



# **MAJUPERAK HOLDINGS BERHAD**

[200201017726 (585389-X)]

# **2020 ANNUAL REPORT**



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[200201017726 (585389-X)]

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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighteenth (18th) Annual General Meeting (“AGM”) of Majuperak Holdings Berhad (“MHB” or “the Company”) will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

<b>Day and Date</b>	:	Tuesday, 29 June 2021
<b>Time</b>	:	3.30 p.m.
<b>Meeting Venue</b>	:	Online Meeting Platform at <a href="https://web.vote2u.my">https://web.vote2u.my</a> (No Broadcast Venue) Domain Registration No. with MYNIC – D6A471702
<b>Mode of Communication</b>	:	(1) Typed text in the Meeting Platform (2) Submit questions prior to the AGM by emailing to <a href="mailto:ms.azam@pknpgroup.com.my">ms.azam@pknpgroup.com.my</a> no later than 5.00 p.m. on Wednesday, 23 June 2021

## AGENDA

### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2020, together with Directors’ Reports and Auditors’ Report thereon. **(Please refer to Note 2)**
- To approve the payment of Directors’ Fees of RM315,000 for the financial year ended 31 December 2020. **(Ordinary Resolution 1)**
- To approve the payment of Directors’ Benefits (excluding Directors’ Fee) to Directors up to an amount of RM350,000 from 18th AGM until the next AGM of the Company. **(Ordinary Resolution 2)**
- To re-elect the following Directors retiring by rotation pursuant to Clause 15.2 of the Company’s Constitution:
  - Encik Khairul Nizam Bin Tajul Hasnan **(Ordinary Resolution 3)**
  - Datuk Abu Bakar Bin Hassan **(Ordinary Resolution 4)**
- To re-elect the following Directors who were appointed during the year pursuant to Clause 15.9 of the Company’s Constitution:
  - Datuk Redza Rafiq Bin Abdul Razak **(Ordinary Resolution 5)**
  - Dato’ Mohd Azmi Bin Othman **(Ordinary Resolution 6)**
  - Dato’ Aminuddin Bin Md Hanafiah **(Ordinary Resolution 7)**
  - Encik Norazali Bin Nordin **(Ordinary Resolution 8)**
- To re-appoint Messrs Afrizan Tarmili Khairul Azhar (“AFTAAS”) as Auditors of the Company to hold office until the next AGM and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 9)**



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

7. **PROPOSED AUTHORITY TO ISSUE AND ALLOT SHARES IN GENERAL PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016** (Ordinary Resolution 10)

“THAT, subject to the Companies Act, 2016 and the Company’s Constitution and approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”), Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 76 of the Companies Act, 2016, to issue and allot shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being (“Proposed 20% General Mandate”) and that such approval on Proposed 20% General Mandate shall continue be in force until 31 December 2021 or a later date which may allow by the relevant authorities whichever is later;

THAT with effect from 1 January 2022 or a later date which may allow by the relevant authorities whichever is later, the general mandate shall be reinstated from 20% General Mandate to 10% General Mandate provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of the issued shares of the Company (excluding treasury shares) of the Company for the time being (“Proposed General Mandate”);

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

8. **PROPOSED ALLOCATION OF SHARE OPTIONS TO THE EXECUTIVE CHAIRMAN OF THE COMPANY, DATUK REDZA RAFIQ BIN ABDUL RAZAK** (Ordinary Resolution 11)

“THAT pursuant to the existing Employees’ Share Option Scheme (“ESOS”) approved by the shareholders at the Extraordinary General Meeting held on 2 March 2020 and the approvals of all relevant authorities, if applicable, the Company and the Directors be and hereby authorized specifically to offer and grant to Datuk Redza Rafiq Bin Abdul Razak, the Executive Chairman of the Company, options to subscribe for up to a maximum of 1,400,000 new Ordinary Shares in the Company pursuant to the ESOS in accordance with By-Law and to allot and issue from time to time new Shares pursuant to the acceptance of the offer and to the exercise of such options, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws and the listing requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

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

**FURTHER NOTICE IS HEREBY GIVEN THAT** only members whose names appear on the Record of Depositors as at 21 June 2021 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

**By Order of the Board**

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

Ipoh, Perak Darul Ridzuan, Malaysia  
31 May 2021

### NOTES:

#### 1) PROXY

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

#### 2) AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

#### 3) DIRECTORS' FEES AND BENEFITS

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

##### **Payment of Directors' Fee to Directors**

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

Based on the Remuneration Committee's recommendation, the Board decided that the Directors' fee in respect of the financial year ended 31 December 2020 as set out in the Annual Report 2020.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### Payment of Directors' Benefit (excluding Directors' Fee) to Directors from 18th AGM until the next AGM in year 2022.

The Directors' Benefits (excluding Directors' Fee) comprise the allowance payable to the Chairman and members of the Board and are calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees in accordance with the following structure set out below:

Directors' Fees		Meeting Allowances
Chairman	RM55,000/- per annum	1) Board & AGM – RM1,500 (Chairman: RM2,000) 2) Audit Committee – RM1,200 (Chairman: RM1,500)
Other Board Members	RM48,000/- per annum	3) Remuneration Committee – RM1,000 (Chairman: RM1,200) 4) Nomination Committee – RM1,000 (Chairman: RM1,200) 5) Risk Management Committee – RM1,000 (Chairman: RM1,200) 6) Any other Committees (Board or Management) – RM1,000 (Chairman: RM1,200)

#### 4) RE-ELECTION OF DIRECTORS

Encik Khairul Nizam Bin Tajul Hasnan, Datuk Abu Bakar Bin Hassan, Datuk Redza Rafiq Bin Abdul Razak, Dato' Mohd Azmi Bin Othman, Dato' Aminuddin Bin Md Hanafiah and Encik Norazali Bin Nordin are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at this AGM.

The Board has via the Nomination Committee had conducted an assessment on their effectiveness and contributions of the said retiring Directors including their skills, experience and strength in qualities and time commitment, has recommended for them to be re-elected to the Board. The profile of the retiring Directors is set out in the Profile of Directors of the Annual Report 2020.

#### 5) RE-APPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee ("AC") had on 24 May 2021 deliberated the outcome of the annual assessment of the EA, which included an assessment of the engagement teams' qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services, as well as to perform the work within MHB Group's timeline by completing an assessment questionnaire. The AC in its assessment found Messrs Afrizan Tarmili Khairul Azhar ("AFTAAS") to be sufficiently objective and independent.

The Board therefore approved the AC's recommendation that the re-appointment of Messrs Afrizan Tarmili Khairul Azhar ("AFTAAS") as External Auditors of the Company for the financial year ending 31 December 2021 be put forward for shareholder's approval at the AGM.

### 6) **AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016**

The Proposed Ordinary Resolution 10, if passed will empower the Directors of the Company, with the authority to issue and allot shares in the Company up to an amount not exceeding 20% of the total number of issued shares (excluding treasury shares) of the Company until 31 December 2021 or a later date as may be allowed by the relevant authorities. With effect from 1 January 2022 or a later date as may be allowed by the relevant authorities, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The said authority shall continue in force until the conclusion of the next AGM of the Company or expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

At the Extraordinary General Meeting held on 10 February 2021, the Directors of the Company has been granted a general mandate by the members of the Company to issue and allot shares in the Company up to and not exceeding 20% of the total number of issued shares of the Company ("20% General Mandate). Up to the date of Notice, the Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

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

### 7) **PROPOSED ALLOCATION OF SHARE OPTIONS**

The Ordinary Resolution 11 if passed, will enable ESOS Committee to offer and allocate share options to Datuk Redza Rafiq Bin Abdul Razak pursuant to the Proposed ESOS to subscribe for MHB Shares. The new ordinary shares to be allocated upon any exercise of the awards shall, upon issue and allot rank equally in all respects with the existing ordinary shares, except that they shall not be entitled to any dividend right, allotment and/or distribution, the entitlement date of which is before the date of allotment of such new ordinary shares.

Datuk Redza Rafiq Bin Abdul Razak will be abstaining from voting in respect of his direct/indirect shareholdings, if any in the Company on the Ordinary Resolution pertaining to the Proposed Allocation of Share Options to him. He will also ensure that the persons connected with his will abstain from voting of their direct/indirect shareholdings in the Company.

## BOARD OF DIRECTORS

Datuk Redza Rafiq Bin Abdul Razak

Nizran Bin Noordin

Lim Tian Huat

Ahmad Najmi Bin Kamaruzaman

Khairul Nizam Bin Tajul Hasnan

Dato' Hj Tun Hisan Bin Dato' Hj Tun Hamzah

Datuk Abu Bakar Bin Hassan

Dato' Mohd Azmi Bin Othman

Dato' Aminuddin Bin Md Hanafiah

Norazali Bin Nordin

## **Executive Chairman**

*Executive Director cum Group CEO*

*Senior Independent Non-Executive Director*

*Independent Non-Executive Director*

*Non-Independent Non-Executive Director*

*Independent Non-Executive Director*

*Independent Non-Executive Director*

*Non-Independent Non-Executive Director*

*Independent Non-Executive Director*

*Independent Non-Executive Director*

## AUDIT COMMITTEE

Lim Tian Huat

Ahmad Najmi Bin Kamaruzaman

Dato' Hj Tun Hisan Bin Dato' Hj Tun Hamzah

Datuk Abu Bakar Bin Hassan

## **Chairman,**

*Senior Independent Non-Executive Director*

*Independent Non-Executive Director*

*Independent Non-Executive Director*

*Independent Non-Executive Director*

## NOMINATION COMMITTEE

Ahmad Najmi Bin Kamaruzaman

Khairul Nizam Bin Tajul Hasnan

Datuk Abu Bakar Bin Hassan

## **Chairman,**

*Independent Non-Executive Director*

*Non-Independent Non-Executive Director*

*Independent Non-Executive Director*

## REMUNERATION COMMITTEE

Datuk Abu Bakar Bin Hassan

Dato' Hj Tun Hisan Bin Dato' Hj Tun Hamzah

Lim Tian Huat

## **Chairman,**

*Independent Non-Executive Director*

*Independent Non-Executive Director*

*Senior Independent Non-Executive Director*

**RISK MANAGEMENT COMMITTEE**

Dato' Hj Tun Hisan Bin Dato' Hj Tun Hamzah	<b>Chairman</b> <i>Independent Non-Executive Director</i>
Ahmad Najmi Bin Kamaruzaman	<i>Independent Non-Executive Director</i>
Nizran Bin Noordin	<i>Executive Director cum Group CEO</i>

**ESOS COMMITTEE**

Nizran Bin Noordin	<b>Chairman</b> <i>Executive Director cum Group CEO</i>
Ahmad Al-Hadi Bin Abdul Khalid	<i>Group Chief Financial Officer</i>
Jamaliah Binti Mustapha	<i>General Manager, Human Resources &amp; Administration</i>

**COMMITTEE TO REVIEW PRESS OR PUBLIC ANNOUNCEMENT**

Nizran Bin Noordin	<i>Executive Director cum Group CEO</i>
Ahmad Al-Hadi Bin Abdul Khalid	<i>Group Chief Financial Officer</i>

**MANAGEMENT TEAM**

Datuk Redza Rafiq Bin Abdul Razak	<i>Executive Chairman</i>
Nizran Bin Noordin	<i>Executive Director cum Group Chief Executive Officer</i>
Ahmad Al-Hadi Bin Abdul Khalid	<i>Group Chief Financial Officer</i>
Ku Adenan Bin Ku Ismail	<i>General Manager, Property Development &amp; Infrastructure</i>
Kamarul Bahrin Bin Baharudin	<i>General Manager, Strategic Business</i>
Jamaliah Binti Mustapha	<i>General Manager, Human Resources &amp; Administration</i>
Pua Kian Sien	<i>General Manager, Government Liaison</i>
Md Shaizatul Azam Bin Che Soda	<i>General Manager, Corporate Services</i>

**REGISTERED OFFICE**

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

**PRINCIPAL PLACE OF BUSINESS**

Aras 1, Bazar Ipoh  
*(formerly known as Silveritage)*  
Jalan Sultan Nazrin Shah  
31350 Ipoh  
Perak Darul Ridzuan  
Telefon: (+605) 2262 888  
Faks: (+605) 2262 889  
Email: [info@majuperak.com.my](mailto:info@majuperak.com.my)  
Website: [www.majuperak.com.my](http://www.majuperak.com.my)

**COMPANY SECRETARY**

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

**AUDITORS**

Afrizan Tarmili Khairul Azhar [AFTAAS] (AF 1300)  
Chartered Accountants (Malaysia)  
2, Jalan Rampai Niaga 2,  
Rampai Business Park,  
53300 Kuala Lumpur

**PRINCIPAL BANKERS**

RHB Bank Berhad  
Malayan Banking Berhad  
Bank Islam Malaysia Berhad

**SHARE REGISTRAR**

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

**SOLICITORS**

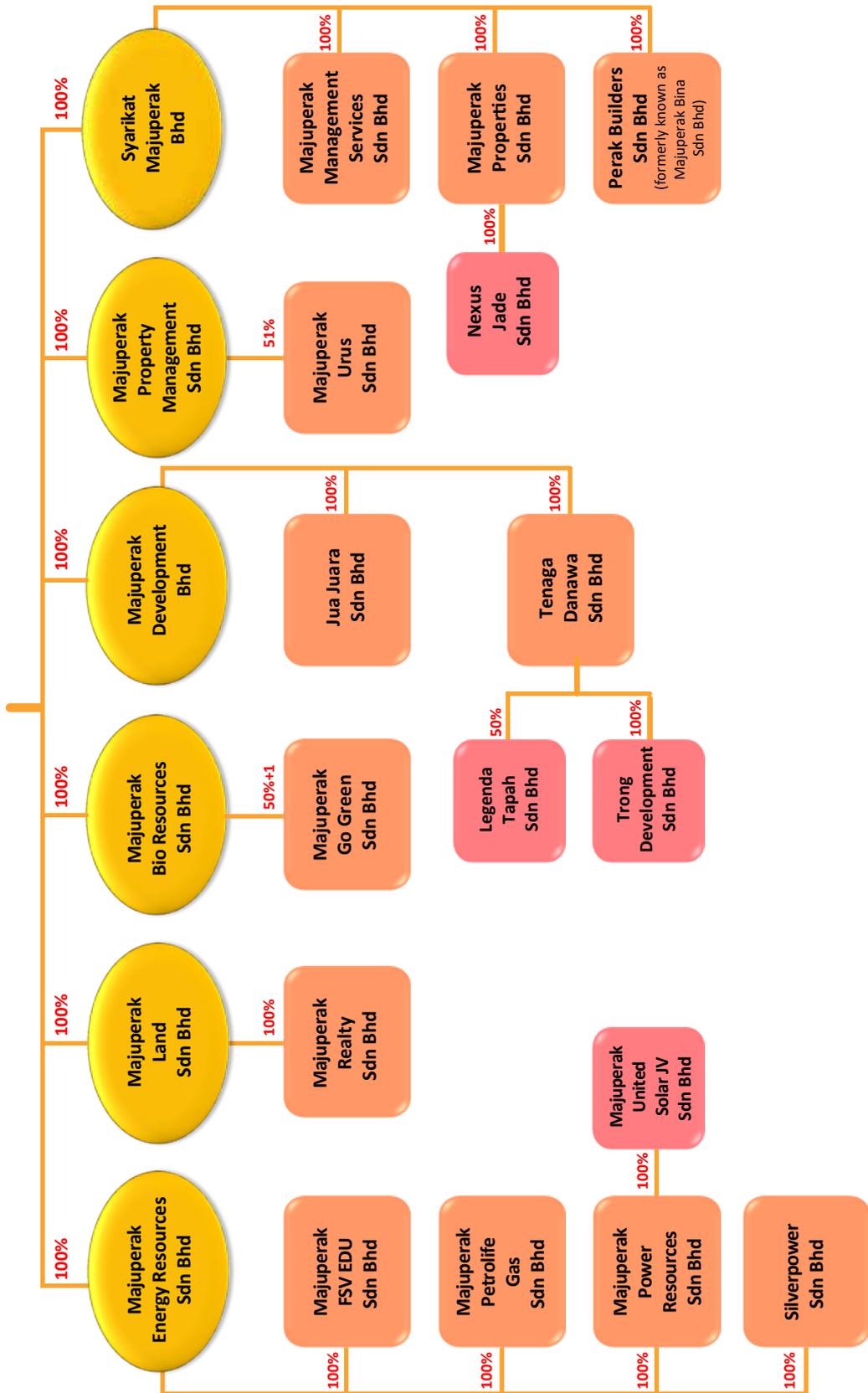
Messrs. Ami Rozaidi, Edynoor & Mu'az

**STOCK EXCHANGE LISTING**

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



## MAJUPERAK HOLDINGS BERHAD



# BOARD OF DIRECTORS

## **DATUK REDZA RAFIQ BIN ABDUL RAZAK**

### **EXECUTIVE CHAIRMAN**

Male, Malaysian, aged 52

#### **Date of Appointment**

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

#### **Length of Services (as at 31 May 2021)**

- 3 months

#### **Date of Last Re-appointment**

N/A

#### **Academic/ Professional Qualification(s)**

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

#### **Present Directorship(s)**

- Executive Chairman, Majuperak Holdings Berhad
- Non Independent Non-Executive Director, Perak Corporation Berhad

#### **Present Appointment(s)**

- Chief Executive, Perbadanan Kemajuan Negeri Perak

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

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

#### **Family Relationship/Conflict of Interest**

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

#### **Securities holdings in the Company**

Nil

#### **Conviction of offences**

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

#### **Board Meetings attended for Financial Year Ended 31 December 2020**

N/A



### NIZRAN BIN NOORDIN

#### EXECUTIVE DIRECTOR CUM GROUP CHIEF EXECUTIVE OFFICER

Male, Malaysian aged, 43

**Date of Appointment** 10 June 2020 as Executive Director,  
1 November 2019 as Group Chief Executive Officer

**Length of Services (as at 31 May 2021)** 11 months

**Date of Last Re-appointment** 22 September 2020

#### Academic/ Professional Qualification(s)

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

#### Present Directorship(s)

- Majuperak Holdings Berhad

#### Present Appointment(s)

- Group Chief Executive Officer Majuperak Holdings Berhad

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

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

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.



#### Securities holdings in the Company

400,000 ordinary shares

#### Conviction of offences

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

**Board Meetings attended** 6 of 6

### LIM TIAN HUAT

#### SENIOR INDEPENDENT, NON-EXECUTIVE DIRECTOR

Male, Malaysian, aged 66

**Date of Appointment** 11 August 2020

**Length of Services (as at 31 May 2021)** 9 months

**Date of Last Re-appointment** 22 September 2020

#### Academic/ Professional Qualification(s)

- BA Economics (Honours), Manchester Metropolitan University, UK
- Council Member & Founding President, Insolvency Practitioners' Association of Malaysia ("IPAM")
- Member, Malaysian Institute of Accountants ("MIA")
- Member, Malaysian Institute of Certified Public Accountants ("MICPA")
- Fellow, Association of Chartered Certified Accountants ("ACCA")

#### Present Directorship(s)

- Malaysia Building Society Berhad (listed in Bursa Malaysia)
- Anglo-Eastern Plantations Plc (listed in London Stock Exchange)
- PLUS Malaysia Berhad
- Pacific & Orient Insurance Co. Berhad

#### Present Appointment(s)

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

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

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

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.



#### Securities holdings in the Company

Nil  
**Conviction of offences** He has not been convicted for any offence within the past 5 years.

**Board Meetings attended for Financial Year Ended 31 December 2020** 3 of 3

## **AHMAD NAJMI BIN KAMARUZAMAN**

### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Male, Malaysian, aged 39

**Date of Appointment** 10 August 2018

**Length of Services (as at 31 May 2021)** 2 years 9 months

**Date of Last Re-appointment** 22 September 2020

#### **Academic/Professional Qualification(s)**

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

#### **Present Directorship(s)**

- Managing Director, Green Pluslink Sdn Bhd

#### **Present Appointment(s)**

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

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

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



**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences** He has not been convicted for any offence within the past 5 years.

**Board Meetings attended for Financial Year Ended 31 December 2020** 6 of 8

## **KHAIRUL NIZAM BIN TAJUL HASNAN**

### **NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Male, Malaysian, aged 45

**Date of Appointment** 10 June 2020

**Length of Services (as at 31 May 2021)** 1 year 20 days

**Date of Last Re-appointment** 22 September 2020

#### **Academic/ Professional Qualification(s)**

- Bachelor of Sciences (Business Administration); Drexel University, Philadelphia, United States Of America

#### **Present Directorship(s)**

- Majuperak Holdings Berhad

#### **Present Appointment(s)**

- Director, AHM Motorsports Teknik Sdn. Bhd.
- Director, Alam Manusia Sdn. Bhd.

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

- Director, Great Colour Group of Companies
- Business Relationship Manager, CIMB Investment Bank Berhad
- Fund Accounting Supervisor, PFPC Financial Services Inc., Pennsylvania, United States of America

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences** He has not been convicted for any offence within the past 5 years.



**Board Meetings attended for Financial Year Ended 31 December 2020** 6 of 6

## **DATO' HJ. TUN HISAN BIN DATO' HJ. TUN HAMZAH**

### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Male, Malaysian aged, 62

**Date of Appointment** 11 August 2020

**Length of Services as Executive Director (as at 31 May 2021)**  
9 months

**Date of Last Re-appointment** 22 September 2020

#### **Academic/ Professional Qualification(s)**

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

#### **Present Directorship**

Majuperak Holdings Berhad

#### **Present Appointment(s):**

Director, TUN Security Services Sdn. Bhd.

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

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

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences** He has not been convicted for any offence within the past 5 years.



**Board Meetings attended for Financial Year Ended 31 December 2020** 3 of 3

## **DATUK ABU BAKAR BIN HASSAN**

### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Male, Malaysian, aged 66

**Date of Appointment** 11 August 2020

**Length of Services (as at 31 May 2021)** 9 months

**Date of Last Re-appointment** 22 September 2020

#### **Academic/ Professional Qualification(s)**

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

#### **Present Directorship(s)**

- Majuperak Holdings Berhad
- Director, Zhongtian ARDC Sdn Bhd

#### **Present Appointment(s)**

Chairman, ARDC Management Sdn. Bhd.

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

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

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company:** Nil



**Conviction of offences:** He has not been convicted for any offence within the past 5 years.

**Board Meetings attended for Financial Year Ended 31 December 2020** 3 of 3

## **DATO' AMINUDDIN BIN MD HANAFIAH**

### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Male, Malaysian, aged 57

**Date of Appointment** 24 May 2021

**Length of Services (as at 31 May 2021)** 7 days

**Date of Last Re-appointment** N/A

#### **Academic/Professional Qualification(s)**

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

#### **Present Directorship(s)**

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

#### **Present Appointment(s)**

- Board of Trustee Yayasan Bina Upaya
- Board Member of University Technical Malaysia Melaka (UTeM)

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

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

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences** He has not been convicted for any offence within the past 5 years.

**Board Meetings attended for Financial Year Ended**

**31 December 2020** N/A



## **DATO' MOHD AZMI BIN HJ OTHMAN**

### **NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Male, Malaysian, aged 53

**Date of Appointment** 24 May 2021

**Length of Services (as at 31 May 2021)** 7 days

**Date of Last Re-appointment** N/A

#### **Academic/Professional Qualification(s)**

- Bachelors' Degree in Law (Hons.), University of Technology MARA

#### **Present Directorship(s)**

- Director, Perbadanan Kemajuan Negeri Perak
- Director, Majuperak Holdings Berhad
- Director, KYM Holdings Berhad

#### **Present Appointment(s)**

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

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

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

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences** He has not been convicted for any offence within the past 5 years.  
**Board Meetings attended for Financial Year Ended 31 December 2020** N/A



## **NORAZALI BIN NORDIN**

### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Male, Malaysian, aged 47

**Date of Appointment** 24 May 2021

**Length of Services (as at 31 May 2021)** 7 days

**Date of Last Re-appointment** N/A

#### **Academic/Professional Qualification(s)**

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

#### **Present Directorship(s)**

- Director, Majuperak Holdings Berhad

#### **Present Appointment(s)**

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

#### **Past Directorship(s) and/or Appointment(s)** Nil

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences** He has not been convicted for any offence within the past 5 years.

**Board Meetings attended for Financial Year Ended 31 December 2020** N/A



# KEY SENIOR MANAGEMENT

## **NIZRAN BIN NOORDIN** EXECUTIVE DIRECTOR CUM GROUP CHIEF EXECUTIVE OFFICER GROUP CEO

Male, Malaysian aged, 43

Refer to the Profile of Directors on page [13].

## **AHMAD AL-HADI BIN ABDUL KHALID** CHIEF FINANCIAL OFFICER

Male, Malaysian aged, 56

**Date of Appointment:** 27 August 2018

**Length of Service (as at 31 May 2021):** 2 years 9 months

**Academic/Professional Qualification(s)**

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

**Directorships in Public Companies and Listed Issuer** Nil

**Working experiences**

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



**Family Relationship/Conflict of Interest**

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

**Securities holding in the Company** Nil

**Conviction of offences:**

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

## **IR. KU ADENAN BIN KU ISMAIL** GENERAL MANAGER, PROPERTY DEVELOPMENT & INFRASTRUCTURE

Male, Malaysian aged, 54

**Date of Appointment** 2 May 2018

**Length of Service (as at 31 May 2021):** 3 years 2 months

**Academic/Professional Qualification(s)**

- Bachelor Degree (Hons) in Civil Engineering
- Master Science in Construction Management
- Corporate Member, Institution of Engineers Malaysia
- Professional Engineer, Board of Engineers Malaysia
- Member of Project Management Institute (PMI)

**Present Appointment**

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

**Directorships in Public Companies and Listed Issuer** Nil

**Working experiences**

- Resident Engineer, ATZ Consult Sdn. Bhd. (Jan 2017 – Apr 2018)
- Project Manager, KBR Inc. (Kellogg Brown & Root), Qatar (May 2013 – Dec 2016)
- Senior Manager, Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) (Feb 2013 – Apr 2013)
- Deputy Senior Manager, Opus International (M) Berhad (Jun 2011 – Jan 2013)
- Project Manager, Ministry of Works, Bahrain (Sep 2007 – May 2011)
- Assistant Resident Engineer, HSS Engineering Sdn. Bhd. (Oct 2006 – Aug 2007)
- Construction Manager, Ahmad Zaki Sdn. Bhd. (Apr 2004 – Sep 2006)
- Project Manager, Lankhorst Berhad (Oct 2001 – Mar 2004)
- Design Engineer, Pilecon Engineering Berhad (Aug 1996 – Sep 2001)



**Family Relationship/Conflict of Interest**

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

**Securities holding in the Company** Nil

**Conviction of offences**

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

## KEY SENIOR MANAGEMENT (CONTINUED)

### KAMARUL BAHRIN BIN BAHARUDIN GENERAL MANAGER, STRATEGIC BUSINESS

Male, Malaysian aged, 47

**Date of Appointment** 1 October 2019

**Length of Services (as at 31 May 2021)** 1 year 9 months

**Academic/ Professional Qualification(s)**

- BA (Hons) Accountancy Studies, Portsmouth University, UK
- Diploma In Accountancy, Institut Teknologi Mara

**Directorships in Public Companies and Listed Issuer** Nil

**Present Appointment(s):**

- General Manager Strategic Business Division, Majuperak Holdings Berhad

**Working Experience(s)**

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

**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences**

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



### JAMALIAH BINTI MUSTAPHA GENERAL MANAGER, HUMAN RESOURCES & ADMINISTRATION

Female, Malaysian aged, 52

**Date of Appointment** 1 December 2020

**Length of Services (as at 31 May 2021)** 6 months

**Academic/ Professional Qualification(s)**

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

**Directorships in Public Companies and Listed Issuer** Nil

**Present Appointment(s):**

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

**Working Experience(s)**

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

**Family Relationship/Conflict of Interest**

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

**Securities holdings in the Company** Nil

**Conviction of offences**

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



### PUA KIAN SIEN

#### GENERAL MANAGER, GOVERNMENT LIAISON

Male, Malaysian aged, 40

**Date of Appointment** 1 November 2020

**Length of Services (as at 31 May 2021)** 7 months

**Academic/ Professional Qualification(s)**

- Diploma Pengurusan Awam (Kepujian), INTAN, 2006
- Ijazah Sarjana Muda Sains Pentadbiran dan Pembangunan Tanah (Kelas Pertama), Universiti Teknologi Malaysia, 2003
- Ijazah Sarjana Pengurusan Sumber Tanah, Universiti Putra Malaysia, 2014

**Directorships in Public Companies and Listed Issuer** Nil

**Present Appointment(s):**

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

**Working Experience(s)**

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



**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company** Nil

**Conviction of offences**

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

### MD SHAIZATUL AZAM BIN CHE SODA

#### GENERAL MANAGER, CORPORATE SERVICES

Male, Malaysian aged, 54

**Date of Appointment** 1 April 2021

**Length of Services (as at 31 May 2021)** 2 months

**Academic/ Professional Qualification(s)**

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

**Directorships in Public Companies and Listed Issuer** Nil

**Present Appointment(s):**

- General Manager, Corporate Services, Majuperak Holdings Berhad

**Working Experience(s)**

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



**Family Relationship/Conflict of Interest** He does not have any family relationship with other Directors and/or major shareholders of the Company or any conflict of interest with the Company.

**Securities holdings in the Company**

3,000 ordinary shares

**Conviction of offences**

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

PEMEGANG-PEMEGANG SAHAM SEKALIAN,  
DENGAN NAMA ALLAH, YANG MAHA PENGASIH, YANG MAHA PENYAYANG.  
ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH.

MEWAKILI AHLI LEMBAGA PENGARAH, SAYA DENGAN INI MEMBENTANGKAN  
LAPORAN TAHUNAN 2020 DAN PENYATA KEWANGAN BERAUDIT KUMPULAN  
DAN SYARIKAT UNTUK TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2020.

## TINJAUAN KEWANGAN

Pada tahun kewangan 2020, Kumpulan mencatatkan keuntungan selepas cukai berjumlah RM35.77 juta didorong hasil RM35.73 juta, terutamanya daripada penjualan tanah dan harta tanah yang ketara, sumbangan yang semakin meningkat dari pengurusan harta tanah dan kemudahan, sumbangan berterusan daripada perniagaan tenaga boleh diperbaharui dan perniagaan barang dagangan dan dibantu oleh penilaian semula harta tanah pelaburan mengikut Piawaian Pelaporan Kewangan Malaysia 140 (MFRS 140).

Kumpulan berjaya pulih dari pendapatan RM8.45 juta, yang menghasilkan kerugian selepas cukai sebanyak RM7.15 juta yang dilaporkan pada tahun kewangan sebelumnya. Kumpulan mempunyai baki tunai dan bank sebanyak RM1.93 juta pada 31 Disember 2020 dan aset bersih sesaham Kumpulan adalah pada RM0.71 berbanding RM0.61 tahun sebelumnya.

Sebagai Kumpulan, prestasi kewangan menunjukkan ketahanannya dalam menghadapi pandemik global yang mendatangkan malapetaka terhadap ekonomi dunia.

## SYARIKAT TERSENARAI YANG TERJEJAS

Kumpulan telah diklasifikasikan sebagai Syarikat Tersenarai yang Terjejas ("Affected Listed Issuer") sejak 13 April 2020 dan kami kini sedang bekerjasama dengan Penasihat Utama kami bagi mengemukakan Pelan Regulasi.

Kami yakin bahawa kami dapat menyerahkan rancangan di atas kepada pihak berwajib sebelum tarikh akhir 24 bulan yang ditetapkan iaitu pada April 2022.

## TINJAUAN PENGOPERASIAN

### Segmen Pembangunan Hartanah

Pada tahun yang dinilai, segmen pembangunan harta tanah memperoleh pendapatan sebanyak RM23.79 juta (2019: RM3.31 juta) yang pada asasnya berasal daripada penjualan tanah dan harta tanah. Penyumbang utamanya ialah daripada penjualan tanah bernilai RM22.51 juta di Mukim Sg Terap, Batu Gajah. Kumpulan juga mencatatkan penjualan harta tanah sebanyak RM1.28 juta daripada penjualan rumah kedai di Tapah, banglo di Ulu Kinta dan sebuah apartmen di Pulau Pinang.

### Segmen Pengurusan Harta Tanah dan Fasiliti

Segmen ini memperoleh hasil terutamanya daripada sewa harta tanah dan pengurusan kemudahan.

Kumpulan memiliki dan menguruskan Wisma Majuperak dan Bazar Ipoh (dahulu dikenali sebagai Silveritage Galleria Complex) yang menyumbang secara konsisten kepada pendapatan sewa bersama penyewaan tanah lain yang menjana RM1.97 juta pada tahun 2020.

Untuk membantu meringankan beban kewangan beberapa penyewa kami ketika pandemik tersebut, Kumpulan telah menawarkan moratorium pembayaran sewa sepanjang tempoh ini yang berjumlah RM0.34 juta dari segi kredit sewa dan rebat.

Segmen perniagaan ini menjana pertumbuhan pendapatan keseluruhan berjumlah RM7.30 juta pada tahun 2020 berbanding RM2.72 juta pada tahun 2019. Peningkatan pendapatan pada tahun 2020 disumbangkan oleh segmen pengurusan kemudahan melalui kerja-kerja subkontrak yang menghasilkan sekitar RM5.32 juta berbanding tahun sebelumnya sebanyak RM0.94 juta.

### Tenaga Boleh Diperbaharui

Majuperak Energy Resources Sdn Bhd ("MERSB") adalah anak syarikat milik penuh MHB yang memiliki dan mengendalikan ladang solar yang terletak di Keramat Pulai, Simpang Pulai, Perak. Untuk Tahun Kewangan 2020, segmen tenaga boleh diperbaharui mencatatkan pendapatan sebanyak RM1.54 juta (2019: RM1.43 juta) dan menjana sekitar 1,246 megawatt ("MW") (2019: 1,111 MW) yang menyumbang 4% (2019: 17%) daripada Jumlah pendapatan kumpulan. Pendapatan terdiri daripada penjanaan tenaga dari loji solar RM1.30 juta (2019: RM1.18 juta) dan pendapatan penyelenggaraan sebanyak RM0.24 juta (2019: RM0.24 juta).

### Perniagaan Barang Dagangan dan Lain-lain

Segmen ini menyumbang pendapatan yang lebih tinggi kepada Kumpulan pada Tahun Kewangan Berakhir 2020 berjumlah RM3.10 juta berbanding RM1.0 juta pada tahun 2019. Perniagaan barangan dagangan melalui Nexus Jade Sdn Bhd ("NJSB") menyumbang sebanyak RM2.75 juta (2019: RM0.60 juta). Di samping itu, pendapatan lain yang dicatatkan pada tahun 2020 berjumlah RM0.35 juta (2019: RM0.40 juta) yang diperoleh daripada sewa tanah dan pasir.

Perniagaan barangan dagangan mencatatkan peningkatannya sebanyak 358% pada tahun 2020, terutamanya disumbangkan oleh Nexus Jade Sdn Bhd yang mencatat peningkatan penjualan bahan iklan dan promosi yang berkaitan dengan inisiatif *go-green* di Negeri Perak.

### Pendapatan Lain

Pendapatan Kumpulan yang lain telah meningkat kepada RM58.27 juta yang sebahagian besarnya disumbangkan oleh keuntungan RM51.93 juta daripada penilaian semula harta tanah pelaburan mengikut MFRS 140.

### Sumber Manusia

MHB mensasarkan untuk membina pasukan berprestasi tinggi yang hebat kerana ini akan mendorong pertumbuhan pada masa kini dan masa depan. Kami menghargai sumbangan setiap pekerja kami dalam Kumpulan MHB. Sehubungan dengan itu, Syarikat telah memperkenalkan Skim Opsyen Saham Pekerja (ESOS) pada bulan Mac 2020, di mana kami percaya bahawa kami memberi peluang kepada pekerja kami untuk berkongsi secara langsung dalam kejayaan syarikat di masa hadapan.

Kita semua mempunyai tahun perniagaan yang mencabar di mana pandemik COVID-19 telah memberi kesan kepada kita semua dan ini memerlukan tindakan pantas dan pertimbangan baik, termasuk di bidang Sumber Manusia. Di MHB, kami segera mengaktifkan rancangan kesinambungan perniagaan kami. Kami menutup pejabat kami buat sementara waktu semasa Fasa 1 Perintah Kawalan Pergerakan (PKP) dan mengatur agar kakitangan di perkhidmatan tidak penting bekerja dari rumah untuk memastikan perniagaan dapat meneruskan kegiatannya semasa operasi ditutup. Kesihatan pekerja adalah keutamaan kami dan pada masa yang sama, kesinambungan perniagaan harus dipastikan. Kami dapat memanfaatkan langkah-langkah fleksibiliti yang ada dan menyediakan langkah-langkah agar pekerja kami kembali normal.

Di MHB, meningkatkan penglibatan pekerja adalah sebahagian daripada strategi perniagaan kami dan pemacu penting kejayaan perniagaan kami. Inisiatif penglibatan pekerja kami difokuskan melalui sesi *townhall*. Sesi *townhall* adalah acara dwi tahunan yang menyediakan dialog terbuka dan telus di antara pihak pengurusan dan kakitangan berkaitan syarikat. Pada Tahun Kewangan Berakhir 2020, satu (1) sesi *townhall* diadakan pada 20 Julai 2020 dan satu (1) *Breakfast Talk* dengan Ketua Pegawai Eksekutif Kumpulan. Topik utama yang dibincangkan adalah berkaitan dengan prestasi keseluruhan syarikat, strategi masa depan, inisiatif yang berkaitan dengan pekerja dan rancangan pengembangan perniagaan.

Kumpulan komited untuk mematuhi piawaian sistem pengurusan yang diiktiraf di peringkat antarabangsa dalam meningkatkan kecekapan operasi kami dan mematuhi keperluan undang-undang dan peraturan yang berkaitan dengan perkhidmatan kami. Dalam tempoh yang dinilai, MHB juga memulai perjalanan untuk mendapatkan sijil di bawah ISO 9001: 2015 untuk Sistem Pengurusan Kualiti. Perjalanan ke arah pensijilan diterajui oleh Bahagian Sumber Manusia Syarikat. Berdasarkan kemajuan yang dicapai, MHB berharap dapat diiktirafkan pada suku ketiga tahun 2021.

### Dividen

Lembaga Pengarah tidak mengesyorkan pembayaran dividen bagi tahun kewangan berakhir 31 Disember 2020.

### SUDUT PANDANGAN DAN PROSPEK

Di peringkat global, pembangunan semula ekonomi selepas pandemik Covid-19 akan menjadi cabaran terbesar memandangkan kesannya dalam menghentikan pertumbuhan global.

Di Malaysia, keadaannya sama dengan mana-mana negara yang dilanda pandemik tersebut. Pada 30 April 2021, jumlah kes COVID-19 meningkat menjadi 404.925 kes, sementara jumlah kes aktif berjumlah 28.093 dengan 1.492 kematian.

Bagi mengekang rantaian jangkitan COVID-19, Kerajaan telah memulau program vaksinasi dengan sasaran untuk memvaksinasi 80% penduduk Malaysia pada akhir 2021.

Bank Negara Malaysia sebaliknya melaporkan bahawa ekonomi Malaysia yang telah menguncup sebanyak 5.6% pada tahun 2020 dijangka pulih pada kadar antara 6% hingga 7.5% pada tahun 2021.

### The Malaysian economy is projected to expand by 6.0% – 7.5% in 2021, supported by both external and domestic factors

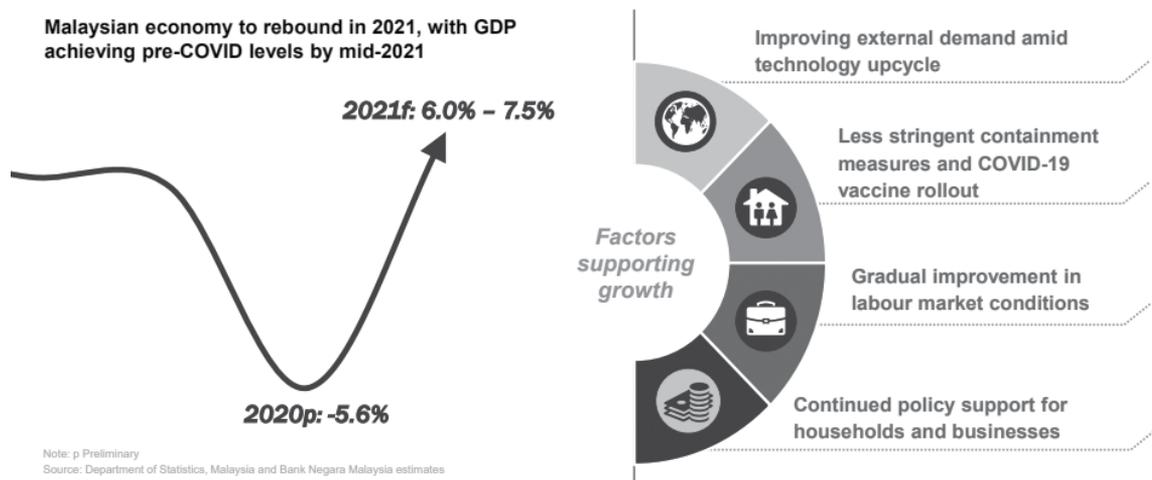


Diagram 1 — Prospek Ekonomi Malaysia (Sumber: Bank Negara Malaysia, Laporan Tahunan 2020).

Sementara itu, MIDF Amanah Investment Bank Bhd Research (“MIDF Research”) menjangkakan penjualan harta tanah akan menurun pada tahun 2021 kerana *mood* pembeli dijangkakan lembap oleh kerana prospek ekonomi yang tidak stabil. Namun, Ketika pemulihan PKP dan PKPP, penjualan meningkat kerana insentif yang diumumkan oleh Kerajaan di bawah Kempen Pemilikan Rumah 2020 (HOC).

Walaupun kami yakin bahawa sektor hartanah akan tetap lemah dalam pandangan seperti yang ditonjolkan oleh MIDF, prospek perumahan mampu milik pada umumnya optimis dan positif.

Dipercayai bahawa 2021 akan menjadi tahun pemulihan pasaran dengan digitalisasi perniagaan menjadi ciri utama. Budaya “Bekerja dari Rumah” akan kekal pada tahun 2021 dan kita mungkin akan melihat penggunaan semula harta tanah. Kumpulan akan meneroka pelbagai usaha dan strategi untuk menangani keadaan semasa dan permintaan harta tanah yang berpatutan sepanjang tahun 2021 dan seterusnya.

Pandemik ini telah menghancurkan ekonomi dunia dan menghambat pengembangan tenaga boleh diperbaharui, namun Badan Tenaga Antarabangsa meramalkan pada November 2020 bahawa kesannya dijangka sementara dengan penggunaan bahan bakar fosil dijangkakan menurun. Tenaga boleh diperbaharui akan terus menjadi sumber pengeluaran tenaga utama dunia menjelang tahun 2025, menyediakan sepertiga elektrik di dunia. Di Malaysia, Belanjawan 2021 menekankan projek kelestarian yang sejajar dengan *Sustainable Development Goals* (SDG) Pertubuhan Bangsa-Bangsa Bersatu (PBB), yang menempatkan Malaysia antara negara-negara terkemuka di barisan hadapan.

## **PENYATA PENERUSI (SAMBUNGAN)**

NEM 3.0 yang diumumkan pada 29 Januari 2021 oleh Kementerian Tenaga dan Sumber Asli menawarkan faedah yang tidak dapat disangkal bagi pengguna solar dan akan mendorong rakyat untuk memahami bahawa tenaga suria bukan lagi mewah tetapi penting yang mampu milik.

Kumpulan bertekad untuk mengembangkan, bekerjasama dan merebut potensi prospek untuk mendorong kemajuan lebih lanjut dalam pasaran tenaga boleh diperbaharui pada tahun mendatang, kerana industri tenaga boleh diperbaharui diharapkan memasuki fasa pertumbuhan baru pada tahun 2021.

Persekitaran pengurusan fasiliti di Malaysia berkembang seiring dengan sektor tenaga boleh diperbaharui. Pasaran diharapkan didorong oleh budaya penyumberan luar yang kuat di sektor pengguna akhir tertentu seperti penjagaan kesihatan dan pendidikan, memastikan penglibatan jangka panjang untuk aliran pendapatan berulang, dan penglibatan nilai tambah yang memfokuskan kepada kecekapan kos dan pengoptimuman nilai aset. Kumpulan akan terus mengurus perkhidmatan pengurusan aset dan kemudahan dengan cekap untuk memastikan pertumbuhan masa depannya dan menjadi penyumbang penting terhadap pertumbuhan Syarikat.

Melihat catatan positifnya, Kumpulan optimis terhadap prospek jangka panjangnya dan yakin dapat merealisasikan potensi pelaburan yang dibuat setakat ini.

## **PENGHARGAAN**

Kumpulan yakin bahawa, di sebalik kemunduran ekonomi susulan pandemik global, negara ini cukup berdaya tahan untuk pulih dan bangkit kembali.

Sungguhpun begitu, kita tidak harus berputus asa dalam tekad untuk bekerja lebih keras bagi mengatasi cabaran yang akan datang.

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan ribuan terima kasih dan penghargaan kepada rakan-rakan ahli Lembaga Pengarah, pihak pengurusan dan kakitangan atas komitmen berterusan dan sumbangan tidak ternilai kepada Kumpulan. Kami juga ingin mengucapkan terima kasih kepada semua pelanggan, pembekal, rakan niaga, pihak bank dan pihak berkuasa kerajaan yang kami hargai atas sokongan dan kepercayaan mereka terhadap Kumpulan MHB.

Dengan ini, saya mengakhiri tinjauan tahun ini dan kami menantikan tahun 2021, untuk memacu Kumpulan ke tahap seterusnya. Terima kasih dan salam hormat.

**Datuk Redza Rafiq bin Abdul Razak**

# CHAIRMAN'S STATEMENT

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

On behalf of the Board of Directors, I am pleased to present the 2020 Annual Report and Audited Financial Statements of the Group and the Company for the Financial Year Ended 31 December 2020.

## FINANCIAL REVIEW

In the financial year 2020, the Group registered a post-tax profit of RM35.77 million on the back of RM35.73 million revenue, led mainly by a significant land & property sale, a growing contribution from property and facilities management, continuous contribution from renewable energy and merchandising business, and aided by investment property revaluation as per Malaysian Financial Reporting Standards 140.

The Group managed to rebound from a revenue of RM8.45 million, which generated a post-tax loss of RM7.15 million reported in the previous financial year. The Group has cash and bank balances of RM1.93 million as at 31 December 2020 and the Group's net asset per share is at RM0.71 compared to previous years' RM0.61.

As a group, the financial performance demonstrated its resilience in the face of a global pandemic wreaking havoc to the world's economy.

## AFFECTED LISTED ISSUER

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

We are confident that we are able to submit the aforesaid plan to the relevant authorities before the stipulated 24-month dateline on April 2022.

## OPERATIONAL REVIEW

### Property Development Segment

In the year under review, the property development segment achieved RM23.79 million revenue (2019: RM3.31 million), essentially derived from land and property sales. The main contributor would be the RM22.51 million land sale in Mukim Sg Terap, Batu Gajah. We also registered RM1.28 million of property sales from our sale of shophouses in Tapah, bungalows in Ulu Kinta and an apartment in Penang.

### Property & Facilities Management Segment

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

The Group owns and manages Wisma Majuperak and Bazar Ipoh (previously known as Silveritage Galleria Complex) which contributes consistently to rental income and along with other land rentals generated RM1.97 million in 2020.

To help ease the financial burden of some of our tenants during the pandemic, the Group has offered moratorium on rental payments during this period totalling RM0.34 million in terms of rental credits and rebates.

This business segment generated total revenue growth totalling RM7.30 million in 2020 as compared to RM2.72 million in 2019. The increase of revenue in 2020 is mainly contributed by facilities management segment through subcontracting work which yielded about RM5.32 million compared to previous year's RM0.94 million.

### Renewable Energy

Majuperak Energy Resources Sdn Bhd ("MERSB") is a wholly owned subsidiary of MHB that owns and operates a solar farm located in Keramat Pulai, Simpang Pulai, Perak. For FYE 2020, the renewable energy segment recorded RM1.54 million revenue (2019: RM1.43 million) and generated around 1,246 megawatts ("MW") (2019: 1,111 MW) which contributed 4% (2019: 17%) of the Group's total revenue. The revenue consists of energy generation from solar plants RM1.30 million (2019: RM1.18 million) and maintenance income of RM0.24 million (2019: RM0.24 million).

### Merchandising Business and Others

This segment contributed higher revenue to the Group in FYE 2020 amounting to RM3.10 million compared to RM1.0 million in 2019. The merchandising business through Nexus Jade Sdn Bhd ("NJSB") contributed RM2.75 million (2019: RM0.60 million). In addition, other revenue recorded in 2020 totalling RM0.35 million (2019: RM0.40 million) derived from land and sand rental.

Merchandising business recorded a 358% increase in its revenue in 2020, mainly contributed by Nexus Jade Sdn Bhd who recorded an increase in the sale of advertising and promotional material related to go-green initiatives in the Perak State.

### Other Income

The Group's other income has increased to RM58.27 million which was mostly contributed by a RM51.93 million gain from investment property revaluation as per MFRS 140.

### Human Resources

MHB aims to build a formidable, high-performance team as this will fuel growth, now and in the future. We value the contribution of each and every one of our employees in MHB Group. In this regard, we have introduced Employee Share Option Scheme (ESOS) in March 2020, where we believe we are providing our employees with an opportunity to share directly in the company's future success.

We all had a challenging business year where the COVID-19 pandemic has impacted all of us and calls for rapid and yet well-considered actions, including in the area of HR. At MHB, we promptly activated our business continuity plans. We temporarily shut down our offices during the Phase 1 of the Movement Control Order (MCO) and arranged for non-essential staff to work from home to ensure the business could carry on its activities during lockdowns. The health of our employees is our highest priority while at the same time, business continuity has to be ensured. We were able to build on existing flexibility measures and facilitated steps for our employees to return to the new normal.

At MHB, enhancing employee engagement is part of our business strategy and a critical driver of our business success. Our employee engagement initiatives were focused through townhall sessions. Group townhalls are bi-annual events that facilitate open and transparent dialogue between the management and staff on company matters. In FY2020, one (1) townhall session were conducted on 20 July 2020 and one (1) Breakfast Talk with MHB, Group Chief Executive Officer. Key topics discussed concern the company's overall performance, future strategies, employee-related initiatives, and business expansion plans.

The Group is committed to adhere to internationally recognized management system standards in improving our operational efficiency and in complying with statutory and regulatory requirements relevant to our services. During the period under review, MHB also embarked on the journey to get itself certified under the ISO 9001: 2015 for Quality Management System. The journey towards certification is being led by MHB's Human Resource Division. Based on the progress taken, MHB expects to be certified by third quarter of 2021.

### Dividend

The Board does not recommend the payment of dividends in respect of the financial year ended 31 December 2020.

### OUTLOOK & PROSPECTS

Globally, rebuilding the economy post Covid-19 pandemic would be the greatest challenge given its impact in stunting global growth.

In Malaysia, the situation is the same with any country that is hit with the pandemic. As at 30 April 2021, the total number of COVID-19 cases have risen to 404,925 cases, while the number of active cases stands at 28,093 with 1,492 deaths.

To curb the infection chain of COVID-19, the government has commenced vaccination program with a target to vaccinate 80 percent of Malaysia's population by the end 2021.

Bank Negara Malaysia on the other hand reports that Malaysian economy that has contracted by 5.6% in 2020 is expected to rebound at the rate between 6% to 7.5% in 2021.

**The Malaysian economy is projected to expand by 6.0% – 7.5% in 2021, supported by both external and domestic factors**

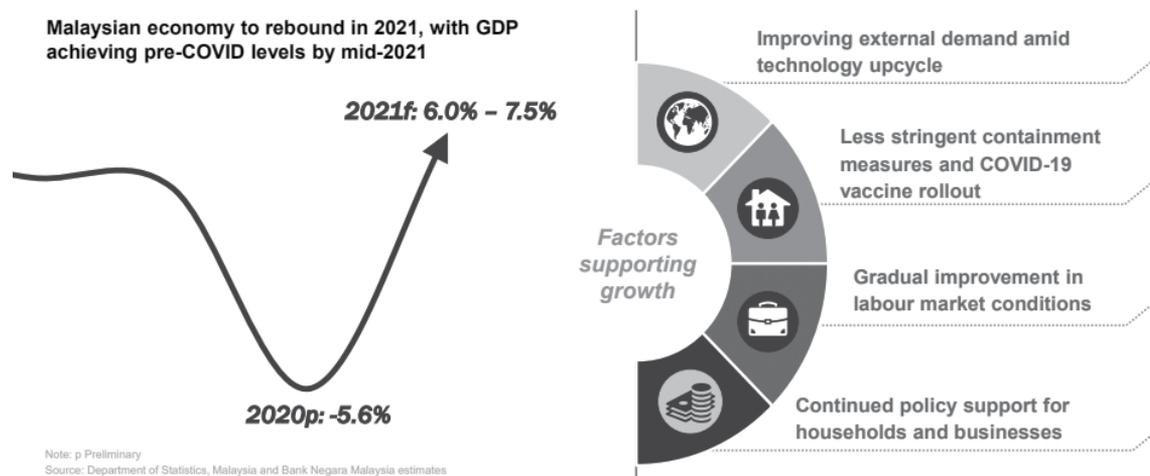


Diagram 1 – The Malaysian Economy Outlook (Source: Bank Negara Malaysia, Annual Report 2020)

MIDF Amanah Investment Bank Bhd Research (“MIDF Research”) meanwhile expects property sales to decline in 2021 as the mood of buyers is expected to be dampened by the volatile economic outlook. However, during the MCO and CMCO recovery times, sales picked up due to incentives announced by the government under the 2020 Home Ownership Campaign (HOC).

Whilst we believe that the property sector will remain soft in outlook as highlighted by MIDF, the outlook on affordable housing would generally be upbeat and positive.

It is believed that 2021 will be a market recovery year with digitalising of business to be a key future. The “Work from Home” culture will stay in 2021, and we will possibly see the repurposing of the usage of properties. The Group will explore various efforts and strategies to address the current situation and demand for affordable properties throughout 2021 and beyond.

The pandemic has devastated the world’s economies and hindered the development of renewable energy, but the International Energy Agency predicted in November 2020 that its effects should be temporary, with the consumption of fossil fuels expected to decline. Renewables is still primed to be the world’s primary source of power production by 2025, providing one third of the electricity in the world. In Malaysia, the 2021 Budget emphasizes sustainability projects aligned with the Sustainable Development Goals (SDGs) of the United Nations (UN), which places Malaysia among leading nations on the right frontier.

The NEM 3.0 which was announced on 29th January 2021 by the Ministry of Energy and Natural Resources and offers undeniable benefits for solar adopters, and will encourage people to understand that solar energy is no longer a luxury but an affordable essential.

The Group is determined to develop, cooperate and seize any potential prospects to fuel further advancement in the renewable energy market in the coming year, as the renewable energy industry is expected to enter a new phase of growth by 2021.

The facilities management environment in Malaysia is evolving alongside the renewable energy sector. The market is expected to be driven by a strong outsourcing culture in certain end-user sectors such as healthcare and education, ensuring longer-term engagements for recurring revenue streams, and value-adding engagements focusing on cost efficiency and asset value optimisation. The Group will continue to manage the asset and facilities management services efficiently to ensure its future growth and be a significant contributor towards the Company's growth.

Looking at the positive note, the Group is optimistic about its long-term prospects and is confident in realizing the potential of investments made so far.

### ACKNOWLEDGEMENTS

The Group is confident that, despite the setback to the economy due to the global pandemic, the country is resilient enough to recover and bounce back.

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

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

On that note, I conclude this year's review and we look forward to 2021, to drive the Group to the next level. Thank you and our warmest regards.

**Datuk Redza Rafiq bin Abdul Razak**

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

Majuperak Holdings Berhad (“MHB”) recorded profit after tax of RM32.64 million on the back of RM34.37 million revenue during the financial year under review. The Group’s main revenue comes from property development which has accounted for 69% of the Group’s total revenue, followed by property and facility management which contributed 21%, merchandising contributed 4%, renewable energy contributed 4% and others revenue contributed 1% of the Group’s total revenue. The higher revenue recorded this year compared to previous year was mainly due to higher land sales during 2020.

In the financial year under review, the Group also adopted the Fair Value Model for its investment property as per Malaysian Financial Reporting Standard No 140. A revaluation surplus of RM51.93 million arising from this exercise was the main cause for profits to surge to RM32.64 million.

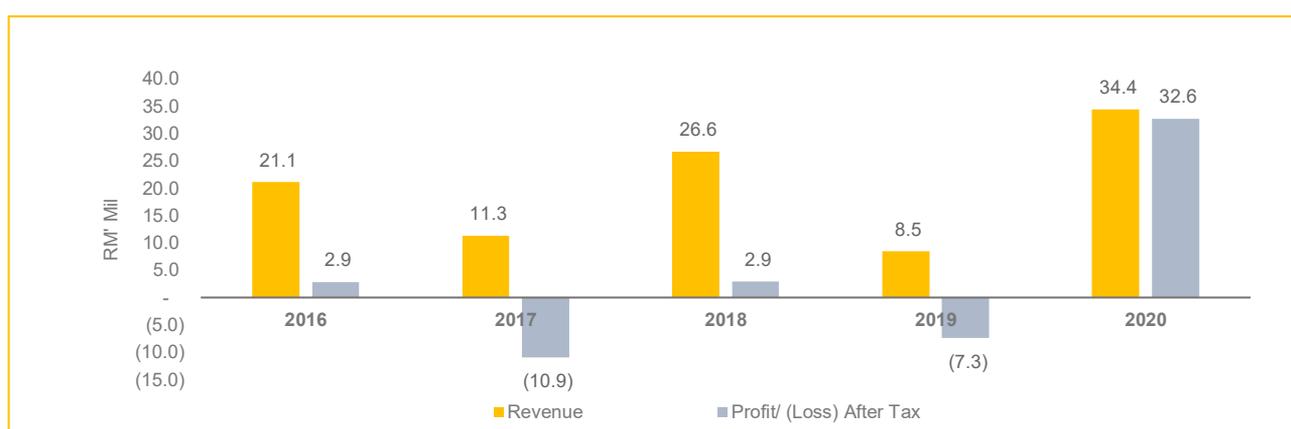
## FINANCIAL REVIEW

The Group recorded higher revenue at RM34.37 million, an increase over 306% as compared to RM8.45 million FYE 2019 which was mainly aided by higher land sales.

We are pleased to report that each business segment namely property development, property and facility management, merchandising, renewable energy and rentals has shown better performance where revenue for each segment reported increase in figures compared to the previous year.

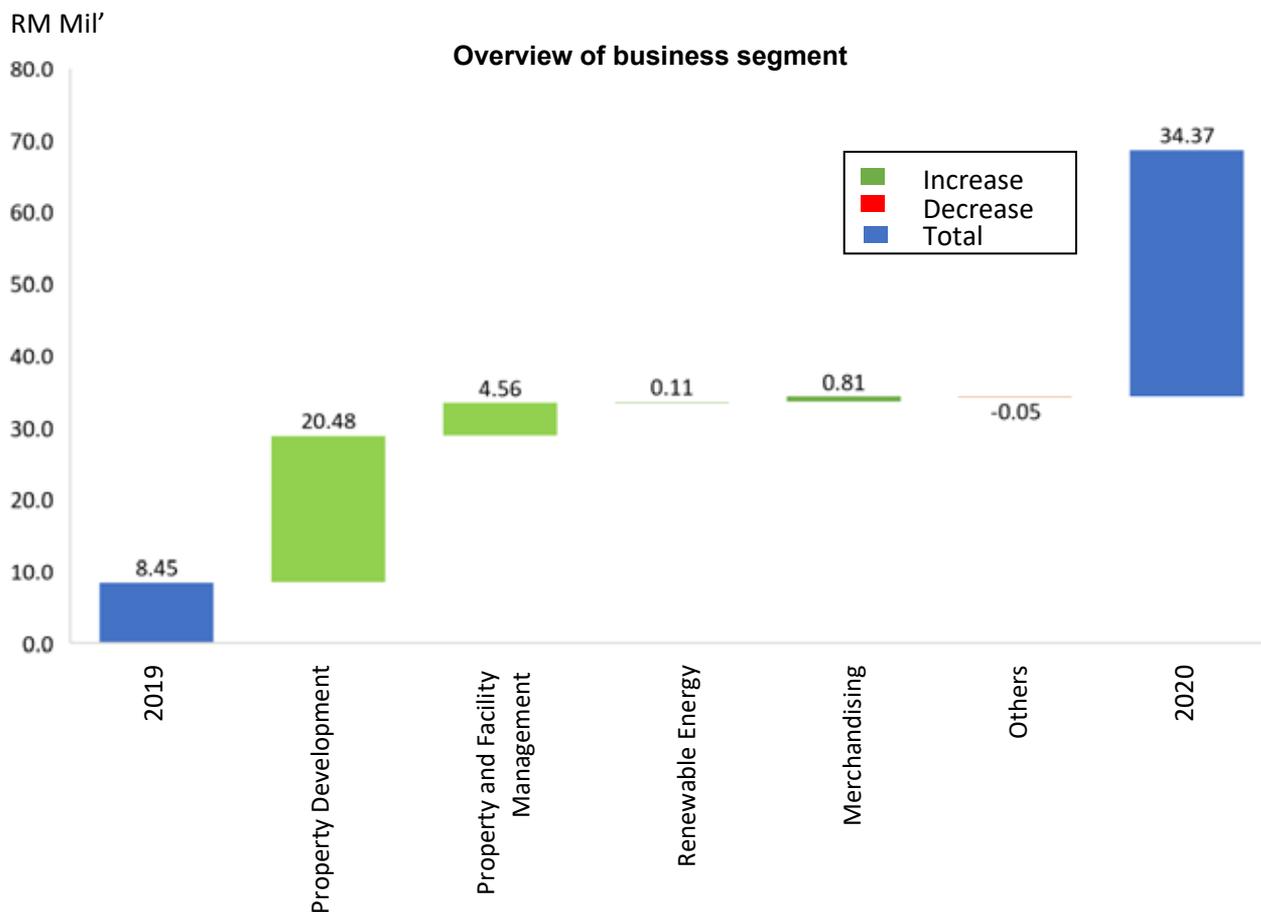
The Group registered post-tax profit of RM32.64 million in 2020 compared to a loss of RM7.34 million in 2019, a substantial increase by 544%.

The Company recorded profit per share attributable to ordinary equity holders of the Company at 12.01 sen for the year 2020 compared to previous year that suffered loss per share at 2.69 sen. Meanwhile, the net assets per share as at 31 December 2020 is at RM0.71 (2019: RM0.61).



Past Years' Performances

OPERATIONAL REVIEW



Property Development Segment

In the year under review, the property development segment has garnered RM23.79 million revenue (2019: RM3.31million), in which RM22.51 million came from the sale of Bandar Tasik Idaman land. In addition to that, RM1.28 million is derived from the sales of shophouses in Tapah, bungalows in Ulu Kinta and an apartment in Penang.

### Property and Facility Management Segment

The surge in this segment is contributed mainly by facility management where for the year ended 2020, this segment recorded revenue of RM5.30 million (2019: RM2.72 million).

FY2020 is the first full complete year where the Group is providing services in a significant subcontracting job valued at approximately RM15 million over 3 years. This has allowed this segment to record an increase in its performance.

Rentals from the Group's properties such as land and office rental consistently contributed to the Group's income, and the revenue for this year has recorded an improvement over previous year. The main rental contributor is from office rental in Wisma Majuperak which is located in Jalan Sultan Idris Shah at the heart of Ipoh City Center. Other rental revenue includes rental of shoplots in Silveritage.

### Silveritage Galleria Complex

The Covid-19 pandemic has had a significant effect on the operations of Silveritage. Many events and activities that was planned had to be cancelled. To ease the burden of our tenants, we had to offer moratorium to them in the pandemic situation. To maintain the income from this segment, the Group has planned to relocate the current retail lots and bazaar to the Ground Floor and setup a concept bazaar apart from adding more lots for entrepreneurs. On top of it, the Group will move its corporate office to Silveritage in 2021.

### Renewable Energy

Going into its fifth year in renewable energy through its wholly owned Majuperak Energy Resources Sdn Bhd ("MERSB"), this segment recorded RM1.54 million revenue in FYE2020 (2019:RM1.43 million) which contributed 4% of the Group's total revenue. The revenue consists of energy generation from solar plants RM1.30 million which generated 1,246 megawatts ("MW") (2019: RM1.18 million, 1,111 MW) and maintenance income of RM0.24 million (2019: RM0.24 million).

### Merchandising and Others

The merchandising business through Nexus Jade Sdn Bhd ("NJSB") contributed a higher revenue at RM1.41million to the Group compared to RM0.60 million in previous year, which is a 135% increase.

The rise in revenue is mainly contributed through Nexus Jade Sdn Bhd's involvement in the promotion of Perak Greenprint which is an initiative by the state government to address climate change issues. We believe NJSB has begun to show results in supplying a steady contribution to the Group's overall revenue.

### Other Income

The Group's other income has increased to RM58.84 million which was mostly contributed by gain of investment property revaluation of as per Malaysia Financial Reporting Standard No 140.

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

The Group has announced on 13 April 2020 that it has triggered para 8.03A(2b) of the Listing Requirements of Bursa Malaysia, thus the Group is considered as an “Affected Listed Issuer”.

The Company has appointed M&A Securities Sdn. Bhd. as Principal Advisor on 17 Sep 2020 to submit the regularisation plan within 24 months from April 2020.

The Group is confident that a regularisation plan can be submitted within the stipulated dateline.

### **FUTURE PROSPECTS**

The Covid-19 pandemic did affect the operation and business of the Group, but we believe the Group will rebound and pull through in these tough times in line with the projected global recovery.

The Group will remain steadfast to strengthen its core business, whilst diversifying its revenue stream with sustainable business opportunities.

Moving forward, more resources and efforts will be put in to explore collaborative opportunities to improve the revenue and profitability of the Group.

# STATEMENT ON SUSTAINABILITY

## INTRODUCTION

In order to cope with the fast-changing landscape of the corporate world, Majuperak Holdings Berhad is committed to sustainability development by operating in an ethical and integrated manner and taking responsibility for the effects of decisions made to stakeholders, the community and the environments.

In 2020, MHB continues to implement sustainability initiatives in our organizations by generating value through creativity, while growing our human capital. We aim to give the stakeholders broader value creation. As an active player in stimulating economic growth in the Perak State, the Group is striving to ensure that the development impact is felt by both stakeholders and the community.

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

This statement aims to provide accurate EES information regarding our business to our stakeholders, thus fostering confidence and relationships with our stakeholders by rising the accountability and its openness.

### 1. Sustainability Governance

Our sustainability framework is following the "tone from the top" leadership. It is led by the Board of Directors, who among responsibilities is to ensure the business strategy is taking into account the sustainability matters and to approve sustainability strategy.

This is further monitored by the management who is then responsible to develop sustainability strategy and recommend subsequent revisions to the Board of Directors. They are also needed to oversee the implementation of the strategy and to approve relevant targets/goals.

The governance framework is completed with the inclusion of the divisions who, among supporting the implementation of the strategy, also reports on the performance and controls of the sustainability processes and controls. Other responsibility is to report management on relevant targets to ensure it stays on track.



## STATEMENT ON SUSTAINABILITY (CONTINUED)

### 2. Stakeholder Engagement

Proactive stakeholder engagement ensures our business activities are viable, strategic and relevant. We engage with a diverse group of stakeholders as shown in the following table:

Stakeholders	Key Focus Area	Methods of monitoring
Shareholders	<ul style="list-style-type: none"> <li>• Profitability</li> <li>• Dividend</li> <li>• Shareholders' value/responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Company website</li> <li>• Annual reports</li> </ul>
Clients, Suppliers and Partners	<ul style="list-style-type: none"> <li>• Timely delivery of projects</li> <li>• Payment terms and timeliness</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey and supplier evaluation form</li> <li>• Face-to-face meeting</li> <li>• Events and site visits</li> </ul>
Regulators and Government Authorities	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Certifications / awards</li> <li>• Industry best practices and updates</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance and certification exercises</li> <li>• Periodic site visits and audits</li> <li>• Briefings and trainings</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Business performance and direction</li> <li>• Career development</li> <li>• Learning and development</li> <li>• Employee welfare and benefits</li> <li>• Employee wellness</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communications via email circulation</li> <li>• Annual performance appraisal</li> <li>• Forums, trainings and workshops</li> <li>• Sports clubs i.e Kelab Warga</li> <li>• Employee events including festive celebrations (i.e Raya Celebration) and annual dinners</li> <li>• Senior Management Retreat</li> </ul>
Local community, Industry Associations, Academia and Non-Governmental Organisations ("NGOs")	<ul style="list-style-type: none"> <li>• Company reputation and branding</li> <li>• Corporate Social Responsibility</li> <li>• Best management practices</li> <li>• Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Community outreach and development programmes</li> <li>• Educational site visits</li> <li>• Briefings and trainings</li> </ul>

### 3. Materiality Assessment

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

Given that this is the early phase of implementing sustainability within the company operations, focus has been placed on establishing the necessary framework. This includes the establishment of materiality assessment, material sustainability topics and matrix. Moving forward, the Company will further implement and establish monitoring process on sustainability initiatives.

### 4. Marketplace

#### 4.1 Corporate Governance and Compliance

Guided by the Malaysian Code on Corporate Governance 2017, MHB are committed in ensuring the principles and best practices of good corporate governance is applied throughout the Group. Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of the Annual Report 2020.

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

#### 4.2 Anti-Corruption and Integrity Pledge

We are committed to creating a corporate culture to operate our businesses in an ethical manner while upholding the highest standards of professionalism.

As part of our continuous commitment towards creating a business environment built on transparency, integrity and free corruption, we have made our Integrity Pledge on 8 January 2020.

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

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

However, the commercial organisation is allowed to defend itself to prove that it had 'adequate procedures' in place to prevent corruption in their operations or businesses. In response to this, we have established a committee that will oversee the implementation of adequate procedures. To date, several activities has been done such as trainings and establishing a code of conduct for the employees.

### 5. Environment

#### 5.1 Energy

We remain committed to preserving the environment by implementing environmental-friendly practices in our operations. The Group through its wholly owned subsidiary, Majuperak Energy Resources Sdn Bhd (MERSB) owns and operates a solar power farm which is located at Keramat Pulai, Simpang Pulai, Perak. The plant collectively generates around 1,900 MW of electricity per annum.

Besides generating revenue for the company, this business is reflective of the Group's efforts towards contributing to green and clean energy. For year 2020, the plant generates around 1,246 MW of electricity. The plant is estimated to produce around 1,900 MW electricity in 2021.

At workplace, we encourage energy saving measures such as controlling the air conditioning temperature at reasonable level and turning off electrical appliances when no one is using. We practice recycling at our offices and reuse recycled papers whenever possible, to reduce paper usage.

### 6. Community

#### 6.1 Caring for Communities

We care about giving back to the community. However, beyond pure philanthropy, we endeavour to deliver meaningful initiatives with lasting outcomes to a diverse group of beneficiaries.

During this financial year, we donated to various non-profit organisations including Pertubuhan Pembangunan Islam Negeri Perak and to assist these organisations in their operating expenses and running of existing programmes.

#### 6.2 Providing Greater Access to Education

We work along with higher learning institutions such as Universiti Sains Malaysia, UiTM, UNISEL, and Universiti Sultan Azlan Shah to offer internship programmes for their students. These internship programmes aim to provide the students practical exposure to real-world corporate considerations that would benefit them upon graduation.

In addition, we give recognition to the children of our employees for achieving outstanding results in their academics as a gesture of encouragement to promote the emphasis on education.

#### 6.3 Promoting Sports and Wellbeing

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

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

## INTRODUCTION

Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements with regards to the Group's state of internal control, the Board of Directors ("Board") is pleased to present the Group's Statement on Risk Management and Internal Control during the financial year under review and up to the date of approval of this statement, prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

The Board of Directors ("Board") of Majuperak Holdings Berhad Group ("Group") is committed to maintain a sound risk management framework and internal control system in the Group.

## BOARD'S RESPONSIBILITY

The Board affirms its responsibility in inaugurating a comprehensive risk management framework and internal control system as well as reviewing its adequacy and effectiveness. The Board implied that rather than eliminating the risk of failure, the risk management framework and internal control system are designed to manage the Group's risks within the tolerable risk appetite to achieve the business goals and objective. It can therefore only provide reasonable, rather than absolute assurance against material misstatement, fraud or loss.

The Board has established appropriate control structure and process for identifying, evaluating, monitoring, managing and responding to significant risks confronted by the Group in its pursue of the business goals and objectives. The control structure and process which have been inaugurated throughout the Group are reviewed and updated from time to time in response to the changes in the business environment, and this on-going process has been in place for the whole financial year under review and up to the date of approval of the Statement on Risk Management & Internal Control for inclusion in the Annual Report.

The role of Management includes:

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### RISK MANAGEMENT FRAMEWORK

The Board understands that Risk Management is an important aspect of all business operations and therefore supports the contents of Risk Management and Internal Control Guidance. In order to realize its oversight responsibility, the Audit Committee (“AC”) and Risk Management Committee (“RMC”) are handled separately.

The RMC is responsible for risk management of the Group. RMC will review the adequacy and integrity of Group’s Risk Management System (“RMS”). The Risk Management Workgroup (“RMWG”) on the other hand facilitates the continuous monitoring and evaluation of the Group’s RMS which encapsulates the key processes of risk identification, assessment, mitigation, monitoring and reporting.



Any approved policy and framework formulated to identify measure and monitor various risk components and Any approved policy and framework formulated to identify measure and monitor various risk components and internal control system would be reviewed and recommended by the AC and RMC to the Board. Additionally, the AC and RMC reviews and assesses the adequacy of these policies and ensures infrastructure, resources and systems are properly emplaced and implemented.

These principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and regulations, and are made available to all employees.

The risk management framework for adoption by the Group involves the following:

(a) **Risk Management Committee**

Responsible to identify continuously and communicate and report to the Board, the critical risks the Group faces, their changes and the management action plans to manage the risks.

The Risk Management Committee, which was formed on 10 August 2018 comprises of three Board Members as follows:-

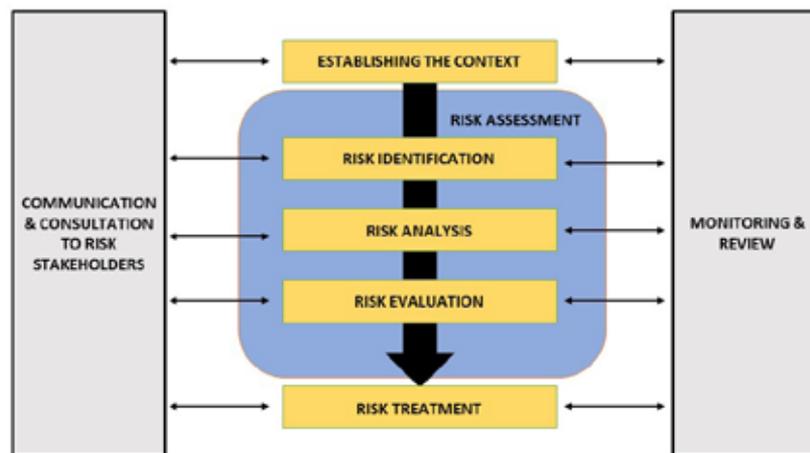
- i. Dato Hj Tun Hisan Bin Dato Hj Tun Hamzah (Chairman) (Appointed on 18 August 2020)
- ii. Encik Nizran Bin Noordin (Member) (Appointed on 25 June 2020)
- iii. Encik Ahmad Najmi Bin Kamaruzaman (Member) (Appointed on 15 July 2020)

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

- Ir Megat Shariffudin Bin Ibrahim resigned as Director of Majuperak Holdings Berhad on 13 August 2020 and therefore ceased to be the Chariman / Member on that date.
- Encik Khairul Nizam Bin Tajul Hasnan have relinquished his position on 15 July 2020 and therefore ceased to be the Member on that date.
- Encik Mohd Ariff Yeop Ishak have relinquished his position on 15 July 2020 and therefore ceased to be the Member on that date.
- Encik Amran Bin Alang Ahmad have relinquished his position on 15 July 2020 and therefore ceased to be the Member on that date.

### (b) Key Management Staff

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



#### Risk Management Methodology

- Identification of significant risks by risk owners/stakeholders
- Assessment/Analysis of the likelihood and impact of the risks identified
- Evaluating the control strategies in relation to the risks
- Formulating action plan to address control deficiencies
- Setting Key Risk Indicators to monitor the risks.

The Key Management Staff in this manner, conduct a continuous communication, evaluation and enhancement of Risk Management Policy as well as facilitates risk assessment process, ongoing monitoring and reporting of major risk, and reports to RMC in a timely manner.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### (b) Risk Management Reporting

Reported risks are updated on a regular basis throughout the financial year. The risk are segregated into 4 different categories, namely; Compliance & Reporting Risk, Strategy & Planning Risk, Operations & Infrastructure Risks and Health, Safety & Environmental Risk.

Towards the end of the financial year, there are a total of sixty-eight (68) risk that have been recorded into the risk register. The following is the risk heat map of the register at the end of the financial year.

Risk Heat Map			Risk Impact				
			Insignificant	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Risk Likelihood	High	3	1	-	2	1	-
	Medium	2	8	-	8	-	-
	Low	1	33	5	6	3	1

Residual Risk Rating	Number of Risk
Low	53
Medium	14
High	1
TOTAL	68

*Risk Heat Map at year end 2020*

The Risk Register is also categorised into ACTIVE and INACTIVE risk. This provides a better view & understanding of the register in order to mitigate risks efficiently. From the total number of risks registered, thirty-two (32) risks are classified as active risks and the remaining belongs to Inactive risk.

Risk Status	Number of Risk
ACTIVE	32
INACTIVE	36
TOTAL	68

Among the Active Residual Risks, eighteen (18) are classified as low risk, thirteen (13) medium level risks and one (1) high risk. The following shows the number of residual risks associated with risk rating for ACTIVE risks.

ACTIVE Risk: Residual Risk Rating	Number of Risk
Low	18
Medium	13
High	1
TOTAL ACTIVE	32

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Notable risks outstanding as at the end of the financial year is as follows;

Risk Class	Risk Title	Residual Risk	Post FY Update
Compliance & Reporting	Potential Litigation against Company: Canggih Kilat (CK)	High	CK has commit with a settlement plan which is scheduled from Feb 21 to July 21. Residual Risk have been downgraded to LOW Risk
Compliance & Reporting	Breach of contract by one party and the contractual liabilities that might arise: Caely (M) Sdn Bhd	Medium	The case has been withdrawn and the risk status have been categorised as INACTIVE due to completion.
Compliance & Reporting	Corruption Risk	Medium	Establishment of a new unit under Corporate Services to cover Integrity segment of the Company. The risk has been downgraded to LOW Risk
Compliance & Reporting	Affected Listed Issuer under MMLR paragraph 8.03A	Medium	The Company have appointed M&A Securities to draft a regularisation plan for the Company to be submitted before April 2022.
Strategy & Planning	Standard Operating Procedure (SOP) Documentation	Medium	Perak Centre of Excellence have been appointed to guide and provide assistance to the Company in preparing SOP in accordance to ISO 9001:2015
Operations & Infrastructure	Land Title Transfer to Team Keris	Medium	Keris Property Holdings Sdn Bhd agreed to extension to procure titles for Pond A & Pond B for the subsequent applications for MB Consent.

The RMWG reports to the RMC on a periodic basis. The RMC will then meet to discuss and evaluate the RMWG's reports for adoption.

### (c) **Audit Committee**

The Audit Committee ("AC") is accountable to ensure the adequacy and integrity of the internal control system within the group, whereas the Internal Auditors provides supports to the AC in carrying out its duties.

The Audit Committee, which comprises of four Independent Non-Executive Directors are as follows:-

- i. Mr Lim Tin Huat (Chairman) (Appointed on 18 August 2020)
  - ii. Encik Ahmad Najmi Bin Kamaruzaman (Member) (Appointed on 10 August 2018)
  - iii. Datuk Abu Bakar Bin Hassan (Member) (Appointed on 10 August 2018)
  - iv. Dato Hj Tun Hisan Bin Dato Hj Tun Hamzah (Member) (Appointed on 21 November 2018)
- Internal Audit Plan approved by the AC is used as a guideline for Internal Auditors to conduct audit for the Group. AC members as well as the management will then review the findings provided in the audit report in the AC meeting.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

While the following committee members have resigned from their positions:-

- i. Y.B. Leong Cheok Keng (Chairman) (Resigned on 18 August 2020)
- ii. Encik Ir Megat Shariffudin Bin Ibrahim (Member) (Resigned on 13 August 2020)
- iii. Encik Amran Bin Alang Ahmad (Member) (Resigned on 17 June 2020)
- iv. Encik Khairul Nizam Bin Tajul Hasnan (Member) (Resigned on 1 July 2020)

### RISK MANAGEMENT FRAMEWORK

The annual audit plan, established on a risk-based approach, is reviewed and approved by the Board annually. The audit reports, including the audit recommendations, Management's responses and action plans for improvement and/or rectification are reported to the AC on a quarterly basis. The status of the implementation is monitored by the AC to ensure they are addressed timely.

The Group has an in-house Internal Audit Division (IAD), which provides the Board, through the Audit Committee, with independent assurance on the efficiency and effectiveness of risk management and internal control systems. The IAD adopts a risk-based internal audit methodology in reviewing key processes of the various business units in the Group and reporting directly to Audit Committee on the state of risk management and internal control of the various business units audited during the financial year.

The IAD will recommend action plans to improve on areas where control deficiencies are identified during the field audits. Action plans are taken by Management to address the findings and concerns raised in the internal audit reports and IAD will follow up on the Management's implementation of action plans.

The Internal Audit Charter sets out the purpose, functions, scope and responsibilities of the IAD and how it maintains independence from the first and second lines of defence by Management. The four main functions of IAD are to:

- Assess and report on the effectiveness of the design and operation of the framework of controls which enable risks to be assessed and managed;
- Assess and report on the effectiveness of management actions to address deficiencies in the framework of controls;
- Investigate and report on cases of suspected employee fraud and malpractice, if any; and
- Undertake designated consulting services for Management provided that they do not threaten IAD's independence from Management.

The Internal Audit Plan for 2020, which was approved by the Audit Committee in November 2019, reflected the Group's 2020 Operational Plan that was prioritised following a risk-based assessment of the business and a review against the Group's risk policies. The reviews carried out covered an extensive sample of controls over all risk types, business units and entities.

### OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from key risk management and internal audit, the Group has in place the following key elements of internal control:

(a) **Board Meetings**

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Managing Director leads the presentation of board papers and provides explanations on pertinent issues. In arriving at any decisions, on recommendation by the Management, a thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is kept updated on the Group's activities and operations on a timely and regular basis.

(b) **Organizational Structure**

The Group has in place an appropriate organizational structure with clearly defined lines of responsibility and delegated authority established for directors and management within the group in respect of quick response to the changes in the evolving business environment, effective supervision of day-to-day operations and accountability for operations performance. Capital and non-capital expenditures and acquisition and disposal of investment interest are subject to appropriate approval processes.

(c) **Management Financial Report**

Quarterly financial and performance reports are submitted to the Board and reviewed, which include explanation and management action taken for improvement of results.

Regular visits to the subsidiaries by the members of the management to monitor and assess the Group's performance and control.

(d) **Code of conduct**

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

(e) **Whistleblowing Policy**

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The Whistleblower Policy also includes provisions which protect the confidentiality of the Whistleblower and ensures no retaliation against the Whistleblower if he or she had acted in good faith.

Any complaints or reports can be directed to the Group Managing Director or the Head of Human Resources. In addition, should the Whistleblower believe that the Group is better served if the report was addressed to levels higher than Management, the complaint or report can be submitted directly to the Chairman of the AC.

### REVIEW OF STATEMENT BY EXTERNAL AUDITOR

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SRMIC") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants), for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate.

AAPG 3 does not require the auditors to consider whether the Directors' SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

### CONCLUSION

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

This Statement on Risk Management and Internal Control was reviewed and approved by the Board of Directors on 24 May 2021.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

As required under the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), this Corporate Governance Overview Statement reports on how the Company has applied the Principles and Practices to the extent of compliance with the recommendations of good corporate governance as set out in the Malaysian Code on Corporate Governance (“MCCG”) throughout the financial year ended 31 December 2020 (“the Year” or “2020”) and up to the date of this Annual Report. This statement is to be read together with Corporate Governance Report 2020 based on a prescribed format as outlined in Paragraph 15.25(2) of the Listing Requirements, which can be downloaded from MHB’s website at [www.majuperak.com.my](http://www.majuperak.com.my) or from Bursa Securities’ website.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Charter

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

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

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

The Board reviews the Board Charter on a regular basis to ensure it is up to date with the changes in Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements (“Listing Requirements”), other relevant regulations and best practices and ensure its effectiveness and relevance to Board’s objectives. The Board Charter is available at the Company’s website at [www.majuperak.com.my](http://www.majuperak.com.my).

### Principal Roles

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

### Roles and Responsibilities

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

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

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

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

### Separation of Chairman and Group CEO

The role of the Executive Chairman, Encik Mohd Ariff Bin Yeop Ishak who has resigned on 5 February 2021 and subsequently, Datuk Redza Rafiq bin Abdul Razak appointed as Chairman on 3 March 2021 and the Group CEO, Encik Nizran bin Noordin are separated with clear distinction of responsibility between them. The role of the Chairman is to focus on governance and compliance and ensure the smooth and effective functioning of the Board. His duties include providing leadership for the Board, ensuring the Board carries out its responsibilities in the best interest of the Company and that all the key issues are discussed in a timely manner. The Chairman is also tasked with facilitating active discussion and participation by all Directors and ensuring that sufficient time is allocated to discuss all relevant issues at the Board meetings. Whereas the Group CEO serves as the conduit between the Board and the Management in ensuring the success of the Group's governance and management function. The Group CEO has the responsibility for day-to-day running of the business and implementation of Board's policies, strategies and decisions adopted by the Board.

**Board Meetings**

The Board meets on a quarterly basis and additional meetings were convened and held when specific urgent or important matters are required to be considered and decided between the scheduled meetings. During the financial year, the Board met eight (8) times i.e. 26 February 2020, 2 March 2020, 25 June 2020, 29 June 2020, 22 July 2020, 27 August 2020, 24 November 2020 and 7 December 2020 where the Board deliberated and considered a variety of matters including the Group's financial results, budget and strategy, corporate proposals and strategic issues that affect the Group's business operations.

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

Name of Directors	No. of Meetings Attended
Mohd Ariff Bin Yeop Ishak (Executive Chairman) (resigned as Director/Chairman on 5 February 2021)	8/8
YB Leong Cheok Keng (resigned on 18 August 2020)	4/5
Amran Bin Alang Ahmad (resigned on 17 June 2020)	2/2
Ir. Megat Shariffudin Bin Ibrahim (resigned on 13 August 2020)	4/5
YB Muhamad Arafat Bin Varisai Mahamad (resigned on 8 September 2020)	4/6
Ahmad Najmi Bin Kamaruzaman	6/8
Khairul Nizam Bin Tajul Hasnan (appointed on 10 June 2020)	6/6
Nizran Bin Noordin (appointed on 10 June 2020)	6/6
Dato' Hj Tun Hisan Bin Dato' Tun Hj Hamzah (appointed on 11 August 2020)	3/3
Datuk Abu Bakar Bin Hassan (appointed on 11 August 2020)	3/3
Lim Tian Huat (appointed on 11 August 2020)	3/3

**Access to Information and Advice**

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

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

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

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

### **Board Composition**

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

The Board has seven (7) members, two Executive Directors, one (1) Non-Independent Non Executive Director and a strong presence of four (4) Independent Non-Executive Directors. The presence of a majority of Independent Non-Executive Directors provides an effective check and balance in the functioning of the Board which is in compliance with paragraph 15.02 of Bursa Securities Listing Requirements. The Independent Directors which make up more than half the Board play a crucial role in the exercise of independent assessment and objective participation in Board deliberations and decision-making process.

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

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

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

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

### **Appointment to the Board and Re-election of Directors**

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

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

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

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

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

### **Tenure of Independent Directors**

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

**Directors' Training and Development**

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

All Directors attended at least one training / seminar during the financial year ended 31 December 2020. The details are as follows:

Directors	Programs	Date
Nizran bin Noordin	Section 17A (Liability Corporate) Akta Suruhanjaya Pencegahan Rasuah Malaysia (Pindaan 2018) dan Aku Janji Pematuhan	13 May 2020
	Mandatory Accreditation Programme for Directors of Public Listed Companies ("MAP")	28-30 September 2020
	Program Integriti Peringkat Negeri Perak	6 October 2020
Lim Tian Huat	AMLA Training	28 May 2020
	Business Restructuring & Rescue Option Under Companies Act, 2016	3 June 2020
	MIA Webinar Series: SMP Forum 2020	17-18 November 2020
	IBOR Reform and Covid -19 Impact on MFRS 9	1 December 2020
Khairul Nizam bin Tajul Hasnan	Mandatory Accreditation Programme for Directors of Public Listed Companies ("MAP").	28-30 September 2020
Ahmad Najmi Bin Kamaruzaman	Guidelines For Reporting Framework For Beneficial Ownership ('BO') Of Legal Persons.	16 October 2020
Dato' Hj Tun Hisan bin Dato' Hj Tun Hamzah	Mandatory Accreditation Programme for Directors of Public Listed Companies ("MAP").	28-30 September 2020
	Guidelines For Reporting Framework For Beneficial Ownership ('BO') Of Legal Persons".	16 October 2020
Datuk Abu Bakar bin Hassan	Mandatory Accreditation Programme for Directors of Public Listed Companies ("MAP").	28-30 September 2020

### BOARD COMMITTEES

#### Audit Committee

The Audit Committee comprises entirely Independent Non-Executive Directors as follows:

1. Lim Tian Huat – Chairman  
*Senior Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*
2. Ahmad Najmi Bin Kamaruzaman  
*Independent, Non-Executive Director*
3. Datuk Abu Bakar Bin Hassan  
*Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*
4. Dato Hj Tun Hisan Bin Dato Hj Tun Hamzah  
*Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*

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

#### Nomination Committee (NC)

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

1. Ahmad Najmi Bin Kamaruzaman – Chairman  
*Independent, Non-Executive Director*
2. Khairul Nizam Bin Tajul Hasnan  
*Non-Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*
3. Datuk Abu Bakar Bin Hassan  
*Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*

The role of the NC is set out in its terms of reference and available for reference on the Company's website at [www.majuperak.com.my](http://www.majuperak.com.my).

The NC meets at least once in a financial year and wherever required. The NC met four times during the financial year i.e. 26 February 2020, 9 June 2020, 11 August 2020 and 27 August 2020, and undertook the following activities:

- discussed and recommended the appointment of New Group CEO and also reviewed the proposal to re-designate the Managing Director to Executive Chairman due to change of role;
- nominated new appointment of directors and members of Board Committees;
- reviewed the performance of the Group CEO and Group CFO
- reviewed the mix of skills, independence, experience and other qualities of the Board;
- reviewed the retirement by directors by rotation for re-election, and assess and recommend to the Board on their eligibility for re-election and re-appointment;
- reviewed the terms of office and performance of the Audit Committee and each of its members annually;
- assessed the independence of the Independent Directors;
- reviewed the trainings and seminars attended by the directors and evaluate the continuing education programmes and training needs for individual directors;
- reviewed the annual assessment of the effectiveness, composition and balance of the Board as well as the effectiveness of the Committees and contribution of each individual directors using the following criteria:
  - (a) Audit Committee, Remuneration Committee & Risk Management Committee
    - (i) Quality and Composition;
    - (ii) Skills and Competencies; and
    - (iii) Meeting Administration and Conduct
  - (b) Board of Directors
    - (i) Board Structure;
    - (ii) Board Operations; and
    - (iii) Board Roles and Responsibilities

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

The NC, having conducted an annual assessment of the Board and its individual members, the Audit Committee and its members, and the NC was satisfied with the current board size and the effectiveness of the Board/Board Committees and thus, no recommendation on the change of composition of the Board is made. The Board is also of the opinion that the NC has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions as listed in the Terms of Reference of the NC. The assessment and evaluation were properly documented.

### Remuneration Committee (RC)

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

1. Datuk Abu Bakar Bin Hassan – Chairman  
*Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*
2. Lim Tian Huat  
*Senior Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*
3. Dato' Hj Tun Hisan Bin Dato' Hj Tun Hamzah  
*Independent, Non-Executive Director*  
*(Appointed on 18 August 2020)*

The RC is responsible for recommending the remuneration package for all Directors. The individual Directors plays no part in deciding their own remuneration. The RC reviews the remuneration package, terms of employment, benefits and reward structure of the Executive Directors, the Managing Director and/or Group CEO and other Senior Management, reviewed the fees and benefits payable to Non-Executive Directors and makes the necessary recommendations for the decision of the Board. Meetings of the RC are held as and when necessary, at least once a year. The RC met twice during the year i.e. 26 February 2020 and 27 August 2020.

### Directors' Remuneration

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The remuneration of the Directors of the Company served during the financial year ended 31 December 2020 is as follows:

Group/Company Name of directors	Fees RM	@ Salary RM	Other emoluments RM	Benefit-in- kind RM	Total RM
Mohd Ariff Bin Yeop Ishak (Executive Chairman) (resigned as Director/Chairman on 5 February 2021)	55,000*	405,763	-	-	460,763
YB Leong Cheok Keng (resigned on 18 August 2020)	32,000	-	-	-	32,000
Amran Bin Alang Ahmad (resigned on 17 June 2020)	24,000	-	-	-	24,000
Ir. Megat Shariffudin Bin Ibrahim (resigned on 13 August 2020)	28,000	-	-	-	28,000
YB Muhamad Arafat Bin Varisai Mahamad (resigned on 8 September 2020)	32,000	-	-	-	32,000
Ahmad Najmi Bin Kamaruzaman	48,000	-	-	-	48,000
Khairul Nizam Bin Tajul Hasnan (appointed on 10 June 2020)	24,000*	-	-	-	24,000
Nizran Bin Noordin (appointed on 10 June 2020)	24,000*	446,000	-	-	470,000
Dato' Hj Tun Hisan Bin Dato' Tun Hj Hamzah (appointed on 11 August 2020)	16,000	-	-	-	16,000
Datuk Abu Bakar Bin Hassan (appointed on 11 August 2020)	16,000	-	-	-	16,000
Lim Tian Huat (appointed on 11 August 2020)	16,000	-	-	-	16,000

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

\*\* Part of his director's fees is payable to PKNP in view that he was initially was Independent Director before being appointed as Nominee Director of PKNP.

@ Basic salary plus EPF/SOCSSO employer's contribution.

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

### Key Senior Management's Remuneration

The Board took cognizance of the disclosure requirements under MCGG on the Key Senior Management's remuneration. The remuneration component including salary, bonus, benefits in-kind and other emoluments of the current key senior management of the Company within the bands of RM50,000 for the financial year ended 31 December 2020.

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

### Employees' Share Option Scheme ("ESOS") Committee

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

The ESOS Committee had made the offer and the details of the vesting of options under the ESOS are set out on Page [71] of this Annual Report.

The Committee Members comprise of the following:

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

### CORPORATE INTEGRITY

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

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

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

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

The Code of Ethics of Directors, Code of Conduct and Whistle Blower Policy can be found on the Company’s website at [www.majuperak.com](http://www.majuperak.com).

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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

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

#### **Audit Committee (AC)**

The AC assists the Board in its oversight of the Company’s financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group. The Chairman of the AC is not the Chairman of the Board. The AC Charter requires a former key audit partner to observe a cooling off period of at least two (2) years before being appointed as a member of the AC. The Audit Committee conducts a review of the Internal Audit Function in terms of its authority, resources and scope as defined in the Internal Audit Charter adopted by the Group.

### Relationship with Auditors

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

The Audit Committee will have a private session with the External Auditors without the presence of any executive of the Group at least twice a year. The External Auditors are invited to attend the AGM of the Company and to be available to answer shareholders' queries on the financial statements tabled at the AGM.

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

### Risk Management Committee

The members are as follows:

1. Dato' Hj Tun Hisan Bin Dato' Hj Tun Hamzah (Chairman)  
*Independent Non-Executive Director*  
(Appointed on 18 August 2020)
2. Ahmad Najmi Bin Kamaruzaman  
*Independent Non-Executive Director*  
(Appointed on 15 July 2020)
3. Nizran Bin Noordin  
*Executive Director cum Group CEO*  
(Appointed on 15 July 2020)

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

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

During the Financial Year 2020, the Committee: -

- reviewed risk management's resource requirements, scope, adequacy and activities;
- reviewed the Group's strategic risks and provide feedback to Management on risks mitigation strategies and improvement on quarterly basis; and
- reviewed the Group's divisional risk report and provision of feedback on the mitigation strategies and improvement on quarterly basis

The Board also acknowledges its overall responsibility in maintaining an internal control system that provides reasonable assurance of effective and efficient operations, compliance with laws and regulations, as well as internal procedures and guidelines. However, the Group's system of internal control is designed to manage and not eliminate the risk of failure to achieve the Group's objectives, hence the internal control system can only provide reasonable and not absolute assurance against the risk of material errors, fraud or loss.

Further details of the Group and Company risk management and internal controls framework are as set out in the Statement on Risk Management and Internal Control on pages [39] to [46] of this Annual Report.

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

#### Communication with Shareholders

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

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

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

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

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

At the AGM held on 22 September 2020, poll voting was conducted in respect of all resolutions by way of e-polling process and Boardroom Corporate Services Sdn. Bhd. was appointed as Scrutineers to verify the poll results. The outcome of the poll against the resolutions was announced at the same meeting and detailed results stating the votes cast were announced at Bursa's website on the same day of the AGM. A summary of the key matters discussed at the 2020 AGM was published on the Company's website at [www.majuperak.com.my](http://www.majuperak.com.my)

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

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

#### Compliance with the Code

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

- Practice 4.5 (The Board discloses on its annual report the Company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the Board must have at least 30% women directors);
- Practice 7.2 (The Board discloses on a named basis on the top five senior management's remuneration component including salary, bonus, benefit-in-kind and other emoluments in bands of RM50,000.

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

This CG Overview Statement was approved by the Board of Directors of MHB on 24 May 2021.

# AUDIT COMMITTEE REPORT

The Board of Directors of Majuperak Holdings Berhad (“MHB”) is pleased to present the report of the Audit Committee (“AC”) for the financial year ended 31 December 2020 in compliance with Paragraph 15.15 of the Main Market Listing Requirement (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

## AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The AC is appointed by the Board of Directors from amongst the Non-Executive Directors and consists of four (4) members, all of whom are Independent Non-Executive Directors which complies with Paragraph 15.09(1) of the Main LR of Bursa Securities.

Encik Lim Tian Huat as the Chairman of MHB AC is a Council Member and Founding President of Insolvency Practitioners Association of Malaysia, a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountant. Accordingly, MHB complies with requirements of Paragraphs 15.09(1)(c)(i) of the Main Market Listing Requirement (“MMLR”) of Bursa Malaysia. He has over 40 years of experience in the field of assurance, corporate advisory, restructuring and insolvency. The other members of the AC are Encik Ahmad Najmi Bin Kamaruzaman, Datuk Abu Bakar Bin Hassan and Dato Hj Tun Hisan bin Dato Hj Tun Hamzah.

The Nomination Committee (“NC”) reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual effectiveness evaluation. The NC is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC’s Terms of Reference, supporting the Board in ensuring the Group upholds appropriate Corporate Governance standards. During the financial year ended 31 December 2020, the Board is satisfied that the AC has discharged its statutory duties and responsibilities in accordance with Terms of Reference of the AC.

During the FYE 2020, a total of five (5) MHB AC meeting were held. The composition of MHB AC members and attendances at each member at the committee meetings held during the financial year were as follows: -

Current Members	Directorate	Appointment	Attendances
Mr Lim Tian Huat (Chairman)	Senior Independent and Non-Executive	18/08/2020	3/3
Encik Ahmad Najmi Bin Kamaruzaman (Member)	Independent and Non-Executive	10/08/2018	3/5
Datuk Abu Bakar Bin Hassan (Member)	Independent and Non-Executive	18/08/2020	3/3
Dato Hj Tun Hisan Bin Dato Hj Tun Hamzah (Member)	Independent and Non-Executive	18/08/2020	3/3

## AUDIT COMMITTEE REPORT (CONTINUED)

Former Members	Directorate	Resigned	Attendances
Y.B. Leong Cheok Keng (Chairman)	Independent and Non-Executive	18/08/2020	2/2
Encik Ir Megat Shariffudin Bin Ibrahim (Member)	Independent and Non-Executive	13/08/2020	2/2
Encik Amran Bin Alang Ahmad (Member)	Independent and Non-Executive	17/06/2020	1/1
Encik Khairul Nizam Bin Tajul Hasnan (Member)	Independent and Non-Executive	Appointed on 25/06/2020 and resigned on 01/07/2020	Not applicable

### AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES (CONTIUED)

The Company Secretary attended all the Meetings of the AC held during the financial year. Minutes of each AC Meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. The Group Chief Executive Officer (“GCEO”) and Group Chief Financial Officer (“GCFO”) were invited to the Meetings to facilitate direct communication and also to provide clarification on financial/audit issue and the Group’s operations matters. The GCEO will also brief the AC on specific issue arising from the audit reports or any matters of interest. In FYE 2020, the AC Chairman presented to the Board the Committee’s recommendation to approve the annual and quarterly financial statements and any significant concern as and when raised by the External Auditors or Internal Auditors. The AC Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditor or Internal Auditor in the respective quarterly presentations.

### AUTHORITY AND DUTIES

The details of the terms of reference of the AC are available for reference at [www.majuperak.com.my](http://www.majuperak.com.my) and it is updated until 24 April 2019.

### SUMMARY OF ACTIVITIES

During the financial year, the main activities undertaken by the committees in accordance with their terms of reference are summarized as follows: -

**1. Financial Reporting**

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

<b>Date of Meetings</b>	<b>Review of Quarterly Financial Statement</b>
<b>26 February 2020</b>	Interim financial statements for fourth quarter ended 31 December 2019
<b>25 June 2020</b>	<ul style="list-style-type: none"> <li>i. Draft audited financial statements for the financial year ended 31 December 2019</li> <li>ii. Interim financial statements for first quarter results for the financial year ended 31 March 2020</li> </ul>
<b>27 August 2020</b>	Interim financial statement for second quarter ended 30 June 2020
<b>24 November 2020</b>	Interim financial statements for third quarter result for the financial year ended 30 September 2020

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

- a) Reviewed and made recommendations to the Board for approval in respect of the audited financial statements of the Company and the Group for the financial year ended 31 December 2019 at its meeting held on 25 June 2020 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and it is in compliance with all disclosure and regulatory requirements.
- b) To safeguard the integrity of information, the GCFO had also given assurance to the AC that:
- i) appropriate accounting policies had been adopted and applied consistently;
  - ii) the going concern basis applied in the Annual Financial Statements was appropriate;
  - iii) prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS;
  - iv) the Audited Financial Statements and Quarterly consolidated financial statements did not contain material misstatement and gave a true and fair view of the financial positions of the Group and its subsidiaries for the financial year ended 2020.

### 2. External Audit

- a) Reviewed with the external auditors:
  - i. Audit planning memorandum for the year ended 31 December 2020 comprising the audit plan, audit strategy and scope of work for the year.
  - ii. Annual audit report and management letter together with management's responses to the findings of the external auditors.
  - iii. Updates on new accounting standards applicable.
- b) Met the external auditors twice for the discussion without the presence of the management.
- c) Assessed the independence and objectivity of the external auditors during the year and prior to the appointment of the external auditors for ad-hoc non-audit services.
- d) Evaluate the performance and effectiveness of the external auditors and made recommendations to the Board of Directors for their reappointment to hold office until the conclusion of the next Annual General Meeting. The evaluation of the external auditor would include the following: -
  - i. Performance
    - Level of knowledge, capabilities, experience and quality of previous work;
    - Level of engagement with the board;
    - Ability to provide constructive observation, implications and recommendations in areas which require improvement;
    - Appropriateness of audit approach and the effectiveness of audit planning; and
    - Ability to perform the audit work within the agreed duration given.
  - ii. Independence and objectivity
    - Non-audit services rendered by auditor does not impede independence; and
    - Auditor demonstrates unbiased stance when interpreting the standards and policy adopted
- e) Recommended to the Board of Directors on the appointment of new auditors, Messrs Afrizan Tarmili Khairul Azhar ("Aftaas") in place of the outgoing Auditor, Messrs AljeffriDean who tendered their resignation on 22 September 2020 as they have withdrawn their registration with the Audit Oversight Board which rendered them ineligible to act as External Auditors for any public listed companies. The Ac has conducted an assessment and shortlisted (Aftaas based on their quality of service and sufficiency of resources provided to the Group, in terms of the firm and professional staff assigned to the audit.

### 3. Internal Audit

- a) Reviewed and approved the annual internal audit plan as proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;
- b) Reviewed the internal audit budget, resources, initiatives, skills and competencies;
- c) Reviewed the internal audit reports tabled during the year, which outlined the audit issues, recommendations and management response. Discussed with the management to rectify and improve the system of internal controls and workflow processes based on the internal auditors' recommendations for improvement to ensure control lapses are addressed;
- d) Monitored the corrective actions taken on the outstanding audit issues to ensure that all key risks and control lapses have been addressed and implemented by the management; and
- e) Reviewed the minutes of the Committee Meeting and matters arising based on the previous meetings.

### 4. Related Party Transactions

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

### 5. Annual Report

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

### 6. Whistle Blowing/Anti-Corruption and Bribery cases

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

### 6. Others

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

### GROUP INTERNAL AUDIT FUNCTION

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

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

- i) International Professional Practice Framework issued by the Institute of Internal Auditors (IIA)  
To ensure that the IAD operates competently and professionally within this charging environment, a series of professional standards have been adopted. They reflect the internationally accepted "International Professional Practice Framework pronounced by the Institute of Internal Auditors".
- ii) The IAD is also guided by the Internal Audit Charter, Internal Audit Manual and the Committees' Terms of Reference. The Internal Audit Manual documents audit processes, methodology, roles, duties and responsibilities of internal auditors.

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

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

The IAD reports directly to the Committees and administratively to the Group Chief Executive Officer.

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

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

The cost incurred for the Group's Internal Audit function in respect of the financial year ended 31 December 2020 was approximately RM120,800.

# ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the year ended 31 December 2020

## 1. Details of the Recurrent Related Party Transactions

The details of the Recurrent Related Party Transactions are set out in the following table:

Transacting company within the MHB Group	Related Transacting Party	Nature of transactions	Related Parties	Nature of Relationship	Actual Transactions' from 1 January to 31 December 2020	***
Majuperak Holdings Berhad (MHB) / Group	PCB Taipan Sdn Bhd (PCBT) #	Rental of office space by MHB <sup>1</sup>	% *	/ # *	478,869	1,200,000
Majuperak Holdings Berhad (MHB) / Group	Perak Industrial Resources Sdn Bhd (PIRSB) & related companies under PKNP Group	Provision of Corporate & Services by PKNP Group to MHB & Group	% *	/ & *	463,170	1,200,000
Majuperak Urus Sdn Bhd (MPU) +	PKNP Group	Provision of assets and Facilities Management Services by MPU	%	/ & *	132,000	2,000,000

### Notes:

\* *Perbadanan Kemajuan Negeri Perak ("PKNP") is the major shareholder/holding company of Majuperak Holdings Berhad (MHB) and Perak Corporation Berhad (PCB) with 51.42% and 52.9% equity interest respectively as at 30 April 2021. PKNP was formed on 7 October 1967 as a state incorporated body under the Perak State Development Corporation Enactment No.3 of 1967 in Perak Darul Ridzuan. Its principal activities include investment holding, property and infrastructure development, tourism, entrepreneur development, manufacturing, industrial development and industrial promotional activities in Perak Darul Ridzuan.*

/ *MHB is a 51.42% subsidiary of PKNP.*

# *PCB Taipan Sdn Bhd (PCBT) is a wholly owned subsidiary of PCB. PCB, in turn, is a 52.9% subsidiary of PKNP.*

& *PIRSB is a wholly owned subsidiary of PKNP together with its related companies under PKNP Group provide shared services*



## ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

+ MPU is a 51% subsidiary of MHB.

% PKNP and the director of MHB who is interested in the Proposed Mandate is Mohd Ariff bin Yeop Ishak. He is deemed interested in the Proposed Mandate by virtue of him being the nominee Director of PKNP, the major shareholder. He is also the Chief Executive of PKNP and the Executive Chairman of MHB. He has resigned on 5 February 2021 and was succeeded by Datuk Redza Rafiq bin Abdul Razak.

<sup>1</sup> MHB rents office space from CMSB situated on No 1-A, Blok A, Menara PKNP, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan for a total monthly rental of RM55,735 including general maintenance services.

*There is no formal rental agreement and the rental is payable yearly subject to biennial review.*

\*\*\* Estimated aggregate value to be incurred from the 17th AGM to the forthcoming 18th AGM date

*(Only transactions with values are shown in the table)*

### 2. Utilisation of Proceeds Raised from Corporate Proposals

In conjunction with and as an integral part of the listing of the Company on Bursa Malaysia Securities Berhad, the following transactions were /are undertaken by the Company:

#### (i) Utilisation of Proceeds from Private Placement on 28 February 2020

The gross proceeds from the Private Placement of RM8.35 million has been utilised to fund working capital requirements for the MHB Group to finance its day-to-day operations, including on-going projects, payment to creditors, such as suppliers and statutory obligations, administrative expenses, such as salaries and wages and other operating expenses etc, in the following manner:

	Working Capital for:	RM '000
(1)	Working Capital Requirements	3,125,400.61
(2)	Repayment of Bank Borrowings	2,000,000.00
(3)	Facility Management Project	1,543,432.75
(4)	Emoluments and Allowances	1,346,798.89
(5)	Expenses in Relation to the Corporate Exercise	340,125.27
	<b>Total proceeds</b>	<b>8,355,757.52</b>

## ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

Notes:

(1) \*The Working Capital Requirements consists of the following:

	RM '000
Creditors	1,391
Administration Expenditure	1,178
Office Rental	29
Shared services — Security, Cleaning & Others	469
Corporate Secretarial & Taxation Fee Services	58
<b>Total</b>	<b>3,125</b>

### ii) Utilisation of Proceeds from Employee Share Options Scheme (ESOS) which has been exercised in 2020

In financial year 2020, the Company has granted an ESOS Options to eligible employees and Directors of the Company and its subsidiaries.

Throughout the year, 485,200 units of the options were exercised to subscribe for ordinary shares of the Company which raised a total of RM138,282.

The proceeds from the option exercises were all utilised to support the Company working capital requirements throughout financial year 2020.

### 3. Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2020 is as follows:

	Group RM	Company RM
Audit Fees	141,400	45,000
Non-Audit Fees	-	-
	<b>141,400</b>	<b>45,000</b>

## ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

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

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

### 5. Employees Share Option Scheme (ESOS)

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

a) The number of schemes currently in existence during the financial year 2020

Total number of options granted	Total number of options exercised in the financial year 2020	Total number of options outstanding
12,105,000	485,200	11,619,800

(All figures are as at Financial Year ended 31 December 2020).

b) in regard to options or shares granted to the directors and chief executives (Chief Executive Officer (CEO) & Chief Financial Officer (CFO):

	Total number of options granted	Total number of options exercised in the financial year 2020	Total number of options outstanding
<b>Director / CEO / CFO</b>	4,500,000	400,000	4,100,000

c) in regard to options or shares granted to the directors and senior management –

(i) aggregate maximum allocation applicable to directors and senior management in percentage is 50%

(ii) the actual percentage granted to them:

No. of Option Directors	No of Option Senior Management	Total options
3,900,000	2,500,000	6,400,00 (45%)

## ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

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

**As at 31 December 2020**

<b>Name of Non-Executive Director</b>	<b>Number of options offered</b>	<b>Number of options exercised</b>
Lim Tian Huat	300,000	Nil
Ahmad Najmi Bin Kamaruzaman	300,000	Nil
Datuk Abu Bakar Bin Hassan	300,000	Nil
Dato' Hj. Tun Hisan Bin Dato' Hj. Tun Hamzah	300,000	Nil
Khairul Nizam Bin Tajul Hasnan	300,000	Nil
<b>Total</b>	<b>1,500,000</b>	



# LIST OF PROPERTIES AS AT 31 DECEMBER 2020 (ABOVE RM1 MILLION)

No.	Name of Owner	Title/Location	Tenure/ Age of Building	Land Use	Land Area/ Built up Area	Net Book value as at 31.12.2020 (RM)	Acquisition Date
<b>A. INVESTMENT PROPERTIES</b>							
1.	Syarikat Majuperak Berhad	Lot 008051N (PN 31150) Wisma Maju Perak, Unit Nos and 5 at Level 1, Unit No. 2 at Level 2 and Level 5 to Level 10, Jalan Sultan Idris Shah, 30000 Ipoh	Leasehold of 99 years expiring in year 2086/25yrs	10-Storey Office Building	24,089 sq. ft/ 72,602 sq. ft	8,800,000	23 March 2021
2.	Syarikat Majuperak Berhad	Lot 9225N (PN 213729) PT 125562, Kompleks Majuperak (Brewster Village), Jalan Sultan Idris Shah, 30000 Ipoh	Leasehold of 99 years expiring in year 2095/75yrs	Commercial/ Office Building/ Parking	71,586 sq. ft/ 8,085 sq. ft	11,499,518	23 March 2021
3.	Syarikat Majuperak Berhad	Lot 28801 (GRN 59907) Medan Letak Kenderaan, Jalan Sultan Idris Shah, 30000 Ipoh	Freehold (Residential)	Commercial/ Parking	16,226 sq. ft	1,228,482	23 March 2021
4.	Syarikat Majuperak Berhad	PT231697, 3 Storey Shop at No 4, 4A & 4B Jalan Jelapang 1 (Courts), Pusat Komersial Jelapang 30020	Leasehold of 99 years expiring on 31/03/2114	Commercial	4,229 sqf/9,620 sqf	2,850,000	2020
5.	Syarikat Majuperak Berhad	PT231698, 3 Storey Shop at No 6, 6A & 6B Jalan Jelapang 1 (Courts), Pusat Komersial Jelapang 30020	Leasehold of 99 years expiring on 31/03/2114	Commercial	2,971 sqf/5,236 sqf	2,000,000	2020
6.	Syarikat Majuperak Berhad	PT256265, Land with Drive through coffee outlet in Jelapang Square (Starbucks), Pusat Komersial Jelapang 30020	Leasehold of 99 years expiring on 01/12/2109	Commercial	32,551.sq. ft/ 5,635 sq.ft	4,700,000	2020
7.	Majuperak Land Sdn Bhd	Silveritage Galleria, Medan Gopeng, Ipoh PN293621, Lot312489 Mukim Hulu Kinta, Daerah Kinta	Leasehold 75 years	Commercial/ Office Building/	303,111 sq.ft / 38.105 sq.ft	15,545,600	22 March 2021
8.	Majuperak Energy Resources Sdn Bhd	Lot 312363 - Lot 312366, Keramat Pulai, Sungai Raya, Daerah Kinta/ Tapak Pembangunan Bercampur, Keramat Pulai, Mukim Sg. Raia Daerah Kinta	Leasehold 99 years	Residential and Industrial Uses	Lot 312363 (636.55 acre), Lot 312364 (20.10 acre), Lot 312365 (4.66 acre), Lot 312366 (110.49 acre)	57,855,308	2 July 2020

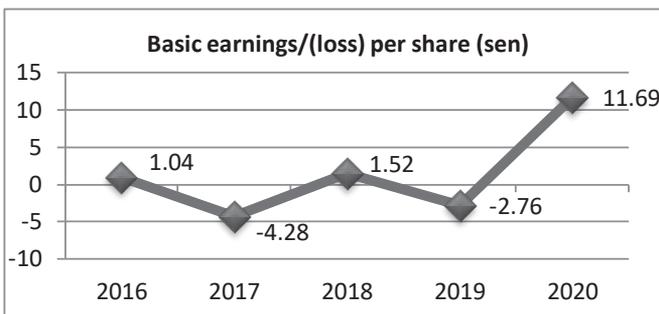
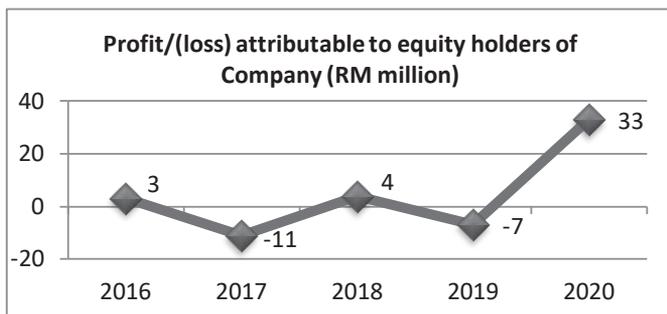
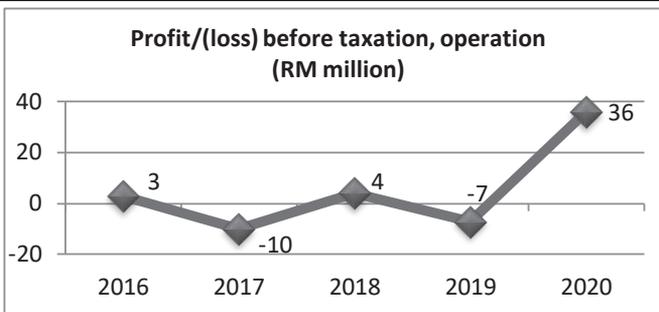
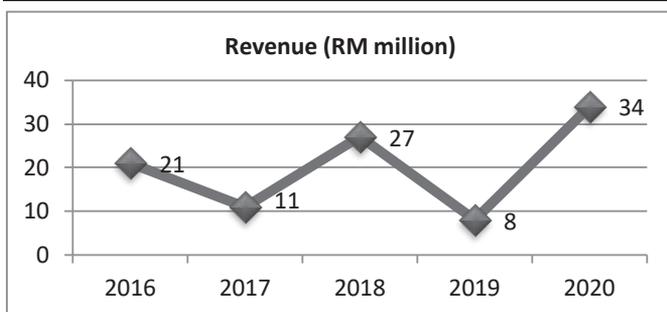
## LIST OF PROPERTIES AS AT 31 DECEMBER 2020 (CONTINUED)

No.	Name of Owner	Title/Location	Tenure/ Age of Building	Land Use	Land Area/ Built up Area	Net Book value as at 31.12.2020 (RM)	Acquisition Date
<b>B. DEVELOPMENT PROPERTIES</b>							
1.	Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PT 18643 - 54.93 acre, PT 18644 - 88.18 acre. Mukim of Ulu Bernam, District of Batang Padang,	99 years	a) Residential/ Commercial	143.11 acres	1,404,364	2002
2.	Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad)	Mukim of Ulu Bernam, District of Batang Padang, Perak, located off the 2½ M.S. Jalan Slim Lama and lies adjoining the Bernam Industrial Park, Proton City, Tanjung Malim, Perak	99 years	a) Residential/ Commercial b) Industry c) Agriculture	203.44 acres	2,356,327	2002
3.	Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PT 1779 [HS(D) 25344] PT 1984 [HS(D) 33224] Mukim Trong, District of Larut Matang, Perak	Leasehold of 99 years expiring in year 2107	Residential/ Commercial	121.37 acres	2,982,221	2001
4.	Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PT 1312 - 1319, PT 1321 - 1552, PT 1680 - 1716, (HS(D) LM 14102 - 14109), (HS(D) LM 14111 - 14342), (HS(D) LM 14470 - 14506), Taman Trong Bakti, Trong, District of Larut Matang, Perak. (Trong Phase 2: 277 lot)	Leasehold of 99 years expiring in year 2099	Commercial / Residential	7.73 acres	3,236,520	2000
5.	Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	Tapah Road, District of Batang Padang, Perak (UCM)	#99 years (Plot 30B)	Residential/ Commercial	26.39 acres	21,410,307	2006
			*99 years (Plot 29B)	Residential / Commercial	98.61 acres		2006
			A portion of the above land, title issued PT 6748 [HS(D) 17221] PT 4943 (Cemetery)	Leasehold of 99 years expiring in 2110	Residential/ Commercial	100 acres 4.73 acres (cemetery)	

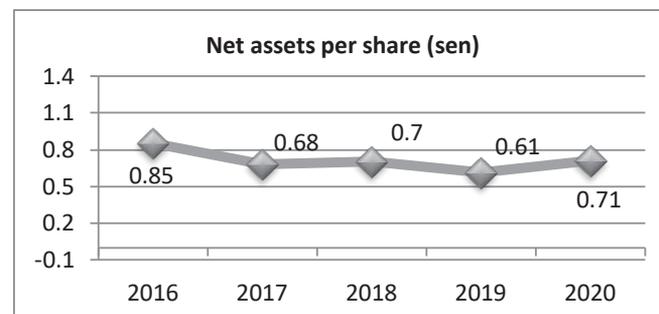
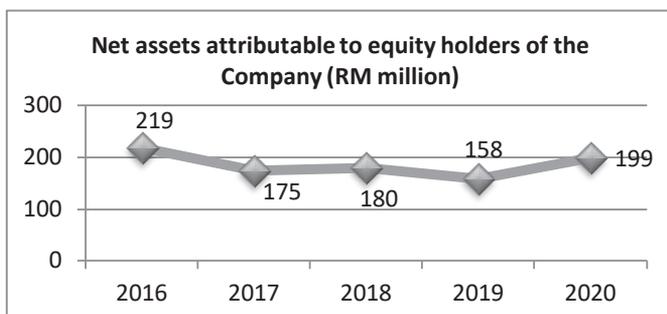
Notes: \* In the process of issuing individual title # In the process of issuing block title

# GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

Financial Results	2020	2019 (Restated)	2018	2017	2016
Revenue (RM'000)	34,365	8,451	26,580	11,291	21,099
Profit/(loss) before taxation, operation (RM'000)	35,614	(6,790)	4,331	(10,472)	3,226
Profit/(loss) attributable to equity holders of the Company (RM'000)	32,980	(7,095)	3,913	(11,010)	2,685
Basic earnings/(loss) per share (sen)	11.69	(2.76)	1.52	(4.28)	1.04



Financial Positions	2020	2019 (Restated)	2018	2017	2016
Total assets (RM'000)	277,471	234,731	254,131	249,259	299,152
Total liabilities (RM'000)	77,472	76,709	74,254	72,264	80,432
Net assets attributable to equity holders of the Company (RM'000)	199,999	158,021	179,878	175,425	218,720
Number of ordinary shares issued and fully paid ('000 shares)	283,158	257,052	257,052	257,052	257,052
Net assets per share (RM)	0.71	0.61	0.70	0.68	0.85



# STATISTICS ON SHAREHOLDINGS

AS AT 19 MAY 2021

## Analysis of Shareholdings

Size of Shareholdings	No. of Holders		No. of Shares		% of Issued	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	673	6	21,772	184	0.01	0.00
100 - 1,000	1,121	11	663,500	6,726	0.23	0.00
1,001 - 10,000	1,302	25	5,150,767	106,906	1.81	0.04
10,001 - 100,000	576	12	19,765,269	551,330	6.95	0.19
100,001 to less than 5% of issued shares	129	6	91,104,359	2,090,000	32.04	0.73
5% and above of issued shares	3	0	164,919,052	0	57.99	0.00
Total	3,804	60	281,624,719	2,755,146	99.03	0.97
<b>Grand Total</b>	<b>3,864</b>		<b>284,379,865</b>		<b>100.00</b>	

## Directors' Shareholdings

No. Name of Directors	No. of Shares	
	Direct Interest	%
1 Datuk Redza Rafiq Bin Abdul Razak	–	–
2 Ahmad Najmi Bin Kamaruzaman	–	–
3 Khairul Nizam Bin Tajul Hasnan	–	–
4 Nizran Bin Noordin	400,000	0.14
5 Dato Hj Tun Hisan Bin Dato Hj Tun Hamzah	–	–
6 Lim Tian Huat	–	–
7 Datuk Abu Bakar Bin Hassan		

## Substantial Shareholders

No. Name of Substantial Shareholders	Direct Interest (A)		Deemed Interest (B)		Total Interest (A +B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1 Perbadanan Kemajuan Negeri Perak	141,682,309	49.82	4,538,773**	1.60	146,221,082	51.42
2 KUB Malaysia Bhd	14,429,143	5.07	-	-	14,429,143	5.07
3 Gunung Resources Sdn Bhd	21,807,600	7.67	-	-	21,807,600	7.67
4 G Capital Berhad	-	-	21,807,600*	7.67	21,807,600	7.67

Note:

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

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



## STATISTICS ON SHAREHOLDINGS (CONTINUED)

### TOP 30 SHAREHOLDERS AS AT 19-05-2021

No.	Name	Holdings	%
1	PERBADANAN KEMAJUAN NEGERI PERAK	128,682,309	45.25
2	GUNUNG RESOURCES SDN BHD	21,807,600	7.67
3	KUB MALAYSIA BERHAD	14,429,143	5.07
4	PERBADANAN KEMAJUAN NEGERI PERAK	13,000,000	4.57
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP YEE PING	6,415,500	2.26
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH YING FATT	4,699,800	1.65
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAN FOOK FONG	4,605,400	1.62
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL	4,502,800	1.58
9	CHERRY BLOSSOM SDN BHD	4,038,686	1.42
10	JENNY WONG	3,439,800	1.21
11	BAN-SENG PACKAGING SDN BHD	3,400,000	1.20
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' CHAN WENG SANG	2,648,200	0.93
13	LIM HAN KONG	2,444,010	0.86
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN WENG SANG	1,849,000	0.65
15	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH YING FATT	1,481,000	0.52
16	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JUNAIDI BIN ISNEN HADZIRI	1,445,042	0.51
17	CHAN WAN MOI	1,322,429	0.47
18	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG SIEW MOOI	1,310,000	0.46
19	TAN ENG HAI	1,224,000	0.43
20	UOBM NOMINEES (TEMPATAN) SDN BHD UNITED OVERSEAS BANK (MALAYSIA) BHD	1,146,606	0.40
21	PERCETAKAN SANWA INDUSTRIES SDN. BHD.	1,052,000	0.37
22	LEE OOI CHONG	1,000,000	0.35
23	SU-AZIAN @ MUZAFFAR SYAH BIN ABD RAHMAN	1,000,000	0.35
24	MOHD ARIFF BIN YEOP ISHAK	980,000	0.34
25	ADAM LEE BIN ABDULLAH	975,000	0.34
26	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	890,000	0.31
27	MUHAMMAD FADHLI BIN ISMAIL	720,100	0.25
28	YAP KOK WAI	705,010	0.25
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KHEK KENG	700,000	0.25
30	MOHD FAIZ BIN MOKHTAR	699,400	0.25



# **MAJUPERAK HOLDINGS BERHAD**

[200201017726 (585389-X)]  
(INCORPORATED IN MALAYSIA)

## **REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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## CORPORATE INFORMATION

Board of Directors	: Datuk Redza Rafiq Bin Abdul Razak Nizran Bin Noordin Ahmad Najmi Bin Kamaruzaman Khairul Nizam Bin Tajul Hasnan Dato' Hj. Tun Hisan Bin Dato' Hj. Tun Hamzah Datuk Abu Bakar Bin Hassan Lim Tian Huat Dato Mohd Azmi Bin Othman Norazali Bin Nordin Dato' Aminuddin Bin Md Hanafiah
Company Secretary	: Chan Eoi Leng (MAICSA 7030866)
Registered Office	: 55A, Medan Ipoh 1A Medan Ipoh Bistari 31400 Ipoh Perak Darul Ridzuan
Principal Place of Business	: Aras 1, Bazar Ipoh <i>(Previously known as Kompleks Silveritage)</i> Jalan Sultan Nazrin Shah 31350 Ipoh Perak Darul Ridzuan
Auditors	: Afrizan Tarmili Khairul Azhar (AF 1300) 2, Jalan Rampai Niaga 2 Rampai Business Park 53300 Kuala Lumpur
Principal Bankers	: Malayan Banking Berhad Bank Islam Malaysia Berhad CIMB Bank Berhad RHB Bank Berhad Affin Bank Berhad



## DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the financial statements of the Group and of the Company for the financial year ended 31 December 2020.

## PRINCIPAL ACTIVITIES

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

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

## RESULTS

	GROUP RM	COMPANY RM
<b>Profit/(Loss) for the year attributable to:</b>		
Equity holders of the Company	32,980,248	(3,697,262)
Non controlling interests	(338,563)	-
	<u>32,641,685</u>	<u>(3,697,262)</u>

## DIVIDENDS

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

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year ended 31 December 2020 except as disclosed in the financial statements.

## SHARES CAPITAL

During the financial year, the issued and paid-up share capital of the Company was increased from RM179,592,841 to RM188,126,614 by issuance of new ordinary shares pursuant to the following:

- a) 25,705,242 shares at RM0.325 per share for cash via private placement, and
- b) 485,200 shares via options exercised under the Employees' Share Option Scheme ("ESOS") at exercise prices of RM0.285 per share.

The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company



## EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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

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

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

Details of the options exercised to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2020 are as follows:

Expiry date	Exercise Price	
	RM	No of Option
5 March 2025	0.285	485,200
		<u>485,200</u>

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

## DIRECTORS

The name of the Directors in office since the beginning of the financial year to the date of this report are: -

Datuk Redza Rafiq Bin Abdul Razak	(Appointed on 24.02.2021)
Nizran Bin Noordin*	(Appointed on 10.06.2020)
Ahmad Najmi Bin Kamaruzaman	
Khairul Nizam Bin Tajul Hasnan	(Appointed on 10.06.2020)
Dato' Hj. Tun Hisan Bin Dato' Hj. Tun Hamzah	(Appointed on 11.08.2020)
Datuk Abu Bakar Bin Hassan	(Appointed on 11.08.2020)
Lim Tian Huat	(Appointed on 11.08.2020)
Dato Mohd Azmi Bin Othman	(Appointed on 24.05.2021)
Norazali Bin Nordin	(Appointed on 24.05.2021)
Dato' Aminuddin Bin Md Hanafiah	(Appointed on 24.05.2021)
Mohd Ariff Bin Yeop Ishak*	(Resigned on 05.02.2021)
Y.B. Muhamad Arafat Bin Varisai Mahamad	(Resigned on 08.09.2020)
Y.B. Leong Cheok Keng	(Resigned on 18.08.2020)
Ir. Megat Shariffudin Bin Ibrahim	(Resigned on 13.08.2020)
Amran Bin Alang Ahmad	(Resigned on 17.06.2020)

\*Directors of the Company and certain subsidiaries

## DIRECTORS (CONT'D)

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

Ahmad Al-Hadi Bin Abdul Khalid	
Derwina Binti Mariman	
Kamarul Bahrin Bin Baharudin	
Ku Adenan Bin Ku Ismail	
Dato' Abdul Manaf Bin Hashim	
Hamidon Bin Othman	
Abd Karim Nast Bin Mohd Alias	(Resigned on 10.09.2020)
Haji Abdullah Bin Haji Tawaf	(Resigned on 30.06.2020)
Mohamed Khairi Bin Shafiei	(Resigned on 30.06.2020)

## DIRECTORS' INTERESTS

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

Name of Directors of this Company	As at 1.1.2020	Ordinary Shares		As at 31.12.2020
		Bought	Sold	
Nizran Bin Noordin	-	400,000	-	400,000

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

Name of Directors of this Company	As at 1.1.2020	Option Over Ordinary Shares		As at 31.12.2020
		Granted	Exercise	
Mohd Ariff Bin Yeop Ishak	-	1,400,000	-	1,400,000
Ahmad Najmi Bin Kamaruzaman	-	300,000	-	300,000
Datuk Abu Bakar Bin Hassan	-	300,000	-	300,000
Dato' Tun Hisan Bin Dato' Tun Hamzah	-	300,000	-	300,000
Lim Tian Huat	-	300,000	-	300,000
Khairul Nizam Bin Tajul Hasnan	-	300,000	-	300,000
Nizran Bin Noordin	-	1,000,000	(400,000)	600,000



## **DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Directors has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the director is a member, or with a company in which the Director has a substantial financial interest.

## **DIRECTORS' REMUNERATIONS**

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

## **INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS**

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

## **OTHER STATUTORY INFORMATIONS**

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

- a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances: -

- a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; or
- b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

## OTHER STATUTORY INFORMATIONS (CONT'D)

At the date of this report, the Directors are not aware of any circumstances (cont'd): -

- c) which has arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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 Company to meet its obligations as and when they fall due.

The Directors state that:

- a) The results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- b) 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 Company for the financial year in which this report is made.

## ULTIMATE HOLDING CORPORATION

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

## AUDITORS REMUNERATION

The total amounts paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	<b>GROUP 2020 RM</b>	<b>COMPANY 2020 RM</b>
Statutory audit	<u>141,400</u>	<u>45,000</u>



## **AUDITORS**

The auditors, AFRIZAN TARMILI KHAIRUL AZHAR, have expressed their willingness to continue in office.

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

DATUK REDZA RAFIQ BIN ABDUL RAZAK  
Director

NIZRAN BIN NOORDIN  
Director

Ipoh, Perak Darul Ridzuan

Date: 24 MAY 2021

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

The Directors of MAJUPERAK HOLDINGS BERHAD state that, in their opinion, the accompanying statement of financial position and the related statements of comprehensive income, cash flows and changes in equity are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2020 and financial performance of the Group and the Company for the financial year ended 31 December 2020.

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

DATUK REDZA RAFIQ BIN ABDUL RAZAK  
Director

NIZRAN BIN NOORDIN  
Director

Ipoh, Perak Darul Ridzuan

Date: 24 MAY 2021



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

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

Subscribed and solemnly declared by the }  
above named AHMAD AL-HADI BIN }  
ABDUL KHALID, at Ipoh, Perak Darul }  
Ridzuan on 24 MAY 2021 }

AHMAD AL-HADI BIN ABDUL KHALID

Before me:

KONG WAI NGEE  
No: A 213  
BC/K/591  
1.1.2021 – 31.12.2023  
Commissioner for Oaths

Ipoh, Perak Darul Ridzuan



Company No: 200201017726 (585389 - X)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAJUPERAK HOLDINGS BERHAD**

(Incorporated in Malaysia)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of MAJUPERAK HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 96.

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 31 December 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

#### **Basis for Opinion**

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

#### **Independence and Other Ethical Responsibilities**

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

#### **Key Audit Matters**

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

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



Company No: 200201017726 (585389 - X)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MAJUPERAK HOLDINGS BERHAD**

(Incorporated in Malaysia)

Key audit matters	How our audit addressed the key audit matters
<p><b>Amount due from related companies</b></p> <p>The Group carries significant amount due from related companies disclosed in statement of financial position.</p> <p>The assessment on the recoverability of amount due from related companies is significant to our audit as it involves significant management judgement and estimation of uncertainty in analysing past pattern payment, credit worthiness and is also affected by expected future market and economic conditions.</p>	<p>We enquired management the action plans to recover the outstanding amounts.</p> <p>Examining evidence including repayment schedules, proposed and existing settlement plans and other related correspondence.</p> <p>Evaluating the reasonableness and adequacy of made allowances for impairment.</p>
<p><b>Impairment on goodwill on consolidation</b></p> <p>The Group's carrying value of goodwill on consolidation is disclosed in Note 19 to the financial statements.</p> <p>We identified the carrying value of the goodwill on consolidation as a key audit matter due to significant carrying amount as at 31 December 2020. The Group considers each subsidiary company as a single cash-generating units ("CGU") and the carrying amount of goodwill is allocated to the respective subsidiary companies.</p> <p>The Group are required to annually test goodwill for impairment arising from impairment assessment. No impairment loss was recorded for goodwill in the current financial year.</p>	<p>We assessed the recoverable amount of CGU that based on value-in-use calculations. The value-in-use calculations is determined using cash flow projections, based on forecast and budgets approved by management, discounted at rates which reflect risks relating to the relevant CGU.</p>



Company No: 200201017726 (585389 - X)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MAJUPERAK HOLDINGS BERHAD**

(Incorporated in Malaysia)

Key audit matters	How our audit addressed the key audit matters
<p><b>Impairment of trade and other receivables</b></p> <p>As at 31 December 2020, the Group's receivables carrying amount is disclosed in Note 20 and Note 21 to the financial statements.</p> <p>The recoverability of receivables was assessed by the Group, which involved significant management judgement and assumptions in the evaluation of credit ratings of customers expected industry pattern and market information.</p>	<p>We applied a significant level of judgement when considering management's assessment on impairment.</p> <p>We also reviewed Group's policy in relation to the impairment on receivables.</p> <p>We analysed to the collections of receivables subsequent to year end.</p>
<p><b>Valuation of investment properties</b></p> <p>The Group's investment property portfolio relates to the building and land, with a total valuation of RM105,096,301 in the consolidated statement of financial position. The fair value gain recorded for the current financial year amounts to RM51,934,013.</p> <p>It is the group's policy that investment property is stated at their fair values with one third of the portfolio being valued by an independent external valuation expert, while the remaining two thirds are valued by management.</p>	<p>We assessed the competency, independence and integrity of the professional values engaged by the Group.</p> <p>We obtained an understanding of the techniques used by the external valuers in determining the valuations of investment properties.</p> <p>We have discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques.</p> <p>We have tested the integrity of information, including underlying lease and financial information provided by the independent valuers.</p>



Company No: 200201017726 (585389 - X)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MAJUPERAK HOLDINGS BERHAD**

(Incorporated in Malaysia)

Key audit matters	How our audit addressed the key audit matters
<p><b>Valuation of investment properties (Cont'd)</b></p> <p>The valuation of the group's and company's investment property portfolio is inherently subjective due to the estimates used in determining the property fair values, such as capitalisation rates and forecast rentals and property expenses. Among other factors, the individual nature of the properties, the properties, their location and expected future rentals for those properties taking cognizance of the tenant occupying the properties also affect the valuation of the investment property. They also apply assumptions for yields and estimated market rent to arrive at the final valuation.</p> <p>The valuation of investment properties was considered to be a key audit matter due to the significance of the estimates and the level of judgement involved.</p>	

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Group and of the Company are responsible for the other information. The other information comprises the Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.



Company No: 200201017726 (585389 - X)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAJUPERAK HOLDINGS BERHAD**

(Incorporated in Malaysia)

### **Responsibilities of the Directors for the Financial Statements**

The Directors of the Group and of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 and the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and 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 judgment and maintain professional skepticism 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.



Company No: 200201017726 (585389 - X)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAJUPERAK HOLDINGS BERHAD**

(Incorporated in Malaysia)

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

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

### **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.

AFRIZAN TARMILI KHAIRUL AZHAR  
AF: 1300  
Chartered Accountants (Malaysia)

Date: 24 MAY 2021

Ipoh, Perak Darul Ridzuan

A ASWAD @ ABDUL RAHIM BIN AHMADUN  
03398/11/2022 J  
Chartered Accountant  
Partner



**STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	GROUP		COMPANY	
		2020 RM	Restated 2019 RM	2020 RM	2019 RM
Revenue	5	<b>34,365,663</b>	8,450,514	<b>3,022,038</b>	-
Cost of sales		<b>(25,951,030)</b>	(3,406,806)	-	-
Gross profit		<b>8,414,633</b>	5,043,708	<b>3,022,038</b>	-
Other income		<b>58,844,741</b>	9,010,368	<b>843,656</b>	704,657
Administrative expenses and operating expenses		<b>(30,762,849)</b>	(19,356,285)	<b>(7,226,662)</b>	(6,949,569)
Profit/(Loss) from operation	6	<b>36,496,525</b>	(5,302,209)	<b>(3,360,968)</b>	(6,244,912)
Finance cost	7	<b>(882,332)</b>	(1,488,452)	<b>(313,479)</b>	(766,713)
Profit/(Loss) before taxation		<b>35,614,193</b>	(6,790,661)	<b>(3,674,447)</b>	(7,011,625)
Income tax expense	8	<b>(3,251,491)</b>	(546,394)	<b>(22,815)</b>	(6,601)
Profit/(Loss) from continuing operation		<b>32,362,702</b>	(7,337,055)	<b>(3,697,262)</b>	(7,018,226)
Profit/(Loss) from discontinuing operation	9	<b>278,983</b>	(3,583)	-	-
<b>Profit/(Loss) for the year</b>		<b>32,641,685</b>	(7,340,638)	<b>(3,697,262)</b>	(7,018,226)
<b>Other comprehensive income</b>					
Item that may be subsequently reclassified to profit or loss:					
Financial assets at fair value through other comprehensive income		<b>78,090</b>	140,546	-	-
Net other comprehensive income for the financial year		<b>78,090</b>	140,546	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>32,719,775</b>	(7,200,092)	<b>(3,697,262)</b>	(7,018,226)
<b>Profit/(loss) attributable to:</b>					
Equity holders of the company		<b>32,980,248</b>	(7,095,095)	<b>(3,697,262)</b>	(7,018,226)
Non-controlling interest		<b>(338,563)</b>	(245,543)	-	-
		<b>32,641,685</b>	(7,340,638)	<b>(3,697,262)</b>	(7,018,226)
<b>Comprehensive income/(loss) attributable to:</b>					
Equity holders of the company		<b>33,058,338</b>	(6,954,549)	<b>(3,697,262)</b>	(7,018,226)
Non-controlling interest		<b>(338,563)</b>	(245,543)	-	-
		<b>32,719,775</b>	(7,200,092)	<b>(3,697,262)</b>	(7,018,226)
<b>Earnings/(Loss) per share</b>					
Basic	10	<b>11.74 sen</b>	(2.76) sen		
Diluted	10	<b>11.57 sen</b>	(2.76) sen		

The accompanying notes form an integral part of the financial statements



## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

GROUP			Restated	Restated
	Note	2020 RM	31.12.2019 RM	1.1.2019 RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	<b>20,336,410</b>	38,936,194	44,616,699
Investment in subsidiary companies	12	-	-	-
Inventories	13	<b>58,422,374</b>	78,636,150	78,653,778
Investment properties	14	<b>105,096,301</b>	4,534,005	4,620,429
Investment in associates	15	-	-	-
Investment in jointly control entity	16	<b>125,000</b>	-	-
Other investment	17	<b>9,065,188</b>	11,951,382	12,010,836
Development expenditure	18	<b>2,030,187</b>	3,643,899	4,345,376
Goodwill on consolidation	19	<b>9,832,657</b>	9,681,081	9,681,081
		<b>204,908,117</b>	147,382,711	153,928,199
<b>Current assets</b>				
Inventories	13	<b>32,367,937</b>	49,603,452	50,759,675
Trade receivables	20	<b>9,407,720</b>	2,206,026	4,333,532
Other receivables, deposits and prepayments	21	<b>10,904,537</b>	10,557,477	4,756,457
Amount due from ultimate holding corporation	22	<b>5,054,857</b>	5,366,267	6,607,110
Amount due from related companies	24	<b>12,151,614</b>	16,637,981	17,180,216
Tax recoverable		<b>542,702</b>	1,400,377	987,739
Cash and cash equivalents	25	<b>2,133,160</b>	1,576,293	6,030,338
		<b>72,562,527</b>	87,347,873	90,655,067
<b>TOTAL ASSETS</b>		<b>277,470,644</b>	234,730,584	244,583,266

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The accompanying notes form an integral part of the financial statements



## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONT'D)

GROUP		2020	Restated	Restated
	Note	RM	31.12.2019	1.1.2019
			RM	RM
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	26	188,126,614	179,592,841	179,592,841
Investment revaluation reserves	27	601,954	523,864	383,318
Employee share option reserves	28	864,310	-	-
Accumulated profits/(losses)		10,843,692	(22,139,923)	(14,265,886)
Shareholders' equity		200,436,570	157,976,782	165,710,273
Non-controlling interest	29	(437,448)	43,985	(247,114)
<b>TOTAL EQUITY</b>		<b>199,999,122</b>	<b>158,020,767</b>	<b>165,463,159</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Bank borrowings	30	9,040,930	9,426,095	10,381,350
Hire purchase payables	31	133,552	151,675	10,860
Lease liabilities	32	2,914,971	3,390,488	2,914,322
Deferred taxation	33	16,349,613	14,303,305	14,290,608
		<b>28,439,066</b>	<b>27,271,563</b>	<b>27,597,140</b>
<b>Current liabilities</b>				
Trade payables		985,142	2,829,333	8,496,187
Other payables and accruals	34	23,166,392	22,364,406	19,892,566
Amount due to related companies	24	21,297,211	20,934,889	20,235,535
Bank borrowings	30	3,084,353	2,836,238	2,888,450
Hire purchase payables	31	17,046	22,929	8,668
Lease liabilities	32	482,312	450,459	1,561
		<b>49,032,456</b>	<b>49,438,254</b>	<b>51,522,967</b>
<b>TOTAL LIABILITIES</b>		<b>77,471,522</b>	<b>76,709,817</b>	<b>79,120,107</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>277,470,644</b>	<b>234,730,584</b>	<b>244,583,266</b>

The accompanying notes form an integral part of the financial statements



## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONT'D)

COMPANY		2020	Restated
	Note	RM	2019 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	796,779	1,059,771
Investment in subsidiary companies	12	148,127,743	148,127,743
Inventories	13	-	140,855
Investment properties	14	-	141,868
Development expenditure	18	-	1,490,668
		<u>148,924,522</u>	<u>150,960,905</u>
<b>Current assets</b>			
Other receivables, deposits and prepayments	21	320,772	220,472
Amount due from ultimate holding corporation	22	8,887,458	9,255,327
Amount due from subsidiary companies	23	48,876,111	44,276,417
Amount due from related companies	24	3,829,422	3,882,795
Tax recoverable		964,316	942,140
Cash and cash equivalents	25	255,876	71,801
		<u>63,133,955</u>	<u>58,648,952</u>
<b>TOTAL ASSETS</b>		<u>212,058,477</u>	<u>209,609,857</u>

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The accompanying notes form an integral part of the financial statements

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONT'D)

COMPANY		2020	Restated
	Note	RM	2019
			RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	26	188,126,614	179,592,841
Employee share option reserves	28	864,310	-
Accumulated losses		(14,302,593)	(10,605,331)
<b>TOTAL EQUITY</b>		<b>174,688,331</b>	<b>168,987,510</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank borrowings	30	6,969,774	7,318,897
Lease liabilities	32	-	448,169
Deferred taxation	33	29,416	6,601
		<b>6,999,190</b>	<b>7,773,667</b>
<b>Current liabilities</b>			
Other payables and accruals	34	1,795,704	2,902,563
Amount due to subsidiary companies	23	17,692,226	19,513,795
Amount due to related companies	24	9,476,818	9,199,057
Bank borrowings	30	958,039	813,828
Lease liabilities	32	448,169	419,437
		<b>30,370,956</b>	<b>32,848,680</b>
<b>TOTAL LIABILITIES</b>		<b>37,370,146</b>	<b>40,622,347</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>212,058,477</b>	<b>209,609,857</b>

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The accompanying notes form an integral part of the financial statements



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

GROUP	Note	Share capital RM	Investment revaluation reserves RM	Employee share option reserves RM	Accumulated (losses) RM	Total RM	Non- controlling interest RM	Total equity RM
Balance as at 1 January 2019		179,592,841	383,318	-	(178,369)	179,797,790	79,747	179,877,537
-As previously stated		-	-	-	(138,094)	(138,094)	-	(138,094)
Initial application on MFRS 16		-	-	-	(13,949,423)	(13,949,423)	(326,861)	(14,276,284)
Prior year adjustment		179,592,841	383,318	-	(14,265,886)	165,710,273	(247,114)	165,463,159
-As restated		-	-	-	(778,942)	(778,942)	533,942	(245,000)
Changes in ownership interest in a subsidiary	12	-	-	-	-	-	2,700	2,700
Acquisition of subsidiary company		-	-	-	-	-	-	-
Total comprehensive income for the year		-	140,546	-	(6,909,470)	(6,768,924)	(245,543)	(7,014,467)
-As previously stated		-	-	-	(185,625)	(185,625)	-	(185,625)
Prior year adjustment		-	140,546	-	(7,095,095)	(6,954,549)	(245,543)	(7,200,092)
-As restated		179,592,841	523,864	-	(22,139,923)	157,976,782	43,985	158,020,767
Balance as at 31 December 2019								

The accompanying notes form an integral part of the financial statements



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

GROUP	Note	Share capital RM	Investment revaluation reserves RM	Employee share option reserves RM	Accumulated (losses)/profits RM	Total RM	Non-controlling interest RM	Total equity RM
Balance as at 1 January 2020		179,592,841	523,864	-	(22,139,923)	157,976,782	43,985	158,020,767
Changes in ownership interest in a subsidiary	12	-	-	-	3,367	3,367	(142,870)	(139,503)
Total comprehensive income for the year		-	78,090	-	32,980,248	33,058,338	(338,563)	32,719,775
<b>Transactions with owners:</b>								
Issuance of ordinary shares pursuant to private placement		8,354,204	-	-	-	8,354,204	-	8,354,204
Issuance of ordinary shares pursuant to Employee Share Option Scheme ("ESOS")		138,282	-	-	-	138,282	-	138,282
Share options granted under ESOS		-	-	905,597	-	905,597	-	905,597
Transfer from share option reserve		41,287	-	(41,287)	-	-	-	-
<b>Total transaction with the owner</b>		<b>8,533,773</b>	<b>-</b>	<b>864,310</b>	<b>-</b>	<b>9,398,083</b>	<b>-</b>	<b>9,398,083</b>
<b>Balance as at 31 December 2020</b>		<b>188,126,614</b>	<b>601,954</b>	<b>864,310</b>	<b>10,843,692</b>	<b>200,436,570</b>	<b>(437,448)</b>	<b>199,999,122</b>

The accompanying notes form an integral part of the financial statements

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

<b>COMPANY</b>	<b>Share capital RM</b>	<b>Employee share option reserves RM</b>	<b>Accumulated (losses) RM</b>	<b>Total RM</b>
As at 1 January 2019	179,592,841	-	(3,587,105)	176,005,736
Total comprehensive loss for the financial year	-	-	(7,018,226)	(7,018,226)
As at 31 December 2019	179,592,841	-	(10,605,331)	168,987,510
<b>As at 1 January 2020</b>	<b>179,592,841</b>	<b>-</b>	<b>(10,605,331)</b>	<b>168,987,510</b>
<b>Total comprehensive loss for the financial year</b>	<b>-</b>	<b>-</b>	<b>(3,697,262)</b>	<b>(3,697,262)</b>
<b>Transactions with owners:</b>				
Issuance of ordinary shares pursuant to private placement	8,354,204	-	-	8,354,204
Issuance of ordinary shares pursuant to Employee Share Option Scheme ("ESOS")	138,282	-	-	138,282
Share options granted under ESOS	-	905,597	-	905,597
Transfer from share option reserve	41,287	(41,287)	-	-
<b>Total transaction with the owner</b>	<b>8,533,773</b>	<b>864,310</b>	<b>-</b>	<b>9,398,083</b>
<b>As at 31 December 2020</b>	<b>188,126,614</b>	<b>864,310</b>	<b>(14,302,593)</b>	<b>174,688,331</b>

The accompanying notes form an integral part of the financial statements

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customer	16,821,346	15,987,047	3,022,038	-
Cash received from other income	6,178,561	137,626	30,597	14,250
Cash received from deposit	605,018	-	-	3,643,790
Cash paid to employees	(10,573,796)	(7,923,081)	(1,268,628)	(1,461,406)
Cash paid for other expenses	(9,364,563)	(7,252,261)	(5,292,254)	(1,182,617)
Cash paid for interest	(587,959)	(966,074)	(313,479)	-
Cash paid to supplier	(9,618,688)	(845,091)	-	-
Cash paid for deposit	-	(793,902)	-	-
Cash paid for deposit refunded	-	(662,666)	-	-
Tax paid	(382,055)	(1,383,559)	(22,176)	(695,952)
Tax refund	60,144	1,262,486	-	72,727
Net cash (used in)/generated from operating activities	(6,861,992)	(2,439,475)	(3,843,902)	390,792
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of development expenditure	(44,832)	(30,720)	-	-
Purchase of property, plant and equipment	(351,012)	(302,180)	(249,003)	(144,035)
Acquisition of jointly control entity	(125,000)	-	-	-
Interest received	26,148	52,127	413,984	10,015
Acquisition of non-controlling interest on subsidiary	(291,080)	(245,000)	-	-
Disposal of subsidiary	(3,504)	-	-	-
Purchase of inventories	(288,591)	-	-	-
Acquisition of subsidiary company	-	(168,580)	-	-
Net cash (used in)/generated from investing activities	(1,077,871)	(694,353)	164,981	(134,020)

The accompanying notes form an integral part of the financial statements



**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Cash received from ultimate holding corporation	<b>387,959</b>	50,000	<b>367,869</b>	-
Cash received from/ (paid to) related companies	<b>429,827</b>	(311,327)	<b>331,134</b>	(204,650)
Cash (paid to)/received from subsidiary companies	-	-	<b>(4,789,740)</b>	353,942
Repayment of bank borrowings	<b>(573,210)</b>	(916,082)	<b>(458,735)</b>	(1,446,474)
Repayment of lease liabilities	<b>(307,919)</b>	-	<b>(80,018)</b>	-
Placement of deposit	<b>(50,000)</b>	-	-	-
Repayment of hire purchase payable	<b>(31,676)</b>	(22,124)	-	-
Issuance of share capital	<b>8,492,486</b>	-	<b>8,492,486</b>	-
Net cash generated from/(used in) financing activities	<b>8,347,467</b>	(1,199,533)	<b>3,862,996</b>	(1,297,182)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>407,604</b>	(4,333,361)	<b>184,075</b>	(1,040,410)
<b>Cash and cash equivalents at beginning of financial year</b>	<b>(296,117)</b>	4,037,244	<b>71,801</b>	1,112,211
<b>Cash and cash equivalents at end of financial year</b>	<b>111,487</b>	(296,117)	<b>255,876</b>	71,801
<b>Cash and cash equivalent consist of:</b>				
Fixed deposit with licenced bank	<b>319,401</b>	268,720	-	-
Cash and bank balance	<b>1,813,759</b>	1,307,573	<b>255,876</b>	71,801
	<b>2,133,160</b>	1,576,293	<b>255,876</b>	71,801
Less :				
Bank overdraft	<b>(1,971,673)</b>	(1,872,410)	-	-
Deposit pledged to financial institution	<b>(50,000)</b>	-	-	-
	<b>111,487</b>	(296,117)	<b>255,876</b>	71,801

The accompanying notes form an integral part of the financial statements



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020

### 1. GENERAL INFORMATION

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

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are described in Note 12. There have been no significant changes in the nature of the activities during the financial year.

### 2. BASIS PREPARATION

#### a) Basis of preparation of financial statements

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

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities. The principal accounting policies adopted are set out below.

#### b) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current year, the company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2020.

<b>Standard</b>	<b>Title</b>	<b>Applicable for annual periods beginning on or after</b>
MFRS 1 & MFRS 9	Annual improvements to MFRS standards 2018 - 2020	1 January 2020
MFRS 3	Definition of a business (Amendments to MFRS 3)	1 January 2020
MFRS 16	Covid-19 Related rent concession (Amendments to MFRS 16 Leases)	1 June 2020



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**2. BASIS PREPARATION (CONT'D)**

**c) Standards issued but not yet effective**

The following are accounting standards, interpretations and amendments of MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

<b>Standard</b>	<b>Title</b>	<b>Applicable for annual periods beginning on or after</b>
MFRS 3	Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
MFRS 4, MFRS 7, MFRS 9, MFRS 16 & MFRS 139	Interest rate benchmark reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2022
MFRS 16	Covid-19 Related rent concession beyond 30 June 2021 (Amendments to MFRS 16 Leases)	1 April 2021
MFRS 17	Insurance contract Amendments to MFRS 17 Insurance Contracts	1 January 2023 1 January 2023
MFRS 101	Definition of material (Amendments to MFRS 101)	1 January 2023
	Classification of liabilities as current or non-current (Amendments to MFRS 101)	1 January 2023
	Disclose of Accounting Policies (Amendments to MFRS 101)	1 January 2023
MFRS 108	Definition of Material (Amendments to MFRS 108)	1 January 2023
	Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
	Property, plant and equipments - Proceeds before intended use (Amendments to MFRS 116)	
MFRS 116	Property, plant and equipment)	1 January 2022
MFRS 137	Onerous contracts - Cost of Fulfilling a contract (Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
MFRS 139	Interest Rate Benchmark reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)	1 January 2022

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of consolidation

##### (i) *Subsidiaries*

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

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

##### (ii) *Business combination*

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

Acquisitions on or after 1 January 2011

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

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

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

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**a) Basis of consolidation (Cont'd)**

**(ii) Business combination (Cont'd)**

**Acquisitions before 1 January 2011**

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

**(iii) Changes in Group composition**

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

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

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

**(iv) Transactions eliminated on consolidation**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**b) Revenue recognition**

**(i) *Property development activities***

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

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

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

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

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

**(ii) *Interest income***

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

**(iii) *Dividend income***

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

**(iv) *Rental income***

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**b) Revenue recognition (Cont'd)**

**(v) Management service**

Revenue from management service is recognised on an accrual basis.

**(vi) Sale of completed properties**

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

**(vii) Contract income**

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

**(viii) Merchandise**

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

**(ix) Solar energy**

Revenue from solar energy is recognised on an accrual basis.

**c) Employee benefits**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****c) Employee benefits (Cont'd)****(ii) Short term employee benefits**

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

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

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

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

**(iii) Defined contribution plan**

Contributions to the statutory pension scheme are recognised as an expense in profit or loss in the financial year to which they relate.

**(iv) Termination benefits**

Termination benefits are recognised when the Group and of the Company is demonstrably committed to terminate the employment of the employees before the normal retirement date or provide termination benefits as a result of an offer made for voluntary redundancy.

Termination benefits in relation to the offer made for voluntary redundancy is measured based on the number of employees expected to accept the offer.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset when the expenditures for the asset and borrowing costs are being incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended during any extended periods in which active development is interrupted and ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

#### e) Income tax

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit. Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the reporting date.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### f) Property, plant and equipment

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

##### *Assets stated at valuation*

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

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

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

	<b>Rate</b>
Long term leasehold land and buildings	Over lease term
Shop houses	50 years
Renovation	5 to 10 years
Plant and machinery, furniture, fittings and office equipment	5 to 10 years
Motor vehicles	5 years
Solar panel	20 years

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

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**g) Leases**

**Subsequent measurement**

**(i) As a lessee**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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 an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**(ii) As a lessor**

The Group and the Company recognise lease payments received under operating leases as income on a straight line basis over the lease term as part of "revenue".

The Group and the Company recognises finance income over the lease term based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease. The Group and the Company aims to allocate finance income over the lease term on a systematic and rational basis. The Company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### h) Investment properties

Investment properties of the Group and of the Company principally comprising land, office and commercial buildings are asset held to earn rentals or for capital appreciation or both, are stated at fair value. Gains or losses arising from a change in the value of investment properties are recognised in profit or loss during the financial year in which they arise.

Investment properties derecognised when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

#### i) Investment in associates

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

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

The share of the results of an associate company is reflected in profit or loss. In addition, any change in other comprehensive income of those investee is presented as part of the Group's other comprehensive income. Where there has been change recognised directly in the equity of an associate company, the Group recognises and discloses its share of this change, when applicable, in the statements of changes in equity. Unrealised gains or losses resulting from transactions between the Group and the associate companies are eliminated to the extent of the interest in the associate company.

When the Group's share of losses exceeds its interest in an associate company, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate company.

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### i) Investment in associates (Cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate companies. The Group determined at the end of the reporting date whether there is any objective evidence, the Group calculate the amount of impairment as the difference between the recoverable amount of the investment in associate companies and their carrying amount and recognise the amount in the "share of profit of associate companies" in profit or loss.

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

In the Company's separate financial statements, investment in associate company is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

#### j) Land held for development

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

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

#### k) Property development cost

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis of such activities. Property, development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the statement of comprehensive income over billings to purchasers is classifies as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the statement of comprehensive income is shown under trade payables.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**l) Inventories**

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

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

**(ii) *Cleaning supplies and inventory spare parts***

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

**m) Development expenditure**

**(i) *Renewable energy development***

Direct and indirect expenditure payments for solar energy projects under development are stated at cost in the financial statements. Such expenditures is capitalised until the project is enable to generate income. The policy of the recognition and measurement of impairment losses are in accordance with impairment of assets to the financial statements.

The amount of development costs recognised as asset are amortised and recognised as an expense on a systematic basis so as to reflect the pattern in which the related economic benefits are recognised.

**(ii) *Intangible assets***

Expenditure incurred on research activities and internally generated goodwill is recognised in profit or loss as and when it is incurred.

An internally generated intangible asset is recognised only if the item is identifiable, and it is probable that the expected future economic benefits will flow to the entity, and the cost can be measured reliably.

Other intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### n) Accounting for hire purchase arrangements

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

#### o) Impairment of non-financial assets

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

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

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

An impairment loss is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****p) Non-current assets held for sale**

Non-current assets (or disposal groups) are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

On initial classification as held for sale, non-current assets or disposal groups are measured at the lower of the carrying amounts and fair value less costs to sell. Immediately before the initial classification as held for sale, the carrying amounts of non-current assets or disposal groups are measured in accordance with applicable MFRSs.

An impairment loss shall be recognised for any initial or subsequent write-down of the assets or disposal groups to fair value less costs to sell. Subsequent increase in fair value less costs to sell shall be recognised as a gain in profit or loss, to the extent of the cumulative impairment loss that has been recognised.

**q) Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**(i) Classification of financial assets**

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### q) Financial assets (Cont'd)

##### (i) *Classification of financial assets (Cont'd)*

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

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

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

##### (ii) *Amortised cost and effective interest method*

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**q) Financial assets (Cont'd)**

**(iii) Debt instruments classified as at FVTOCI**

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**q) Financial assets (Cont'd)**

**(iv) Equity instruments**

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

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

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

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

**(vi) Impairment of financial assets**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### q) Financial assets (Cont'd)

##### (vi) *Impairment of financial assets (Cont'd)*

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

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

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

##### (vii) *Derecognition of financial assets*

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### r) Cash and cash equivalents

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

#### s) Provisions

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

#### t) Segmental Reporting

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

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

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

#### u) Contingent liabilities

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**v) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified receivables fails to make payment when due.

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

**w) Finance lease**

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

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

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

**x) Financial liabilities**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### x) Financial liabilities (Cont'd)

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

##### (i) *Financial liabilities at FVTPL*

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

##### (ii) *Other financial liabilities*

Other financial liabilities include the following items:

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**x) Financial liabilities (Cont'd)**

**(iii) Derecognition of financial liabilities**

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

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

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**a) Critical judgements in applying the accounting policies**

The judgements, apart from those involving estimations described below, that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements, other than those disclosed in the Notes, are as follows:

**(i) Deferred Tax Assets**

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)**

**a) Critical judgements in applying the accounting policies (Cont'd)**

**(ii) 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 financial year are as follows:

**(a) Allowance for Doubtful Debts**

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

**(b) Useful Lives of Property, Plant and Equipment and Investment Properties**

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

**(c) Impairment of Goodwill**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)**

**a) Critical judgements in applying the accounting policies (Cont'd)**

**(ii) Key Sources of Estimation Uncertainty (Cont'd)**

**(d) Income taxes/Deferred tax liabilities**

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

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

**(e) Contingent liabilities**

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

**5. REVENUE**

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Sales of land	<b>22,626,000</b>	1,251,000	-	-
Sales of property	<b>1,258,010</b>	2,056,600	-	-
Solar energy	<b>1,299,377</b>	1,184,529	-	-
Rental income	<b>2,356,660</b>	2,182,967	-	-
Contract services	<b>5,543,859</b>	1,178,404	-	-
Management fee	-	-	<b>3,022,038</b>	-
Merchandise product	<b>1,256,949</b>	597,014	-	-
Dividend	<b>24,808</b>	-	-	-
	<b>34,365,663</b>	8,450,514	<b>3,022,038</b>	-



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

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

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

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Audit fee	<b>141,400</b>	121,100	<b>45,000</b>	24,700
Directors remuneration:				
- fee - current year	<b>335,000</b>	275,000	<b>335,000</b>	275,000
- other than fee	<b>730,000</b>	210,000	<b>730,000</b>	210,000
Depreciation of property, plant and equipment	<b>1,694,409</b>	1,694,817	<b>511,995</b>	497,178
Depreciation of investment properties	<b>29,652</b>	86,424	<b>3,217</b>	3,653
Impairment loss on receivables	<b>918,204</b>	2,025,520	-	-
Impairment loss on related parties	<b>337,198</b>	1,256,557	<b>199,011</b>	1,091,601
Impairment on investment	<b>2,964,285</b>	285,715	-	200,000
Rental of premises	<b>186,831</b>	-	<b>186,831</b>	-
Staff cost:				
- Short term benefit	<b>9,526,094</b>	7,198,876	<b>375,970</b>	2,600,723
- EPF	<b>1,455,131</b>	1,114,337	<b>174,658</b>	445,441
- Share option granted under ESOS	<b>905,597</b>	-	<b>905,597</b>	-
Gain in fair value of investment properties	<b>(51,934,013)</b>	-	-	-
Gain on disposal of fixed asset	<b>(4,483,482)</b>	(5,800,513)	-	-
Interest income	<b>(205,450)</b>	(103,134)	<b>(5,332)</b>	(10,015)
Interest charged to related companies	<b>(253,823)</b>	(680,392)	<b>(253,823)</b>	(680,392)
Rental income	<b>(227,133)</b>	(306,610)	-	-
Waiver of payables	-	(1,670,228)	-	-
Other income	<b>(75,730)</b>	(1,940)	-	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**6. PROFIT/(LOSS) FROM OPERATION (CONT'D)**

Remunerations of the Directors comprise the following:

	<b>GROUP/COMPANY</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<b>Directors Fee:</b>		
Executive directors	<b>50,333</b>	8,333
Non-executive directors	<b>284,667</b>	266,667
	<b>335,000</b>	275,000

	<b>GROUP/COMPANY</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<b>Directors others than fee:</b>		
Executive directors salary	<b>730,000</b>	210,000

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

	<b>Number of directors</b>	
	<b>2020</b>	<b>2019</b>
<b>Executive directors:</b>		
RM200,001 - RM250,000	-	1
RM300,001 - RM350,000	<b>1</b>	-
RM350,001 - RM400,000	<b>1</b>	-
	<b>2</b>	1
<b>Non-executive directors:</b>		
RM10,001 - RM20,000	-	-
RM20,001 - RM30,000	-	-
RM30,001 - RM40,000	-	-
RM40,001 - RM60,000	<b>6</b>	6
	<b>6</b>	6

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**7. FINANCE COST**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Interest on term loan	<b>499,678</b>	802,975	<b>253,823</b>	680,392
Interest on related companies	-	8,072	-	-
Interest on holding corporation	-	195,637	-	-
Interest on hire purchase	<b>7,670</b>	8,370	-	-
Interest on bank overdraft	<b>111,654</b>	182,705	-	-
Interest on lease liability	<b>263,330</b>	290,693	<b>59,656</b>	86,321
	<b>882,332</b>	1,488,452	<b>313,479</b>	766,713

**8. INCOME TAX EXPENSE**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Taxation based on profit/(loss) for the financial year:</b>				
Malaysian income tax	<b>1,297,181</b>	482,471	-	-
Real property gain tax	<b>283,068</b>	-	-	-
Deferred taxation	<b>4,964,549</b>	12,697	<b>12,987</b>	6,601
	<b>6,544,798</b>	495,168	<b>12,987</b>	6,601
<b>(Over)/Under provision in prior year:</b>				
Malaysian income tax	<b>(375,066)</b>	51,226	-	-
Deferred taxation	<b>(2,918,241)</b>	-	<b>9,828</b>	-
<b>Total income tax expense</b>	<b>3,251,491</b>	546,394	<b>22,815</b>	6,601

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**8. INCOME TAX EXPENSE (CONT'D)**

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

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit/(Loss) before taxation	<u>35,614,193</u>	<u>(6,790,661)</u>	<u>(3,674,447)</u>	<u>(7,011,625)</u>
Taxation at Malaysian statutory tax rate 24% (2019: 24%)	<b>8,547,406</b>	(1,629,759)	<b>(881,867)</b>	(1,682,790)
<i>Tax effect on:</i>				
Expenses disallowed during the year	<b>3,143,369</b>	1,586,869	<b>793,511</b>	553,749
Deferred tax asset not recognised during the year	<b>774,369</b>	991,382	<b>101,343</b>	1,135,642
Effect on different tax rate	<b>(4,930,908)</b>	-	-	-
Real property gain tax	<b>283,068</b>	-	-	-
Income not subject to tax	<b>(1,272,506)</b>	(453,324)	-	-
(Over)/Under provision in prior year	<b>(3,293,307)</b>	51,226	<b>9,828</b>	-
<b>Total income tax expense</b>	<u><b>3,251,491</b></u>	<u>546,394</u>	<u><b>22,815</b></u>	<u>6,601</u>

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

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Unabsorbed capital allowance	<b>405,966</b>	4,182,488	<b>210,894</b>	167,402
Unutilised tax losses	<u><b>17,729,920</b></u>	<u>27,420,692</u>	<u><b>1,986,139</b></u>	<u>6,402,458</u>
	<u><b>18,135,886</b></u>	<u>31,603,180</u>	<u><b>2,197,033</b></u>	<u>6,569,860</u>

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

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

On 24 November 2020, Majuperak Development Berhad ("MDB") entered into a Sales and Purchase of Shares Agreement ("SPA") with Mainiza Teknitek Recowaste Sdn. Bhd. ("MAINIZA") for MDB to dispose off its shares of 4,653,000 units in Majuperak Utilities Management Sdn. Bhd. ("MUMSB") for a cash consideration of RM1 (collectively known as "the Proposed Disposal").

As at 31 December 2019, the investment in MUMSB was not a discontinued operation as classified as assets held for sale and the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

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

	<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<b><i>Result of discontinued operation</i></b>		
Revenue	-	-
Cost of sales	-	-
Other operating income	-	-
Administrative expenses	<b>(45,984)</b>	(3,583)
Result from operating activities	<b>(45,984)</b>	(3,583)
Tax expenses	-	-
Result from operating activities, net of tax	<b>(45,984)</b>	(3,583)
Profit on sales of discontinue operation	<b>324,967</b>	-
Profit/(Loss) for the year	<b>278,983</b>	(3,583)

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

***Cash flow from discontinued operation***

Net cash generated from/(used in) operating activities	-	-
Net cash generated from/(used in) investing activities	<b>(3,504)</b>	-
Net cash (used in)/generated from financing activities	-	-
Effect on cash flow	<b>(3,504)</b>	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**9. PROFIT/(LOSS) FROM DISCONTINUING OPERATION (CONT'D)**

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

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

**a) Basic earnings/(loss) per share**

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

	<b>GROUP</b>	
	<b>2020 RM</b>	<b>2019 RM</b>
Net income/(loss) attributable to shareholders	<b>32,980,248</b>	(7,095,095)
Weighted average number of ordinary shares in issue	<b>280,806,095</b>	257,052,423
Basic earnings/(loss) per share (Sen)	<b>11.74</b>	(2.76)



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)**

**10. EARNINGS/(LOSS) PER SHARE (CONT'D)**

**b) Diluted earnings/(loss) per share**

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

	<b>GROUP</b>	
	<b>2020</b>	2019
	<b>RM</b>	RM
Net income/(loss) attributable to shareholders	<b>32,980,248</b>	(7,095,095)
Weighted average number of ordinary shares in issue	<b>280,806,095</b>	257,052,423
Effects of dilution due to:		
- ESOS	<b>4,356,800</b>	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	<b>285,162,895</b>	257,052,423
Basic earnings/(loss) per share (Sen)	<b>11.57</b>	(2.76)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Long term leasehold land and buildings RM	Office equipment RM	Renovation RM	Motor vehicles RM	Solar panel RM	Building RM	Equipment RM	Total
<b>Cost</b>								
As at 1 January 2019	8,840,635	2,643,571	19,340,707	1,479,070	18,557,351	-	-	50,861,334
Prior year adjustment	43,151	-	-	-	-	-	-	43,151
Adjustment on initial application on MFRS 16	-	-	-	-	-	2,867,895	4,585	2,872,480
As at 1 January 2019 (Restated)	8,883,786	2,643,571	19,340,707	1,479,070	18,557,351	2,867,895	4,585	53,776,965
Additions	-	336,222	28,354	191,795	216,850	1,327,789	-	2,101,010
Disposal	(2,229)	(4,876)	-	(171,081)	(7,110,235)	-	-	(7,288,421)
As at 31 December 2019	8,881,557	2,974,917	19,369,061	1,499,784	11,663,966	4,195,684	4,585	48,589,554
<b>Accumulated depreciation</b>								
As at 1 January 2019	2,397,276	2,268,280	312,522	1,358,935	2,753,667	-	-	9,090,680
Prior year adjustment	1,423	-	-	-	-	-	-	1,423
Adjustment on initial application on MFRS 16	-	-	-	-	-	67,399	764	68,163
As at 1 January 2019 (Restated)	2,398,699	2,268,280	312,522	1,358,935	2,753,667	67,399	764	9,160,266
Depreciations	141,669	155,657	273,213	86,935	567,107	468,708	1,528	1,694,817
Disposal	(992)	-	-	(153,972)	(1,046,759)	-	-	(1,201,723)
As at 31 December 2019	2,539,376	2,423,937	585,735	1,291,898	2,274,015	536,107	2,292	9,653,360
<b>Carrying amount</b>								
As at 31 December 2019	6,342,181	550,980	18,783,326	207,886	9,389,951	3,659,577	2,293	38,936,194

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR 31 DECEMBER 2020 (CONT'D)

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP	Long term leasehold land and buildings RM	Office equipment RM	Renovation RM	Motor vehicles RM	Solar panel RM	Building RM	Equipment RM	Total
<b>Cost</b>								
As at 1 January 2020	8,881,557	2,974,917	19,369,061	1,499,784	11,663,966	4,195,684	4,585	48,589,554
Additions	-	249,003	102,009	-	-	-	-	351,012
Reclassification	-	-	408,406	-	-	-	-	408,406
Disposal	(28,440)	-	-	-	-	-	-	(28,440)
Transfer from Land Held for Development	168,245	-	-	-	-	-	-	168,245
Transfer to Investment Property	(7,740,786)	-	(11,103,190)	-	-	(1,597,652)	-	(20,441,628)
As at 31 December 2020	1,280,576	3,223,920	8,776,286	1,499,784	11,663,966	2,598,032	4,585	29,047,149
<b>Accumulated depreciation</b>								
As at 1 January 2020	2,539,376	2,423,937	585,735	1,291,898	2,274,015	536,107	2,292	9,653,360
Depreciations	83,937	168,268	291,707	74,059	589,293	485,617	1,528	1,694,409
Disposal	(13,078)	-	-	-	-	-	-	(13,078)
Transfer to Investment Property	(2,071,188)	-	(472,882)	-	-	(79,882)	-	(2,623,952)
As at 31 December 2020	539,047	2,592,205	404,560	1,365,957	2,863,308	941,842	3,820	8,710,739
<b>Carrying amount</b>								
As at 31 December 2020	741,529	631,715	8,371,726	133,827	8,800,658	1,656,190	765	20,336,410

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

COMPANY	Office	Motor	Right-of-use	Total
	equipment	vehicles	Building	
	RM	RM	RM	
<b>Cost</b>				
As at 1 January 2019	383,670	177,200	-	560,870
Additions	211,144	-	1,260,154	1,471,298
<b>As at 31 December 2019</b>	<b>594,814</b>	<b>177,200</b>	<b>1,260,154</b>	<b>2,032,168</b>
Additions	249,003	-	-	249,003
<b>As at 31 December 2020</b>	<b>843,817</b>	<b>177,200</b>	<b>1,260,154</b>	<b>2,281,171</b>
<b>Accumulated depreciation</b>				
As at 1 January 2019	298,020	177,199	-	475,219
Depreciations	77,127	-	420,051	497,178
<b>As at 31 December 2019</b>	<b>375,147</b>	<b>177,199</b>	<b>420,051</b>	<b>972,397</b>
Depreciations	91,944	-	420,051	511,995
<b>As at 31 December 2020</b>	<b>467,091</b>	<b>177,199</b>	<b>840,102</b>	<b>1,484,392</b>
<b>Carrying amount</b>				
As at 31 December 2019	219,667	1	840,103	1,059,771
<b>As at 31 December 2020</b>	<b>376,726</b>	<b>1</b>	<b>420,052</b>	<b>796,779</b>

The motor vehicle of the Group with the carrying amount of RM127,864 (2019: RM166,224) were acquired under hire purchase arrangement.

**12. INVESTMENT IN SUBSIDIARY COMPANIES**

	COMPANY	
	2020	2019
	RM	RM
Investment in subsidiaries	149,218,603	149,218,603
Less: Accumulated impairment losses	(1,090,860)	(1,090,860)
Carrying amounts	<b>148,127,743</b>	148,127,743



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**12. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

Details of the Company's subsidiaries as at 31 December 2020 are as follows:

Name	Principal activities	Effective equity interest (%)	
		2020	2019
Syarikat Majuperak Berhad	Property development	100	100
Majuperak Energy Resources Sdn. Bhd.	Property development	100	100
Majuperak Development Berhad	Management services	100	100
Majuperak Property Management Sdn. Bhd.	Property management	100	100
Majuperak Land Sdn. Bhd.	Property management	100	100
Majuperak Bio Resources Sdn. Bhd.	Contract management	100	100
<b>Held through Syarikat Majuperak Berhad:</b>			
Majuperak Properties Sdn. Bhd.	Property development	100	100
Perak Builders Sdn. Bhd. (Previously known as Majuperak Bina Sdn. Bhd.)	Property development	100	100
Bihun Jaya (Perak) Sdn. Bhd.	Dormant	100	68
<b>Held through Majuperak Development Berhad:</b>			
Majuperak Utilities Management Sdn. Bhd.	Dormant	-	100
Tenaga Danawa Sdn. Bhd.	Property development	100	100
Jua Juara Sdn. Bhd.	Property development	100	100

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**12. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

Details of the Company's subsidiaries as at 31 December 2020 are as follows (Cont'd):

Name	Principal activities	Effective equity interest (%)	
		2020	2019
<b>Held through Majuperak Energy Resources Sdn. Bhd.:</b>			
Majuperak Power Resources Sdn. Bhd.	Dormant	100	100
Majuperak Petrolife Gas Sdn. Bhd.	Dormant	100	-
<b>Held through Majuperak Land Sdn. Bhd.:</b>			
Majuperak Realty Sdn. Bhd.	Dormant	51	51
<b>Held through Majuperak Properties Sdn. Bhd.:</b>			
Nexus Jade Sdn. Bhd.	Merchandise sourcing and supply business	100	100
<b>Held through Majuperak Property Management Sdn. Bhd.:</b>			
Majuperak Urus Sdn. Bhd.	Contract service	51	51

**ACQUISITION OF NON-CONTROLLING INTEREST**

In 28 February 2020, the Group acquired the remaining 38% equity interest, representing 190,000 ordinary shares in Bihun Jaya Sdn. Bhd. ("BJSB") for RM291,080 in cash. Pursuant to that, the Group equity interest in BJSB increased from 62% to 100% and BJSB became a wholly owned subsidiary of the Group. The Group recognised a decrease in non-controlling interest of RM142,870, an increase in accumulated losses of RM3,367 and an increase in goodwill of RM151,576.

In January 2019, the Group acquired the remaining 49% equity interest, representing 245,000 ordinary shares in Nexus Jade Sdn. Bhd. ("NJSB") for RM245,000 in cash. Pursuant to that, the Group equity interest in NJSB increased from 51% to 100% and NJSB became a wholly owned subsidiary of the Group. The Group recognised a increase in non-controlling interest of RM533,942 and a decrease in accumulated losses of RM778,942.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**13. INVENTORIES**

	Note	GROUP		COMPANY	
		2020 RM	Restated 2019 RM	2020 RM	2019 RM
<b>Non-current</b>					
Land held for development	a)	<b>58,422,374</b>	78,636,150	-	140,855
<b>Current</b>					
Property held for sell	b)	<b>2,928,087</b>	4,373,652	-	-
Property development cost	c)	<b>29,380,895</b>	45,229,800	-	-
Cleaning equipment		<b>58,955</b>	-	-	-
		<b>32,367,937</b>	49,603,452	-	-

**a) Land Held for Development**

	GROUP		COMPANY	
	2020 RM	Restated 2019 RM	2020 RM	2019 RM
<b>At cost:</b>				
As at 1 January	<b>78,772,264</b>	116,046,117	<b>140,855</b>	140,855
Prior year adjustment	-	(37,201,841)	-	-
As at 1 January (Restated)	<b>78,772,264</b>	78,844,276	<b>140,855</b>	140,855
Addition	<b>354,894</b>	297,107	-	-
Disposed	<b>(30,698)</b>	(314,735)	-	-
Reclassification	<b>883,251</b>	-	<b>(140,855)</b>	-
Written off	<b>(200,414)</b>	-	-	-
Transfer to Property Development Cost	-	(54,384)	-	-
Transfer to Property, Plant and Equipment	<b>(168,245)</b>	-	-	-
Transfer to Investment Properties	<b>(21,052,564)</b>	-	-	-
As at 31 December	<b>58,558,488</b>	78,772,264	-	140,855

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**13. INVENTORIES (CONT'D)**

**a) Land Held for Development (Cont'd)**

	GROUP		COMPANY	
	2020 RM	Restated 2019 RM	2020 RM	2019 RM
<b>Less : Accumulated impairment</b>				
As at 1 January	(136,114)	(136,114)	-	-
Addition	-	-	-	-
As at 31 December	<u>(136,114)</u>	<u>(136,114)</u>	<u>-</u>	<u>-</u>
<b>Net Book Value</b>	<u>58,422,374</u>	<u>78,636,150</u>	<u>-</u>	<u>140,855</u>
Representing item at:				
Cost	36,137,641	39,751,753	-	140,855
Revaluation - 2002	<u>22,284,733</u>	<u>38,884,397</u>	<u>-</u>	<u>-</u>
	<u>58,422,374</u>	<u>78,636,150</u>	<u>-</u>	<u>140,855</u>

Certain land held for development of the Group amounting to RM5,329,074 (2019: RM5,329,074) are held in trust and have been registered under the name of the ultimate holding corporation. The Group however, has been granted beneficial interest to the land pursuant to a transfer of the assets and liabilities agreement and is supplementary agreement which had been mutually agreed between the Group and the ultimate holding corporation dated 28 December 2001 and 15 April 2002, respectively.

**b) Property Held for Sell**

	GROUP	
	2020 RM	2019 RM
<b>At cost:</b>		
Shop house	1,207,567	1,387,909
Shop office	1,091,646	1,391,646
Bungalow	<u>628,874</u>	<u>1,594,097</u>
	<u>2,928,087</u>	<u>4,373,652</u>

1 Unit of unsold shophouse (2019: 2 Unit) at cost RM97,746 (2019: RM192,908) is charged as security for credit facilities granted to a subsidiary company.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**13. INVENTORIES (CONT'D)**

**c) Property Development Cost**

	<b>GROUP</b>	
	<b>2020</b>	Restated
	<b>RM</b>	RM
<b>At cost:</b>		
As at 1 January	<b>45,229,800</b>	19,433,063
Prior year adjustment	-	<u>25,540,921</u>
As at 1 January (Restated)	<b>45,229,800</b>	44,973,984
Addition	<b>44,832</b>	201,432
Transfer from Land Held For Development	-	54,384
Transfer to Investment Properties	<b>(76,346)</b>	-
Disposal	<b>(15,817,391)</b>	-
As at 31 December	<b><u>29,380,895</u></b>	<u>45,229,800</u>

Development cost that are expected to be completed within the normal operating cycle of 2 to 3 year are classified as current asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**14. INVESTMENT PROPERTIES**

	GROUP		COMPANY	
	2020 RM	Restated 2019 RM	2020 RM	2019 RM
<b>Cost</b>				
As at 1 January	<b>6,359,747</b>	7,283,025	<b>182,620</b>	182,620
Prior year adjustment	-	(923,278)	-	-
As at 1 January (Restated)	<b>6,359,747</b>	6,359,747	<b>182,620</b>	182,620
Additions	<b>9,850,000</b>	-	-	-
Transfer from Property, Plant and Equipment	<b>17,817,676</b>	-	-	-
Transfer from Land Held For Development	<b>21,052,564</b>	-	-	-
Transfer from Property Development Cost	<b>76,346</b>	-	-	-
Disposal	<b>(87,000)</b>	-	<b>(87,000)</b>	-
Reclassification	<b>(95,620)</b>	-	<b>(95,620)</b>	-
As at 31 December	<b>54,973,713</b>	6,359,747	-	182,620
<b>Accumulated depreciation</b>				
As at 1 January	<b>1,825,742</b>	1,826,717	<b>40,752</b>	37,099
Prior year adjustment	-	(87,399)	-	-
As at 1 January (Restated)	<b>1,825,742</b>	1,739,318	<b>40,752</b>	37,099
Depreciation	<b>29,652</b>	86,424	<b>3,217</b>	3,653
Disposal	<b>(17,545)</b>	-	<b>(17,545)</b>	-
Reclassification	<b>(26,424)</b>	-	<b>(26,424)</b>	-
As at 31 December	<b>1,811,425</b>	1,825,742	-	40,752
<b>Net Book Value</b>	<b>53,162,288</b>	4,534,005	-	141,868
<b>Changes in fair value</b>	<b>51,934,013</b>	-	-	-
<b>Fair value as 31 Disember</b>	<b>105,096,301</b>	4,534,005	-	141,868

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**14. INVESTMENT PROPERTIES (CONT'D)**

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

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

**15. INVESTMENT IN ASSOCIATES**

	GROUP	
	2020 RM	2019 RM
Unquoted shares at cost	97,965	97,965
Allowance for diminution in value	(97,965)	(97,965)
	<u>-</u>	<u>-</u>

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

Name	Principal activities	Effective equity interest (%)	
		2020	2019
<b>Held through Syarikat Majuperak Berhad:</b>			
Konsodium Bihun Jaya Sdn. Bhd. *^~	Dormant	30	30
<b>Held through Majuperak Properties Sdn. Bhd.:</b>			
Brewster Village Sdn. Bhd. *^~	Event management	30	30

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**15. INVESTMENT IN ASSOCIATES (CONT'D)**

- \* These financial statements are not audited by Afrizan Tarmili Khairul Azhar.
- ^ The Group has discontinued recognition of its shares of losses as the share of accumulated losses of the associates have exceeded the Group's investment in that associate.
- ~ There is no financial information available for the associates that are not individually material as of 31 December 2020. These associates are dormant companies and the Group and the Company have fully impaired the carrying amount for these associates in the financial statements.

**16. INVESTMENT IN JOINTLY CONTROLLED ENTITY**

	<b>GROUP</b>	
	<b>2020</b>	2019
	<b>RM</b>	RM
Unquoted shares at cost	<b>1,125,000</b>	1,000,000
Share of post - acquisition loss	<b>(1,000,000)</b>	(1,000,000)
	<b><u>125,000</u></b>	<u>-</u>

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

Name	Principal activities	Effective equity interest (%)	
		2020	2019
<b>Held through Majuperak Bio Resources Sdn. Bhd.:</b>			
Majuperak Go Green Sdn. Bhd. *~	Bamboo based products	<b>50</b>	50
<b>Held through Tenaga Danawa Sdn. Bhd.:</b>			
Lagenda Tapah Sdn. Bhd. *~	Construction of buildings	<b>50</b>	-

- \* These financial statements are not audited by Afrizan Tarmili Khairul Azhar.
- ~ There is no financial information available for the jointly controlled entity that are not individually material as of 31 December 2020. These jointly controlled entities are dormant companies.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**17. OTHER INVESTMENT**

	<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at fair value through other comprehensive income</b>		
<b>At fair value</b>		
Quoted shares	<b>1,310,553</b>	1,232,463
Unquoted shares	<b>10,718,920</b>	10,718,919
	<b>12,029,473</b>	11,951,382
Less: Impairment losses	<b>(2,964,285)</b>	-
	<b>9,065,188</b>	11,951,382

**18. DEVELOPMENT EXPENDITURE**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2020</b>	Restated <b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><i>Agriculture land:</i></b>				
As at 1 January	<b>2,510,189</b>	2,507,551	<b>1,490,668</b>	1,490,668
Additions	-	7,055	-	-
Reclassification	<b>(1,291,657)</b>	-	<b>(1,291,657)</b>	-
Disposal	<b>(255,366)</b>	(4,417)	<b>(199,011)</b>	-
As at 31 December	<b>963,166</b>	2,510,189	-	1,490,668
<b><i>Renewable energy:</i></b>				
<b>At cost</b>				
As at 1 January	<b>1,400,466</b>	2,100,698	-	-
Disposal	-	(700,232)	-	-
As at 31 December	<b>1,400,466</b>	1,400,466	-	-
<b>Accumulated amortization</b>				
As at 1 January	<b>266,756</b>	300,100	-	-
Additions	<b>66,689</b>	83,361	-	-
Disposal	-	(116,705)	-	-
As at 31 December	<b>333,445</b>	266,756	-	-
<b>Net Book Value</b>	<b>1,067,021</b>	1,133,710	-	-
<b>Grand total</b>	<b>2,030,187</b>	3,643,899	-	1,490,668

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**19. GOODWILL ON CONSOLIDATION**

	<b>GROUP</b>	
	<b>2020</b>	Restated <b>2019</b>
	<b>RM</b>	<b>RM</b>
Purchased goodwill, at cost		
As at 1 January	<b>89,524,288</b>	89,479,467
Prior year adjustment	-	44,821
As at 1 January (Restated)	<b>89,524,288</b>	89,524,288
Additional	<b>151,576</b>	-
As at 31 December	<b>89,675,864</b>	89,524,288
Less: Accumulated impairment losses	<b>(79,843,207)</b>	(79,843,207)
Net carrying amount	<b>9,832,657</b>	9,681,081

**20. TRADE RECEIVABLES**

	<b>GROUP</b>	
	<b>2020</b>	2019
	<b>RM</b>	<b>RM</b>
Trade receivables	<b>16,293,693</b>	8,352,702
Less: Accumulated impairment losses	<b>(6,885,973)</b>	(6,146,676)
	<b>9,407,720</b>	2,206,026

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables are as follows:

	<b>2020</b>	2019
	<b>RM</b>	<b>RM</b>
Neither past due nor impaired	<b>7,567,789</b>	305,809
1 to 30 days past due not impaired	<b>35,337</b>	94,193
31 to 90 days past due not impaired	<b>80,282</b>	83,152
91 to 180 days past due not impaired	<b>666,962</b>	319,281
More than 180 days past due not impaired	<b>1,057,350</b>	1,403,591
	<b>9,407,720</b>	2,206,026
Impaired	<b>6,885,973</b>	6,146,676
	<b>16,293,693</b>	8,352,702

Trade receivables that are neither past due nor impaired

Trade receivables that were neither past due nor impaired relate to customers for whom there were no default.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**20. TRADE RECEIVABLES (CONT'D)**

Trade receivables that are past due but not impaired

Based on past experience and no adverse information to date, the Directors of the Company are of the opinion that no allowance for impairment necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Movement in impairment losses:

	<b>2020</b>	2019
	<b>RM</b>	RM
As at 1 January	<b>6,146,676</b>	4,951,687
Addition	<b>918,204</b>	1,194,989
Bad debt written off	<b>(27,139)</b>	-
Bad debt recovery	<b>(151,768)</b>	-
As at 31 December	<b>6,885,973</b>	6,146,676

**21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2020</b>	Restated 2019	<b>2020</b>	2019
	<b>RM</b>	RM	<b>RM</b>	RM
Other receivables	<b>14,693,608</b>	14,784,487	<b>24,653</b>	19,973
Deposits	<b>296,446</b>	158,109	<b>207,089</b>	111,469
Prepayment	<b>355,475</b>	642,933	<b>89,030</b>	89,030
	<b>15,345,529</b>	15,585,529	<b>320,772</b>	220,472
Less: Allowance for impairment	<b>(4,440,992)</b>	(5,028,052)	-	-
	<b>10,904,537</b>	10,557,477	<b>320,772</b>	220,472

**22. AMOUNT DUE FROM ULTIMATE HOLDING CORPORATION**

The Ultimate holding corporation is Perbadanan Kemajuan Negeri Perak, a statutory body established under the Perak State Economic Development Corporation Enactment No.3, 1967.

The amount due from ultimate holding corporation is unsecured, interest charged at rate of Nil (2019: Nil), and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**23. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES**

Amount due from/(to) subsidiary companies are unsecured, interest free and repayable on demand.

**24. AMOUNT DUE FROM/(TO) RELATED COMPANIES**

Amount due from/(to) related companies are unsecured, interest free and repayable on demand.

**25. CASH AND CASH EQUIVALENTS**

	GROUP		COMPANY	
	2020	Restated 2019	2020	2019
	RM	RM	RM	RM
Fixed deposit with licensed bank	<b>319,401</b>	268,720	-	-
Cash and bank balances	<b>1,813,759</b>	1,307,573	<b>255,876</b>	71,801
	<b>2,133,160</b>	1,576,293	<b>255,876</b>	71,801

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following as at the statements of financial position date:

	GROUP		COMPANY	
	2020	Restated 2019	2020	2019
	RM	RM	RM	RM
Fixed deposit with licensed bank	<b>319,401</b>	268,720	-	-
Cash and bank balances	<b>1,813,759</b>	1,307,573	<b>255,876</b>	71,801
	<b>2,133,160</b>	1,576,293	<b>255,876</b>	71,801
Less: Bank overdraft	<b>(1,971,673)</b>	(1,872,410)	-	-
Deposit pledged to financial institution	<b>(50,000)</b>	-	-	-
	<b>111,487</b>	(296,117)	<b>255,876</b>	71,801

Included in the Group's cash and bank balances are amounts of RM140,473 (2019: RM188,951) subjected to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**26. SHARE CAPITAL**

	GROUP/COMPANY	
	2020	2019
	Units	Units
At beginning of the financial year	257,052,423	257,052,423
Issued for cash under ESOS	485,200	-
Issued for cash under private placement	25,705,242	-
At end of the financial year	<u>283,242,865</u>	<u>257,052,423</u>
	Monetary value	
	RM	RM
At beginning of the financial year	179,592,841	179,592,841
Issued for cash under ESOS	138,282	-
Issued for cash under private placement	8,354,204	-
Transfer from share option reserve	41,287	-
At end of the financial year	<u>188,126,614</u>	<u>179,592,841</u>

**27. INVESTMENT REVALUATION RESERVES**

	GROUP	
	2020	2019
	RM	RM
As at beginning of the year	523,864	383,318
Effect of adopting the fair value measurement on security available-for-sale	78,090	140,546
As at end of the year	<u>601,954</u>	<u>523,864</u>

**28. EMPLOYEE SHARE OPTION RESERVES**

	GROUP/COMPANY	
	2020	2019
	RM	RM
As at beginning of the year	-	-
Share options granted under ESOS	905,597	-
Transfer to share capital	(41,287)	-
As at end of the year	<u>864,310</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

### 28. EMPLOYEE SHARE OPTION RESERVES (CONT'D)

The company's Employee Share Option Scheme ("ESOS") is governed by the by-laws which was approved by the shareholders at the Extraordinary General Meeting held on 2 March 2020.

The main features of the ESOS are as follows:

- (a) the ESOS shall be in force for a period of five years from the date of the receipt of the last of the requisite Approvals.
- (b) eligible persons are employees and Directors of the Group who have been confirmed in their employment. The eligibility for participation in the ESOS shall be at the discretion of the options committee appointed by the board of Directors.
- (c) the total number of shares to be issued under the ESOS shall not exceed in aggregate 5% of the issued and paid-up share capital of the company at any point of time during the tenure of the ESOS.
- (d) the option price for each share shall be the 5-days weighted average market price of the underlying shares before the ESOS options are granted, with either a premium or a discount of not more than ten percent (10%).
- (e) an option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the vest date but before the expiry on 5 March 2025.
- (f) all new ordinary shares issued upon exercise of the options granted under the ESOS will rank Pari Passu in all respect with the existing ordinary shares of the Company.
- (g) the options shall not carry any right to vote at a general meeting of the Company.

The option granted during the year are as follows:

Batch	Grant date	No. of option	Vesting Period
Batch 1	13-03-20	4,362,000	1/3/2020 - 5/3/2025
Batch 1	13-03-20	3,271,500	1/3/2021 - 5/3/2025
Batch 1	13-03-20	3,271,500	1/3/2022 - 5/3/2025
Batch 2	11-12-20	480,000	1/12/2020-5/3/2025
Batch 2	11-12-20	360,000	1/12/2021-5/3/2025
Batch 2	11-12-20	360,000	1/12/2022-5/3/2025
Total share option		<u>12,105,000</u>	



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**28. EMPLOYEE SHARE OPTION RESERVES (CONT'D)**

The number and weighted average exercise prices of share option are as follows:

	<b>Weighted average exercise price 2020</b>	<b>Number of options 2020</b>
Outstanding at 1 January		-
Granted during the year	<b>RM0.312</b>	<b>12,105,000</b>
Exercised during the year	<b>RM0.285</b>	<u>(485,200)</u>
Outstanding at 31 December		<u><b>11,619,800</b></u>
Exercisable at 31 December	<b>RM0.365</b>	<u><b>4,356,800</b></u>

The options outstanding at 31 December 2020 have an exercise price range of RM0.285 to RM0.365. During the financial year, 485,200 shares options were exercised at weighted average share price of RM0.285 per share.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a black-scholes model, with the following input:

**Fair value of share options and assumptions**

Fair value at grant date	<u><b>RM0.048-RM0.176</b></u>
Weighted average share price	<b>RM0.312-RM0.405</b>
Share price at grant date	<b>RM0.285-RM0.365</b>
Expected volatility (weighted average volatility)	<b>19-42%</b>
Option life (expected weighted average life)	<b>2-5 years</b>
Expected dividends	-
Risk-free interest rate (based on Malaysian government bonds)	<u><b>2.14-2.64%</b></u>

**29. NON-CONTROLLING INTEREST**

**GROUP**

This consists of the non-controlling shareholders' proportion of share capital and reserves of subsidiaries.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**30. BANK BORROWINGS**

	GROUP		COMPANY		Effective profit/ Interest rate
	2020 RM	Restated 2019 RM	2020 RM	2019 RM	
<b>Not later than 1 year:</b>					
Secured loan	154,641	150,000	-	-	5.1%
Term loan	958,039	813,828	958,039	813,828	10.75%
Bank overdraft	1,971,673	1,872,410	-	-	4%
<b>Short term borrowings</b>	<b>3,084,353</b>	<b>2,836,238</b>	<b>958,039</b>	<b>813,828</b>	
<b>Later than 1 year and not later than 5 years:</b>					
Secured loan	491,931	750,000	-	-	5.1%
Term loan	3,204,020	3,255,312	3,204,020	3,255,312	10.75%
	<b>3,695,951</b>	<b>4,005,312</b>	<b>3,204,020</b>	<b>3,255,312</b>	
<b>Later than 5 years:</b>					
Secured loan	1,579,225	1,357,198	-	-	5.1%
Term loan	3,765,754	4,063,585	3,765,754	4,063,585	10.75%
	<b>5,344,979</b>	<b>5,420,783</b>	<b>3,765,754</b>	<b>4,063,585</b>	
<b>Long term borrowings</b>	<b>9,040,930</b>	<b>9,426,095</b>	<b>6,969,774</b>	<b>7,318,897</b>	
<b>Total borrowings</b>	<b>12,125,283</b>	<b>12,262,333</b>	<b>7,927,813</b>	<b>8,132,725</b>	

- (i) Secured loan (“Bai-Bithaman Ajil”) is secured by a property of the Group. The secured loan profit is charged at a rate of 5.1%. The repayment is within 240 months and commenced on September 2012.
- (ii) Term loan relates to Business Financing-I (“Tawarruq”) up to RM10,000,000 to finance the refurbishment and renovation cost of Silveritage Galleria Complex. The term loan is secured by way of first legal charge over the leasehold land attached with building. The term loan profit is charged at rate of 10.75% and the repayment is within 132 months and commenced on July 2016. This financing has been disbursed based on progressive claim.
- (iii) The bank overdraft facility of the Group is secured by a first and second, third and fourth fixed charges amounting to RM2 million (2019: RM1.5 million) over certain properties of the Group. The bank overdraft bears interest at a rate of 4% (2019: 4%).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**31. HIRE PURCHASE PAYABLES**

	<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
<b>Minimum finance lease payment:</b>		
Not later than 1 year	<b>24,072</b>	32,195
Later than 1 year	<b>154,406</b>	178,478
	<b>178,478</b>	210,673
Future finance charges of finance lease	<b>(27,880)</b>	(36,069)
Present value of finance lease liabilities	<b>150,598</b>	174,604
<b>Present value of finance lease liabilities:</b>		
Not later than 1 year	<b>17,046</b>	22,929
Later than 1 year	<b>133,552</b>	151,675
	<b>150,598</b>	174,604

The average effective interest rate per annum of the finance lease payables at the statement of financial position date is 2.47% to 3.60% (2019: 2.47% to 2.58%).

**32. LEASE LIABILITIES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
As at 1 January	<b>3,840,947</b>	2,915,883	<b>867,606</b>	1,260,154
Addition	-	1,327,789	-	-
Accretion of interest	<b>263,312</b>	290,694	<b>59,656</b>	86,321
Payments	<b>(307,919)</b>	(693,419)	<b>(80,036)</b>	(478,869)
Waiver of payments	<b>(399,057)</b>	-	<b>(399,057)</b>	-
As at 31 December	<b>3,397,283</b>	3,840,947	<b>448,169</b>	867,606
<i>Representing:</i>				
Not later than 1 year	<b>482,312</b>	450,459	<b>448,169</b>	419,437
Later than 1 year	<b>2,914,971</b>	3,390,488	-	448,169
	<b>3,397,283</b>	3,840,947	<b>448,169</b>	867,606

The lease liabilities of the Group and the Company bear interest at rates 6.85% per annum respectively.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**33. DEFERRED TAXATION**

	GROUP		COMPANY	
	2020 RM	Restated 2019 RM	2020 RM	2019 RM
As at 1 January	<b>14,303,305</b>	12,078,108	<b>6,601</b>	-
Adjustment on initial application of MFRS 16	-	26,528	-	-
Prior year adjustment	-	2,185,972	-	-
As at 1 January (Restated)	<b>14,303,305</b>	14,290,608	<b>6,601</b>	-
Transfer to income statement	<b>2,046,308</b>	12,697	<b>22,815</b>	6,601
As at 31 December	<b>16,349,613</b>	14,303,305	<b>29,416</b>	6,601

The deferred tax, determined before appropriate offsetting as follows:

Deferred tax asset	<b>(4,717,203)</b>	(205,439)	-	-
Deferred tax liabilities	<b>21,066,816</b>	14,508,744	<b>29,416</b>	6,601
	<b>16,349,613</b>	14,303,305	<b>29,416</b>	6,601

Deferred taxation is in respect of the following item:

Timing different on property, plant and equipment	<b>1,755,347</b>	26,119	-	-
Unutilised tax losses	<b>(1,879,161)</b>	(205,439)	-	-
Unutilised capital allowance	<b>(1,682,139)</b>	-	-	-
Fair value on acquisition of subsidiaries	<b>10,106,816</b>	14,440,343	-	-
Fair value on Investment properties	<b>9,148,393</b>	-	-	-
Deposit received	<b>(1,151,256)</b>	-	-	-
Lease liability	<b>51,613</b>	42,282	<b>29,416</b>	6,601
	<b>16,349,613</b>	14,303,305	<b>29,416</b>	6,601



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**34. OTHER PAYABLES AND ACCRUALS**

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Other payables	5,217,198	6,933,127	1,066,032	2,313,163
Retention sum	45,526	45,526	-	-
Deferred income	1,400,000	-	-	-
Deposit and accruals	16,503,668	15,385,753	729,672	589,400
	<b>23,166,392</b>	<b>22,364,406</b>	<b>1,795,704</b>	<b>2,902,563</b>

**35. SEGMENTAL REPORTING**

(i) Business segment

31 December 2020

	Property development	Property management	Solar	Merchandise, contract services and others	Total
	RM	RM	RM	RM	RM
Revenue	23,884,010	2,356,660	1,539,377	6,585,616	34,365,663
<b>Results</b>					
Segment result	(4,593,321)	(839,864)	(2,838,748)	43,886,126	35,614,193
Taxation					(3,251,491)
Net loss for the year					32,362,702
Discontinuing operation					278,983
Non-controlling interest					338,563
<b>Net loss for the year attributable to equity holders of the Company</b>					<b>32,980,248</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**35. SEGMENTAL REPORTING (CONT'D)**

(i) Business segment (Cont'd)

31 December 2019

	Property development	Property management	Solar	Merchandise, contract services and others	Total
	RM	RM	RM	RM	RM
Revenue	3,307,600	1,781,971	1,424,529	1,936,414	8,450,514
<b>Results</b>					
Segment result	163,734	(3,072,782)	1,317,328	(5,198,941)	(6,790,661)
Taxation					(546,394)
Net loss for the year					(7,337,055)
Discontinuing operation					(3,583)
Non-controlling interest					245,543
<b>Net loss for the year attributable to equity holders of the Company</b>					<u>(7,095,095)</u>

(ii) Geographical segment

The segmental information is not presented by geographical segment as the Group's business activities are predominantly located in Malaysia.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**36. SIGNIFICANT RELATED PARTY TRANSACTION**

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

**a) Transaction within the Group**

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Ultimate Holding corporation</b>				
Rental expenses	(200,000)	(200,000)	-	-
Sales of goods	126,011	75,009	-	-
Interest expenses	-	(195,637)	-	-
<b>Subsidiary company</b>				
Management fee	-	-	3,022,038	-
Interest income	-	-	407,098	680,392
<b>Related companies</b>				
Rental expenses	(478,869)	(478,869)	(478,869)	(478,869)
Shared services:				
- Maintenance charges	(189,655)	(189,945)	(189,655)	(189,945)
- Information technology	(305,370)	(120,000)	(305,370)	(120,000)
Waiver of debt	399,075	-	399,075	-
Sales of goods	44,805	37,634	-	-
Interest expense	-	(8,072)	-	-

**b) Transaction with key personnel management**

Key personnel management are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company. The details analysis of transactions made during the financial year are disclosed in Note 6 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS**

***Financial Risk Management***

a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. Note 3 to the Financial Statements describe how the classes of financial instruments are measured, and how income and expense, including fair value gains or losses, are recognised. The following table analysis the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

**GROUP**

**At 31 December 2020**

<b>Financial Assets</b>	<b>Designated fair value through other comprehensive income RM</b>	<b>Amortised cost RM</b>	<b>Total RM</b>
Other investment	9,065,188	-	9,065,188
Trade receivables	-	9,407,720	9,407,720
Other receivables, deposit and prepayments	-	10,904,537	10,904,537
Amount due from ultimate holding corporation	-	5,054,857	5,054,857
Amount due from related companies	-	12,151,614	12,151,614
Cash and cash equivalents	-	2,133,160	2,133,160
	<b>9,065,188</b>	<b>39,651,888</b>	<b>48,717,076</b>
<b>Financial Liabilities</b>			
Trade payables	-	985,142	985,142
Other payables and accrual	-	23,166,392	23,166,392
Amount due to related companies	-	21,297,211	21,297,211
Bank borrowings	-	12,125,283	12,125,283
Hire purchase payables	-	150,598	150,598
Lease liabilities	-	3,397,283	3,397,283
	-	<b>61,121,909</b>	<b>61,121,909</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

*Financial Risk Management (Cont'd)*

a) Classification of financial instruments (cont'd)

**GROUP**

At 31 December 2019 (Restated)

<b>Financial Assets</b>	<b>Designated fair value through other comprehensive income RM</b>	<b>Amortised cost RM</b>	<b>Total RM</b>
Other investment	11,951,382	-	11,951,382
Trade receivables	-	2,206,026	2,206,026
Other receivables, deposit and prepayments	-	10,557,477	10,557,477
Amount due from ultimate holding corporation	-	5,366,267	5,366,267
Amount due from related companies	-	16,637,981	16,637,981
Cash and cash equivalents	-	1,576,293	1,576,293
	<u>11,951,382</u>	<u>36,344,044</u>	<u>48,295,426</u>
 <b>Financial Liabilities</b>			
Trade payables	-	2,829,333	2,829,333
Other payables and accrual	-	22,364,406	22,364,406
Amount due to related companies	-	20,934,889	20,934,889
Bank borrowings	-	12,262,333	12,262,333
Hire purchase payables	-	174,604	174,604
Lease liabilities	-	3,840,947	3,840,947
	<u>-</u>	<u>62,406,512</u>	<u>62,406,512</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

*Financial Risk Management (Cont'd)*

a) Classification of financial instruments (cont'd)

**COMPANY**

**At 31 December 2020**

<b>Financial Assets</b>	<b>Designated fair value through other comprehensive income RM</b>	<b>Amortised cost RM</b>	<b>Total RM</b>
Other receivables, deposit and prepayments	-	320,772	320,772
Amount due from ultimate holding corporation	-	8,887,458	8,887,458
Amount due from subsidiary companies	-	48,876,111	48,876,111
Amount due from related companies	-	3,829,422	3,829,422
Cash and cash equivalents	-	255,876	255,876
	-	<b>62,169,639</b>	<b>62,169,639</b>
<b>Financial Liabilities</b>			
Other payables and accrual	-	1,795,704	1,795,704
Amount due to subsidiary companies	-	17,692,226	17,692,226
Amount due to related companies	-	9,476,818	9,476,818
Bank borrowings	-	7,927,813	7,927,813
Lease liabilities	-	448,169	448,169
	-	<b>37,340,730</b>	<b>37,340,730</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

*Financial Risk Management (Cont'd)*

a) Classification of financial instruments (cont'd)

**COMPANY**

At 31 December 2019 (Restated)

<b>Financial Assets</b>	<b>Designated fair value through other comprehensive income RM</b>	<b>Amortised cost RM</b>	<b>Total RM</b>
Other receivables, deposit and prepayments	-	220,472	220,472
Amount due from ultimate holding corporation	-	9,255,327	9,255,327
Amount due from subsidiary companies	-	44,276,417	44,276,417
Amount due from related companies	-	3,882,795	3,882,795
Cash and cash equivalents	-	71,801	71,801
	-	57,706,812	57,706,812
<b>Financial Liabilities</b>			
Other payables and accrual	-	2,902,563	2,902,563
Amount due to subsidiary companies	-	19,513,795	19,513,795
Amount due to related companies	-	9,199,057	9,199,057
Bank borrowings	-	8,132,725	8,132,725
Lease liabilities	-	867,606	867,606
	-	40,615,746	40,615,746

b) Financial risk management objectives and policies

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### *Financial Risk Management (Cont'd)*

#### b) Financial risk management objectives and policies (cont'd)

##### i) Credit risk

##### a) Receivables

The Group's exposure to credit risk arises mainly from receivables. Receivables are monitored on an on-going basis via management reporting procedure and action is taken to recover debts when due.

##### Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk arising from receivables is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

##### b) Other receivables and other financial assets

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

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

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the borrower.
- Significant increase in credit risk on other financial instruments of the same borrower.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

***Financial Risk Management (Cont'd)***

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

i) Credit risk (cont'd)

b) Other receivables and other financial assets (cont'd)

- Significant changes in the value of the collateral supporting the obligation or on the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

c) Inter-company balances

The Group and the Company provides unsecured loans and advances to related companies. Loans and advances are only provided to related companies which are wholly owned by the ultimate holding corporation.

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

Refer to Note 3 (q) (vi) for the Company's other accounting policies for impairment of financial assets.

ii) Liquidity and cash flow risk

The Group and the Company actively manage its debts maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

*Financial Risk Management (Cont'd)*

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

ii) Liquidity and cash flow risk (cont'd)

**GROUP**

<b>At 31 December 2020</b>	<b>On demand or within one year RM</b>	<b>One to five years RM</b>	<b>Over five years RM</b>	<b>Total RM</b>
Trade and other payables	<b>24,151,534</b>	-	-	<b>24,151,534</b>
Amount due to related companies	<b>21,297,211</b>	-	-	<b>21,297,211</b>
Bank borrowings	<b>3,084,353</b>	<b>3,695,951</b>	<b>5,344,979</b>	<b>12,125,283</b>
Finance lease payables	<b>17,046</b>	<b>57,607</b>	<b>75,945</b>	<b>150,598</b>
Lease liabilities	<b>482,312</b>	<b>27,503</b>	<b>2,887,468</b>	<b>3,397,283</b>
	<b>49,032,456</b>	<b>3,781,061</b>	<b>8,308,392</b>	<b>61,121,909</b>

<b>At 31 December 2019 (Restated)</b>	<b>On demand or within one year RM</b>	<b>One to five years RM</b>	<b>Over five years RM</b>	<b>Total RM</b>
Trade and other payables	25,193,739	-	-	25,193,739
Amount due to related companies	20,934,889	-	-	20,934,889
Bank borrowings	2,836,238	4,005,312	5,420,783	12,262,333
Finance lease payables	22,929	91,650	60,025	174,604
Lease liabilities	450,459	504,697	2,885,791	3,840,947



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

*Financial Risk Management (Cont'd)*

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

ii) Liquidity and cash flow risk (cont'd)

**COMPANY**

<b>At 31 December 2020</b>	<b>On demand or within one year RM</b>	<b>One to five years RM</b>	<b>Over five years RM</b>	<b>Total RM</b>
Other payables	1,795,704	-	-	1,795,704
Amount due to subsidiary companies	17,692,226	-	-	17,692,226
Amount due to related companies	9,476,818	-	-	9,476,818
Bank borrowings	958,039	3,204,020	3,765,754	7,927,813
Lease liabilities	448,169	-	-	448,169
	<b>30,370,956</b>	<b>3,204,020</b>	<b>3,765,754</b>	<b>37,340,730</b>

<b>At 31 December 2019 (Restated)</b>	<b>On demand or within one year RM</b>	<b>One to five years RM</b>	<b>Over five years RM</b>	<b>Total RM</b>
Other payables	2,902,563	-	-	2,902,563
Amount due to subsidiary companies	19,513,795	-	-	19,513,795
Amount due to related companies	9,199,057	-	-	9,199,057
Bank borrowings	813,828	3,255,312	4,063,585	8,132,725
Lease liabilities	419,437	448,169	-	867,606
	<b>32,848,680</b>	<b>3,703,481</b>	<b>4,063,585</b>	<b>40,615,746</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

***Financial Risk Management (Cont'd)***

c) Financial risk management objectives and policies (cont'd)

iii) Interest rate risk (cont'd)

The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favorable rates are obtained. The Group is exposed to interest rate risk arising from its short- and long-term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Company.

Interest rate risk sensitivity

An increase in market interest rates by 1% on financial asset and financial liability of the Group which have variable interest rates at the end of the reporting period would increase loss before taxation by RM6,804 (2019: increase loss before taxation by RM16,037). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial asset and financial liability of the Group and the Company which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

iv) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, receivables, payables, intercompany balances and short-term borrowings including hire purchase are approximate their fair values due to the relatively short-term nature of these financial instruments.

The fair values of investment properties are disclosed in Note 14 to the financial statements.

The fair values of quoted shares is determined directly by reference to its published market bid price at the financial year end.

The fair values of all other financial assets and liabilities of the Group and of the Company as at 31 December 2020 are not materially different from their carrying amounts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**37. FINANCIAL INSTRUMENTS (CONT'D)**

**Capital Risk Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debts. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statements of financial position) less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2020 and 2019 were as follow:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2020</b>	<b>Restated</b>	<b>2020</b>	<b>Restated</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Amount due to subsidiary companies	-	-	<b>17,692,226</b>	19,513,795
Amount due to related companies	<b>21,297,211</b>	20,934,889	<b>9,476,818</b>	9,199,057
Bank borrowings	<b>12,125,283</b>	12,262,333	<b>7,927,813</b>	8,132,725
Hire purchase payables	<b>150,598</b>	174,604	-	-
Lease liabilities	<b>3,397,283</b>	3,840,947	<b>448,169</b>	867,606
	<b>36,970,375</b>	37,212,773	<b>35,545,026</b>	37,713,183
Less: Cash and cash equivalent	<b>(111,487)</b>	296,117	<b>(255,876)</b>	(71,801)
Net debt	<b>36,858,888</b>	37,508,890	<b>35,289,150</b>	37,641,382
Total equity	<b>199,999,122</b>	158,020,767	<b>174,688,331</b>	168,987,510
Total capital	<b>236,858,010</b>	195,529,657	<b>209,977,481</b>	206,628,892
Gearing ratio	<b>15.56%</b>	19.18%	<b>16.81%</b>	18.22%

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**38. FAIR VALUE HIERARCHIES**

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 December 2020 are as follows:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly, (i.e. prices) or indirectly (i.e. derived from prices).
- c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>GROUP</b>				
<b>As at 31 December 2020</b>				
<b>Asset</b>				
Other Investment	1,310,553	7,754,635	-	9,065,188
Investment properties	-	105,096,301	-	105,096,301
	<hr/>	<hr/>	<hr/>	<hr/>
<b>As at 31 December 2019</b>				
<b>Asset</b>				
Other Investment	1,232,463	10,718,919	-	11,951,382
Investment properties	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**38. FAIR VALUE HIERARCHIES (CONT'D)**

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>COMPANY</b>				
<b>As at 31 December 2020</b>				
<b>Asset</b>				
Other Investment	-	-	-	-
Investment properties	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>As at 31 December 2019</b>				
<b>Asset</b>				
Other Investment	-	-	-	-
Investment properties	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

There were no transfers between Level 1 and Level 2 during the current and previous financial years.

The Group and the Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 3 as at 31 December 2020 and 31 December 2019.

**39. PRIOR YEAR ADJUSTMENTS**

Prior year adjustments (“adjustments”) were made following the accounting misstatements identified by Management in current period.

The adjustments are in respect of the following areas:

- Recognition cost of sale on disposal of properties.
- Recognition of fair value on inventories for land held for development.
- Deferred taxation related to fair value of land held for development.
- Understated interest on borrowing.
- Ratification of consolidation adjustment.
- Reclassification on certain prior year amount for consistency with current year presentation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**39. PRIOR YEAR ADJUSTMENTS (CONT'D)**

Impact of the adjustment are as follows:

<b>GROUP</b>	<b>As previously stated RM</b>	<b>Adjustment/ Reclassification RM</b>	<b>As restated RM</b>
<b>As at 31 December 2019</b>			
<u>Statement of financial position</u>			
<b>Asset</b>			
<b>Non-current asset</b>			
Property, plant and equipment	38,894,939	41,255	38,936,194
Inventories	115,837,991	(37,201,841)	78,636,150
Investment properties	5,369,884	(835,879)	4,534,005
Development expenditure	2,413,198	1,230,701	3,643,899
Goodwill on consolidation	9,636,260	44,821	9,681,081
<b>Current</b>			
Inventories	24,062,531	25,540,921	49,603,452
Other receivables, deposits and prepayments	12,277,837	(1,720,360)	10,557,477
Amount due from holding corporation	5,370,944	(4,677)	5,366,267
Amount due from related companies	17,537,981	(900,000)	16,637,981
Tax recoverable	-	1,400,377	1,400,377
Cash and cash equivalents	1,569,150	7,143	1,576,293
<b>Equity</b>			
Accumulated losses	8,004,875	14,135,048	22,139,923
Non-controlling interest	(370,846)	326,861	(43,985)
<b>Non-current liabilities</b>			
Bank borrowings	(9,068,897)	(357,198)	(9,426,095)
Deferred taxation	(12,117,333)	(2,185,972)	(14,303,305)
<b>Current liabilities</b>			
Other payables and accruals	(22,363,628)	(778)	(22,364,406)
Amount due to related companies	(20,932,140)	(2,749)	(20,934,889)
Provision for taxation	(482,327)	482,327	-



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**39. PRIOR YEAR ADJUSTMENTS (CONT'D)**

<b>GROUP</b>	<b>As previously stated RM</b>	<b>Adjustment/ Reclassification RM</b>	<b>As restated RM</b>
<b>As at 31 December 2019</b>			
<u>Statement of comprehensive income</u>			
Cost of sales	(3,488,140)	81,334	(3,406,806)
Other income	9,367,739	(357,371)	9,010,368
Administrative and operating expenses	(19,478,297)	122,012	(19,356,285)
Finance costs	(1,460,476)	(27,976)	(1,488,452)
Taxation	(546,353)	(41)	(546,394)
Loss from discontinuing operation	-	(3,583)	(3,583)
<b>COMPANY</b>			
<b>As at 31 December 2019</b>			
<u>Statement of financial position</u>			
<b>Current Asset</b>			
Other receivables, deposits and prepayments	1,162,612	(942,140)	220,472
Amount due from subsidiary companies	24,757,944	19,518,473	44,276,417
Amount due from related companies	3,887,473	(4,678)	3,882,795
Tax recoverable	-	942,140	942,140
<b>Current Liabilities</b>			
Amount due to subsidiary companies	-	19,513,795	19,513,795

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

### 40. SIGNIFICANT EVENTS DURING THE YEAR

#### Coronavirus outbreak

The rapid spread of the coronavirus (“COVID-19”) pandemic situation has had a devastating impact on the lives of people, businesses and economics around the world. In response to the pandemic declaration by the World Health Organisation, the Malaysian Government had imposed the Movement Control Order (“MCO”) from 18 March 2020 to curb the spread of the COVID-19 pandemic. The MCO resulted in restrictions on businesses from operating except for those entities that were deemed as providing essential services. Subsequently, on 4 May 2020, the Malaysian Government has imposed Conditional Movement Order (“MCO”) which its main goal was to reopen the national economy in a controlled manner.

The company was assessed the impact of the Covid-19 on the Company’s operations, including the recoverability of the carrying amount of the assets and measurements of assets and liabilities and concluded that there are no material adverse effects on the financial statements for the financial year ended 31 December 2020.

The Company is unable to reasonably estimate the financial impact of Covid-19 for the financial year ending 31 December 2021 and to be disclosed in the financial statements as the situations is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the Covid-19 will have adverse effects on the Company’s sales, operations and supply chain. The company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Company will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Company’s operations.

#### Pursuant to Paragraph 8.03A(2b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia

The Group has announced on 13 April 2020 that it has triggered para 8.03A(2b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia. The Group has submitted an application to seek a waiver from complying with para 8.03A(3) of the LR but has been rejected by Bursa Malaysia on 19 June 2020.

The Group on 22 June 2020 has submitted an application to appeal again to Bursa Malaysia on the ground that the Company has additional justifications that are material to support the viability and growth of its business prospects. Bursa Malaysia on 10 July has decided that the appeal submitted is rejected thus the Group is categorized as an “Affected Listed Issuer”.

On 25 January 2021, the Group has appointed M&A Securities Sdn. Bhd. as its Principal Adviser of the proposed regularisation plan for the Group. As an Affected Listed Issuer, the Company is required to regularise its condition within twenty-four (24) months from the announcement date of 13 April 2020.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

**41. SIGNIFICANT EVENT AFTER BALANCE SHEET DATE**

27 January 2021, Majuperak Holdings Berhad entered into a term sheet with Sloane Infinity Asia Pacific Sdn. Bhd. ("SIAP") to acquire 51% equity interest in Nexusbase Development Sdn. Bhd. ("NDSB") from the SIAP for an indicative purchase consideration of RM12,500,000 ("Indicative Purchase Consideration").

**42. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Board of Directors in accordance with a resolution of the Board of Directors on the date of these financial statements.



No. of Shares Held	
CDS Account No.	
Telephone No.	
E-mail Address	

## MAJUPERAK HOLDINGS BERHAD

[200201017726 (585389-X)]  
(Incorporated in Malaysia)

I/We, \_\_\_\_\_

NRIC No./Passport No./Company No. \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a member of

Majuperak Holdings Berhad hereby appoint the following person(s):

Name of Proxy & NRIC No.	No. of Ordinary Shares	%
1. _____	_____	_____
or failing him/her		
2. _____	_____	_____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Eighteenth (18th) Annual General Meeting ("18th AGM" and/or "AGM") of the Company to be held on Tuesday, 29 June 2021 at 3.30 p.m. and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

No.	Resolutions	Resolution No.	For	Against
1.	Approval for the payment of Directors' Fees	Ordinary Resolution 1		
2.	Approval for the payment of Directors' Benefits	Ordinary Resolution 2		
3.	Re-election of Encik Khairul Nizam Bin Tajul Hasnan	Ordinary Resolution 3		
4.	Re-election of Datuk Abu Bakar Bin Hassan	Ordinary Resolution 4		
5.	Re-election of Datuk Redza Rafiq Bin Abdul Razak	Ordinary Resolution 5		
6.	Re-election of Dato' Mohd Azmi Bin Othman	Ordinary Resolution 6		
7.	Re-election of Dato' Aminuddin Bin Md Hanafiah	Ordinary Resolution 7		
8.	Re-election of Encik Norazali Bin Nordin	Ordinary Resolution 8		
9.	Re-appointment of Messrs Afrizan Tarmili Khairul Azhar ("AFTAAS") as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 9		
10.	Authority under Section 76 of the Companies Act, 2016 for the Directors to allot and issue shares.	Ordinary Resolution 10		
11.	Proposed Allocation of Share Options to the Executive Chairman, Datuk Redza Rafiq Bin Abdul Razak	Ordinary Resolution 11		

Please indicate with (✓) or (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date: \_\_\_\_\_ Signature of Shareholder/  
Common Seal \_\_\_\_\_

### NOTES:

- Only members whose names appear on the Record of Depositors as at 21 June 2021 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. A proxy must be 18 years and above and need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy must be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603)78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

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(Within  
Malaysia)

The Share Registrar  
**MAJUPERAK HOLDINGS BERHAD**  
Registration No. 200201017726 (585389-X)  
11th Floor, Menara Symphony,  
No. 5, Jalan Professor Khoo Kay Kim,  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

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**MAJUPERAK HOLDINGS BERHAD**

[200201017726 (585389-X)]

Aras 1, Bazar Ipoh (formerly known as Kompleks Silveritage),

Jalan Sultan Nazrin Shah,

31350 Ipoh, Perak Darul Ridzuan

Tel: (05) 2262 888

Fax: (05) 2262 889

Website: [www.majuperak.com.my](http://www.majuperak.com.my)