. The AGM of the Company will be conducted entirely through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities. The Company has appointed Agmo Digital Solutions Sdn. Bhd. as the Poll Administrator for the AGM to facilitate the RPV via Vote2U Online website at https://web.vote2u.my. The procedures for members to register, participate and vote remotely via the RPV facilities are provided in the Administrative Guide for the AGM.

2. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at www.menangcorporation.com to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely via the RPV facilities.

3. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue. Members/ proxies are NOT to be physically present at the Broadcast Venue on the day of the AGM.

4. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

5. A member entitled to attend and vote at the AGM may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.

6. A member may appoint up to two (2) proxies to attend the AGM. Where a member appoints two (2) proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

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

8. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Registered Office, GAP Advisory Sdn. Bhd., at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty eight (48) hours before the time set for holding the AGM or at any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via Vote2U Online website at https://web.vote2u.my. Please refer to the Administrative Guide for further information on electronic submission.

9. For the purpose of determining who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 22 November 2021 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at the AGM and entitled to appoint proxy or proxies.

Explanatory Notes on Ordinary and Special Businesses:

1. **Item 1 of the Agenda**

   Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Companies Act 2016 requires that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. **Item 10 of the Agenda**

   The Company had, during its Fifty-Sixth AGM held on 30 December 2020, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Companies Act 2016. The Company did not issue any shares pursuant to this mandate obtained.

   The Ordinary Resolution 9 proposed under item 10 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares/ total number of voting shares of the Company capital for such purpose as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s) and/or working capital.

PERSONAL DATA POLICY

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

ADMINISTRATIVE GUIDE TO SHAREHOLDERS
MENANG CORPORATION (M) BERHAD
57th Annual General Meeting

Day and Date	:	Monday, 29 November 2021
Time	:	10.00 a.m.
Virtual Meeting Platform	:	https://web.vote2u.my
Domain Registration Number of Online Meeting Platform registered with MYNIC Berhad	:	D6A471702

In light of the coronavirus (COVID-19) outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the 57th Annual General Meeting ("**AGM**") will be held virtually and online remote voting using the Remote Participation and Voting Facilities ("**RPV**").

We strongly encourage our shareholders whose names appear on the Record of Depositors as at 22 November 2021 and holders of proxy for those shareholders to participate in the virtual AGM and vote remotely at this AGM. In line with the Malaysian Code on Corporate Governance Practice 12.3, this virtual AGM will facilitate greater shareholder's participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the AGM without being physically present at the venue. For shareholders who are unable to participate in this virtual AGM, you may appoint proxy(ies) or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

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

PROCEDURES TO PARTICIPATE IN RPV

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

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

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

PROCEDURES TO PARTICIPATE IN RPV (CONTINUED)

BEFORE AGM DAY

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information: o MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy o *Email address of the Proxy a. Submit/Deposit the hardcopy Form of Proxy to **GAP Advisory Sdn. Bhd., E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia**. Note: After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy will be able to use a temporary password to log in to Vote2U. *Check the email address of the Proxy is written down correctly.
ii.	Electronic Lodgment of Proxy Form (e-Proxy Form) For individual shareholders only	a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U. b. Select the general meeting event that you wish to attend. c. Scroll down and select "Register a Proxy". d. Read and indicate your acceptance of the 'Declarations' by clicking on a small box. Then select "Next". e. Select/ add your Central Depository System ("CDS") account number and number of shares. f. Select "Appoint Proxy". g. Fill-in the details of your proxy(ies) – ensure proxy(ies) email address(es) is/ are valid. h. Indicate your voting instruction should you prefer to do so. i. Thereafter, select "Submit". j. Your submission will be verified. k. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U. Note: You need to register as a shareholder before you can register a proxy and submit the e-Proxy form. Please refer above 'A: Registration' to register as shareholder.

Shareholders who appoint Proxy(ies) to participate the virtual AGM must ensure that the hardcopy Form of Proxy or e-proxy is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

PROCEDURES TO PARTICIPATE IN RPV (CONTINUED)

ON AGM DAY

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	The Vote2U online portal will open for log in starting from **9.00 a.m., Monday, 29 November 2021,** one (1) hour before the commencement of the AGM. a. Login with your email and password b. Select the General Meeting event (for example, "57th AGM"). c. Check your details. d. Click "***Watch Live***" button to view the live streaming.

B: ASK QUESTION

Individual Shareholders & Proxies

	Description	Procedures
i.	Ask Question during AGM (real-time)	Questions submitted online using <u>typed text</u> will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question. a. Click "***Ask Question***" button to post question(s). b. Type in your question and click "***Submit***". The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the AGM.

C: VOTING REMOTELY

Individual Shareholders & Proxies

	Description	Procedures
i.	Online Remote Voting	Once the Chairman announces the opening of remote voting: a. Click "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "***Next***" to continue voting for all resolutions. c. To change your vote, click "***Back***" and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "***Confirm***" to submit your vote. [Please note that you are <u>not able</u> to change your voting choices after you have confirmed and submitted your votes.]

Administrative Guide to Shareholders

(continued)

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Broadcast Venue

Broadcast Venue means the place where the broadcasting is taking place to transmit or air the meeting online. It could be a studio or a meeting room.

Shareholders and proxies are not advisable to go to the broadcast venue as it is only a place where the meeting is broadcast for transmission online in the present of Chairman, Directors, Chief Financial Officer, Auditors, Company Secretaries and senior management. No seating and refreshment will be arranged for shareholders and proxies at the broadcast venue when it is a fully virtual meeting.

If shareholders and proxies arrive at the broadcast venue, the management has the right to ask you to leave the broadcast venue in order to comply with the government decrees and S.O.Ps.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this AGM.

Enquiry

a. For enquiries relating to the general meeting, please contact our **Investor Relation** during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Email: general@menangcorporation.com

b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Telephone Number: 03-7664 8520 / 03-7664 8521
   Email: vote2u@agmostudio.com

MENANG CORPORATION (M) BERHAD
[Registration No. 196401000240 (5383-K)]
(Incorporated in Malaysia)

CDS ACCOUNT NO. OF AUTHORISED NOMINEE

NUMBER OF SHARES HELD

PROXY FORM

I/We, ... NRIC/Passport No. ....
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

contact no. .... email address .... being a member/ members of **Menang Corporation (M) Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Fifty-Seventh Annual General Meeting of the Company ("**57th AGM**") will be conducted virtually via remote participation and electronic voting via the online meeting platform at Vote2U Online website at https://web.vote2u.my provided by Agmo Digital Solutions Sdn. Bhd. on Monday, 29 November 2021 at 10.00 a.m. and at any adjournment thereof.

IMPORTANT NOTE:
Please (i) tick [√] either ONE of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [√] option (c) if you would like to appoint the Chairman of the 57th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Registration No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)	**Appoint ONE proxy only** *(Please complete details of proxy below)*			
				100%
(b)	**Appoint MORE THAN ONE proxy** *(Please complete details of proxies below)*			
Proxy 1				%
Proxy 2				%
				100%
(c)	**The Chairman of the 57th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf**			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

No	Resolutions	For		Against	
		Proxy 1	**Proxy 2**	**Proxy 1**	**Proxy 2**
	Ordinary Business				
Ordinary Resolution 1	To re-elect Toh May Fook				
Ordinary Resolution 2	To re-elect Liew Sook Pin				
Ordinary Resolution 3	To re-elect Lee Min Huat				
Ordinary Resolution 4	To re-elect Chee Wai Hong				
Ordinary Resolution 5	To re-elect Yee Chun Lin				
Ordinary Resolution 6	To re-elect Kee Hock Kee				

No	Resolutions	For		Against	
		Proxy 1	Proxy 2	Proxy 1	Proxy 2
	Ordinary Business				
Ordinary Resolution 7	To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM500,000.00 for the period from 30 November 2021 until the next Annual General Meeting of the Company				
Ordinary Resolution 8	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company				
	Special Business				
Ordinary Resolution 9	To authorise the Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016				

Dated this ______ day of __________ 2021

____

Signature / Common Seal of Shareholder

Contact No: ___________________________

NOTES:

1. The AGM of the Company will be conducted entirely through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities. The Company has appointed Agmo Digital Solutions Sdn. Bhd. as the Poll Administrator for the AGM to facilitate the RPV via Vote2U Online website at https://web.vote2u.my. The procedures for members to register, participate and vote remotely via the RPV facilities are provided in the Administrative Guide for the AGM.
2. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at www.menangcorporation.com to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely via the RPV facilities.
3. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue. Members/ proxies are NOT to be physically present at the Broadcast Venue on the day of the AGM.
4. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
5. A member entitled to attend and vote at the AGM may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.
6. A member may appoint up to two (2) proxies to attend the AGM. Where a member appoints two (2) proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
7. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Registered Office, GAP Advisory Sdn. Bhd., E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof. Alternatively, the Proxy Form may also be electronically submitted via Vote2U Online website at https://web.vote2u.my. Please refer to the Administrative Guide for further information on electronic submission.
9. For the purpose of determining who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 22 November 2021 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at the AGM and entitled to appoint proxy or proxies.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 October 2021.

Please fold here

Stamp

GAP Advisory Sdn. Bhd.
E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur,
Malaysia.

Please fold here

Menang Corporation (M) Berhad
Registration No.: 196401000240 (5383-K)

Wisma OZ, No. 11-1, Jalan Kuchai Maju 5, Kuchai Entrepreneurs' Park
Jalan Kuchai Lama, 58200 Kuala Lumpur

Tel : (603) 7971 1771 I Fax : (603) 7971 1333

www.menangcorporation.com