



SYCAL VENTURES BERHAD

Company No. 200101011895 (547651-U)
Incorporated In Malaysia

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting of the Company will be held at Hotel Pullman Kuala Lumpur Bangsar, Studio III, Level 3, Jalan Pantai Baru, 58000 Kuala Lumpur on Wednesday, 30th November 2022 at 10.00 a.m. to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30th June 2022 and the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1 on Ordinary Business)
2. To re-elect the following Directors who retire by rotation pursuant to Clause 110 of the Company's Constitution:- (Please refer to Explanatory Note 2 on Ordinary Business)
 - 2.1 Dato' Seow Yong Chin Resolution 1
 - 2.2 Chin Kok Wah Resolution 2
3. To re-elect Dato' Shahrom Bin Abd Malik who retires pursuant to Clause 116 of the Company's Constitution. (Please refer to Explanatory Note 3 on Ordinary Business) Resolution 3
4. To approve the payment of Directors' fees of RM137,000.00 for the financial year ended 30th June 2022. Resolution 4
5. To approve the payment of Directors' fees and allowances of up to RM250,000.00 for the period from 1st July 2022 until the next Annual General Meeting of the Company to be held in 2023. (Please refer to Explanatory Note 4 on Ordinary Business) Resolution 5
6. To re-appoint Messrs. UHY as Auditors of the Company for the financial year ending 30th June 2023 and to authorise the Directors to fix the Auditors' remuneration. Resolution 6

AS SPECIAL BUSINESS

7. Ordinary Resolution (Please refer to Explanatory Note 1 on Special Business)
- Approval for issuance of new ordinary shares pursuant to Section 75 and 76 of the Companies Act 2016
"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain 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 in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance to the provisions of the Companies Act 2016, whichever is the earlier." Resolution 7
8. Ordinary Resolution (Please refer to Explanatory Note 2 on Special Business)
- Retention of Independent Non-Executive Director
"THAT Mr Tee Lay Peng who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company pursuant to Clause 112 of the Company's Constitution." Resolution 8
9. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

By Order of the Board

Koh Kim Koon
Company Secretary

Kuala Lumpur
31st October 2022

Notes to Shareholders:-

1. Only depositors whose names appear on the Record of Depositor as at 23rd November 2022 shall be entitled to attend, speak and vote at this meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the securities account.
5. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorized.
7. The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.03A, 4th Floor, Plaza Prima, 4½ Miles, Jalan Kelang Lama, 58200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.

A. Explanatory Notes on Ordinary Business

1. Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, it will not be put forward for voting.
2. Clause 110 of the Company's Constitution states that an election of Directors shall take place each year at the annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), the number nearest to one third (1/3) shall retire from office and be eligible for re-election. Each Director shall retire from office once in every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retired.

The Board was satisfied with the performance of the abovementioned Directors upon the assessment conducted by the Nomination Committee and hence, recommended their proposed re-election to be tabled for shareholders' approval at this Annual General Meeting. Details of the Director standing for re-appointment/re-election under Ordinary Resolutions 1 and 2 are stated in the Profile of Directors on pages 5 to 7 of this Annual Report. Their securities holdings in the Company are stated on page 148 of this Annual Report.

Dato' Seow Yong Chin and Mr Chin Kok Wah are retiring pursuant to Clause 110 of the Company's Constitution, and being eligible, have offered themselves for re-election at this Annual General Meeting.

3. Clause 116 of the Company's Constitution states that the Directors may appoint a person who is willing to act as Director, either to fill a casual vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with this Constitution as the maximum number of Directors. A Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election.

Dato' Shahrom Bin Abd Malik who was appointed as Independent Non-Executive Director of the Company on 24th February 2022, is standing for re-election and being eligible, has offered himself for re-election. Details of the Director standing for re-appointment/re-election under Ordinary Resolution 3 are stated in the Profile of Directors on pages 5 to 7 of this Annual Report. His securities holdings in the Company are stated on page 148 of this Annual Report.

4. Ordinary Resolution 5 – Payment of Directors' fee and allowances to Non-Executive Directors

In accordance with Section 230(1) of the Companies Act 2016 the fees of the Directors and any allowances payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at the Annual General Meeting for the payment of Directors' fee and allowances payable to the Non-Executive Directors of the Company under Resolution 5.

The estimated Directors' fees and allowances were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and allowances for the period from 1st July 2022 until the date of next Annual General Meeting of the Company to be held in the year 2023. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next Annual General Meeting for such shortfall.

B. Explanatory Note on Special Business

1. Ordinary Resolution pursuant to the Authority to Allot and Issue Shares

The proposed Ordinary Resolution 7 if passed, will allow the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company in order to avoid any delay and costs involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

This mandate will provide flexibility to the Company for the allotment of shares for the purpose of funding working capital, future expansion, investment/acquisition(s) or such other purposes as the Directors consider would be in the interest of the Company.

2. Ordinary Resolution pursuant to Proposed retention of Independent Director pursuant to Clause 112 of the Company's Constitution

The Nomination Committee has assessed the independency of the following Director, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

Ordinary Resolution 8 : To retain Mr Tee Lay Peng as Independent Non-Executive Director

- (a) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, is able to provide a check and balance by bringing an element of objectivity and independent judgement to the Board's deliberation. Further, he has exercised due care and diligence during his tenure as an Independent Director of the Company and has carried out his duties professionally and objectively in the best interest of the Company and shareholders. He has confirmed and declared that he is an Independent Non-Executive Director as defined in the Listing Requirements of Bursa Securities;
- (b) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
- (c) He has thorough understandings of the businesses of the Group and could provide the Board valuable and insightful advice.

The Board recommends that Mr Tee Lay Peng be retained as Independent Non-Executive Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance.

Details of the Director standing for retention under Ordinary Resolution 8 are stated in the Profile of Directors on pages 5 to 7 of this Annual Report. His securities holdings in the Company are stated on page 148 of this Annual Report.

C. Personal Data Privacy

By submitting as instrument appointing a proxy(ies) and/or representative(s) to participate, 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.

BOARD OF DIRECTORS

Dato' Seow Yong Chin
(*Managing Director*)

Dato' Shahrom Bin Abd Malik
(*Independent Non-Executive Director*)

Syed Zain Al-Kudcy Bin Dato' Syed Mahmood
(*Executive Director*)

Dato' Magaret Ting Thien Hung
(*Independent Non-Executive Director*)

Chin Kok Wah
(*Executive Director*)

Tee Lay Peng
(*Senior Independent Non-Executive Director*)

COMPANY SECRETARY

Koh Kim Koon (MIA7790)

REGISTERED OFFICE

Lot 4.03A, 4th Floor, Plaza Prima
4 ½ Miles, Jalan Kelang Lama
58200 Kuala Lumpur
Tel: 603-7983 9099
Fax: 603-7981 7443
Website : www.sycalberhad.com

AUDITORS

Messrs UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11,
The Gardens South Tower
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: 603-22793088
Fax: 603-22793099

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : SYCAL Stock Code : 9717

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur
Tel: 603-20849000
Fax: 603-20949940 / 603-20950292
E-mail: info@sshsb.com.my

PROFILE OF DIRECTORS

Dato' Seow Yong Chin (*Male, 63 years of age – Malaysian*)

Group Managing Director

Appointed on 30 November 2005

He has extensive experience in the building, construction and civil engineering industry after having been directly involved in this sector for more than 43 years. He has been actively involved in implementing and managing construction projects undertaken by Sycal Group. He is a director of Sycal Berhad, a wholly-owned subsidiary of the Company, and also director of certain subsidiaries of the Company and several other private limited companies.

Syed Zain Al-Kudcy Bin Dato' Syed Mahmood (*Male, 67 years of age – Malaysian*)

Executive Director

Appointed on 30 November 2005

He is an engineer by profession and is a registered professional engineer with the Board of Engineers, Malaysia. He graduated from the Oxford College of Further Education with Ordinary National Diploma in Engineering in 1974 and holds a Bachelor of Science degree in Civil Engineering from University of Aston in Birmingham, England, in 1977. He is a corporate member of the Institute of Engineers (Malaysia) and Institute of Highway Engineers (United Kingdom). He commenced his career in August 1977 as Road Maintenance Engineer with Jabatan Kerja Raya (“JKR”), Perak and was involved in the implementation of Kampsax Highway Maintenance Programme. From January 1981 to October 1982, he served as District Engineer with JKR, Johor and subsequently served as Executive Director in a civil and building construction company, Tripart Sdn Bhd from November 1982 to 1989. Prior to joining Sycal Berhad in 1994, he was with Percon Corporation Sdn Bhd and was involved in a number of notable projects such as the construction of the 5-Star Istana Hotel in Kuala Lumpur, as well as the Malaysian Embassy in Jakarta. He is director of Sycal Berhad, a wholly-owned subsidiary of the Company, and also director of certain subsidiaries of the Company and several other private limited companies.

Chin Kok Wah (*Male, 63 years of age – Malaysia*)

Executive Director

Appointed on 30 November 2005

He obtained a Certificate in Architectural Draughtsmanship from Institut Teknologi Malaysia, Ipoh in 1981. He started his career in 1980 by managing his family's construction business and in 1982 as a clerk of works with Seri Jurutera Perunding Sdn Bhd, a civil and structural consultant company. From 1983 to 1985, he served as site agent with Bandar Baru Bersatu Sdn Bhd and subsequently served for 1½ years with Malaysian Construction Concept Sdn Bhd, a construction company as Site Supervisor. Prior to assuming his current position as Project Director, he was the Project Manager for 2 years and subsequently, the General Manager for 5 years at Sycal Berhad. He is currently responsible for project coordination and is in charge of works progress and staffing. He is also director of Sycal Berhad, a wholly-owned subsidiary of the Company, and also director of certain subsidiaries of the Company and other private limited companies.

Dato' Shahrom Bin Abd Malik (*Male, 64 years of age – Malaysian*)

Independent Non-Executive Director / Member of Audit Committee / Member of Nomination Committee / Member of Remuneration Committee

Appointed on 24 February 2022

Dato' Shahrom Bin Abd Malik graduated from Universiti Kebangsaan Malaysia (UKM) with Bachelors in Art (Political Science) BA (Hons) in 1985. He obtained his Masters in Public Administration (MPA) from Universiti Sains Malaysia (USM) in 2002. He started his career as Company Executive and Company Director in a private limited company from 1985 till 1988. Thereafter, he held the post as Setiausaha Majlis Daerah/Majlis Perbandaran for 23 years until 2011. His last post was as Yang DiPertua Majlis Perbandaran Taiping and Majlis Perbandaran Kuala Kangsar from 2011 till his retirement in 2019.

Dato' Magaret Ting Thien Hung (*Female, 41 years of age – Malaysian*)

Independent Non-Executive Director / Member of Audit Committee / Member of Nomination Committee / Chairman of Remuneration Committee
Appointed on 26 September 2018

Dato' Magaret is a member of Malaysian Bar of High Court of Kuala Lumpur and High Court of Sarawak. She holds an Honours Degree in Law (LLB Hons) from University of West of England, Bristol United Kingdom.

Dato' Magaret has more than 19 years or extensive experience in conveyance, litigation and corporate legal matters. In 2006, she established the firm of Messrs Ting & Ting in Klang, Selangor. Dato' Magaret is also a member of Chinese Chamber of Commerce and Industry and holds position as legal advisors to Foochow Association Klang, Foochow Association Subang, Persatuan Pekilang-pekilang Telok Gong and Pertubuhan Tan Selangor. She currently sits on the Board of Orgabio Holdings Berhad and Pappajack Holdings Berhad, both as independent and non-executive director.

Tee Lay Peng (*Male, 61 years of age – Malaysian*)

Senior Independent Non-Executive Director / Chairman of Audit Committee / Chairman of Nomination Committee / Member of Remuneration Committee
Appointed on 30 September 2013

Mr. Tee is a member of The Malaysian Institute of Certified Public Accountants since 1987 and a registered member of the Malaysian Institute of Accountants since 1988. Mr. Tee holds a Master of Business Administration from the University of Hull, London, United Kingdom.

He was formerly an Independent Non-Executive Director of DPS Resources Berhad and also the Chairman of its Audit Committee and Risk Management Committee. He was an Independent Non-Executive Director of Ho Wah Genting Berhad from 11 December 2007 to 15 June 2018.

He has more than 26 years of extensive experience in the fields of finance, accounting, auditing and management consultancy. In 1995, he set-up his own consulting firm providing financial and management advisory services. He also holds position as financial controller/corporate advisor in various non-listed companies. In 2010, he was appointed as the corporate advisor of an oil and gas company and subsequently appointed as Chief Executive Officer until 2015. During his tenure, he was tasked with the "turnaround" corporate exercise.

Further Information:-

Family Relationship with any Directors and/or Major Shareholders

Name of Director	Family Relationship with any Director and/or Major Shareholder
* Dato' Seow Yong Chin	None
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	None
Chin Kok Wah	None
Dato' Shahrom Bin Abd Malik	None
Dato' Magaret Ting Thien Hung	None
Tee Lay Peng	None

* Dato' Seow Yong Chin is a substantial shareholder as disclosed in page 145 of this Annual Report.

Conflict of Interest with Company and Convictions for Offences of Directors

None of the Directors has any conflict of interest with the Company, or has been convicted of any offence within the past five (5) years.

Board of Directors' Meeting

Details of attendance of Board Meetings held during the financial year ended 30th June 2022 are disclosed in page 13 of this Annual Report.

AUDIT COMMITTEE REPORT

The Board of Directors of the Company is pleased to present the report of the Audit Committee (“AC”) for the financial year ended 30th June 2022.

OBJECTIVE

The principal objective of the AC is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practice of the Company and its subsidiaries and oversees the compliance with the relevant rules and regulations governing listed companies.

MEMBERS

Tee Lay Peng (*Chairman, Senior Independent Non-Executive Director; Member of Malaysian Institute of Accountants*)

Dato’ Shahrom Bin Abd Malik (*Independent Non-Executive Director*)

Dato’ Magaret Ting Thien Hung (*Independent Non-Executive Director*)

TERMS OF REFERENCE

Composition

The AC shall be appointed by the Board from amongst their members, comprising at least three (3) members, all of whom must be non-executive directors and must not be substantial shareholders, with majority of them being independent directors. No alternate director shall be appointed as a member of the AC.

A member must be free from any relationships that, in the opinion of the Board, may interfere with the exercise of independent judgment in carrying out the functions of the AC.

At least one (1) member of the AC must be a member of Malaysian Institute of Accountants or possesses equivalent qualifications recognised under the Accountants Act, 1967 or fulfils such other requirements as may be prescribed by Bursa Malaysia Securities Berhad from time to time.

The members of the AC shall elect a Chairman from amongst their members who shall be an independent director. The Chairman shall report to the Board on the proceedings conducted at each AC meetings.

In the event of any vacancy in the AC with the result that the number of members is reduced to below 3, the Board of Directors, must within 3 months of that event, appoint such number of new members as may be required to make up minimum number of 3 members.

Meetings

The quorum necessary for the transaction of business shall be constituted by a majority of the members of the AC. A duly convened meeting of the AC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the AC.

The AC will meet at least 4 times a year, with authority to convene additional meetings as circumstances require. The AC will invite members of management, auditors or others to attend meetings and provide pertinent information as necessary.

The AC shall report to the Board on its activities through presentations during the next Board meeting and/or by submission of the minutes of the AC meetings to the Board.

In attendance at Meetings

Representatives of the internal auditors and external auditors are invited to meetings where relevant matters are discussed. Where necessary, the AC will invite any person to be in attendance to assist in its deliberation. Any other Directors and employees shall attend any particular AC meeting only at the AC's invitation, specific to the relevant meeting.

Authority

The AC is authorized by the Board of Directors to investigate any activity within its terms of reference and shall have unlimited access to both the internal and external auditors, all information and documents relevant to its activities, as well as the employees of the Company. All employees are directed to cooperate with any request made by the AC.

The AC shall have direct access to the external auditors and be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

The AC shall have the authority to obtain independent legal or other professional advice as it considers necessary. The Company shall provide appropriate funding, as determined by the AC, for payment of fees to any advisors engaged by the AC.

It shall also have the power to establish sub-committee(s) to carry out certain investigation on its behalf in such manner as the AC shall deem fit and necessary.

Secretary to Audit Committee

The Company Secretary shall be the Secretary of the AC responsible for drawing up the agenda in consultation with the Chairman. The agenda together with relevant explanatory papers and documents shall be circulated to AC members prior to each meeting. The Secretary shall be responsible for keeping the minutes of the meeting of the AC, circulating them to AC members and for ensuring compliance with Listing Requirements of Bursa Malaysia Securities Berhad.

Review of the Audit Committee

The Board of Directors of the Company must review the term of office and performance of the AC and each of its members at least once every 3 years to determine whether such AC and members have carried out their duties accordance with their terms of reference.

Scope and Functions

The AC's responsibility is to oversee the financial reporting process and practices of the Company and to assist the Board in fulfilling its responsibilities to the shareholders, potential shareholders and the investment community to ensure the corporate accounting and reporting practices of the Company are in accordance with all applicable requirements.

The AC, to the extent it deems necessary or appropriate, shall:-

- consider and recommend the appointment and re-appointment of the external auditors, the compensation and any questions of resignation or dismissal, if any;
- assess the independence and objectivity of the external auditors annually taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- discuss with the external auditors on their audit plan including the assistance given by the employees of the Company to the external auditors;
- review and discuss the quarterly financial statements and audited financial statements of the Company with the management and the independent auditors, focusing particularly on:-

- any changes in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption;
- compliance with accounting standards and other legal requirements; and significant and unusual events;
- discuss problems and reservations arising from the audits and any matter the auditors may wish to discuss;
- review the external auditors' management letter and management's response;
- review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- review the internal audit programmes and results of the internal audit processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit;
- monitor the integrity of the financial statements of the Company, including its annual reports, preliminary results announcements and any other formal announcement relating to its financial performance;
- consider any related party transactions that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- review and reassess the adequacy of the AC Charter; and
- consider other topics as defined by the Board.

The Term of Reference is available on the Company's website at www.sycalberhad.com which is accessible to the public for reference.

MEETINGS DURING THE YEAR

The AC met five (5) times during the financial year ended 30th June 2022. The details of AC's meetings held and attendance of the respective members at the meetings during the financial year are as follows:-

	No. of Meeting Attended
Tee Lay Peng	5 / 5
Dato' Shahrom Bin Abd Malik (appointed on 24 February 2022)	1 / 1
Dato' Magaret Ting Thien Hung	5 / 5

In performing its private meeting functions, the AC had met the External Auditors without the presence of any executive member of the Board, Management and staff on 25th May 2022.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee carried out the following activities during the financial year ended 30th June 2022 in discharging its duties and responsibilities as stipulated in its Terms of Reference:-

Financial Reporting

- reviewed unaudited quarterly reports and annual financial statements of the Company and Group and recommended the same to the Board for approval prior to announcement to Bursa Malaysia Securities Berhad. The key areas of focus are as follows:-
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - going concern assumption;
 - compliance with accounting standards and other legal requirements;
 - significant matters highlighted in the financial statements; and
 - significant judgments made by the management.

External Audit

- reviewed the Audit Plan Memorandum prepared by the external auditors for financial year ended 30th June 2022 (“FY2022”). Audit service team, audit scope, areas of audit emphasis, fraud consideration, audit timetable and audit fee were discussed and brought to the attention of the AC.
- reviewed the independence of the external auditors. For FY2022, the external auditors had provided confirmation of their independence in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.
- reviewed the performance of the external auditors and was satisfied with their performance, quality of communication, sufficiency and allocation of resources, competency as well as timelines in completing the audit.
- met with the external auditors without the presence of the Executive Directors and management to discuss matters affecting the audit and the Committee’s duties.
- reviewed and discussed with the external auditors on the results of the audit, its comments and findings and considered management’s response to the audit findings.

Internal Audit

- reviewed and approved the Group’s Internal Audit Plans to ensure adequate scope, competency, resources and comprehensive coverage over the activities of the Group.
- reviewed and discussed with the internal auditors on the results of the internal audits, its comments/findings and subsequent follow-up reviews and ensuring the risk issues were adequately addressed.
- reviewed the competency and independence of the internal auditor and assessed the adequacy of the internal audits works carried out for the Group to determine the adequacy of the Group’s internal audit functions.

Others

- reviewed the functions of the Audit Committee.
- reviewed related party transactions and conflict of interest situation that may arise within the Group.
- reviewed and recommended to the Board for approval the AC reports, Statement on Risk Management and Internal Control, Sustainability Statement, and Corporate Governance Statement for inclusion in the Annual Report.
- reviewed and recommended to the Board for approval the Corporate Governance Report for financial period ended 30th June 2021 to be issued together with the Annual Report.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent internal audit service consultant. The internal audit function is to ensure a regular review of the adequacy and integrity of the Group’s internal control systems. The internal auditors review and assess the Group’s system of internal controls and report to the AC functionally. Internal audit reports prepared by the internal auditors would be presented to the AC and forwarded to the management concerned for attention and necessary action. During the financial year under review, the internal auditors had conducted internal audit on the Group’s Finance & Accounting Division, Human Resource Division, Sales & Marketing Division and the Group’s Property Development and Construction activities.

The internal auditors report directly to the AC and have access to the Chairman of the AC. The AC oversees all internal audit functions and is authorized to commission investigations to be conducted by internal auditors as it deems fit.

The total costs incurred for the internal audit function of the Group for financial year ended 30th June 2022 amounted to RM40,000-00.

The Board of Directors recognises the importance of maintaining good corporate governance practices within the Group as the Board is committed to creating, protecting and enhancing shareholders value and fulfilling its corporate governance obligations and responsibilities in the best interests of the Group and its stakeholders.

The Board is guided by the principles and recommendations of the Malaysian Code on Corporate Governance (“the CG Code”) in implementing its governance system and ensuring compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board is pleased to present below the manner in which the Group has applied the principles of the CG Code and the extent of compliance with the best practices throughout the financial year ended 30th June 2022 and up to the date of this Annual Report:-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Charter and Board Responsibilities

Emphasizing its commitment to good corporate governance practices of the CG Code, the Board had formalized and adopted a Board Charter that sets out, amongst others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with management and the shareholders/stakeholders of the Company.

The roles and functions of the Board, as well as the differing roles of the Chairman and Managing Director, are clearly prescribed in the Board Charter of the Company. The Chairman’s main responsibility is to lead and manage the Board in order to ensure its effectiveness. The position of the Managing Director is to ensure the effective implementation of the Group’s business plan and policies established by the Board and for corporate governance, besides managing the daily operations of the Group.

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies, overseeing the resources, investments and businesses of the Group as well as reviewing the adequacy and effectiveness of the internal controls of the Group. All Board members are expected to participate fully in major decisions and key issues involving the Group such as approval of quarterly and annual results, budgets, reviewing the adequacy and integrity of the system of internal control as well as long term strategic planning for the Group.

The Board continues to adhere to the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.

The Board Charter and Code of Ethics are available on the Company’s website at www.sycalberhad.com.

2. Composition of Board of Directors

The Board currently has six (6) members, comprising the Managing Director, two (2) Executive Directors and three (3) Independent Non-Executive Directors. With this composition, the Board satisfies the requirement of having at least one third of its members as Independent Directors. In the event of any vacancy in the board of directors resulting in non-compliance of the one-third requirement, the Company must fill the vacancy within 3 months. All the Independent Directors are independent of the management and are free from any business or other relationship that would materially interfere with the exercise of their independent judgment. The Board is of the view that its current size and composition has the required collective skills for the Board to provide clear and effective leadership for the Group. The Directors, with their different background and specialization, collectively bring with them a wide range of experience and expertise to enable the Board in discharging its duties and responsibilities effectively. The profiles of the Director are presented on pages 5 to 7 of this Annual Report.

The Board recognizes the need for the composition to reflect a range of skill mix, expertise, gender, ethnicity and age diversity. The Board has no specific targets but will select candidate as a Director who will best serve the Company and shall endeavor to support gender diversity in the boardroom as recommended by the CG Code as and when the opportunity arises.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)**3. Company Secretary**

The Company Secretary is a member of Malaysian Institute of Accountants and is responsible for ensuring that Board procedures are adhered to and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretary attends all Board meetings and ensures that all Board meetings are properly convened, and the proceedings and resolutions passed are properly recorded in the minutes of meetings.

4. Board Meetings and Supply of Information

A formal time schedule of Board Meetings is determined in advance for every financial year. In addition to quarterly Board Meetings, special Board Meetings are convened on an ad-hoc basis to consider matters that require the Board's urgent decision.

For the financial year ended 30th June 2022, five (5) Board Meetings were held and the attendance of the Directors who held office during the financial year is set out below:

<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
Dato' Seow Yong Chin	5 / 5
Chin Kok Wah	5 / 5
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	5 / 5
Dato' Shahrom Bin Abd Malik (appointed on 24 th February 2022)	1 / 1
Dato' Magaret Ting Thien Hung	5 / 5
Tee Lay Peng	5 / 5

The Directors have full and timely access to information, with notices of the Board Meetings and, where applicable, board papers for each agenda item distributed in advance of each Board Meeting to ensure that Directors have sufficient time to review and consider the items to be discussed at the Board Meeting.

Minutes of every Board Meetings are circulated to each Director for their perusal prior to confirmation of the minutes at the following Board Meeting. In the intervals between Board Meetings, for any matters requiring Board decisions, Board approvals are obtained through circular resolutions.

The Directors have unrestricted access to the advice and services of the Company Secretary, who is a member of the Malaysian Institute of Accountants, and the senior management staff and under appropriate circumstances may seek independent professional advice at the Company's expense, in furtherance of their duties.

5. Appointment to the Board

In order to comply with good practice for the appointment of new directors as well as the proposed re-appointment/re-election of directors through a formal and transparent procedure, the Board has set up a Nomination Committee, which comprises exclusively of Non-Executive Directors, to evaluate any new appointment, proposed re-appointment/re-election of directors before recommending the same to the Board for their approval.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

6. Retirement and Re-election of Directors

In accordance with the Company's Constitution, all newly appointed directors are subject to retirement and are entitled for re-election at the next Annual General Meeting subsequent to their appointment. At least one-third of the remaining directors (including the Managing Director) are required to submit themselves for re-election by rotation at each annual general meeting. All directors shall retire from office at least once in 3 years but shall be eligible for re-election.

The Directors due for re-election by rotation pursuant to Article 110 of the Company's Constitution at the forthcoming AGM are Dato' Seow Yong Chin and Mr Chin Kok Wah.

The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval in the event it retains the director as an Independent Director.

In view of the above, the Board recommends that Mr Tee Lay Peng, who served as Independent Non-Executive Director of the Company since 30th September 2013, be retained as Independent Non-Executive Director subject to the approval from the shareholders of the Company through a two-tier voting process pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance.

Mr Tee Lay Peng has been identified as the Senior Independent Non-Executive Director, to whom all concerns may be conveyed.

7. Directors' Training

Newly appointed directors will be provided with relevant information pertaining to the Group, including visits to the Group's operating sites and meetings with senior management to facilitate their understanding of the nature of business and strategy of the Group.

Directors are encouraged to attend trainings, seminars and/or conferences to keep abreast with development in the industry and market place. All directors of the Company have completed the Mandatory Accreditation Programme in accordance with the Listing Requirements of the Bursa Malaysia Securities Berhad.

During the financial year ended 30th June 2022 and up to the date of this report, the courses attended by the Directors are:-

<u>Name</u>	<u>Seminar(s)/Training(s) Attended</u>
Dato' Seow Yong Chin	- Webinar on 2022 Budget Highlights & Navigating Post Covid-19 Recovery @ Construction Industry
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	- Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
Chin Kok Wah	- Technical Talk on Choosing the Right Tiles & Ways to Avoid Tiling Failures with The Right Installation Methods - Webinar on Requirement and Application Solutions of Dextra Rebar Coupler as per ISO15835 In Compliance to CIDB Schedule 4 Order 2021 @ Live From Bangkok, Thailand-Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers - Webinar on Digital Transformation Journey Session 2

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

<u>Name</u>	<u>Seminar(s)/Training(s) Attended</u>
Mr Tee Lay Peng	<ul style="list-style-type: none">- Tax Governance: It's Time to Embrace it- 2022: Navigating Uncertainty with Certainty- MIA Conference 2022- PLC Transformation Webinar with IHH Healthcare- Go- Beyond Excel to Analyze Your Data- Blockchain Technology in Day to Day Life- How Digitalisation and Data Analytics Can Help You Do Wonders in Your Business- Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
Dato' Magaret Ting Thien Hung	<ul style="list-style-type: none">- The New Reality of Cyber Hygiene- BDO Budget Webinar 2021- AOB conversation with Audit Committees- Advocacy Session for Directors and Senior Management of Main Market Listed Issuers
Dato' Shahrom Bin Abd Malik	<ul style="list-style-type: none">- Bursa Malaysia Mandatory Accreditation Programme (MAP)

The Board will continue to identify other training programs that can further enhance their knowledge in the latest development relevant to the Group to enable them to discharge their responsibilities effectively.

8. Board Committees

To facilitate the smooth transaction of business within the Company, the Board has formed the following Board committees. All committees are provided with written terms of reference, which state clearly the extent and limits of their responsibility and authority. However, the ultimate responsibility for the final decision on all matters rests with the entire Board.

Audit Committee

The terms of reference of the Audit Committee, composition of its membership and other pertinent information and its activities are highlighted in the Audit Committee Report on pages 8 to 11 of this Annual Report and the Company's website at www.sycalberhad.com.

Nomination Committee**Members**

Tee Lay Peng (*Chairman, Senior Independent Non-Executive Director*)

Dato' Shahrom Bin Abd Malik (*Independent Non-Executive Director*)

Dato' Magaret Ting Thien Hung (*Independent Non-Executive Director*)

The Nomination Committee, in its terms of reference, is tasked with the duty of making suitable recommendations to fill vacancies on the Board and its committees. In making these recommendations, the Nomination Committee considers the appropriate size and composition of the Board, required mix of responsibilities, skills and experience, which the directors should bring to the Board. The Nomination Committee will also assist the Board in reviewing on an annual basis the effectiveness of the Board and Board committees (including its size and composition) and of their members. Nonetheless, the approval for appointment of new Board or Committee Members rests with the Board as a whole.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

The Board keeps its own performance under review annually through standardized Board Performance Assessment Form and Board Members Assessment Form.

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. The Committee held two (2) meetings which were attended by all its members during the financial year ended 30th June 2022.

During the year under review, the Nomination Committee carried out its duties in accordance with its Terms of Reference which include:-

- reviewed and assessed the effectiveness of the Audit Committee and the Board as a whole;
- reviewed and assessed the mix of skills, experience and competencies of each Director;
- reviewed and assessed the independence of Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa Securities;
- reviewed and recommended to the Board for its approval the re-election of directors at the forthcoming AGM;
- assessed and recommended to the Board for appointment of Dato' Shahrom Bin Abd Malik as Independent Non-Executive Director of the Company; and
- reviewed and recommended to the Board for revamp of Board Committees i.e. Audit, Nomination and Remuneration Committees.

The Term of Reference of the Nomination Committee is available on the Company's website at www.sycalberhad.com.

Remuneration Committee

Members

Dato' Magaret Ting Thien Hung (*Chairman, Independent Non-Executive Director*)

Dato' Shahrom Bin Abd Malik (*Independent Non-Executive Director*)

Tee Lay Peng (*Senior Independent Non-Executive Director*)

The Remuneration Committee is responsible, amongst others, to review and recommend to the Board the remuneration framework of the Executive Directors and senior management staff. The determination of remuneration package of Non-Executive Directors is the responsibility of the Board as a whole. Individual directors will abstain from deliberations and voting on decisions in respect of their own remuneration.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Committee held one (1) meeting which was attended by all its members during the financial year ended 30th June 2022.

Directors' Remuneration

The objective of the Company's policy on Directors' remuneration is to attract and retain experienced and capable directors to run the Group successfully. The remuneration package is linked to the corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual concerned.

The Directors' fees paid or payable by the Company, where applicable, will be tabled for approval by the shareholders at the Annual General Meeting based on the recommendation of the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Details of the remuneration of the Directors in respect of the financial year ended 30th June 2022 are as follows:-

Directors	Fees RM	Salaries RM	EPF/ SOCSSO RM	Allowances* RM	Total RM
Executive Directors					
Dato' Seow Yong Chin	# 48,000	534,800	21,392	-	604,192
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	-	223,470	8,944	-	232,414
Chin Kok Wah	-	216,785	9,269	6,000	232,054
Non-Executive Directors					
Dato' Sri Haji Abd Rahim Bin Haji Abdul	25,000	-	-	-	25,000
Tan Sri Dato' Seri Dr. Ting Chew Peh	15,000	-	-	2,000	17,000
Dato' Margaret Ting Thien Hung	36,000	-	-	5,000	41,000
Tee Lay Peng	36,000	-	-	5,000	41,000
Dato' Shahrom Bin Abd Malik	12,000	-	-	1,000	13,000

Director fee received from a subsidiary company.

* Allowances include meeting allowance and/or travelling allowance.

The Term of Reference of the Remuneration Committee is available on the Company's website at www.sycalberhad.com.

9. Accountability and Audit

Financial Reporting

The Board aims to present a balanced, clear and understanding assessment of the Group's financial positions and prospects in the annual financial statements and quarterly announcements to the shareholders, investors and the regulatory authorities. The Directors are satisfied with the presentation of the financial statements which have been prepared in accordance with the applicable accounting standards, consistently applied and supported by reasonable and prudent judgments and estimates. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness.

Directors' Responsibility Statement

The Directors are responsible for ensuring that the annual financial statements of the Company and the Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year, and of the income statement and cash flows of the Company and the Group for the financial year.

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

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured the adoption of applicable approved accounting standards; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Company and the Group have adequate resources to continue operations for the foreseeable future.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the Group, and to prevent and detect fraud and other irregularities.

Assessment of Suitability and Independence of External Auditors

The external auditors of the Company fulfill an essential role in giving assurance to the Company's shareholders on the reliability of the Group's financial statements.

The external auditors have an obligation to bring to the attention of the Board, the Audit Committee and Company's management any significant weaknesses in the Company's system of reporting, internal control and compliance with the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board and regulatory requirements.

The external auditors of the Company are invited to attend all Audit Committee meetings. The Audit Committee also meets with the Group's external auditors at least once a year without the presence of management to discuss and review their audit findings and any other matters they wish to bring to the attention of the Audit Committee.

The external auditors have also confirmed that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Being satisfied with the external auditors' performance, technical competency and audit independence, the Audit Committee has recommended to the Board and the Board has approved the Audit Committee's recommendation for shareholders' approval to be sought at the forthcoming Annual General Meeting on the re-appointment of the external auditors for the ensuing year.

Related Party Transactions

The Company practices an internal compliance framework in identifying and assessing related party transactions. The Board, through the Audit Committee reviews all related party transactions. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Company's Audit Committee comprises 3 Independent Non-Executive Directors and none of them was former key audit partners. The Chairman of the Audit Committee is not the Chairman of the Board. The Chairman of the Audit Committee is Mr Tee Lay Peng who is a Chartered Accountant of the Malaysian Institute of Accountants.

The terms of reference of the Audit Committee, composition of its membership and other pertinent information and its activities are highlighted in the Audit Committee Report on pages 8 to 11 of this Annual Report and the Company's website at www.sycalberhad.com.

2. Risk Management and Internal Control

The Board acknowledges its responsibility for the Group's system of risk management and internal control and for reviewing its effectiveness regularly by setting up an internal audit and risk management audit function which provides support to Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of risk management and internal control within the Group.

The Statement on Risk Management and Internal Control which has been reviewed by the External Auditors is set out on pages 20 to 21 of this Annual Report.

3. Relationship with the Auditors

The Company, through the Audit Committee, has established a transparent relationship with the external auditors in seeking professional advice and ensuring compliance with the accounting standards of Malaysia. The role of the Audit Committee in relation to the external auditors is stated on pages 8 to 11 of this Annual Report.

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

1. Dialogue between the Company and Stakeholders

The Board recognizes the importance of accountability to its stakeholders through proper and equal dissemination of information. Such information is disseminated via the Company's annual reports, circular to shareholders, quarterly financial results, announcements made from time to time and notices of general meeting published in at least one national newspaper to provide wider coverage of such notices to encourage stakeholders' participation. The stakeholders may obtain the Group latest announcements via the Company's website at www.sycalberhad.com and Bursa Malaysia Securities Berhad website at www.bursamalaysia.com.

2. The Annual General Meeting ("AGM")

The AGM remains the principal forum for dialogue with shareholders where they may communicate, interact and clarify on the Group businesses. Executive Directors, Audit Committee members, senior management team and the external auditors are available to respond to shareholders' questions during the meeting. Where appropriate, the management will undertake to provide written answer to any significant question that cannot be readily answered on the spot.

At each AGM, shareholders are given the opportunity and time to participate in the open question and answer session with regards to the agenda of the general meeting or other concerns over the Group's business as a whole.

For re-election/re-appointment of directors, the Board ensures that full information is disclosed through the Notice of Annual General Meeting regarding directors who are retiring and who are willing to serve if re-elected. Item of special business included in the Notice of the AGM will be accompanied by an explanation of the effects of the proposed resolution.

All resolutions set out in the notice of any general meeting will be voted by poll and at least one (1) independent scrutineer will be appointed to validate the votes cast at the general meeting.

COMPLIANCE STATEMENT

Unless indicated otherwise, the Group had complied, throughout the financial year ended 30th June 2022, with all the best practices of corporate governance set out in the CG Code.

This Corporate Governance Statement is made in accordance with the resolution of the Board of Directors date 21st October 2022, shall be read together with the Corporate Governance Report 2022 of the Company which is available on the company's website at www.sycalberhad.com and the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance requires the Board of Directors of public listed companies to establish a sound risk management framework and system of internal control to safeguard shareholders' investments and the Group's assets.

The Board of Directors of the Company ("the Board") is pleased to present the Group's Statement on Risk Management and Internal Control ("Statement") for the financial year ended 30th June 2022, which is prepared in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

BOARD'S RESPONSIBILITY & ACCOUNTABILITY

The Board of Directors recognises the importance of sound internal controls and risk management in safeguarding the assets of the Group. However, such systems are designed to manage rather than eliminate the business risk totally. It should be noted that any system could provide only reasonable and not absolute assurance against material misstatement or fraud.

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives throughout the year under review up to the date of this Annual Report. This process is regularly reviewed by the Board.

INTERNAL AUDIT FUNCTIONS

The Board is fully aware of the importance of the internal audit function, and has engaged an independent consultant to provide independent assurance to the Board and Audit Committee ("AC") in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The internal audit adopts a risk-based approach and prepares its audit plan based on the risk profiles from the risk assessment of the Group. Scheduled internal audits are carried out based on the annual audit plan approved by the AC. The internal audit reports are presented in the AC meetings accordingly.

The internal auditors' duty is, amongst others, to review and assess the Group's risk management and internal control system and report to the Audit Committee directly. Internal audit findings and observations together with recommendations for management responses are presented to the Audit Committee where it then report to the Board of Directors. Follow-up visits will be conducted by the internal auditors to report whether corrective actions have been implemented.

Apart from the internal audit functions, periodic surveillance audits were carried out by external ISO consultants in accordance with the requirements for continuation and maintenance of the ISO9001:2015 certification in respect of provision of design and construction of buildings, structure and civil works.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board maintains full control and direction over appropriate strategic, financial, organizational and compliance issues. It entrusts the daily running of the business to the Managing Director ("MD") and his management team. The Board members receive timely reports pertaining to the performance of, and information about or affecting the Group through quarterly Board papers, including relevant quantitative and qualitative analyses and trends.

The MD plays a pivotal role in communicating the Board's expectations of the risk management and internal control system to management. This is achieved, on a day-to-day basis, through his active participation in the operations of the business as well as attendance at scheduled management and operational level committee meetings where operational and financial risks, amongst others, are discussed and dealt with. Where appropriate, significant issues are highlighted and discussed at Board level.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

For the financial year ended 30th June 2022, the following activities were conducted as part of the management's review of risk management and internal controls of the Group:-

- a) Visits to operating units and project sites were conducted by members of the management team;
- b) Management review meetings were conducted to discuss the findings of the external/internal audit review and ISO surveillance audits. Weaknesses/shortfalls noted were/will be monitored by the AC Special Task Force to ensure appropriate actions/improvements were taken;
- c) Independent consultant has been engaged to assist the management in the preparation for the Sustainability Management; Environmental, Sustainability and Governance (ESG); Sustainability Reporting Requirements and the Data Security and Privacy Policy.

The Board, throughout the financial year under review, has identified, evaluated and managed the significant risks faced by the Group through the monitoring of the Group's performance and profitability at its Board meetings. The Board is of the view that the current risk management and internal control system in place throughout the Group during the financial year is adequate and effective to safeguard the Group's interest. No significant control failure or weaknesses that would result in material losses and require disclosure in the Group's Annual Report were identified and reported during the financial year under review.

The Board has received assurance from the MD who is also the officer primarily responsible for the Group's financial management, that the risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management model and internal control system adopted by the Group. The Board will continue to evaluate the existing risk management and internal control systems and put in place appropriate action plans, where applicable and necessary, to further enhance the system of internal controls and risk management to meet with the Group's strategic, financial, business and operational requirements regarding the adequacy and effectiveness of the risk management and internal control systems.

The Group had previously established a Risk Management Committee ("RMC") to ensure proper management of risks that may impede the achievement of the Group's goals and objectives. Members of the RMC comprise top-level management personnel including the MD, Executive Directors and Heads of Departments. Group's Risk Management Policy Statement has been reviewed and approved by the Board. The RMC and the independent consultant is currently reviewing the functions and scopes of the RMC to better suit the current business environment and the Group's business direction.

As required by Rule 15.23 of the Listing Requirements, the external auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 30th June 2022. Their limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements.

Based on their review, the external auditors have reported that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal control system of the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors date 21st October 2022.

SUSTAINABILITY STATEMENT

The Group believes that economic, environmental and social aspects (“EES”) and corporate governance is the core of a sustainable business and we are committed to embedding sustainability in our business operations culture and ensuring we practice sustainability at every business aspects.

This Sustainability Statement is issued by the Group in line with Paragraph 6, Practice Note 9 of the Main Market Listing Requirement (“Main LR”) on sustainability reporting issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and have also taken into consideration the Sustainability Reporting Guide – 2nd Edition along with its accompanying toolkits from Bursa Malaysia. This Statement considers the EES implications the Group is exposed to in ensuring its business is carried out in a sustainable and responsible manner.

Sustainability Governance Structure

The Group presently does not have a sustainability governance structure, but we recognize its importance thus the Group proposed to set up the sustainability governance structure to be supported by the Risk Management Committee (“RMC”) in the coming financial year. Consultant had been engaged to review and access the Group’s organization, operations and structure and thereafter to assist the Group to enhance and/or to set up the risk management and sustainability governance structure.

The RMC, a Board Committee which presently comprises Executive Directors and senior management, will have an enhanced role, i.e. to incorporate sustainability considerations in the Group’s business and management of EES, in addition to its incumbent oversight responsibilities over the Group’s risk management framework and processes.

With assistance from independent consultants, the RMC’s responsibilities pertaining to the Group’s sustainability framework and processes will include the following:-

- (a) establishment of the Group’s sustainability framework;
- (b) reviewing the adequacy of sustainability initiatives and processes;
- (c) ensuring effectiveness of the process in identifying, assessing, managing and reporting Material Sustainability Matters (“MSMs”); and
- (d) monitoring and overseeing all sustainable strategies and initiatives of the Group.

Material Sustainability Matters

Set out below is an overview of the MSMs of the Group and how they will be managed according to economic, environmental and social aspects:-

(a) Economic

The Group believes that an economically sustainable business is one that continues to generate profit and use its resources efficiently and responsibly. The Group places great emphasis on the delivery of quality products and services with the aim to create long-term and sustainable business relationships with customers. As part of its efforts towards provision of quality products and services, the Group has obtained the ISO9001:2015 certification in respect of provision of design and construction of buildings, structure and civil works. The Group will continue to commit to promote compliance with laws and regulations, sound ethical business conduct, good corporate governance and combat against all kinds of corruption.

(b) Environmental

The Group promotes sound environmental practices in order to safeguard our natural resources. The Group is committed to optimise the use of resources, minimise waste and ensure that the materials we use and the products produced comply with our own and our stakeholders’ standards.

With the objective to minimise the impact of our business processes on the environment, we encourage our employees of all levels to reduce wastage in all business processes and to cut down the usage of papers and paper cartons by recycling them for internal use. Lights, electrical equipment, air-conditioning systems and computers will be switched off whenever they are not in used, and energy saving products such as LED lights and air-conditioner with an inverter were used, to effectively control the consumption of energy including electricity and water.

(c) Social

Employees are an important asset of the Group’s businesses and operations and we remain committed to the development, health, safety, well-being and welfare of our people.

Where necessary, technical and managerial upgrading programmes for skilled employees and managerial staff will be organised/arranged to strengthen their core skills and competencies with a view to enhance career development, work quality and job performance.

Stakeholder Engagement

The Group’s key stakeholders include the Board of Directors, investors, media, employees, customers, suppliers, and regulators. Understanding our stakeholders’ interests and concerns is necessary in guiding the management and reporting of our material EES disclosures.

We consistently engage with our key stakeholder groups through various formal and informal platforms to enhance accountability.

STAKEHOLDERS	KEY FOCUS AREA	METHOD AND FREQUENCY
Board of Directors	<ul style="list-style-type: none"> Financials and performance Operations Strategic planning Corporate Governance 	<ul style="list-style-type: none"> Board of Directors meetings At least quarterly
Shareholders	<ul style="list-style-type: none"> Profitability Dividend 	<ul style="list-style-type: none"> General Meetings Annual Reports Quarterly Financial Reports As announced.
Clients/Customers, Suppliers and Industry Partners	<ul style="list-style-type: none"> Product and service quality Timely delivery of products/ projects Payment terms and timeliness 	<ul style="list-style-type: none"> Face-to-face meetings Events and site visits Continuous or as and when necessary.
Regulators and Government Authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Corporate governance 	<ul style="list-style-type: none"> Compliance and certification exercises Direct meetings Periodic announcements Continuous or as and when necessary..
Employees	<ul style="list-style-type: none"> Career development Health and safety Employee welfare and Employee wellness 	<ul style="list-style-type: none"> Job related trainings and workshops Continuous or as and when necessary.

The Board will consider the need to implement other sustainability practices as appropriate to further create long-term EES value with regard to its businesses.

Moving Forward

The Group will continue to integrate sustainability practices in our day-to-day processes as part of our culture and long-term commitment to sustainability. We believe that in the long run, all these initiatives will translate into higher profitability resulting from improved ability to attract and retain competent employees, customer loyalty and sales, and reduced spending and wastages.

MANAGEMENT DISCUSSION & ANALYSIS

On behalf of the Board of Directors of the Company, I am pleased to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 30th June 2022 (“FY2022”).

FY2022 FINANCIAL HIGHLIGHTS

	FY2022 (12 months) RM'000	FY2021 (18 months) RM'000
Group Revenue	66,261	72,261
Gross Profits	9,387	7,181
Profit From Operations	6,363	9,822
Finance Costs	3,176	5,573
Profit after Taxation	1,353	1,106
Gearing Ratio (times)	0.108	0.072
Net Assets Per Share (RM)	0.6695	0.6673

OPERATING ENVIRONMENT IN 2021/2022

During 2021, the Malaysian economy experienced several disruptions as the nation battled the Covid-19 pandemic. The containment measures imposed by the Government naturally affected the property market over and above challenges faced due to the existing property glut. This has caused home purchasers to turn cautious and adopt a “wait and see” approach for most of 2021 and recovered somewhat after the Government relaxed some of the containment measures allowing more businesses to kick on with their operations in August 2021. A glimpse of normality and hope is emerging as the country transition from the pandemic to endemic stage of Covid-19 in April 2022, marked by a period of stability in numbers of case counts and hospitalisations.

Bank Negara Malaysia recently maintained its GDP growth projection at 5.3%-6.3% for 2022 even after taking into account the slower global growth given the strength in the first half of 2022 where the country registered a stronger growth of 8.9% in the 2nd quarter of 2022, back by growth of 5% in the 1st quarter of 2022. The Malaysian economy is expected to sustain its growth recovery on the back of a full reopening of economic and social activities and almost entirely relaxing pandemic restrictions. Malaysia’s property market posted a better performance in the first half of 2022 with activity increasing 36.1% in volume and value year-on-year to 188,000 transactions valued at RM84.4 billion as all property sectors recorded growth, reflective of normalising economic activity as the country move towards endemicity.

OPERATIONAL & FINANCIAL OVERVIEW

The Group had been cautious in its cashflow management while focusing on long-term business strategies to ensure capacity for future growth. The Group experienced challenges in FY2022 including numerous disruptions in the supply chains, labour shortages and launch delays which had affected its core business activities i.e buildings construction and property development. For FY2022, the Group recorded revenue of RM66.261 million and profit after taxation of RM1.353 million. Group’s revenue had decreased as the construction revenue from external contracts reduced, following delayed launches by the developer for Taiping semi-detached development. Gross profits had, however, increased as construction of Segari properties are expected to complete/hand over by 2022 and additional sales of these properties at better pricing were recorded for FY2022. Finance costs had reduced following the part settlement of the term loan facility with MBSB Bank in 2021.

The Group's gearing remained low at 0.108 times and net assets per share attributable to equity holders is RM0.6695 per share as at 30th June 2022.

The Group will continue to explore joint venture opportunities with potential partners with the aim to create value for the Group's development projects and to reduce the Group's financial burden on the construction and development of its projects. In addition,

ANTICIPATED OR KNOWN RISKS

The Group is subject to risks inherent in the construction and property development industries. Key anticipated or known risks that may have a material effect on the Group's operations are regulatory, operational and market risks.

Regulatory Risks

The construction and property development operations are subject to guidelines, laws and regulations of local authorities, government bodies and ministries.

Changes in relevant laws and regulations may affect the Group's operations. The Group keeps abreast with latest rulings, regulations and guideline changes and continues to ensure compliance to the laws and regulations.

Operational Risks

The Group's operations were exposed to project management and construction related risks such as:-

- delay in completion of contracts or property development projects against the scheduled completion;
- the increase in cost of financing;
- performance of third-party sub-contractors;
- risks of purchasers' or contract clients' default in payments;
- labour and material supply shortages; and
- fluctuations in the prices of building materials and costs of labour charges.

The Group recognised the importance of delivering quality products and services and carefully select and assess every sub-contractor, supplier, consultant and service provider that the Group engaged.

Market Risk

The Group's revenue and profitability were exposed to the risk of uncertainty arising from global and local economic condition and the challenging property market.

Such inherent risks may include:-

- adverse changes in real estate market prices;
- changes in demand for types of residential and commercial properties;
- competition from other property developers; and
- changes in economic, social and political conditions.

Recognising this, the Group have been careful in planning for property launches and selection of contract clients. With the Group's experience in property development, the Group is cautious in planning for phase zoning, license application and sales promotional activities to mitigate the above risks.

PROSPECTS

Going forward, the Group is expected to face some challenges brought on by rising building material costs, supply chain constraints, and labour shortage which will increase construction costs. The management will carefully relook at the Group's marketing strategies and offer a mix of incentives and sales packages to entice homebuyers during this soft market conditions.

We will remain focused as a sustainable contractor cum property player and continue to direct our efforts to improve operational efficiency and adjusting our property launches to offer quality products that are resonant with the changing needs and sentiments of customers. In this respect, the management is cautiously optimistic, barring unforeseen circumstances, that the prospects of the Group for the forthcoming year is bright and the Group will remain profitable

APPRECIATION

We would like to sincerely thank Dato' Sri Haji Abd Rahim Bin Haji Abdul, the former Chairman of the Company, and Tan Sri Dato' Seri Dr Ting Chew Peh, who retired on 30th November 2021, for their dedicated services to the Group during their tenure in the Company.

On behalf of the Board of Directors, I would like to express my sincere appreciation to our shareholders, bankers, clients, business associates, and the government and regulatory authorities for their kind assistance, understanding and continued support.

I wish to convey my utmost appreciation to my fellow Board members for their wise counsel, invaluable insights and good stewardship. Last but not least, I also wish to extend the Board's sincere gratitude to the management and staff of the Group for their tireless dedication in carrying out their responsibilities.

Managing Director
Dato' Seow Yong Chin, DSSA
21st October 2022

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors of Sycal Ventures Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

Principal Activities

The principal activity of the Company is investment holding.

The details of the Company's subsidiary companies are as disclosed in Note 7 to the financial statements.

Results

The results of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit/(loss) for the year, net of tax	<u>1,353</u>	<u>(443)</u>
Profit attributable to:		
Equity holders of the Company	1,269	(443)
Non-controlling interests	<u>84</u>	<u>-</u>
	<u>1,353</u>	<u>(443)</u>

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transactions or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements and significant events during the year as disclosed in Note 37 to the financial statements.

Reserves and Provisions

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

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial period. The directors do not recommend any dividend payment in respect of the current financial year.

Issue of Shares and Debentures

There were no new issue of shares and debentures during the financial year.

Share Options

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Directors

The Directors of the Company in office during the financial year and during the year from the end of the financial year to the date of this report are:

Dato' Seow Yong Chin*

Syed Zain Al-Kudcy Bin Dato' Syed Mahmood*

Chin Kok Wah*

Dato' Magaret Ting Thien Hung

Tee Lay Peng

Dato' Sri Haji Abd Rahim Bin Haji Abdul*

Tan Sri Dato' Seri Dr. Ting Chew Peh

Dato' Shahrom Bin Abd Malik

(Retired on 30 November 2021)

(Retired on 30 November 2021)

(Appointed on 24 February 2022)

* *Director of the Company and its subsidiary companies*

Directors (Cont'd)

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Low Ching Hun
Seow Mee Choo
Teo Kok Keong

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

Directors' Interests

The interests in shares in the Company and in a related corporation of those who were directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			At 30.6.2022
	At 1.7.2021	Bought	Sold	
Interests in the Company				
Direct interests				
Dato' Seow Yong Chin	51,181,980	-	-	51,181,980
Syed Zain Al-Kudcy Bin Dato'				
Syed Mahmood	543,750	-	-	543,750
Chin Kok Wah	637,500	-	-	637,500
Indirect interests				
Dato' Seow Yong Chin*^	17,176,632	-	-	17,176,632
Syed Zain Al-Kudcy Bin Dato'				
Syed Mahmood*	5,643,750	-	-	5,643,750

* Deemed interest pursuant to Section 8(4)(c) of the Companies Act, 2016 in Malaysia, by virtue of his interests in Cygal Holdings Sdn. Bhd.

^ Deemed interest pursuant to Section 8(4)(c) of the Companies Act, 2016 in Malaysia, by virtue of his interests in SYC Holdings Sdn. Bhd..

Directors' Interests (Cont'd)

By virtue of the above directors' interest in the shares of the Company and of the holding company, the abovementioned directors are also deemed to have an interest in the shares of the subsidiaries to the extent that the Company and the holding company have an interest.

None of the directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

Directors' Benefits

Since the end of the previous financial period, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the Directors' Remuneration" of this report) 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 he has a substantial financial interest.

Neither during nor at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Remuneration

The detail of the Directors' remuneration for the financial year ended 30 June 2022 are set out below:

	Group RM'000	Company RM'000
Salaries and other emoluments	994	13
Defined contribution plans	39	-
Fees	172	124
Social security contributions	1	-
	<u>1,206</u>	<u>137</u>

Indemnity and Insurance Costs

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

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that no bad debts to be written off and no allowance for doubtful debts required; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

- (b) At the date of this report, the Directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Other Statutory Information (Cont'd)

- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

- (d) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Significant Event

The details of the significant events are disclosed in Note 37 to the financial statements.

Auditors

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

The details of the auditors' remuneration for the financial year are as follows:

	Group RM'000	Company RM'000
Statutory audit	343	120
Non-audit services	<u>5</u>	<u>5</u>
	<u>348</u>	<u>125</u>

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

DATO' SEOW YONG CHIN

SYED ZAIN AL-KUDCY BIN DATO'
SYED MAHMOOD

KUALA LUMPUR

21 OCTOBER 2022

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

STATEMENTS BY DIRECTORS

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

The Directors of Sycal Ventures Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

DATO' SEOW YONG CHIN

SYED ZAIN AL-KUDCY BIN DATO'
SYED MAHMOOD

KUALA LUMPUR

21 OCTOBER 2022

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

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

I, Dato' Seow Yong Chin, the Director primarily responsible for the financial management of Sycal Ventures Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' SEOW YONG CHIN

Subscribed and solemnly declared by the abovenamed Dato' Seow Yong Chin at Kuala Lumpur in Federal Territory, this 21st October 2022.

Before me,

COMMISSIONER FOR OATHS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sycal Ventures Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 117.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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 IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD (CONT'D)**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

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.

Key Audit Matters	How we addressed the key audit matters
<p>1. Valuation of completed properties</p> <p>The carrying amount of completed properties stood at RM34.020 million respectively as at 30 June 2022. Completed properties are classified as inventories and are carried at the lower of cost and net realisable value.</p> <p>Management's annual assessment of net realisable value of investment properties and completed properties is significant to our audit because it is based on assumptions that are affected by expected future market and economic conditions.</p>	<p>The details of our work performed are as follows:</p> <ul style="list-style-type: none">- We compared the recent transacted prices of comparable completed properties, after taking into consideration of the discount given.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD (CONT'D)**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>2. Impairment of trade receivables</p> <p>We focused on this area due to the carrying amount of the trade receivables for the current financial year end amounted to RM121.165 million representing 26.2% of the Group's total assets.</p> <p>The assessment of recoverability of the trade receivables involved significant subjective judgements and estimation in analysing historical trend in bad payment clients, customers' concentration, customers' creditworthiness and current economic trends etc.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none">• Understood on the procedures of the Group:<ul style="list-style-type: none">• the Group's identification, monitoring and assessment on the impairment of receivables; and• the Group's basis and justification in making accounting estimates for impairment;• Understood of significant credit exposures which were significantly overdue or deemed to be in default;• Reviewed subsequent cash collections for major receivables and overdue amounts;• Reviewed the ageing analysis of receivables and testing the reliability thereof; and• Evaluated the reasonableness and adequacy of the allowance for impairment recognised for identified exposures.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD (CONT'D)**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>3. Revenue recognition for property development and construction contract</p> <p>The Group recognises revenue from property development activities and construction contract over time using the stage of completion method. The accounting policy for the stage of completion is disclosed in Note 3(r)(i)(a) and 3(r)(i)(b) to the financial statement.</p> <p>We focused on this area because the management applies significant judgement in determining the stage of completion, the extent of costs incurred for construction contracts and property development projects, and construction costs or property development costs yet to be incurred, the estimated total revenue and cost for property development and construction contract.</p>	<p>Our audit procedures performed in this area included, amongst others:</p> <ul style="list-style-type: none">• Assessed all key contracts and agreements to identify any distinct and material performance obligations and the specific terms and conditions;• Assessed management's workings on the computation of percentage-of-completion and compared the architect certificates or quantity surveyors' reports and contractors' claims and certificates against stage of completion to ascertain the reasonableness of the amounts of revenue and cost recognised in the profit or loss;• Evaluated the reasonableness of the estimated total cost and cost allocation for property development and construction contract in light of supporting evidence such as sales and purchase agreements, approved master plan, letters of award, approved purchase orders, quotations and any variation orders;• Agreed selected sample of costs incurred to date to invoice and/or progress claim and assessed the adequacy of accruals of costs made; and• Assessed the adequacy and reasonableness of the disclosures in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD (CONT'D)**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of Directors for the Financial Statements

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD (CONT'D)**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

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 of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD (CONT'D)**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD (CONT'D)**

[Registration No.: 200101011895 (547651-U)]
(Incorporated in Malaysia)

Other Matters

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

UHY

Firm Number: AF 1411

Chartered Accountants

HO SIEW CHAN

Approved Number: 03485/02/2024 J

Chartered Accountant

KUALA LUMPUR

21 OCTOBER 2022

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	Group		Company	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	22,607	23,545	-	-
Right-of-use assets	5	6,172	8,173	-	-
Investment properties	6	1,620	2,310	-	-
Investment in subsidiary companies	7	-	-	158,052	158,052
Inventories	8	56,416	54,287	-	-
Other receivables	9	641	641	-	-
Deferred tax assets	10	4,705	4,549	-	-
		92,161	93,505	158,052	158,052
Current Assets					
Inventories	8	174,533	181,305	-	-
Contract assets	11	17,183	15,918	-	-
Trade receivables	12	121,165	124,613	-	-
Other receivables	9	45,063	48,211	-	-
Amount due from subsidiary companies	13	-	-	2,819	2,819
Amount due from related parties	14	50	2	-	-
Tax recoverable		130	-	-	-
Fixed deposits with licensed banks	15	8,129	7,897	-	-
Cash and bank balances	16	4,559	1,842	-	-
		370,812	379,788	2,819	2,819
Total Assets		462,973	473,293	160,871	160,871

SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022 (CONT'D)

	Note	Group		Company	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
EQUITY					
Share capital	17	120,764	120,764	120,764	120,764
Capital reserves	18	34,770	34,770	34,770	34,770
Foreign currency reserves	18	(1,511)	(1,134)	-	-
Retained earnings/ (Accumulated losses)		124,697	123,428	(6,046)	(5,603)
Equity attributable to owners of the Parent		278,720	277,828	149,488	149,931
Non-controlling interests		2,496	2,712	-	-
Total Equity		281,216	280,540	149,488	149,931
LIABILITIES					
Non-Current Liabilities					
Other payables	19	384	384	-	-
Lease liabilities	20	4,617	6,177	-	-
Loans and borrowings	21	26,688	28,171	-	-
Deferred tax liabilities	10	598	645	-	-
Deferred liability	22	2,966	2,966	-	-
		35,253	38,343	-	-
Current Liabilities					
Contract liabilities	11	45,441	37,106	-	-
Trade payables	23	41,096	55,683	-	-
Other payables	19	18,643	35,525	337	422
Amount due to subsidiary companies	13	-	-	10,974	10,445
Amount due to related parties	14	1,242	1,128	-	-
Amount due to Directors	24	167	576	72	73
Lease liabilities	20	2,031	2,264	-	-
Loans and borrowings	21	16,335	1,824	-	-
Provision for taxation		21,549	20,304	-	-
		146,504	154,410	11,383	10,940
Total Liabilities		181,757	192,753	11,383	10,940
Total Equity and Liabilities		462,973	473,293	160,871	160,871

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

SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Note	Group		Company	
		1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000
Revenue	25	66,261	72,261	-	-
Cost of sales		<u>(56,875)</u>	<u>(65,080)</u>	<u>-</u>	<u>-</u>
Gross profit		9,386	7,181	-	-
Other income		12,360	23,368	-	-
Net losses on impairment of financial assets		-	(552)	-	-
Administrative expenses		(8,754)	(11,761)	(443)	(4,473)
Other operating expenses		<u>(6,629)</u>	<u>(8,414)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) from operation		6,363	9,822	(443)	(4,473)
Finance costs	26	<u>(3,176)</u>	<u>(5,573)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	27	3,187	4,249	(443)	(4,473)
Taxation	28	<u>(1,834)</u>	<u>(3,143)</u>	<u>-</u>	<u>-</u>
Net profit/(loss) for the financial year/period		<u>1,353</u>	<u>1,106</u>	<u>(443)</u>	<u>(4,473)</u>

SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)**

	Group		Company	
	1.7.2021 to 30.6.2022	1.1.2020 to 30.6.2021	1.7.2021 to 30.6.2022	1.1.2020 to 30.6.2021
Note	RM'000	RM'000	RM'000	RM'000
Other comprehensive income, net of tax				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange translation differences for foreign operations	(377)	(126)	-	-
Total comprehensive income/(loss) for the financial year/period	976	980	(443)	(4,473)
Profit/(Loss) attributable to:				
Owners of the Parent	1,269	1,006	(443)	(4,473)
Non-controlling interests	84	100	-	-
	1,353	1,106	(443)	(4,473)
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	892	880		
Non-controlling interests	84	100		
	976	980		
Earnings per share				
Basic/Diluted (sen)	29	0.30	0.24	

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

SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Attributable to owners of the parent						Total Equity RM'000
	Non-Distributable			Distributable			
	Share Capital RM'000	Capital Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	
Group							
At 1 July 2021	120,764	34,770	(1,134)	123,428	277,828	2,712	280,540
Net profit for the financial year	-	-	-	1,269	1,269	84	1,353
Other comprehensive income for the financial year	-	-	(377)	-	(377)	-	(377)
Total comprehensive income for the financial year	-	-	(377)	1,269	892	84	976
Transaction with owners:							
Dividends paid to non-controlling interest	-	-	-	-	-	(300)	(300)
At 30 June 2022	120,764	34,770	(1,511)	124,697	278,720	2,496	281,216

SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)**

	Attributable to owners of the parent						
	Non-Distributable			Distributable			
	Share Capital RM'000	Capital Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Group							
At 1 January 2020, as restated	120,764	34,770	(1,008)	122,422	276,948	2,612	279,560
Net profit for the financial period	-	-	-	1,006	1,006	100	1,106
Other comprehensive income for the financial period	-	-	(126)	-	(126)	-	(126)
Total comprehensive income for the financial period	-	-	(126)	1,006	880	100	980
At 30 June 2021	<u>120,764</u>	<u>34,770</u>	<u>(1,134)</u>	<u>123,428</u>	<u>277,828</u>	<u>2,712</u>	<u>280,540</u>

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)**

Company	Share Capital RM'000	Capital Reserve RM'000	Accumulate Losses RM'000	Total Equity RM'000
At 1 July 2021	120,764	34,770	(5,603)	149,931
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	(443)	(443)
At 30 June 2022	<u>120,764</u>	<u>34,770</u>	<u>(6,046)</u>	<u>149,488</u>
At 1 January 2020	120,764	34,770	(1,130)	154,404
Net loss for the financial period, comprehensive loss for the financial period	-	-	(4,473)	(4,473)
At 30 June 2021	<u>120,764</u>	<u>34,770</u>	<u>(5,603)</u>	<u>149,931</u>

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Note	Group		Company	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		3,187	4,249	(443)	(4,473)
Adjustments for:					
Amortisation of right-of-use assets		1,975	3,403	-	-
Depreciation of:					
- property, plant and equipment		1,900	2,952	-	-
- investment properties		17	42	-	-
Gain on disposal of investment properties		-	(1,036)	-	-
Impairment losses on:					
- Trade receivables		-	524	-	-
- Other receivables		-	28	-	-
- Investment properties		43	140	-	-
- Investment in subsidiary company		-	-	-	3,413
Inventories written down		1,132	-	-	-
Finance costs		3,176	5,573	-	-
Finance income		(8,624)	(16,989)	-	-
Reversal of provision for late delivery interest		-	(600)	-	-
Reversal of provision for liquidated ascertained damages		-	(500)	-	-
Reversal of provision for short term accumulating compensated absences		-	(87)	-	-
Operating profit/(loss) before working capital changes		<u>2,806</u>	<u>(2,301)</u>	<u>(443)</u>	<u>(1,060)</u>

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)**

	Note	Group		Company	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Changes in working capital:					
Inventories		3,184	(81,789)	-	-
Receivables		15,020	85,034	-	-
Contract assets		(1,265)	(5,468)	-	-
Payables		(32,226)	17,346	(86)	120
Contract liabilities		8,335	9,028	-	-
		<u>(6,952)</u>	<u>24,151</u>	<u>(86)</u>	<u>120</u>
Cash (used in)/generated from operations		(4,146)	21,850	(529)	(940)
Interest received		236	187	-	-
Interest paid		(3,176)	(5,573)	-	-
Tax paid		(922)	(640)	-	-
		<u>(3,862)</u>	<u>(6,026)</u>	<u>-</u>	<u>-</u>
Net cash (used in)/from operating activities		<u>(8,008)</u>	<u>15,824</u>	<u>(529)</u>	<u>(940)</u>
Cash flows from investing activities					
Acquisition of property, plant and equipment		(96)	(603)	-	-
Proceeds from disposal of investment properties		630	8,160	-	-
Net cash from investing activities		<u>534</u>	<u>7,557</u>	<u>-</u>	<u>-</u>

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)**

	Note	Group		Company	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Cash flows from financing activities					
Advance from subsidiary companies	32	-	-	529	937
Drawdown of borrowings		10,328	-	-	-
Dividends paid to non-controlling interests		(300)	-	-	-
Increase in fixed deposits pledged		(220)	(3,092)	-	-
Net changes of revolving credit	32	-	(4)	-	-
Repayment of lease liabilities	32	(2,305)	(4,235)	-	-
Repayment of term loans	32	(300)	(15,858)	-	-
Net cash from/(used in) financing activities		<u>7,203</u>	<u>(23,189)</u>	<u>529</u>	<u>937</u>
Net (decrease)/increase in cash and cash equivalents					
		(271)	192	-	(3)
Foreign exchange differences		-	(126)	-	-
Cash and cash equivalents at the beginning of the financial year/period					
		<u>2,591</u>	<u>2,525</u>	<u>-</u>	<u>3</u>
Cash and cash equivalents at the end of the financial year/period					
		<u>2,320</u>	<u>2,591</u>	<u>-</u>	<u>-</u>

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)**

	Note	Group		Company	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Cash and cash equivalents at the end of the financial year/period comprises:					
Fixed deposits with licensed banks		8,129	7,897	-	-
Cash and bank balances		4,559	1,842	-	-
Bank overdrafts		(3,000)	-	-	-
		<u>9,688</u>	<u>9,739</u>	<u>-</u>	<u>-</u>
Less: Fixed deposits pledged with licensed banks		<u>(7,368)</u>	<u>(7,148)</u>	<u>-</u>	<u>-</u>
		<u>2,320</u>	<u>2,591</u>	<u>-</u>	<u>-</u>

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

SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2022

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company are located at Lot 4.03A, 4th Floor, Plaza Prima, 4 ½ Miles, Jalan Kelang Lama, 58200 Kuala Lumpur.

The principal place of business of the Company are located at Lot 4.21, 4th Floor, Plaza Prima, 4 ½ Miles, Jalan Kelang Lama, 58200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

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

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

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

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4, MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141	Annual Improvement to MFRS Standards 2018-2020	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs, new interpretations and amendments to MFRSs when they become effective.

These new standards, amendments to published standards and interpretation will be adopted on the respective effective dates. The Group and the Company has started a preliminary assessment on the effects of the above new standard, amendments to published standards and interpretation and the impact is still being assessed.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

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

Satisfaction of performance obligations in relation to contracts with customers

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

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

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

2. **Basis of Preparation (Cont'd)**

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

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

The Group includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

Key sources of estimation uncertainty

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

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

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

2. **Basis of Preparation (Cont'd)**

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

Key sources of estimation uncertainty (Cont'd)

Useful lives of property, plant and equipment and right-of-use (“ROU”) assets (Cont'd)

The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed on Notes 4 and 5 to the financial statements respectively.

Impairment of investment in subsidiary companies

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

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 7 to the financial statements.

Deferred tax assets

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

The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 10 to the financial statements.

2. **Basis of Preparation (Cont'd)**

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

Key sources of estimation uncertainty (Cont'd)

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices based on recent transacted prices of comparable properties. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. The details of inventories are disclosed in Note 8.

Provision for impairment loss of financial assets at amortised cost

The Group review the recoverability of its receivables, include trade receivables, at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Note 12 to the financial statements respectively.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or services are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

2. **Basis of Preparation (Cont'd)**

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

Key sources of estimation uncertainty (Cont'd)

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 11.

Revenue from property development contracts

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

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

2. **Basis of Preparation (Cont'd)**

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

Key sources of estimation uncertainty (Cont'd)

Revenue from property development activities (Cont'd)

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

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Note 8 and 11.

Income taxes

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

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. As at 30 June 2022, the Group has tax recoverable of RM0.130 million (30.6.2021: RM Nil) and tax payable of RM21.549 million (30.6.2021: RM20.304 million).

2. **Basis of Preparation (Cont'd)**

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

Key sources of estimation uncertainty (Cont'd)

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 35(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Discount rate used in leases

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

3. **Significant Accounting Policies**

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

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

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

(b) Foreign currency transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

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

3. **Significant Accounting Policies (Cont'd)**

(c) Property, plant and equipment

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

(i) Recognition and measurement

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

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

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

3. Significant Accounting Policies (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

Office lots and buildings	50 years
Plant and machinery	8 -10 years
Motor vehicles	5 years
Office equipment, furniture, fittings	5 - 13 years
Theme park	15 years

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

3. **Significant Accounting Policies (Cont'd)**

(d) Leases

As lessee

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

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

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

Leasehold land and buildings	Over the remaining lease period
Office spaces	Over the remaining lease period
Motor vehicles	5 years

The ROU assets are subject to impairment.

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

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

3. **Significant Accounting Policies (Cont'd)**

(d) Leases (Cont'd)

As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

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

As lessor

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

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(e) Foreign currency translation

(i) Foreign currency transactions and balances

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(e) Foreign currency translation (Cont'd)

(ii) Foreign operations

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

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

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

(f) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include other investment measured at FVTPL, trade and other receivables, amount due from subsidiary companies, fixed deposits with licensed banks, cash and bank balances.

3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets (Cont'd)

(a) Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Financial assets at fair value through other comprehensive income (“FVTOCI”)

Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets (Cont'd)

(b) Financial assets at fair value through other comprehensive income ("FVTOCI") (Cont'd)

Equity instruments (Cont'd)

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealized gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

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

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

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

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

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) 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 when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequent, the liability is measured at the higher of:

- The amount of the loss allowance, and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(i) Offsetting of financial instruments

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

3. **Significant Accounting Policies (Cont'd)**

(j) Inventories

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

(i) Land held for property development

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

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

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

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

(ii) Property development costs

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

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

3. Significant Accounting Policies (Cont'd)

(j) Inventories (Cont'd)

(ii) Property development costs (Cont'd)

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

(iii) Completed properties

Completed properties are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

(k) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers from contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies included within receivables and contract assets. The Group presents as a liability the gross amount due to customers from contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

3. **Significant Accounting Policies (Cont'd)**

(l) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

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. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(n) Impairment of assets

(i) Non-financial assets

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

3. **Significant Accounting Policies (Cont'd)**

(n) Impairment of assets (Cont'd)

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

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

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(n) Impairment of assets (Cont'd)

(ii) Financial assets

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

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

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

(o) Share capital

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

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

3. **Significant Accounting Policies (Cont'd)**

(p) Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

(q) Employee benefits

(i) Short-term employee benefits

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

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

(ii) Defined contribution plans

As required by law, Companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3. **Significant Accounting Policies (Cont'd)**

(r) Revenue recognition

(i) Revenue from contracts with customers

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

The Group recognises revenue from the following major sources:

(a) Revenue from property development

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

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

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

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

3. Significant Accounting Policies (Cont'd)

(r) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.

(c) Project management/consultancy

Revenue from project management consultancy is recognised as follows:

(a) agreed fixed monthly fee - at the end of the respective month

(b) fee based on certain performance criteria - at the end of the respective reporting periods

(d) Sale of goods

Revenue from sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(e) Property management income

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

3. Significant Accounting Policies (Cont'd)

(r) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(f) Sales of land and completed properties

Proceeds from sales of land and completed properties are recognized when the group satisfies the performance obligation by transferring a promised asset to a customer. An asset is transferred when the customer obtains control of that asset.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

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

(s) Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

3. **Significant Accounting Policies (Cont'd)**

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the 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. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

(u) Income taxes

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

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

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

3. Significant Accounting Policies (Cont'd)

(u) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

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

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

(v) Segment reporting

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

(w) Contingencies

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

4. Property, Plant and Equipment

Group	Freehold land and buildings RM'000	Building work-in-progress RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Theme park RM'000	Total RM'000
30.6.2022							
At cost							
At 1 July 2021	1,264	18,333	11,507	8,286	3,157	3,009	45,556
Additions	-	2	-	-	94	-	96
Disposal	-	-	-	(85)	-	-	(85)
Transfer from right-of-use assets	-	-	175	787	-	-	962
Transfer from inventory	-	328	-	-	-	-	328
At 30 June 2022	1,264	18,663	11,682	8,988	3,251	3,009	46,857
Accumulated depreciation							
At 1 July 2021	657	-	8,383	8,286	2,176	2,509	22,011
Charge for the financial year	25	-	1,138	158	278	301	1,900
Disposal	-	-	-	(85)	-	-	(85)
Transfer from right-of-use assets	-	-	30	394	-	-	424
At 30 June 2022	682	-	9,551	8,753	2,454	2,810	24,250
Carrying amount							
At 30 June 2022	582	18,663	2,131	235	797	199	22,607

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

Group	Freehold land and buildings RM'000	Building work-in- progress RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Theme park RM'000	Total RM'000
30.6.2021							
At cost							
At 1 January 2020	1,264	17,978	11,384	7,877	3,032	3,009	44,544
Additions	-	355	123	-	125	-	603
Transfer from right-of-use assets	-	-	-	409	-	-	409
At 30 June 2021	<u>1,264</u>	<u>18,333</u>	<u>11,507</u>	<u>8,286</u>	<u>3,157</u>	<u>3,009</u>	<u>45,556</u>
Accumulated depreciation							
At 1 January 2020	619	-	6,679	7,847	1,297	2,208	18,650
Charge for the financial period	38	-	1,704	30	879	301	2,952
Transfer from right-of-use assets	-	-	-	409	-	-	409
At 30 June 2021	<u>657</u>	<u>-</u>	<u>8,383</u>	<u>8,286</u>	<u>2,176</u>	<u>2,509</u>	<u>22,011</u>
Carrying amount							
At 30 June 2021	<u>607</u>	<u>18,333</u>	<u>3,124</u>	<u>-</u>	<u>981</u>	<u>500</u>	<u>23,545</u>

5. **Right-of-use Assets**

	Convention Hall RM'000	Car Park RM'000	Plant and Machineries RM'000	Motor Vehicles RM'000	Site Land RM'000	Total RM'000
Group						
30.6.2022						
At cost						
At 1 July 2021	13,831	284	175	2,788	570	17,648
Additions	-	-	-	-	512	512
Transfer to property, plant and equipment	-	-	(175)	(787)	-	(962)
Expiration of lease terms	-	-	-	-	(570)	(570)
At 30 June 2022	<u>13,831</u>	<u>284</u>	<u>-</u>	<u>2,001</u>	<u>512</u>	<u>16,628</u>
Accumulated amortisation						
At 1 July 2021	6,483	284	30	2,250	428	9,475
Charge for the financial period	1,729	-	-	61	185	1,975
Transfer to property, plant and equipment	-	-	(30)	(394)	-	(424)
Expiration of lease terms	-	-	-	-	(570)	(570)
At 30 June 2022	<u>8,212</u>	<u>284</u>	<u>-</u>	<u>1,917</u>	<u>43</u>	<u>10,456</u>
Carrying amount						
At 30 June 2022	<u>5,619</u>	<u>-</u>	<u>-</u>	<u>84</u>	<u>469</u>	<u>6,172</u>

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

	Convention	Car Park	Plant and	Motor	Site Land	Total
	Hall	RM'000	Machineries	Vehicles	RM'000	RM'000
	13,831	284	175	3,197	570	18,057
	-	-	-	(409)	-	(409)
	13,831	284	175	2,788	570	17,648
Group						
30.6.2021						
At cost						
At 1 January 2020						
Transfer to property, plant and equipment						
At 30 June 2021						
Accumulated amortisation						
At 1 January 2020	3,890	213	4	2,231	143	6,481
Charge for the financial period	2,593	71	26	428	285	3,403
Transfer to property, plant and equipment	-	-	-	(409)	-	(409)
At 30 June 2021	6,483	284	30	2,250	428	9,475
Carrying amount						
At 30 June 2021	7,348	-	145	538	142	8,173

6. **Investment Properties**

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
At cost		
At 1 July/At 1 January	3,096	10,269
Disposal	(774)	(7,173)
At 30 June/30 June	<u>2,322</u>	<u>3,096</u>
Accumulated depreciation		
At 1 July/At 1 January	92	99
Depreciation during the financial year/period	17	42
Disposal	(4)	(49)
At 30 June/30 June	<u>105</u>	<u>92</u>
Accumulated impairment losses		
At 1 July/At 1 January	694	554
Impairment loss recognised in profit or loss	43	140
Disposal	(140)	-
At 30 June/30 June	<u>597</u>	<u>694</u>
Carrying amount	<u>1,620</u>	<u>2,310</u>
At cost		
Included in the above are:		
Freehold bungalow land	926	926
Residential properties	694	1,384
	<u>1,620</u>	<u>2,310</u>
Fair value of investment properties	<u>1,850</u>	<u>3,110</u>

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

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Lease income	-	36
Impairment loss on investment properties	<u>43</u>	<u>140</u>

7. **Investment in Subsidiary Companies**

	Company	
	30.6.2022	30.6.2021
	RM'000	RM'000
In Malaysia		
Unquoted shares, at cost	346,505	346,505
Less: Accumulated impairment losses		
At the beginning of the financial year/period	(188,453)	(185,040)
Impairment losses recognised in profit or loss	-	(3,413)
At the end of the financial year/period	(188,453)	(188,453)
	158,052	158,052

Details of the subsidiary companies are as follows:

Name of Company	Place of business/ Country of incorporation	Effective interests		Principal activities
		30.6.2022	30.6.2021	
		%	%	
Sycal Berhad	Malaysia	100	100	Investment holding and contractor for building and civil engineering
Sycal ICC Properties Sdn. Bhd.	Malaysia	100	100	Property development and operator of convention hall facilities
Sycal Properties Sdn. Bhd.	Malaysia	100	100	Property development, property management and turnkey contractor
Sycal Park Sdn. Bhd.	Malaysia	100	100	Property development
Sycal Resorts Sdn. Bhd. *	Malaysia	100	100	Property development, investment holding and operator of theme park

7. **Investment in Subsidiary Companies (Cont'd)**

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

Name of Company	Place of business/ Country of incorporation	Effective interests		Principal activities
		30.6.2022 %	30.6.2021 %	
Indirect holding				
<i>Held through Sycal Berhad</i>				
Sycal Kulai Sdn. Bhd	Malaysia	100	100	Property investment
Sycal Plant & Machinery Sdn. Bhd.	Malaysia	100	100	Contractor for management and operator of plant and machinery
Cygal Industries Sdn. Bhd.	Malaysia	100	100	Dormant
Sycal SkyCity Sdn. Bhd.	Malaysia	100	100	Dormant
Cygal Entertainment Sdn. Bhd.	Malaysia	82	82	Dormant
Sycal Concrete Sdn. Bhd.	Malaysia	70	70	Manufacturing and trading in ready mix concrete
Sycal Geotechnics Sdn. Bhd.	Malaysia	70	70	Dormant
United Golden Mile Aviation Ltd *	Hong Kong	71	71	Inactive

* Subsidiary companies not audited by UHY.

7. Investment in Subsidiary Companies (Cont'd)**(a) Material partly-owned subsidiary companies**

Set out below are the Group's subsidiary companies that have material non-controlling interests ("NCI"):

The summarised financial information for the subsidiary company that has non-controlling interests that are material to the Group is set out below:

Name of Company	Proportion of ownership interests and voting rights held by NCI		Profit/(Loss) allocated to NCI		Accumulated NCI	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	%	%	RM'000	RM'000	RM'000	RM'000
Sycal Concrete Sdn. Bhd.	30	30	93	109	2,863	3,070
Individually immaterial subsidiaries with NCI			(9)	(9)	(367)	(358)
Total NCI					2,496	2,712

The summarised financial information below represents amounts before inter-company elimination.

Sycal Concrete Sdn. Bhd.		Individually Immaterial Subsidiaries	
30.6.2022	30.6.2021	30.6.2022	30.6.2021
RM'000	RM'000	RM'000	RM'000

(i) Summarised statements of financial position

Total assets	15,412	12,053	18	17
Total liabilities	(5,870)	(1,822)	(10,753)	(10,342)
Net assets/(liabilities)	9,542	10,231	(10,735)	(10,325)

7. **Investment in Subsidiary Companies (Cont'd)**

(a) Material partly-owned subsidiary companies (Cont'd)

	Sycal Concrete Sdn. Bhd.		Individually Immaterial Subsidiaries	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
(ii) Summarised statements of profit or loss and other comprehensive income				
Revenue	26,140	32,757	-	-
Profit/(Loss) for the financial year/period	309	363	(32)	(34)
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>309</u>	<u>363</u>	<u>(32)</u>	<u>(34)</u>
(iii) Summarised statements of cash flows				
Net cash from/(used in) operating activities	3,250	301	(32)	(32)
Net cash from/(used in) investing activities	536	447	10	10
Net cash (used in)/from financing activities	(1,382)	(894)	23	23
Net (decrease)/increase in cash and cash equivalents	<u>2,404</u>	<u>(146)</u>	<u>1</u>	<u>1</u>

8. Inventories

	Note	Group	
		30.6.2022 RM'000	30.6.2021 RM'000
Non-current			
Land held for property development	(a)	56,416	54,287
Current			
Property development costs	(b)	140,316	149,404
Completed properties	(c)	34,020	31,627
Other inventories	(d)	197	274
		<u>174,533</u>	<u>181,305</u>
		<u>230,949</u>	<u>235,592</u>

(a) Land held for property development and property development

	Freehold land RM'000	Leasehold land RM'000	Development cost RM'000	Total RM'000
Group				
30.6.2022				
At the beginning of financial year	41,809	-	12,478	54,287
Transfer from property development cost	-	2,060	69	2,129
At the end of financial year	<u>41,809</u>	<u>2,060</u>	<u>12,547</u>	<u>56,416</u>
30.6.2021				
At the beginning of financial period	58,701	-	12,478	71,179
Other movement	<u>(16,892)</u>	-	-	<u>(16,892)</u>
At the end of financial period	<u>41,809</u>	-	<u>12,478</u>	<u>54,287</u>

- (i) Included in the land held for property development are RM32.317 million (30.6.2021: RM30.257 million) incurred in connection with the procurement of development rights from landowners in accordance with the terms of the Joint Venture Agreements.
- (ii) The freehold land has been pledged to financial institutions as security for term loan facility granted to a subsidiary company as disclosed in Note 21 to the financial statements.

8. Inventories (Cont'd)

(b) Property development costs

Group	Freehold land cost RM'000	Leasehold land cost RM'000	Development right RM'000	Development cost RM'000	Total RM'000
30.6.2022					
Cumulative property development costs					
At 1 July 2021	90,391	2,060	7,123	66,999	166,573
Additions	-	-	-	13,407	13,407
Transfer to completed properties	(4,661)	-	-	-	(4,661)
Transfer to land held for property development	-	(2,060)	-	(69)	(2,129)
Transfer to property, plant and equipment	-	-	-	(328)	(328)
Written down	(1,132)	-	-	-	(1,132)
At 30 June 2022	84,598	-	7,123	80,009	171,730
Cumulative cost recognised in profit or loss					
At 1 July 2021	-	-	(2,286)	(14,883)	(17,169)
Recognised during the financial year	-	-	(1,055)	(13,190)	(14,245)
At 30 June 2022	-	-	(3,341)	(28,073)	(31,414)
Carrying amount					
At 30 June 2022	84,598	-	3,782	51,936	140,316

8. Inventories (Cont'd)

(b) Property development costs (Cont'd)

Group	Freehold land cost RM'000	Leasehold land cost RM'000	Development right RM'000	Development cost RM'000	Total RM'000
30.6.2021					
Cumulative property development costs					
At 1 January 2020	3,646	2,050	7,123	54,273	67,092
Additions	86,745	10	-	12,726	99,481
At 30 June 2021	<u>90,391</u>	<u>2,060</u>	<u>7,123</u>	<u>66,999</u>	<u>166,573</u>
Cumulative cost recognised in profit or loss					
At 1 January 2020	-	-	(500)	(6,313)	(6,813)
Recognised during the financial year	-	-	(1,786)	(8,570)	(10,356)
At 30 June 2021	<u>-</u>	<u>-</u>	<u>(2,286)</u>	<u>(14,883)</u>	<u>(17,169)</u>
Carrying amount					
At 30 June 2021	<u>90,391</u>	<u>2,060</u>	<u>4,837</u>	<u>52,116</u>	<u>149,404</u>

8. **Inventories (Cont'd)**

(c) Completed properties

	30.6.2022	30.6.2021
	RM'000	RM'000
Group		
At the beginning of the financial year/period	31,627	21,945
Contra properties	-	11,255
Transfer from property development costs	4,661	-
Disposal during the financial year/period	(2,268)	(1,573)
At end of the financial year/period	<u>34,020</u>	<u>31,627</u>

(d) Other inventories

	30.6.2022	30.6.2021
	RM'000	RM'000
Group		
Building materials	<u>197</u>	<u>274</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	<u>30,175</u>	<u>28,219</u>

9. **Other Receivables**

		Group	
	Note	30.6.2022	30.6.2021
		RM'000	RM'000
Non-Current			
Other receivables	(a)	<u>641</u>	<u>641</u>
Current			
Other receivables	(b)	42,737	42,925
Less: Accumulated impairment losses		(257)	(257)
		<u>42,480</u>	<u>42,668</u>
Deposits		2,524	2,794
Prepayments		59	2,749
		<u>45,063</u>	<u>48,211</u>
		<u>45,704</u>	<u>48,852</u>

9. **Other Receivables (Cont'd)**

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

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
At the beginning of the financial year/period	257	229
Impairment losses recognised	-	28
At the end of the financial year/period	257	257

- (a) This includes prepayment made for the right-of-use for property for a subsidiary company as disclosed in Note 22 to the financial statements.
- (b) Included in other receivables:

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Amount paid/payable net of amount received receivables on behalf under project management arrangement	18,496	18,148
Amount recoverable in respect of expenses incurred pursuant to former arrangements for the development of a project	1,985	1,985

Included in other receivables is an amount of RM17.349 million (30.6.2021: RM20.133 million) that subject to an interest charge of 8.3% (30.6.2021: 8.3%) per annum.

10. **Deferred Tax Assets/(Liabilities)**

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
At 1 July/1 January	3,904	3,765
Recognised in profit or loss	417	696
Under provision in prior	(214)	(557)
At 30 June	<u>4,107</u>	<u>3,904</u>
Analysis as:		
Deferred tax assets	4,705	4,549
Deferred tax liabilities	(598)	(645)
	<u>4,107</u>	<u>3,904</u>

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

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Deferred tax assets	5,141	5,131
Deferred tax liabilities	(436)	(582)
	<u>4,705</u>	<u>4,549</u>

The deferred tax liabilities shown on the statements of financial position are as follows:

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Deferred tax liabilities	<u>(598)</u>	<u>(645)</u>

10. **Deferred Tax Assets/(Liabilities) (Cont'd)**

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

Group	Unutilised tax losses RM'000	Unutilised capital allowance RM'000	Others RM'000	Total RM'000
At 1 July 2021	4,449	681	(1,226)	3,904
Recognised in profit or loss	-	20	397	417
Under provision in prior years	39	(49)	(204)	(214)
At 30 June 2022	<u>4,488</u>	<u>652</u>	<u>(1,033)</u>	<u>4,107</u>
At 1 January 2020	4,341	1,191	(1,748)	3,784
Recognised in profit or loss	(39)	148	568	677
Under provision in prior years	147	(658)	(46)	(557)
At 30 June 2021	<u>4,449</u>	<u>681</u>	<u>(1,226)</u>	<u>3,904</u>

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

	Group	
	30.6.2022	30.6.2021
	RM	RM
Unutilised capital allowances	-	4,866
Unutilised tax losses	5,453	79
	<u>5,453</u>	<u>4,945</u>

11. **Contract Assets/(Liabilities)**

	Note	Group	
		30.6.2022	30.6.2021
		RM'000	RM'000
Current			
<u>Contract assets</u>			
Construction contracts	(a)	17,183	15,918
<u>Contract liabilities</u>			
Construction contracts	(a)	(28,520)	(25,066)
Property development activities	(b)	(16,921)	(12,040)
		(45,441)	(37,106)
Increase in contract liabilities balances			
during the financial year/period			
Change in measure of progress		28,215	37,510

(a) Contract assets and liabilities from construction contracts:

Construction contracts

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Contract costs incurred to date	1,002,013	996,323
Attributable profits	66,219	63,300
	1,068,232	1,059,623
Less: Progress billings	(1,079,569)	(1,068,771)
	(11,337)	(9,148)
Presented as:		
Contract assets	17,183	15,918
Contract liabilities	(28,520)	(25,066)
	(11,337)	(9,148)

11. **Contract Assets/(Liabilities) (Cont'd)**

(b) Contract liabilities from property development:

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
At the beginning of the financial year/period	(12,040)	(8,194)
Property development revenue recognised during the year/period	19,606	10,391
Less: Billings during the financial year/period	<u>(24,487)</u>	<u>(14,237)</u>
At end of the financial year/period	<u>(16,921)</u>	<u>(12,040)</u>
Presented as:		
Contract liabilities	<u>(16,921)</u>	<u>(12,040)</u>

11. Contract Assets/(Liabilities) (Cont'd)

(c) Contract value yet to be recognised as revenue

The following tables show the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date:

	30.6.2023	30.6.2024	30.6.2025	30.6.2026	30.6.2027	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Construction contract	10,061	6,629	12,569	13,852	13,852	56,963
Property development activities	82,563	16,094	-	-	-	98,657
	<u>92,624</u>	<u>22,723</u>	<u>12,569</u>	<u>13,852</u>	<u>13,852</u>	<u>155,620</u>

12. **Trade Receivables**

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Trade receivables	140,448	144,420
Less: Accumulated impairment losses	(19,283)	(19,807)
	<u>121,165</u>	<u>124,613</u>

The Group's normal trade credit terms range from 30 to 120 days (30.6.2021: 30 to 120 days) Other credit terms are assessed and approved on a case-to-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM64.205 million (30.6.2021: RM81.941 million) that subject to an interest charge of 8.3% (30.6.2021: 8.3%) per annum.

Included in trade receivables is an amount of RM11.748 million (30.6.2021: RM11.707 million) representing contract sum retained in relation to contracting work performed.

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

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Credit impaired		
At 1 July/1 January	19,807	19,283
Impairment losses recognised in profit or loss	-	524
Written off	(524)	-
At 30 June	<u>19,283</u>	<u>19,807</u>

The loss allowance in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivables directly. Reversal of impairment loss on trade receivables was mainly due to collection from receivables previously provided for doubtful debts.

12. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing are as follows:

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
Group			
30.6.2022			
Neither past due nor impaired	21,933	-	21,933
Past due not impaired:			
Less than 30 days	4,312	-	4,312
31 to 60 days	3,554	-	3,554
61 to 90 days	8,971	-	8,971
More than 90 days past due	82,395	-	82,395
	99,232	-	99,232
Credit impaired:			
More than 90 days past due	19,283	(19,283)	-
	<u>140,448</u>	<u>(19,283)</u>	<u>121,165</u>
30.6.2021			
Neither past due nor impaired	16,679	-	16,679
Past due not impaired:			
Less than 30 days	1,966	-	1,966
31 to 60 days	1,925	-	1,925
61 to 90 days	8,039	-	8,039
More than 90 days past due	96,004	-	96,004
	107,934	-	107,934
Credit impaired:			
More than 90 days past due	19,807	(19,807)	-
	<u>144,420</u>	<u>(19,807)</u>	<u>124,613</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2022, trade receivables of RM99.232 million (30.6.2021: RM107.934 million) were past due but not impaired. These related to a number of independent customers for whom there is no history of default.

13. **Amount Due from/(to) Subsidiary Companies**

	Company	
	30.6.2022	30.6.2021
	RM'000	RM'000
Amount due from subsidiary companies		
Non-trade related	5,424	5,424
Less: Accumulated impairment losses	(2,605)	(2,605)
	<u>2,819</u>	<u>2,819</u>
 Amount due to subsidiary companies		
Non-trade related	<u>(10,974)</u>	<u>(10,445)</u>

The amount due from subsidiary companies arose mainly from advances and expenses paid on behalf, which are unsecured, interest free and repayable on demand.

Movements in the allowance for impairment losses during the financial year are as follows:

	Company	
	30.6.2022	30.6.2021
	RM'000	RM'000
At 1 July/1 January/At 30 June	<u>2,605</u>	<u>2,605</u>

14. **Amount Due from/(to) Related Parties**

The amount due to related parties are unsecured, interest free and repayable on demand.

15. Fixed Deposits with Licensed Banks

Included in fixed deposits of the Group are amounts of RM7.368 million (30.6.2021: RM7.148 million) which are pledged to a licensed bank as securities for banking facilities granted to the Company and certain subsidiary companies.

The range of interest rates and maturities of deposits of the Group at the reporting date are 1.55%-3.65% (30.6.2021: 1.55%-3.65%) per annum and 1 month to 12 months (30.6.2021: 1 month to 12 months).

16. Cash and Bank Balances

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Cash and bank balances	4,134	1,387
Housing Development Accounts	425	455
	<u>4,559</u>	<u>1,842</u>

Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

17. Share Capital

	Group/Company			
	Number of ordinary shares		Amount	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	Units '000	Units '000	RM'000	RM'000
Issued and fully paid				
At 1 July/1 January				
At 30 June	<u>416,325</u>	<u>416,325</u>	<u>120,764</u>	<u>120,764</u>

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.

18. Reserves

	Note	Group		Company	
		30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Non distributable:					
Capital reserve	(a)	34,770	34,770	34,770	34,770
Foreign currency translation reserve	(b)	(1,511)	(1,134)	-	-
		<u>33,259</u>	<u>33,636</u>	<u>34,770</u>	<u>34,770</u>

(a) Capital reserves

The capital reserve represents the balance of the amount arising from par value reduction after set off against accumulated losses.

(b) Foreign currency translation reserves

The foreign currency translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

19. Other Payables

	Group		Company	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Non-Current				
Accruals	<u>384</u>	<u>384</u>	<u>-</u>	<u>-</u>
Current				
Other payables	9,672	27,965	151	238
Accruals	4,115	3,004	186	184
Deposits	<u>4,856</u>	<u>4,556</u>	<u>-</u>	<u>-</u>
	<u>18,643</u>	<u>35,525</u>	<u>337</u>	<u>422</u>
	<u>19,027</u>	<u>35,909</u>	<u>337</u>	<u>422</u>

The non-current accruals of RM0.384 million (30.6.2021: RM0.384 million) represent landowner's entitlement payable under Joint Venture Agreement.

19. Other Payables (Cont'd)

Included in other payables:

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Amount due to former shareholder of a subsidiary company	237	237
Amount due to former subsidiary company	151	151
Unpaid consideration for acquisition of developemnt lanc	300	330
Amount paid/payable net of amount received/receivable on behalf under project management arrangement	9,544	7,536
	9,544	7,536

The amount due to a former shareholder of a subsidiary company and former subsidiary company are unsecured, interest free and repayable on demand.

20. Lease Liabilities

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
At 1 July/At 1 January	8,441	12,676
Additions	512	-
Payments	(2,305)	(4,235)
At 30 June	6,648	8,441
Presented by:		
Non-current	4,617	6,177
Current	2,031	2,264
	6,648	8,441

20. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Within one year	2,242	2,535
Later than one year and not later than two years	2,180	2,063
Later than two years and not later than five years	2,635	4,500
	<u>7,057</u>	<u>9,098</u>
Less: Future finance charges	(409)	(657)
Present value of lease liabilities	<u>6,648</u>	<u>8,441</u>

The Group leases various motor vehicles, plant and machineries and site. The average term for the lease liabilities ranges from 2 to 7 years (30.6.2021: 3 to 8 years) and the effective interest rate on lease liability ranges from 3.45% to 3.70% (30.6.2021: 3.45% to 3.70%).

21. Loans and Borrowings

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Secured		
Bank overdrafts	3,000	-
Revolving credit	1,524	1,524
Term loans	38,499	28,471
	<u>43,023</u>	<u>29,995</u>
Non-current		
Term loans	<u>26,688</u>	<u>28,171</u>
Current		
Bank overdrafts	3,000	-
Revolving credit	1,524	1,524
Term loans	11,811	300
	<u>16,335</u>	<u>1,824</u>
	<u>43,023</u>	<u>29,995</u>

21. Loans and Borrowings (Cont'd)

The banking facilities of the Group obtained from licensed banks are secured by the followings:

- (a) Third party first legal charge over a piece of joint-venture development land of a subsidiary companies as disclosed in Note 8,
- (b) Freehold development land of a subsidiary company,
- (c) Certain property, plant and equipment of the Group as disclosed in Note 4,
- (d) Fixed deposits of the Group as disclosed in Note 15,
- (e) Personal guarantee by a Director of the Company; and
- (f) Corporate guarantee by the Company.

The range of the effective interest rates per annum are as follows:

	Group	
	30.6.2022	30.6.2021
	%	%
Term loans	7.00% - 7.25%	6.60% - 8.90%
Revolving credits	6.39%	6.39%

22. Deferred Liability

A subsidiary company has been granted the right to develop a mixed development project on a piece of land. In return, the subsidiary company is required amongst others, to pay certain amount of cash and deliver several units of the property on the project once they are completed.

The deferred liability represents the estimated fair value of the completed units of the property that are required to be delivered by the subsidiary company to the landowner in the future.

23. Trade Payables

The normal trade credit terms granted to the Group range from 0 to 120 days (30.6.2021: 0 to 120 days).

Included in trade payables of the Group is contract sum retained in relation to the contract work performed amounting to RM8.431 million (30.6.2021: RM8.630 million).

24. Amount Due to Directors

Amount due to directors with non-interest bearing are unsecured and repayable on demand.

25. **Revenue**

	Group	
	1.7.2021	1.1.2020
	to	to
	30.6.2022	30.6.2021
	RM'000	RM'000
Revenue from contracts with customers:		
- contract revenue	18,216	27,340
- consultation and project management fee	120	240
- property development revenue	21,396	12,292
- sales of goods and services	26,144	32,346
- property management income	385	43
	66,261	72,261
Timing of revenue recognition		
At a point in time	26,649	32,629
Over time	39,612	39,632
Total revenue from contracts with customers	66,261	72,261

26. **Finance Costs**

	Group	
	1.7.2021	1.1.2020
	to	to
	30.6.2022	30.6.2021
	RM'000	RM'000
Interest expense on:		
- Lease liabilities	736	469
- Term loans	2,253	4,733
- Revolving credit	-	148
- Others	187	223
	3,176	5,573

27. Profit/(Loss) Before Tax

Profit/(Loss) before tax is derived after charging/(crediting) amongst other, the following items:

	Group		Company	
	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000
Auditors' remuneration				
- Statutory audits	343	331	120	120
- (Over)/Under provision in prior year	(36)	2	-	-
- Non-audit services	5	5	5	5
Amortisation of right-of-use assets	1,975	3,403	-	-
Depreciation of property, plant and equipment	1,900	2,952	-	-
Depreciation of investment properties	17	42	-	-
Gain on disposal of investment properties	-	(1,036)	-	-
Impairment losses on:				
- Trade receivables	-	524	-	-
- Other receivables	-	28	-	-
- Investment properties	43	140	-	-
- Investment in subsidiary subsidiary company	-	-	-	3,413
Inventories written down	1,132	-	-	-
Interest income				
- Fixed deposits	(232)	(181)	-	-
- Trade receivables	(8,388)	(16,802)	-	-
- Others	(4)	(6)	-	-
Lease expenses relating to:				
- low-value assets	21	381	-	-
- short term leases	180	195	-	-
Lease income relating to short-term leases	(24)	(240)	-	-
Non-executive Directors' remuneration				
- Fees	124	228	124	162
- Other emoluments	13	67	13	67

28. Profit/(Loss) Before Tax (Cont'd)

Profit/(Loss) before tax is derived after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	1.7.2021	1.1.2020	1.7.2021	1.1.2020
	to	to	to	to
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Reversal of provision for late delivery interest	-	(600)	-	-
Reversal of provision for liquidated ascertained damages	-	(500)	-	-
Reversal of short term accumulating compensated absences	-	(87)	-	-
Wages subsidy	(8)	(219)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

29. Taxation

	Group		Company	
	1.7.2021	1.1.2020	1.7.2021	1.1.2020
	to	to	to	to
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Current income tax				
Current year provision	2,311	3,272	-	-
(Over)/Under provision in prior year	(273)	10	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,038	3,282	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(417)	(696)	-	-
Under provision in prior year	213	557	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(204)	(139)	-	-
Tax expense for the financial year/period	<hr/>	<hr/>	<hr/>	<hr/>
	1,834	3,143	-	-

29. Taxation (Cont'd)

Malaysia income tax is calculated at the statutory tax rate of 24% (30.6.2021: 24%) of the estimated assessable profits for the financial year.

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

	Group		Company	
	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000
Profit/(Loss) before tax	3,187	4,249	(443)	(4,473)
At Malaysia statutory tax rate of 24% (2021: 24%)	765	1,020	(106)	(1,074)
Income not subject to tax	-	(265)	-	-
Expenses not deductible for tax purposes	1,207	1,480	106	1,074
Deferred tax assets not recognised	(36)	340	-	-
Utilisation of previously unrecognised deferred tax assets	(42)	-	-	-
Differences of tax rates in Hong Kong subsidiary	-	1	-	-
Under/(over) provision of current taxation in prior year	(273)	10	-	-
Under provision of deferred taxation in prior year	213	557	-	-
Tax expense for the financial year/period	1,834	3,143	-	-

29. Taxation (Cont'd)

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

	Group		Company	
	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000
Unutilised capital allowances	2,717	4,503	-	-
Unutilised tax losses	35,867	21,478	-	-
	<u>38,584</u>	<u>25,981</u>	<u>-</u>	<u>-</u>

The unutilised capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the Group subjects to no substantial changes in shareholdings of the Group entities under Income Tax Act 1967 and guidelines issued by the tax authority.

With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of ten (10) years of assessments under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967 in Malaysia, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000
Unutilised tax losses to be carried forward until:				
- YA2025	35,867	21,478	-	-
	<u>35,867</u>	<u>21,478</u>	<u>-</u>	<u>-</u>

30. Earnings Per Share

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

	Group	
	1.7.2021	1.1.2020
	to	to
	30.6.2022	30.6.2021
	RM'000	RM'000
Net profit for the financial year/period attributable to the owners of the parent	<u>1,269</u>	<u>1,006</u>
Weighted average number of ordinary shares in issue (in thousands of shares)	<u>416,325</u>	<u>416,325</u>
Basic earnings per share (in sen)	<u>0.30</u>	<u>0.24</u>

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

31. **Staff Costs**

	Group		Company	
	1.7.2021	1.1.2020	1.7.2021	1.1.2020
	to	to	to	to
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Salaries, wages and other emoluments	5,946	7,821	-	-
Fee	252	72	-	-
Defined contribution plans	345	649	-	-
Social security contributions	58	73	-	-
Other benefits	238	133	-	-
	<u>6,839</u>	<u>8,748</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	1.7.2021	1.1.2020	1.7.2021	1.1.2020
	to	to	to	to
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
<i>Executive Directors</i>				
Company's Directors				
Salaries, wages and other emoluments	981	1,331	-	-
Fee	48	72	-	-
Defined contribution plans	39	53	-	-
Social security contributions	1	1	-	-
	<u>1,069</u>	<u>1,457</u>	<u>-</u>	<u>-</u>
Subsidiary companies' Director				
Salaries, wages and other emoluments	310	450	-	-
Defined contribution plans	56	81	-	-
	<u>366</u>	<u>531</u>	<u>-</u>	<u>-</u>
	<u>1,435</u>	<u>1,988</u>	<u>-</u>	<u>-</u>

32. Reconciliation of Liabilities arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities:

	At 1 January/ 1 July RM'000	Financing cash flows (i) RM'000	Non- cash RM'000	At 31 December/ 30 June RM'000
2022				
Group				
Lease liabilities	8,441	(2,305)	512	6,648
Loan and borrowings	29,995	13,028	-	43,023
	<u>38,436</u>	<u>10,723</u>	<u>512</u>	<u>49,671</u>
Company				
Amount due to subsidiary companies	10,445	529	-	10,974
2021				
Group				
Lease liabilities	12,676	(4,235)	-	8,441
Loan and borrowings	45,857	(15,862)	-	29,995
	<u>58,533</u>	<u>(20,097)</u>	<u>-</u>	<u>38,436</u>
Company				
Amount due to subsidiary companies	9,508	937	-	10,445

(i) The cash flows from lease liabilities make up the repayments of lease liabilities in the statement of cash flows.

33. Related Party Disclosures

(a) Identifying related parties

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

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

(b) Significant related party transaction

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, there are no significant related party transactions during the financial year.

33. **Related Party Disclosures (Cont'd)**

(c) Compensation of key management personnel

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

	Group		Company	
	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000	1.7.2021 to 30.6.2022 RM'000	1.1.2020 to 30.6.2021 RM'000
<i>Executive Directors</i>				
Company's Directors				
Salaries and other emoluments	981	1,331	-	-
Fees	48	72	-	-
Defined contribution plans	39	53	-	-
Social security contributions	1	1	-	-
	<u>1,069</u>	<u>1,457</u>	<u>-</u>	<u>-</u>
Subsidiary companies' Director				
Salaries and other emoluments	310	450	-	-
Defined contribution plans	56	81	-	-
	<u>366</u>	<u>531</u>	<u>-</u>	<u>-</u>
	<u>1,435</u>	<u>1,988</u>	<u>-</u>	<u>-</u>
<i>Non-executive Directors</i>				
Fees	124	228	124	162
Other emoluments	13	67	13	67
	<u>137</u>	<u>295</u>	<u>137</u>	<u>229</u>
	<u>1,572</u>	<u>2,283</u>	<u>137</u>	<u>229</u>

34. Segment Information

The Group has three major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's managing director reviews internal management reports at least on quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Construction	Civil and building construction works
Property development	Property development, property management and consultancy
Manufacturing and trading	Manufacturing and trading in ready-mix concrete and trading in building materials

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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

34. Segment Information (Cont'd)

	Construction RM'000	Property development and management RM'000	Manufacturing and trading RM'000	Segment Total RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
30.6.2022						
Revenue						
External customers	18,220	21,902	26,140	66,262	-	66,262
Inter-segment	16,469	-	-	16,469	(16,469)	-
Total revenue	34,689	21,902	26,140	82,731	(16,469)	66,262
Results						
Segment results	425	2,549	1,173	4,147	(1,301)	2,846
Interest income	4,907	3,717	-	8,624	-	8,624
Finance costs	(649)	(2,514)	(13)	(3,176)	-	(3,176)
Other non-cash items	(1,078)	(3,225)	(764)	(5,067)	-	(5,067)
Profit/(Loss) before tax	3,605	527	396	4,528	(1,301)	3,227
Taxation	(713)	(1,172)	(87)	(1,972)	138	(1,834)
Net profit/(loss) for the financial year	2,892	(645)	309	2,556	(1,163)	1,393
Segment assets	300,758	733,902	15,412	1,050,072	(587,503)	462,569

34. Segment Information (Cont'd)

	Construction RM'000	Property development and management RM'000	Manufacturing and trading RM'000	Segment Total RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
30.6.2022						
Included in the measure of segment assets are:						
Addition to non-current assets	-	1	94	95	1	96
Segment liabilities	114,218	324,362	5,870	444,450	(273,691)	170,759
Other non-cash items						
Amortisation of right-of-use assets	-	(1,729)	(246)	(1,975)	-	(1,975)
Depreciation of:						
- property, plant and equipment	(1,078)	(364)	(458)	(1,900)	-	(1,900)
- investment properties	-	-	(17)	(17)	-	(17)
Impairment loss on investment properties	-	-	(43)	(43)	-	(43)
Inventories written down	(1,078)	(1,132)	-	(1,132)	-	(1,132)
		(3,225)	(764)	(5,067)	-	(5,067)

34. Segment Information (Cont'd)

	Construction		Property development and management		Manufacturing and trading		Segment Total		Adjustments and Eliminations		Consolidated	
	RM'000	Restated	RM'000	Restated	RM'000	Restated	RM'000	Restated	RM'000	Restated	RM'000	Restated
30.6.2021												
Revenue												
External customers	27,863		12,575		31,823		72,261		-			72,261
Inter-segment	5,245		-		934		6,179		(6,179)			-
Total revenue	33,108		12,575		32,757		78,440		(6,179)			72,261
Results												
Segment results	(642)		(6,314)		2,043		(4,913)		2,657			(2,256)
Interest income	7,385		9,604		-		16,989		-			16,989
Finance costs	(484)		(5,029)		(60)		(5,573)		-			(5,573)
Other non-cash items	(596)		(2,982)		(1,290)		(4,868)		-			(4,868)
Profit/(Loss) before tax	5,663		(4,721)		693		1,635		2,657			4,292
Taxation	(1,921)		(1,073)		(330)		(3,324)		181			(3,143)
Net profit/(loss) for the financial period	3,742		(5,794)		363		(1,689)		2,838			1,149
Segment assets	282,364		568,726		12,054		863,144		(390,258)			472,886
Included in the measure of segment assets are:												
Addition to non-current assets	17		988		228		1,233		(630)			603
Segment liabilities	108,542		316,593		1,822		426,957		(244,781)			182,176

34. Segment Information (Cont'd)

	Construction		Property development and management		Manufacturing and trading		Segment Total		Adjustments and Eliminations		Consolidated	
	RM'000	Restated	RM'000	Restated	RM'000	Restated	RM'000	Restated	RM'000	Restated	RM'000	Restated
Other non-cash items												
Amortisation of right-of-use assets	(102)		(2,664)		(637)		(3,403)		-			(3,403)
Depreciation of:												
- property, plant and equipment	(1,667)		(878)		(407)		(2,952)		-			(2,952)
- investment properties	-		-		(42)		(42)		-			(42)
Gain/(Loss) on disposal of investment properties	1,100		-		(64)		1,036		-			1,036
Impairment losses on:												
- investment properties	-		-		(140)		(140)		-			(140)
- trade receivables	-		(524)		-		(524)		-			(524)
- other receivables	-		(28)		-		(28)		-			(28)
Reversal of provision for:												
- late delivery interest	-		600		-		600		-			600
- liquidated ascertained damages	-		500		-		500		-			500
- short term accumulating compensated absences	74		13		-		87		-			87
	<u>(595)</u>		<u>(2,981)</u>		<u>(1,290)</u>		<u>(4,866)</u>		<u>-</u>			<u>(4,866)</u>

34. **Segment Information (Cont'd)**

	30.6.2022	30.6.2021
	RM'000	RM'000
Reconciliation of profit		
Segment results	2,846	(2,256)
Interest income	8,624	16,989
Finance costs	(3,176)	(5,573)
Other non-cash items	(5,067)	(4,868)
Other non-reporting segments	(40)	(43)
Profit before tax	<u>3,187</u>	<u>4,249</u>
Reconciliation of assets		
Segment operating assets	462,569	472,886
Other non-reportable segments	404	407
Total assets	<u>462,973</u>	<u>473,293</u>
Reconciliation of liabilities		
Segment operating liabilities	170,759	182,176
Other non-reportable segments	10,998	10,577
Total liabilities	<u>181,757</u>	<u>192,753</u>

Geographical segments

No disclosure on geographical segments information as the Group operates predominantly in Malaysia.

Major customers

Revenue from major customers amounted to RM37.200 million (30.6.2021: RM30.322 million), arising from construction, manufacturing and trading segment.

35. **Financial Instruments**

(a) Classification of financial instruments

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

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

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group			
30.6.2022			
Financial Assets			
Trade receivables	121,165	-	121,165
Other receivables	45,704	-	45,704
Amount due from related parties	50	-	50
Fixed deposits with licensed banks	8,129	-	8,129
Cash and bank balances	4,559	-	4,559
	<u>179,607</u>	<u>-</u>	<u>179,607</u>
Financial Liabilities			
Lease liabilities	-	6,648	6,648
Loans and borrowings	-	43,023	43,023
Trade payables	-	41,096	41,096
Other payables	-	19,027	19,027
Amount due to Directors	-	167	167
Amount due to related parties	-	1,242	1,242
	<u>-</u>	<u>111,203</u>	<u>111,203</u>

35. **Financial Instruments (Cont'd)**

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

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group			
30.6.2021			
Financial Assets			
Trade receivables	124,613	-	124,613
Other receivables	48,852	-	48,852
Amount due from related parties	2	-	2
Fixed deposits with licensed banks	7,897	-	7,897
Cash and bank balances	1,842	-	1,842
	<u>183,206</u>	<u>-</u>	<u>183,206</u>
Financial Liabilities			
Lease liabilities	-	8,441	8,441
Loans and borrowings	-	29,995	29,995
Trade payables	-	55,683	55,683
Other payables	-	35,909	35,909
Amount due to Directors	-	576	576
Amount due to related parties	-	1,128	1,128
	<u>-</u>	<u>131,732</u>	<u>131,732</u>

35. **Financial Instruments (Cont'd)**

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

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company			
30.6.2022			
Financial Assets			
Amount due from subsidiary companies	2,819	-	2,819
Financial Liabilities			
Other payables	-	337	337
Amount due to subsidiary companies	-	10,974	10,974
Amount due to Directors	-	72	72
	-	11,383	11,383
30.6.2021			
Financial Assets			
Amount due from subsidiary companies	2,819	-	2,819
Financial Liabilities			
Other payables	-	422	422
Amount due to subsidiary companies	-	10,445	10,445
Amount due to Directors	-	73	73
	-	10,940	10,940

35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

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

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

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its customers and deposits with licensed banks. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies, fixed deposits with licensed banks and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to previous financial year.

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

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to bank for banking facilities granted to a subsidiary company. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

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

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

35. **Financial Instruments (Cont'd)**

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

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to bank for banking facilities granted to a subsidiary company.

The Company's maximum exposure in this respect is RM120.821 million (30.6.2021: RM135.721 million), representing the outstanding banking facilities and for supply of goods and services to the subsidiary companies as at the end of the reporting period.

There are no significant changes as compared to previous financial period.

As at the end of financial year, the Group had 5 customers (30.6.2021: 5 customers) that owed the Group accounted for approximately 63% (30.6.2021: 78%) of all the receivables outstanding.

The Company has no significant concentration of credits risks except for loans and advance to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

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

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

35. **Financial Instruments (Cont'd)**

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

(ii) Liquidity risk (Cont'd)

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

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
30.6.2022						
Non-derivative financial liabilities						
Lease liabilities	2,242	2,180	2,635	-	7,057	6,648
Loans and borrowings	18,783	4,966	9,493	18,422	51,664	43,023
Trade payables	41,096	-	-	-	41,096	41,096
Other payables	19,027	-	-	-	19,027	19,027
Amount due to Directors	167	-	-	-	167	167
Amount due to related parties	1,242	-	-	-	1,242	1,242
Financial guarantee*	120,821	-	-	-	120,821	-
	203,378	7,146	12,128	18,422	241,074	111,203

35. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

Group	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
30.6.2021						
Non-derivative financial liabilities						
Lease liabilities	2,535	2,063	4,500	-	9,098	8,441
Loans and borrowings	1,824	-	-	54,209	56,033	29,995
Trade payables	55,683	-	-	-	55,683	55,683
Other payables	35,909	-	-	-	35,909	35,909
Amount due to Directors	576	-	-	-	576	576
Amount due to related parties	1,128	-	-	-	1,128	1,128
Financial guarantee*	135,721	-	-	-	135,721	-
	233,376	2,063	4,500	54,209	294,148	131,732

35. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM'000	Total Contractual Cash Flows RM'000	Total carrying amount RM'000
Company			
30.6.2022			
Non-derivative financial liabilities			
Other payables	337	337	337
Amount due to subsidiary companies	10,974	10,974	10,974
Amount due to Directors	72	72	72
Financial guarantee*	120,821	120,821	-
	<u>11,383</u>	<u>11,383</u>	<u>11,383</u>

30.6.2021**Non-derivative financial liabilities**

Other payables

Amount due to subsidiary companies

Amount due to Directors

Financial guarantee*

	422	422	422
	10,445	10,445	10,445
	73	73	73
	135,721	135,721	-
	<u>146,661</u>	<u>146,661</u>	<u>10,940</u>

* Based on the maximum amount that can be called for under the financial guarantee contract.

35. **Financial Instruments (Cont'd)**

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

(ii) Liquidity risk (Cont'd)

Financial guarantee have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary company defaulting on their credit facilities is remote.

(iii) Market risks

(i) Foreign currency exchange risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily Hong Kong Dollar.

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

(ii) Interest rate risk

The Group's and the Company's fixed deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

35. Financial Instruments (Cont'd)

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

(iii) Market risks (Cont'd)

(ii) Interest rate risk (Cont'd)

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
<u>Floating rate instruments</u>		
Financial liabilities	<u>(43,023)</u>	<u>(29,995)</u>

Interest rate risk sensitivity analysis**Cash flow sensitivity analysis for floating rate instruments**

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group' profit before tax by RM0.430 million (30.6.2021: RM0.300 million) respectively, arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

35. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments

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

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

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of date of the event or change in circumstances that caused the transfer.

There is no transfer between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which determined for disclosure purposes, is calculated based on the present value of future and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

36. Capital Management

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

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

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Total loans and borrowings	43,023	29,995
Less: Deposits, bank and cash balances	(12,688)	(9,739)
Net debt	<u>30,335</u>	<u>20,256</u>
Total equity	<u>281,216</u>	<u>280,540</u>
Gearing ratio	<u>0.11</u>	<u>0.07</u>

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

37. Significant Events

(a) Composite Settlement Scheme

On 20 October 2022, the Group entered into settlement arrangement with the Harta Mesra Development Sdn. Bhd., Greenridge Commercial Sdn. Bhd., Prima Ace Sdn. Bhd. and Marina Cove Resort Management Sdn. Bhd. (collectively 'Composite Debtors') to settle the outstanding debts owing by the Composite Debtors to the Group with contra payment of a piece of development land located at Genting Sempah. This settlement arrangement is expected to be completed by the end of 2022 with necessary authorities approvals, where applicable and completion of the transfer of the land to the Group.

37. Significant Events (Cont'd)

(b) Outbreak of Coronavirus (“Covid-19”)

On 11 March 2020, the World Health Organisation assessed the COVID-19 outbreak as a pandemic due to rapid escalation of COVID-19 cases across the globe. The COVID-19 pandemic also resulted in travel restriction and other precautionary measures implemented by the Government of Malaysia.

The directors have assessed the overall impact of this situation towards the Group's and the Company's operations, financial performance and cash flows and concluded there is no material adverse effect on the Group's and the Company's financial statements for the financial year ended 30 June 2022.

Nevertheless, the directors will closely monitor the current developments of Covid-19 pandemic and at the present the facilities and site works activities of the Group and Company are in normal and stable operation.

38. Comparative Information

The comparative information were for the financial period from 1 January 2020 to 30 June 2021. As they reflect the results for more than 12 months, there were not comparable to the current financial year results.

39. Date of Authorisation for Issue

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

ADDITIONAL DISCLOSURE REQUIREMENTS

Utilization of Proceeds

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 30th June 2022.

Share Buy-Backs

During the financial year, the Company did not enter into any share buy-backs transactions.

Options, Warrants or Convertible Securities

No options, warrants or convertible securities were exercised by the Company for the financial year ended 30th June 2022.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the financial year ended 30th June 2022, the Company did not sponsor any ADR or GDR programme.

Sanctions or Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year ended 30th June 2022.

Non-Audit Fees

Non-audit fee paid/payable to the external auditors by the Group for the financial year ended 30th June 2022 was RM5,000.00.

Variation in Results, Profit Estimates or Projection

The Company did not release any profit estimate, forecast, or projection for the financial year period ended 30th June 2022.

Profit Guarantee

During the financial year ended 30th June 2022, there was no profit guarantee given by the Company and its subsidiaries.

Material Contract Involving Directors' and Major Shareholders' Interest

There was no material contract entered into by the Company and its subsidiaries which involved Directors' and/or major shareholders' interests subsisting at the end of the financial year ended 30th June 2022 or entered into since the end of the previous financial year.

Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation of its landed properties and does not have any revaluation done on the landed properties.

Recurrent Related Party Transactions

There was no recurrent related party transaction during the financial year ended 30th June 2022 other than those disclosed in the financial statements.

Corporate Social Responsibility (CSR)

The Company is aware of its Corporate Social Responsibility and endeavours to operate as a responsible and ethical corporate entity.

The Group also remains committed to ensuring the occupational safety and health of all employees at their workplace through increased awareness, accountability and continual training geared towards the conduct of all activities in an environmentally responsible, safe and healthy manner.

ANALYSIS OF SHAREHOLDINGS AS AT 27TH SEPTEMBER 2022

1. TYPE OF SECURITIES

Class of Shares	: Ordinary shares
Total number of issued shares	: 416,324,428
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Holders	%	No. of Holdings	%
1 - 99	304	10.25	11,992	0.00
100 - 1,000	825	27.82	572,946	0.14
1,001 - 10,000	1,016	35.74	4,711,966	1.13
10,001 - 100,000	607	20.47	22,101,490	5.31
100,001 to 20,816,220	166	5.60	226,452,166	54.39
20,816,221 and above	4	0.13	162,473,868	39.03
Total	2,966	100.00	416,324,428	100.00

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

Name of Substantial Shareholders	Direct Holdings		Indirect Holdings (excluding bare trustees)	
	No.	%	No.	%
Hew Kok Long	0	0.00	++ 28,668,824	6.89
Teo Kok Keong	0	0.00	++ 28,668,824	6.89
Mohd Wazir Bin Khalid	0	0.00	+ 22,056,048	5.30
Suzanna Binti Mohd Nor	0	0.00	+ 22,056,048	5.30
Westhill Capital Sdn Bhd	* 28,668,824	6.89	0	0.00
Fantastic Hallmark Sdn Bhd	* 22,056,048	5.30	0	0.00
Dato' Seow Yong Chin	*51,181,980	12.29	# 17,176,632	4.13
West Emerald Isle Sdn Bhd	96,074,868	23.08	0	0.00
Chua Seng Oun	722,800	0.17	@ 96,074,868	23.08
Chua Seng Boon	6,880,000	1.65	@ 96,074,868	23.08

++ Deemed interest through Westhill Capital Sdn Bhd.

+ Deemed interest through Fantastic Hallmark Sdn Bhd.

* All held through nominee companies.

Deemed interest through Cygal Holdings Sdn Bhd and SYC Holdings Sdn Bhd.

@ Deemed interest through West Emerald Isle Sdn Bhd.

THIRTY LARGEST SHAREHOLDERS

(without aggregating the securities from different securities accounts belonging to the same person)

	Name	Holdings	
			%
1	WEST EMERALD ISLE SDN BHD	96,074,868	23.08
2	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WESTHILL CAPITAL SDN BHD	22,432,500	5.39
3	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR FANTASTIC HALLMARK SDN BHD	21,992,000	5.28
4	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SEOW YONG CHIN (MGN-SYC0001M)	21,974,500	5.28
5	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WASTE ENVIRONMENT SERVICES SDN BHD (MGN-SYC0001M)	14,967,762	3.60
6	AMSEC NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR NEW ORIENT RESOURCES SDN BHD	13,000,000	3.12
7	TA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SEOW YONG CHIN	11,390,446	2.74
8	DOH JEE MING	11,247,000	2.70
9	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (MY4545)	11,000,000	2.64
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR DOH TEE LEONG (E-TAI/STW)	10,500,000	2.52
11	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SYC HOLDINGS SDN BHD (MGN-SYC0001M)	10,130,628	2.43
12	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (021)	9,364,300	2.25
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SEOW YONG CHIN	8,920,784	2.14
14	CHUA SENG BOON	6,180,000	1.48
15	MERCSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA	6,167,700	1.48
16	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR GM AERO SUPPORT SDN BHD (THIRD PARTY)	6,157,700	1.48
17	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR GM AERO SUPPORT SDN BHD (THIRD PARTY)	6,157,700	1.48
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WESTHILL CAPITAL SDN BHD	5,700,000	1.37

ANALYSIS OF SHAREHOLDINGS AS AT 27TH SEPTEMBER 2022 (cont'd)**THIRTY LARGEST SHAREHOLDERS (cont'd)**

(without aggregating the securities from different securities accounts belonging to the same person)

	Name	Holdings	
			%
19	SUNGAI KASA SDN BHD	5,580,600	1.34
20	SUNGAI KASA SDN BHD	4,228,900	1.02
21	UOBM NOMINEES (TEMPATAN) SDN BHD - UNITED OVERSEAS BANK (MALAYSIA) BHD (PCP)	4,226,480	1.02
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SEOW YONG CHIN (7000888)	3,530,000	0.85
23	LAI THIAM POH	3,288,500	0.79
24	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR DOH JEE MING	3,253,000	0.78
25	HLB NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR CYGAL HOLDINGS SDN BHD (HLFCHSB/104)	2,599,500	0.62
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @GAN CHIA HONG (E-TMR)	2,500,000	0.60
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	2,300,000	0.55
28	AMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHOW ZEE NENG (SMART)	2,203,400	0.53
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SEOW YONG CHIN (MDTS)	2,115,000	0.51
30	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD – PLEDGED SECURITIES ACCOUNT FOR CHOW ZEE NENG	2,100,000	0.50
		331,283,268	79.57

STATEMENT OF DIRECTORS' INTERESTS AS AT 27TH SEPTEMBER 2022

(i) Interest in the Company

Name of Directors	No. of shares held	
	<u>Direct Interest</u>	<u>Deemed Interest</u>
1. Dato' Seow Yong Chin	*51,181,980 (12.29%)	#17,176,632 (4.13%)
2. Chin Kok Wah	* 637,500 (0.15%)	-
3. Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	** 543,750 (0.13%)	@ 5,643,750 (1.36%)
4. Dato' Shahrom Bin Abd Malik	-	-
5. Dato' Magaret Ting Thien Hung	-	-
6. Tee Lay Peng	-	-

* All held through nominee companies.

** 539,250 shares held through nominee companies.

Deemed interest through Cygal Holdings Sdn Bhd and SYC Holdings Sdn Bhd.

@ Deemed interest through Cygal Holdings Sdn Bhd.

(ii) Interest in Related Company

Other than as disclosed below, there are no other Directors of the Company who have interest, direct or indirect, in company related to Sycal Ventures Berhad:-

- (a) Dato' Seow Yong Chin and Syed Zain Al-Kudcy Bin Dato' Syed Mahmood are deemed to be interested to the extent of the number of shares held by the Company in its subsidiary companies by virtue of their direct and indirect shareholding in the Company. List of subsidiary companies of the Company and effective equity interest held are disclosed in Note 7 of the Notes to the Financial Statements.
- (b) Shareholding of Dato' Seow Yong Chin and Syed Zain Al-Kudcy Bin Dato' Syed Mahmood in Cygal Holdings Sdn Bhd, a shareholder holding 5,643,750 ordinary shares or 1.34% equity interest in the Company as at 27th September 2022, are as disclosed below:-

Name	No. of Shares held	
	<u>Direct</u>	<u>Deemed Interest</u>
1. Dato' Seow Yong Chin	585,002 (39.00%)	-
2. Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	385,998 (25.73%)	-

- (b) Shareholding of Dato' Seow Yong Chin in SYC Holdings Sdn Bhd, a shareholder holding 11,532,882 ordinary shares or 2.77% equity interest in the Company as at 27th September 2022, are as disclosed below:-

Name	No. of Shares held	
	<u>Direct</u>	<u>Deemed Interest</u>
1 Dato' Seow Yong Chin	1 (50.00%)	-

LIST OF MAJOR PROPERTIES OF THE GROUP AS AT 30TH JUNE 2022

List of major properties as included in the Group's inventories are as follows:-

Location	Tenure	Land area	Existing Use/ Description	Age of Property	Net carrying value @ 30.06.2022 (RM'000)	Date of Acquisition
<u>Federal Territory</u>						
Lot 4.21, 4 th Floor, Plaza Prima, 4 ½ Mile, Old Klang Road, 58200 Kuala Lumpur	Freehold	6,029 sq ft	Office building	28 years	585	12 August 1994
Condominium at No. 2, Jalan Bukit Cheras 18, Taman Bukit Cheras, 56000 Kuala Lumpur	Freehold	20,556 sq ft	Vacant (8 units of condominium)	8 years	5,973	31 December 2014
<u>Perak</u>						
Development land located at Klebang Perdana, 31200 Chemor, Perak Darul Ridzuan	Freehold	674,273 sq ft	Residential/Commercial Development	3 years	80,952	30 December 2019
Shoplots located at Jalan AU4, Medan Aulong Utama, 34000 Taiping, Perak Darul Ridzuan	Leasehold (expiring 14 July 2108)	79,212 sq ft	15 units of 3-storey shoplots	5 years	8,692	4 December 2017
Shoplots located at Klebang Perdana, 31200 Chemor, Perak Darul Ridzuan	Freehold	25,188 sq ft	6 units of 3-storey shoplots	3 years	6,710	30 December 2019
Residential units located at Klebang Perdana, 31200 Chemor, Perak Darul Ridzuan	Freehold	48,534 sq ft	21 units of residential units	3 years	7,615	30 December 2019
<u>Johor</u>						
CT 13811, Lot 6019, Mukim of Senai-Kulai District of Johor Bahru	Freehold	5.37 acres	Development land	25 years	5,179	6 September 1997

PROXY FORM

SYCAL VENTURES BERHAD
(200101011895 (547651-U))

No. of shares held	
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CDS account no.	
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I/We, (Company/NRIC/Passport No.) of
.....being a member of the abovenamed Company, hereby appoint
..... (NRIC/Passport No.) of
..... or failing him,
..... (NRIC/Passport No.) of
..... as my/our proxy to vote for
me/us on my/our behalf at the 21st Annual General Meeting of the Company, to be held at Hotel Pullman Kuala Lumpur Bangsar, Studio III, Level 3, Jalan Pantai Baru, 58000 Kuala Lumpur on 30th November 2022 at 10.00 a.m., and at any adjournment thereof as indicated:-

No.	Resolutions	For	Against
1.	Re-election of Dato' Seow Yong Chin as Director		
2.	Re-election of Chin Kok Wah as Director		
3.	Re-election of Dato' Shahrom Bin Abd Malik as Director		
4.	Approve payment of Directors' fee of RM137,000.00 for financial year ended 30 th June 2022		
5.	Approve payment of Directors' fees and allowances of up to RM250,000.00 for the period from 1 st July 2022 until the next Annual General Meeting		
6.	To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration		
7.	Authority to allot and issue shares pursuant to 75 and 76 of the Companies Act, 2016		
8.	To retain Mr Tee Lay Peng as Independent Non-Executive Director of the Company		

Please indicate with a cross ("X") in the appropriate box against each Resolution how you wish your proxy to vote. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he think fit.

Signed this day of, 2022.

.....
Signature / Common Seal of Member

Notes:-

Notes to Shareholders:-

1. Only depositors whose names appear on the Record of Depositor as at 23rd November 2022 shall be entitled to attend, speak and vote at this meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the securities account.
5. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorized.
7. The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.03A, 4th Floor, Plaza Prima, 4½ Miles, Jalan Kelang Lama, 58200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.