

2021
Annual Report



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For more information, please visit:
www.pjbumi.com.my

CORPORATE INFORMATION

BOARD OF DIRECTORS

ADLIN BIN SHAHARUDIN

Chairman, Group Managing Director

NIK MD NOR SUHAIMI BIN NIK IBRAHIM

Independent Non-Executive Director

AHMAD BIN MD DAUD

Independent Non-Executive Director

ABD RAHIM BIN EMBI

Independent Non-Executive Director

AUDIT COMMITTEE

- Abd Rahim Bin Embi
(Chairman)
- Ahmad Bin Md Daud
- Nik Md Nor Suhaimi Bin Nik Ibrahim

REMUNERATION COMMITTEE

- Ahmad Bin Md Daud
(Chairman)
- Abd Rahim Bin Embi
- Nik Md Nor Suhaimi Bin Nik Ibrahim

NOMINATING COMMITTEE

- Nik Md Nor Suhaimi Bin Nik Ibrahim
(Chairman)
- Ahmad Bin Md Daud
- Abd Rahim Bin Embi

COMPANY SECRETARIES

- Lim Seck Wah
(Maicsa No.: 0799845)
- M. Chandrasegaran A/L S. Murugasu
(Maicsa No.: 0781031)

REGISTERED OFFICE

Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2692 4271
Fax: 03-2732 5388

SHARE REGISTRAR

Mega Corporate Services Sdn. Bhd.
(Registration No.: 198901010682 (187984-H)
Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : 03-2692 4271
Fax No.: 03-2732 5388

AUDITORS

Messrs Afrizan Tarmili Khairul Azhar
(AFTAAS) – AF1300
Chartered Accountants
Aftaas, 2 Jalan Rampai Niaga 2,
Rampai Business Park,
53300 Kuala Lumpur
Tel No. : 03-4143 9330
Fax No. : 03-4142 9330

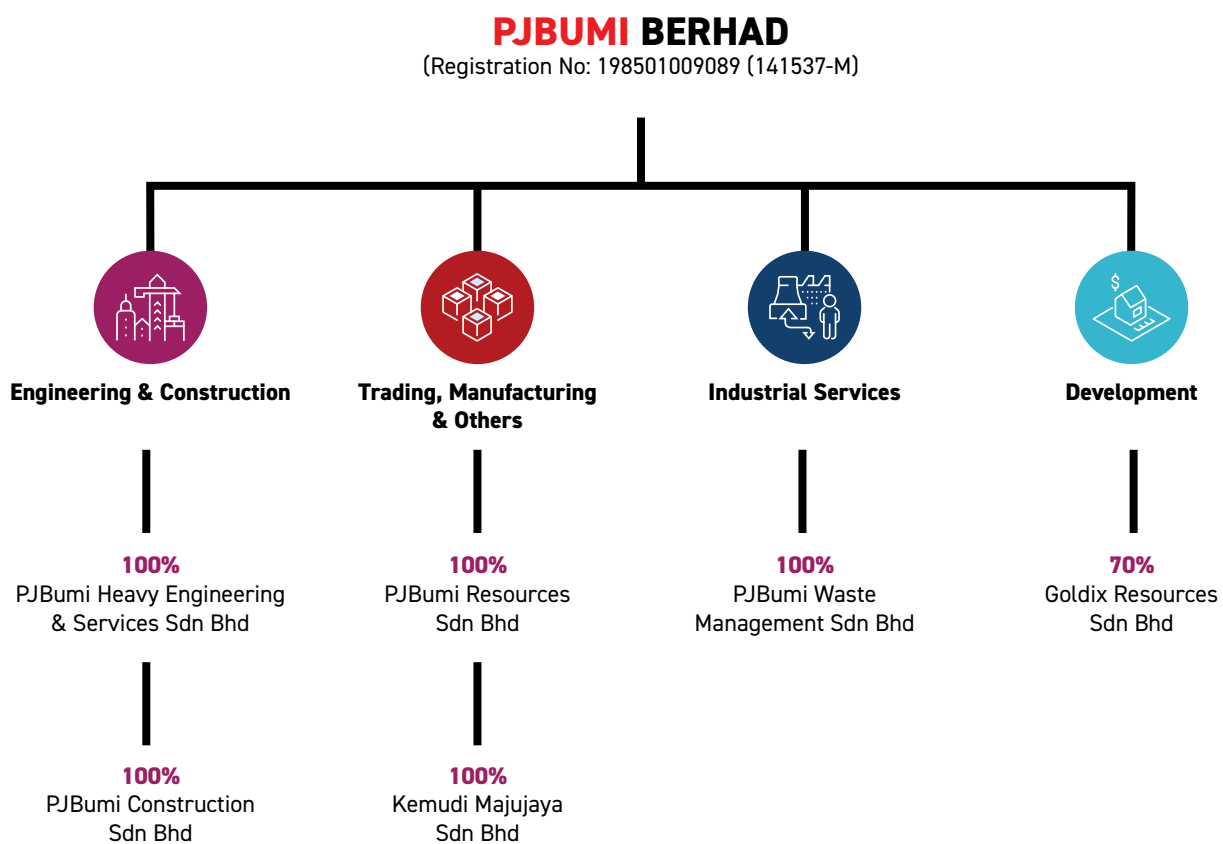
PRINCIPAL BANKERS

Ambank (M) Berhad
Registration No.: 196901000166 (8515-D)
Ambank Islamic Berhad
Registration No.: 199401009897 (295576-U)
CIMB Bank Berhad
Registration No.: 197201001799 (13491-P)
Malayan Banking Berhad
Registration No.: 196001000142 (3813-K)
Muamalat Malaysia Bank Berhad
Registration No.: 196501000376 (6175-W)

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Name : PJBUMI
Stock Code : 7163

CORE DIVISIONS



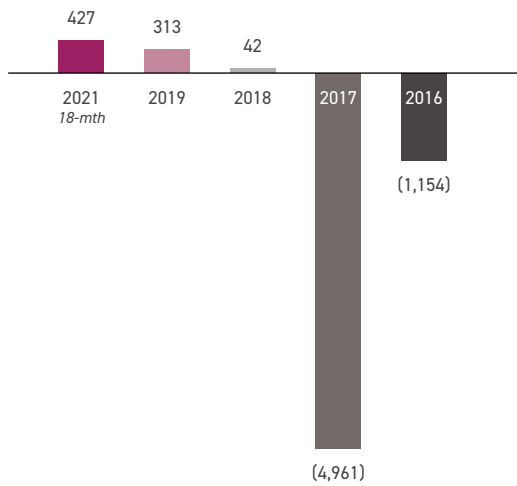
FIVE YEARS' FINANCIAL HIGHLIGHTS

	2021 RM'000 18-month	2019 RM'000 Restated	2018 RM'000	2017 RM'000	2016 RM'000
ASSETS					
Total Non-Current & Current Assets	31,115	44,537	36,432	36,885	38,688
EQUITY & LIABILITIES					
Capital and Reserve					
Share Capital	44,473	44,473	44,473	44,473	25,000
Reserves	(21,611)	(22,066)	(22,380)	(22,641)	(10,579)
Equity Attributable to:					
Owners of the Company	22,862	22,407	22,093	21,832	14,421
Non-Controlling Interest	212	220	221	246	-
Total Equity	23,074	22,627	22,314	22,078	14,421
Liabilities					
Total Non-Current & Current Liabilities	8,041	21,910	14,118	14,807	24,267
Total Equity & Liabilities	31,115	44,537	36,432	36,885	38,688
GROUP RESULTS					
Revenue	17,888	12,632	5,025	4,776	8,037
Profit/(Loss) Before Tax	427	313	42	(4,961)	(1,154)
Profit/(Loss) After Tax	443	313	236	(4,960)	(1,446)
Profit/(Loss) Attributable to:					
Owners Of The Company	451	314	261	(4,912)	(1,446)
Non-Controlling Interest	(8)	(1)	(25)	(48)	-
SELECTED RATIOS					
Earnings/(Loss) Per Shares (Sen)	0.55	0.38	0.32	(5.99)	(2.89)
Net Dividend Per Share (%)	-	-	-	-	-
Net Assets Per Share Attributable to Owners of the Company (RM)	0.28	0.27	0.27	0.27	0.29
Return On Equity (%) ¹	0.02	0.01	0.01	(0.22)	(0.10)
Return On Assets (%) ²	0.01	0.01	0.01	(0.13)	(0.04)
Share Price (Period-End Closing) (RM)	0.28	0.19	0.15	0.27	0.29

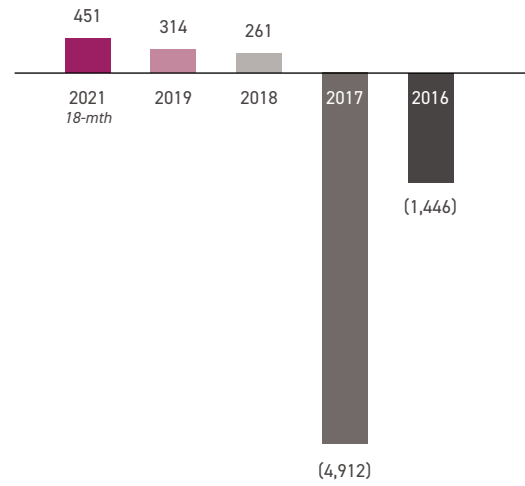
(1) Profit/(Loss) attributable to Owners Of the Company expressed as percentage of total equity attributable to Owners Of The Company

(2) Profit/(Loss) attributable to Owners Of the Company expressed as percentage of Total Assets

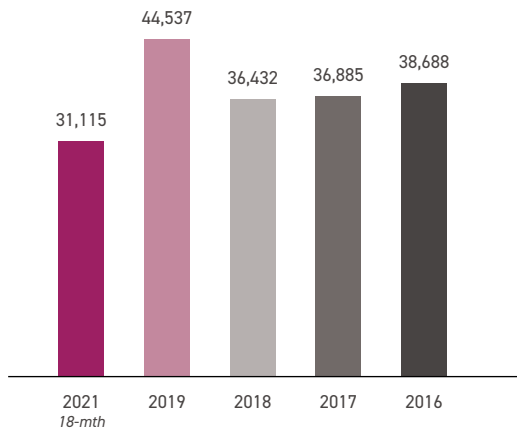
PROFIT/(LOSS) BEFORE TAX (RM'000)



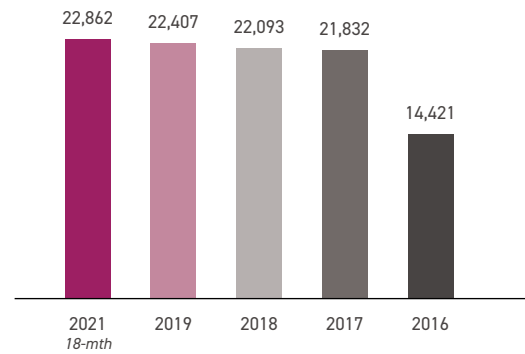
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



TOTAL ASSETS (RM'000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



BOARD OF DIRECTORS' PROFILE



ADLIN BIN SHAHARUDIN

48, Male, Malaysian
Group Managing Director
Chairman of Board of Directors

Adlin graduated with a Bachelor of Accountancy with Honours Degree from University of Malaya in 1997.

Adlin began his career with KPMG Peat Marwick (Malaysia) and has since held various positions in a number of private companies in Malaysia, Indonesia and Singapore, providing him with experience in financing, plantation, engineering, manufacturing and telecommunication industries.

Adlin was appointed on the Board on 18 November 2014 as the Group Managing Director. Adlin does not hold any directorship in other public companies.

Adlin has deemed interest of 15,169,000 shares and 1,516,900 warrants in the Company. He has no family relationship with other directors or major shareholders of PJBumi Berhad.

Adlin has no conflict of interest with PJBumi Berhad and has no convictions of offences within the past five (5) years except for traffic offences, if any.

He had attended all the 6 Board Meetings held during the financial year.



ABD RAHIM BIN EMBI

64, Male, Malaysian
Independent Non-Executive Director
Chairman of the Audit Committee
Member of the Remuneration Committee
Member of the Nominating Committee

Abd Rahim graduated with a Master of Business Administration in 1995 and Bachelor of Accounting Degree in 1982 from University Kebangsaan Malaysia. He is a member of the Malaysian Institute of Accountants.

Abd Rahim served almost thirteen years in various government agencies as an accountant and internal auditors.

Abd Rahim was appointed on the Board on 18 September 2017 as an Independent Non-Executive Director. He also serves as Chairman of Audit Committee as well as a member of the Nominating Committee.

Abd Rahim does not hold any directorship in other public companies.

Abd Rahim does not hold any shares or warrants in the Company and does not have any family relationship with other directors or major shareholders of PJBumi Berhad.

Abd Rahim has no conflict of interest with PJBumi Berhad and has no convictions of offences within the past five (5) years except for traffic offences, if any.

He had attended all the 3 out of 6 Board Meetings held during the financial year.



AHMAD BIN MD DAUD

67, Male, Malaysian

Independent Non-Executive Director
Chairman of the Remuneration Committee
Member of the Audit Committee
Member of the Nominating Committee

Ahmad graduated with a Master of Business Administration in 2000 and Diploma in Electrical and Electronic Engineering in 1976 both from University Technology Mara, Malaysia.

Ahmad began his career with a multinational corporation and thereafter he served in various management position in local companies.

Ahmad was appointed on the Board on 8 February 2013 as an Independent Non-Executive Director and also serves as Chairman of Remuneration Committee as well as a member of the Audit Committee and Nominating Committee.

Ahmad does not hold any directorship in other public companies.

Ahmad does not hold any shares or warrants in the Company and does not have any family relationship with other directors or major shareholders of PJBumi Berhad.

Ahmad has no conflict of interest with PJBumi Berhad and has no convictions of offences within the past five (5) years except for traffic offences, if any.

He had attended all the 6 Board Meetings held during the financial year.



NIK MD NOR SUHAIMI BIN NIK IBRAHIM

64, Male, Malaysian

Independent Non-Executive Director
Chairman of the Nominating Committee
Member of Audit Committee
Member of the Remuneration Committee

Nik graduated with a Bachelor of Science majoring in Finance from Northern Illinois University, DeKalb, Illinois, United States of America in 1982 and Diploma in Banking Studies from University Technology Mara, Malaysia in 1978.

Nik began his career with a Financial Institution in Malaysia where he served in various management positions.

Nik was appointed on the Board on 26 April 2013 as an Independent Non-Executive Director and also serves as Chairman of Nominating Committee as well as a member of the Audit Committee and Remuneration Committee.

Nik does not hold any directorship in other public companies.

Nik does not hold any shares or warrants in the Company and does not have any family relationship with other directors or major shareholders of PJBumi Berhad.

Nik has no conflict of interest with PJBumi Berhad and has no convictions of offences within the past five (5) years except for traffic offences, if any.

He had attended all the 6 Board Meetings held during the financial year.

SENIOR MANAGEMENT'S PROFILE



AMIR BIN AWANG HAMAD

61, Male, Malaysian

Group Chief Operation Officer

Amir graduated with a Bachelor of Business Administration with Honours Degree from University Technology Mara, Malaysia in 1983.

Amir has 25 years of experience in sales operation, manufacturing operation and project management in various industries.

Amir was appointed as the Group Chief Operating Officer of PJBumi Berhad on January 2016.

Amir does not hold any directorship in any listed issuers or public companies.



ARYATI BT AHMAD

46, Female, Malaysian

Group General Manager Finance

Aryati graduated with Higher National Diploma in Business Finance in 1997 and a Bachelor of Business Administration and Commerce from De Montfort University, United Kingdom in 1998.

Aryati has over 20 years of working experience and has held various finance roles.

Aryati was appointed as the Group General Manager Finance of PJBumi Berhad on April 2015.

Aryati does not hold any directorship in any listed issuers or public companies.

CHAIRMAN'S STATEMENT



ADLIN BIN SHAHARUDIN
Chairman/ Group Managing Director

ON BEHALF OF THE BOARD OF DIRECTORS, IT GIVES ME GREAT PLEASURE AND PRIVILEGE TO PRESENT THE ANNUAL REPORT OF PJBUMI BERHAD ('PJBUMI' OR 'THE GROUP') FOR THE FINANCIAL YEAR ENDED 31 JUNE 2021.

MARKET OVERVIEW

The year 2020 – mid 2021 was daunted continuously by several significant events – from trade wars escalations, volatility in financial markets, unprecedented health crisis which triggered a large global economic downturn. The COVID-19 pandemic forced containment measures which affected demand, production and major disruptions to global value-chains. Entire business ecosystems and industries have undergone fundamental changes caused by uncertainties, government-imposed movement control restrictions, policy changes, business shutdowns and shifts in consumers' behaviors.

Amidst this backdrop, the Malaysian economy contracted 5.6% in 2020 and private consumption dropped 4.3% due to decreased domestic economic activities as states in the country experienced a mix of various forms of Movement Control Orders (MCO) for the most part of 2020 until mid 2021.

Average headline inflation was at -1.2% for 2020 mainly due to substantially lower global crude oil prices (Source: Bank Negara Malaysia Annual Report 2020).

The Group however expects the global and domestic operating and business environments will continue to be challenging in the near future due to the impact of COVID-19, this may cause medium term interruption on the business activities.

Despite of Malaysian economic uncertainties in 2-3 years ahead, the Group remains positive and vigilant in monitoring and controlling costs to ensure the profitability of any ventures.

For the coming year, the Group will continue to pursue its medium and long term strategies of strengthening its domestic footprint, growing its revenue base and continue pursuing its regional business agenda.

FUTURE PROSPECTS

The rate of economic growth, both locally and internationally, has begun to gradually recover from the sharp declines that marked mid-2020. While Malaysia's GDP growth for 2021 is projected to recover to between 6.5% and 7.5%, concerns about job security and the overall business momentum remain. The various phases of MCO amid a resurgence in COVID-19 cases are likely to continue to cause further uncertainties to the investment climate, businesses, and market sentiment. Similarly, the market outlook for the engineering, construction and property development sector remains difficult. However, the government-driven stimulus packages and sales incentives for homebuyers are set to improve market prospects for 2021.

The Group strives to build successful track records in Malaysia and to nature global partnerships to further expand our business regionally.

CHAIRMAN'S STATEMENT (CONT'D)

OPERATING RESULTS

The Group has changed its financial year from 31 December 2020 to 30 June 2021.

The Group posted revenue of RM17,888 million for 18 months financial period compared to RM12,632 million achieved in the preceding year of 12 month period. For comparison purposes, the Group Revenue was RM16,216 million as at 31 December 2020, an increase of RM3,584 million compared to the preceding year. The increase in revenue mainly contributed by the Engineering & Construction and Trading divisions.

The Group's net profit after tax for the year stood at RM0.443 million compared to RM0.313 million in the preceding year.

DIVIDEND

During the FY under review, the Board has decided not to propose any dividend. (2018 – Nil)

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere gratitude and appreciation to our valued shareholders, customers and clients, bankers, government departments and agencies, vendors, suppliers and all other parties who have stood by us and journeyed with us through these unprecedented times. While the year presented many challenges to the Group and the industry as a whole, we have resiliently pulled through it with your continued support.

To all our management team and employees of our subsidiaries, we recognize your resilience, dedication and worthy effort as the driving force behind our progress and we are truly grateful for your hard work.

Above all, to my fellow directors, allow me to express my greatest gratitude for your counsel and guidance during the challenging period.

Moving forward, although economic conditions are improving, the outlook remains uncertain. Despite the uncertainties, PJBUMI remains steadfast in our goal of creating sustainable value. I look forward to the continuing support of our stakeholders as we work towards delivering a resilient performance in this new financial year. Thank you and stay safe.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS

PJBUMI was incorporated in Malaysia on 2nd July 1985 and has been listed on the Main Market of Bursa Malaysia Securities Berhad ("Main Market") since 14 August 2003.

Since its inception, PJBUMI and its subsidiaries ("the Group") has established track records as an engineering, industrial servicer, trading and manufacturing companies in both local and global market.

The Group will continue to build our presence in our core businesses to develop a strong and diversified portfolio of assets and leading market positions, both domestically and internationally.

REVIEW OF GROUP FINANCIAL RESULTS

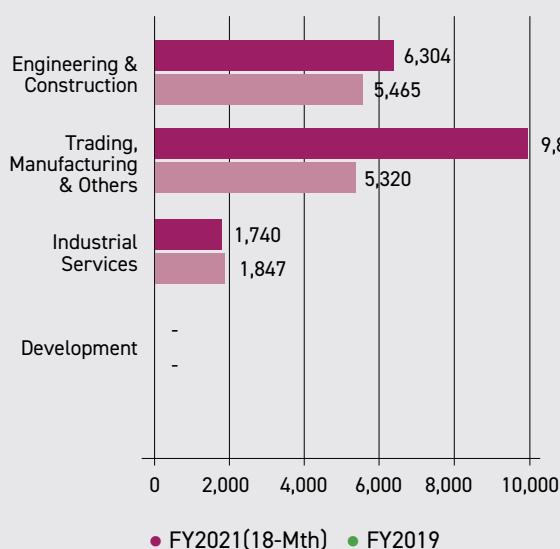
Revenue
Up by 42%
to RM17.89 million



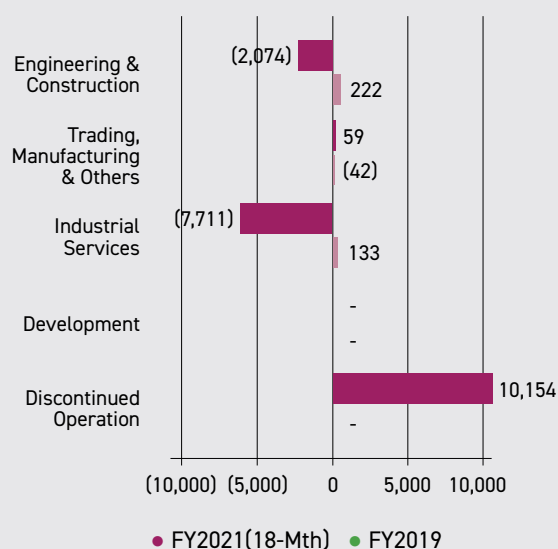
Profit After Tax
Up by 41%
to RM0.44 million

REVIEW OF CORE DIVISIONS FINANCIAL

Revenue of Core Divisions
(RM'000)



Profit/(Loss) Before Tax of Core Divisions
(RM'000)



CORE DIVISIONS OVERVIEW



**ENGINEERING
& CONSTRUCTION**

Landscape

PJBumi's Engineering & Construction Division provides comprehensive civil, electrical and mechanical engineering works and solutions for marine, oil and gas, renewal energy, waste and property sectors. It is the primary segment of the Group.

Achievement in 2021

With the disruptions that unfolded in the FY2020 – FY2021, this division redirected its resources from pursuing new contracts to fully focusing on the progress of the ongoing projects. The temporary suspension of all economic and construction activities during MCO, along with mandatory COVID-19 screening and quarantine measures has resulted in rescheduling of the current projects.

In 2021, PJBUMI managed to undertake and execute several preventive maintenance and related services.

Key Financial

The report revenue for the year ended 30 June 2021 (18-month) is RM6.304 million as compare to RM5.465 million in 2019. The slight increase of revenue was mainly due to handover of projects during the period and change in financial period from 30 December to 30 June.

Way Forward

The outlook for this segment remains stable driven by potential demand for continuing corrective and maintenance works in related industries.

Moving forward, the Group plans to participate in government infrastructure development project, marine and oil & gas related projects in Malaysia.



**TRADING,
MANUFACTURING
& OTHERS**

Landscape

PJBumi's Trading, Manufacturing & Other Division primarily include the trading of commodities, sales & marketing agents portfolio, manufacturing of industrial and construction materials and investment division.

Amongst the main activities of these divisions are:-

- The trading segment of commodity and palm finished products; and
- The manufacturing and fabrication of composite or advance material products.

Achievement in 2021

In 2021, the Trading segment successfully supplied palm commodities to local manufacturers/re-packers and palm finished products to local distributors.

The Manufacturing segment continues active participation in various Industrial Design work group, with the primary goal to diversify the application of advance material for industrial products.

Key Financial

The reported revenue for Trading, Manufacturing & Other segments the year ended 30 June 2021 is RM9,844 million as compare to RM5,320 million in 2019. This segment reported RM0.054 million Profits before taxation in 2021 against Loss before taxation of RM0.042 million in 2019.

Way Forward

The Trading commodities segment outlook remain stable driven by recovery of domestic and overseas market. In 2022 onwards, the Group shall continue to diversify its commodity trade products.

This Marketing segment portfolio remain stable as the Group has started to market and offer consumer credit products to eligible customers.

The Manufacturing segment outlook remains moderate, as demand and application for alternative light weight, durable and lower maintenance cost products is expected to steadily increase over years. The Group shall continue to pursue the opportunities to manufacture advance material for industrial application.

CORE DIVISIONS OVERVIEW (CONT'D)

**INDUSTRIAL SERVICES****Landscape**

PJBumi's Industrial Services Division mainly provides services related to collection and recycling of waste from retailers and industrial sectors.

Key Financial

The Industrial Services Division posted lower revenue in 2021 at RM1.740 million as compare to RM1.847 million in 2019. The reduction of revenue in FY2021 were mainly due to the continued MCO and temporary closures of retails and industrial sectors.

Way Forward

The Waste segment outlook remain moderate. Moving forward, the Group plans to establish integrated waste or material recovery facilities, partnering established technology providers to reduce, reuse and recycle large industrial and agriculture waste.

**DEVELOPMENT****Landscape**

PJBumi's Development Division is involved in the development and sales of residential, commercial and industrial properties.

Key Growth Drivers

Under a Master Development Agreement with Felda, Goldix Resources Sdn Bhd, a 70% owned subsidiary of PJBUMI, has an Irrevocable Power of Attorney on a total of 244 acres of land bank in Serting, Negeri Sembilan to be develop with residential and commercial properties, with the present estimated GDV of approximately RM600 million.

The Group has planned to develop its existing 4.6 acres industrial land in Sg. Petani into semi-D medium industrial factories with estimated GDV of RM50 million.

Way Forward

The Development segment remains moderate as the Group continues to seek opportunities to develop integrated development with new modern minimalist designs and concepts.

SUSTAINABILITY STATEMENT

The Group's primary focus is in construction, industrial services, waste management and manufacturing sectors. As an engineering-based Company, we continue to provide values and benefits to all humanity. In managing these business verticals, it is our mission to go beyond profits to offer secure, sustainable and green infrastructure, business and life solutions to the community. Our maiden statement on sustainability aims remained to demonstrate our strategic approach to address sustainability challenges and opportunities, particularly of our material matters, in contributing towards the betterment of the business, environment and society.

In 2021, we continue to emphasise that our sustainability approach must comply with all relevant regulations and legislation and being sustainable is part of our business decision making process especially in our risk management planning. In a follow-up to our previous Statement, we continue to place great emphasis on incorporating economic, environmental and social ("EES") into our day-to-day operations. This is timely as the COVID-19 pandemic has played a major role in highlighting the importance of EES practices which are seen to provide a window into the future of a company in the global economy.

MANAGING SUSTAINABILITY

At PJBUMI, we drive our businesses to create positive impact and shared value for our stakeholders. Our material usage, Social and Governance factors receive Board oversight and are managed by the Management Team. In addition, through the Group Managing Director, the Board of Directors ("Board") delegates the responsibility of managing day-to-day operations in accordance with the standards for social and ethical practices that have been set out in the PJBUMI Group Employee Handbook. Driven by PJBUMI's core values of Customer's satisfaction, Teamwork, Accountability, Passion and Safety, sustainability becomes a key aspect in how we drive on our operational integrity and solutions.

Safety and health issues are managed by a Special Project Committee in the respective project. The Company also has in place an Audit Committee which oversees risk policies, profiles and registers and is assisted by the Internal Auditor.

RISK MANAGEMENT

The Group focuses on managing two types of risk, strategic and operational. Strategic risks are caused by events that are external to the Group, but have a significant impact on its strategic decisions or activities. These are dealt with by the Board and the Group Managing Director.

Operational risks are inherent in the activities within the different business units or subsidiaries of the Group. These risks are the responsibility of the Business Units or Department heads. However, the Group impresses on all its employees that everyone at PJBUMI is responsible for good risk management.

Our Sustainability Disclosure and Practice

The Group's sustainability disclosure and initiatives are undertaken through a four-pronged approach that can be categorised as below:

a) Sound Environmental Management

Our efforts in environmental management are underlined by an ongoing commitment towards certification and standards. PJBUMI complies with the Environmental Impact Assessment ("EIA") requirements of projects and other regulations on safety and the environment. We are also committed towards nurturing our supply chain.

b) Occupational, Safety & Health ("OSH")

PJBUMI sets up a Safety & Health Committee and an Emergency Response Team ("ERT") for operating unit to further embed a safety culture within the Company. Employees are continuously trained and updated with safety procedures while business operations are subjected to regular safety and health reviews.

c) Human Resource Development

At PJBUMI, we are committed to treating all employees equally and pays them fairly according to their skills, performance and local market conditions. The Group also provides essential periodic training for the employees. We also have zero tolerance for harassment of any kind in the workplace.

RISK MANAGEMENT (CONT'D)**Our Sustainability Disclosure and Practice (cont'd)****d) Community**

At PJBUMI, we understand the importance of coexisting with the community in fulfilling our role as a corporate citizen. Working with communities not only enables us to address local needs and ensure our accountability, but also improves our internal tools and processes for engagement. Collaborating with the public and contributing towards community development is not only the right thing to do, but also makes good business sense.

This Statement covers the Group's operations within Malaysia for the period from 1 January 2020 to 30 June 2021 and follows the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements relating to Sustainability Statement in Annual Reports.

Our Stakeholders and How We Engage With Them

The Group recognises that transparency promotes accountability and ensures that matters pertaining to stakeholders are approached with an emphasis on openness, ethical conduct, as well as operational and economic responsibility.

We constantly engage with various groups of stakeholders to update them on our current and latest sustainability initiatives, and most importantly, obtain their feedback on how we can create a win-win-win situation for us, them and the economic, environmental and social ("EES") aspects around us. At PJBUMI, we understand and appreciate the critical role that each stakeholder contributes to our long term strategy and success.

We consider stakeholders as our business partners. They play an important role in providing solutions to our daily challenges and projected growth amid the various issues we face in the global economy. For example, many of us would not have expected that the COVID-19 pandemic could create a new normal in the way we conduct our business, to the extent that we have had to become more innovative in managing our supply chain.

Details of our main stakeholder engagement are summarised in the table below:

Stakeholder Group	Engagement Channels
Investors and Shareholders	<ul style="list-style-type: none"> • Annual General Meeting • Investor presentations and meetings • Financial statements and Bursa Malaysia Announcements • Company Annual Report
Local Authorities and Regulators	<ul style="list-style-type: none"> • Meetings • Progress Updates • Sites visit and inspection
Board of Directors	<ul style="list-style-type: none"> • Board and Board Committee meetings • Ongoing meetings and interactions
Local Community	<ul style="list-style-type: none"> • Initiatives & partnerships with NGOs • Institution/University internship programme • Corporate volunteering (CSR) programmes
Employees	<ul style="list-style-type: none"> • Safety Briefings • Induction Trainings • Employee Long Service Awards • Waste Management Trainings • Annual dinner • Outdoor activities • Corporate volunteering (CSR) programmes • Employee Quarterly Communications Session

RISK MANAGEMENT (CONT'D)

Our Stakeholders and How We Engage With Them (cont'd)

Details of our main stakeholder engagement are summarised in the table below: (cont'd)

Stakeholder Group	Engagement Channels
Customers	<ul style="list-style-type: none"> • Customer Hotline • Website • Ongoing meetings and interactions
Vendors and Suppliers	<ul style="list-style-type: none"> • Meeting with Procurement Department and Project Management Office • Interviews • Vendor audits • Supplier Performance Review
Management	<ul style="list-style-type: none"> • Quarterly management meeting • Monthly operation meeting • Weekly coordinating meeting • Ongoing meetings and interactions

How We Provide The Best Solutions and Customers Satisfaction

At PJBUMI, we strive to conduct our business at the highest level of quality in order to provide the best service to our customers. With the cooperation from our partners and suppliers, we continue on our mission to uphold the principles of integrity, responsibility and accountability throughout our business operations and dealings. Adherence to the policies that have been put in place is compulsory and non-negotiable under any circumstances.

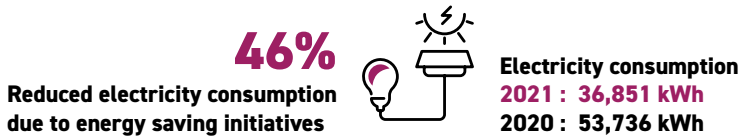
Given our business focus in the construction and service sectors, which are the country's main economic drivers, we aim to contribute positively to the economic growth of the country. We not only want our partners and suppliers to benefit from doing business with us, we also want our growth to improve their socioeconomic status and overall quality of life. We recognise that the total marketplace ecosystem is important to the success of our business. As such, we continue to engage in activities that are helping us to establish and nurture lasting bonds with our customers, suppliers, industry peers and other stakeholders in the marketplace.

To ensure that we are aware of the needs, expectations and plans of our key customers, we conduct Quarterly Business Reviews with these key customers to review our performance and study their evolving needs and requirements, especially in the foreseeable future. These would allow us to analyse our strengths and weaknesses, in order for us to capture opportunities while avoiding the risks that have been identified in this review. Basically, the reviews guide us on how we could serve our customers better with the objective of making PJBUMI their supplier/vendor of choice.

The COVID-19 pandemic and continuous MCO has prevented us from travelling to our customers' sites. Nevertheless, we ensure that communications with our customers are not unduly affected. We constantly initiate conference calls with our customers by utilising all available technologies, to ensure that issues are addressed accordingly in an effective, efficient and timely manner.

RISK MANAGEMENT (CONT'D)

Our Operations and How We Manage the Environment at Workplace



Here at PJBUMI, we believe that all of us can improve environmental sustainability, at least incrementally and sometimes in transformative ways. Every positive action, no matter how small, can be the first step to creating a positive cycle of sustainability. Whether through creating targeted employee green teams, committing to establishing more eco-friendly supply chains, or developing best practices for reducing harmful or excessive wastes, companies that promote environmental sustainability as a corporate citizenship imperative can become leaders in the movement to create a sustainable planet, society, and economy for future generations.

Managing the environmental impact is one of our lines of business through waste management services. We adopted throughout the Group in preserving the environment and reducing our environmental footprint by continuously work to prevent harm to the environment at all of our sites and workplace.

To ensure an environment that is healthier and sustainable, the Group's Waste Management division continue undertakes corporate social responsibility activities in performing solid waste management activities for selected housing areas in the northern region of Kuala Lumpur.

In October 2020, through our subsidiary PJBumi Waste Management had launched "HIJAU" campaign to educate and encourage households in Klang Valley to dispose their used cooking oil (UCO) responsibly. Our approach is zero cost for collection, transportation and disposal of the UCO.

While most of our services and solutions help clients to tackle the environmental challenges of wastewater treatment and waste management, we ensure that our own operations at sites and workplace use natural resources and ensure our carbon footprint is as small as possible.



PJBUMI's environmental objectives and targets

Objectives	Target	2019 Performance
To maintain clients waste water treatment plant's effectiveness	Zero major non-conformance from the authority	There was zero non-conformance, zero notice and zero compound received.
Continue energy reduction activities at PJBUMI's office in the headquarter and Northern region office.	Reduction in yearly electricity consumption by 5%	In 2021, the Group manage to reduce electricity consumption by 46% overall compared to 2020 for all PJBUMI's office at the headquarter and northern region.
	Reduction in yearly paper consumptions by 10%	In 2021, The group manage to reduce paper consumptions by 48% and all employees are encourage to work towards green and paperless

RISK MANAGEMENT (CONT'D)

Empowered People

At PJBUMI, we believe that our greatest assets are our employees who are instrumental in driving our business operations and building the Group's industry reputation. We operate under our equal, fair and growth-oriented human resource policies which help us to develop a performance culture within our organisation. Our open-door policies allow our employees to express themselves freely and actively plan and pursue their career aspirations with us, and we encourage our employees to cultivate a continuous learning attitude in order to reach their goals.

We make every effort to position the company for progress by recruiting and training the best talent, retaining a diverse workforce and fostering inclusion of all employees and their ideas. By investing in our employees, we also encourage innovation, reduce costs via continuous improvements and grow revenues through the development of new businesses and services.

OUR APPROACH TO HUMAN RIGHTS AT WORKPLACE



We conduct our business with the belief that everyone should be treated with dignity and respect.

We comply with all applicable employment and human rights laws and regulations and our suppliers are expected to do the same.

All employees are issued with an Employee Handbook and Code of Conduct that clearly defines our ethical responsibilities.

We respect employees' rights in accordance with relevant local legislation and regulations. We do not tolerate any form of harassment, discrimination or violence in the workplace. We also strive to ensure that the same applies to the supply chain personnel and members of the local community.

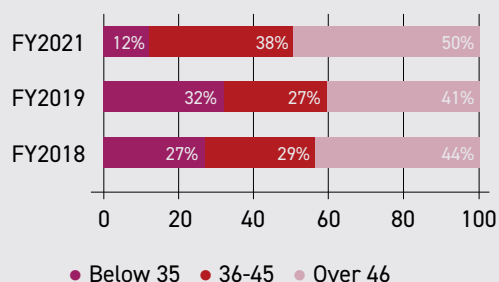
Our commitment to human rights is supported by our Employee Code of Conduct, which sets the tone in relation to the Group's stance against discrimination on any basis, inclusive of any bias on the basis of ethnicity, gender, religious beliefs, age or any physical disability. The rules of conduct apply to all employees of PJBUMI Group.

We encourage our employees to maintain a healthy work-life balance because we believe that when employees are balanced and happy, they are more productive, take fewer sick days, and are more likely to stay in their jobs. We try to go beyond legislative requirements with our work-life balance approach which enables our employees to maintain a healthy balance between work and other activities and interests. It is also our belief that through our employee policies, we can improve their levels of motivation by focusing on their welfare and well-being.

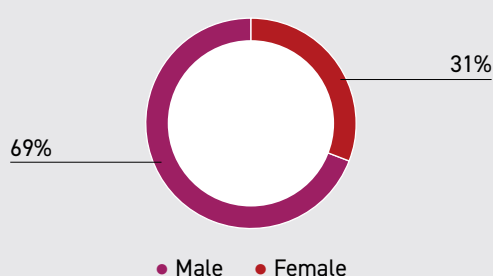
In terms of age demographics, our mix of employees at different age groups has remained fairly constant over a number of years. However, we believe in investing and giving the younger generation a chance to contribute to the success of our long-term growth.

The driving force for the Group's overall business growth is the employees of PJBUMI. As at 30 June 2021, we kept to a minimum workforce of 16 permanent employees. Employees' aged between 46 and above made up 50% of our workforce, followed by those aged 36-45 (38% of our workforce) and those aged 24-35 (12% of our workforce). Overall, the male to female ratio of employees stood at 69:31

Employee Breakdown by Age Group



Employee by Gender



RISK MANAGEMENT (CONT'D)**Response to COVID-19 Pandemic**

The COVID-19 pandemic has definitely created a new normal in the way we carry out our work. Our priority is the safety and health of our employees and we make an effort to protect them by ensuring their exposure to the risk of infection is as low as possible, even to the extent of taking punitive action to enforce compliance with all prevailing Standard Operating Procedures ("SOPs").

In addition to the SOPs by relevant authorities, PJBUMI has also developed its own set of SOPs which are strictly enforced at the work place. These include:

1. Setting Up a Covid-19 Pandemic Management Committee ("CPMC")

A CPMC was set up in June 2020 to manage the effects of the Pandemic on a day-to-day basis. It is chaired by the Chief Operating Officer ("COO") and coordinated by the heads of the HR & Finance, Operation and Environment, Health & Safety ("EHS") functions. The CPMC had frequent meetings based the level of severity of the pandemic situation. In general, it meets about once a week.

2. Being Socially Responsible and Practicing Good Hygiene

The following are good practices that were implemented to the Group to help reduce and contain the spread of the virus and other kinds of infectious illnesses. We encouraged our employees to practice them through reminders and internal publicity material in the Group:

- Maintain appropriate social and physical distancing at all times, especially those who are showing symptoms of illness;
- Observe good personal hygiene e.g. practice frequent hand washing with soap;
- Wear a mask at all times and to wear it properly according to SOP; and
- Seek medical attention promptly if feeling unwell.

3. Immediate Reporting to HR Upon Sickness

Employees who are feeling unwell with the following symptoms should consult a doctor and not come to the office:

- Registering a body temperature of 37.5 degrees Celsius and above;
- Respiratory symptoms like cough, running nose, shortness-of-breath / difficulty breathing;
- Loss of taste / sense of smell;

Employees are required to update HR and their immediate supervisor if they have any of the above symptoms and the results of the doctor's diagnosis.

4. Daily Temperature and MySejahtera Application Scanning

All employees will have their temperature scanned on entering the work place and this will be recorded for reference. Employees are also required to use the MySejahtera app to scan their work location when entering the work premises.

5. Availability of Hand Sanitisers and Oximeters

All workplace and company vehicles have been provided hand sanitizers and employees are highly encouraged to use them regularly.

Oximeters have also been made available at HR as it has been shown to be able to indicate signs of respiratory distress prior to the onset of any symptoms associated with COVID-19 infections.

6. Social / Physical Distancing

It is recommended that employees maintain a distance of about a meter apart from one another at all times, even when others may not exhibit any symptoms. This is to reduce the risk of infection. As such, arrangements have been made to ensure there is sufficient space between employees in their daily work activities.

The size of physical meetings will depend on the size of the rooms. Depending on the level of pandemic severity, sometimes physical meetings are not allowed at all and are conducted virtually. The CPMC will dictate what guidelines for meetings apply at any given period.

RISK MANAGEMENT (CONT'D)

Response to COVID-19 Pandemic (cont'd)

7. Declaration of Direct / Indirect Interaction with Confirmed / Suspected COVID-19 Patients

It is mandatory for employees to declare to HR and their supervisors if they, or any of their family / household members living with them, have been in close contact with the following person(s):

- who have been diagnosed with COVID-19;
- who is serving any Quarantine; and
- who is pending any COVID-19 test outcome.

Employees are required to declare within 24 hours of awareness, even over a weekend or public holiday. Those who fail to make a timely declaration may be subject to disciplinary action. Such declarations will then be matched against the Company's Proximity Protocol so that the appropriate decisions on tests, quarantine etc. may be made.

8. Face Masks / Face Shields

All employees/sub-contractors working at our sites are required to wear face masks which are provided. Appropriate disciplinary action will be taken against employees who fail to comply with the guidelines. The mandatory use of the masks/face shields will be reviewed from time to time and our policy will adjust to prevailing circumstances.

9. Disinfection and Cleaning at office premise

We consistently undertake disinfection activities at various key areas (e.g. canteen). We also increase the frequency of the cleaning of office areas and frequently touched surfaces like door handles, Lifts, etc.

10. Visitors / Suppliers / Contractors

Visitors to PJBUMI will need to undergo temperature scanning on entry and the process will be similar to point #4 above for employees. The visitors however are highly encouraged to have a virtual meeting rather than physical meeting.

11. Working from Home

Employees who have been scheduled or designated to work from home will need to remain physically present at home during working hours. Working at cafes or some other location is prohibited as one of the main reasons for this arrangement is to keep employees safe and ensure they stay away from others and potentially external sources of contagion.

12. Publicity and Communication

PJBUI engages with employees through a variety of media to ensure everyone is kept updated of the latest situation and measures taken by the Group to ensure their health and safety. E-mails and mobile-phone apps are used to reach as many people as possible. Our communications are in both English and Malay whenever possible to improve understanding and compliance with our measures and policies.

The measures undertaken above are part of a comprehensive plan developed over a period of time to address what is an evolving situation. As such, these measures may change to accommodate changing scenarios required to ensure our measures remain relevant and effective.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of PJBumi Berhad ("PJBumi" or "the Company") is committed to cultivating a responsible organisation by instilling corporate conscience through excellence in Corporate Governance ("CG") standards at all times. This includes accountability and transparency which is observed throughout the Group as a fundamental part of building a sustainable business and discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group. The Board is pleased to provide an overview of the application of the principles set out in the Malaysian Code on Corporate Governance ("MCCG").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board has the overall responsibility to protect and enhance shareholders' value. The Board is explicitly responsible, amongst others, for establishing and communicating the strategic plan and overseeing the proper conduct of the Group's businesses, and for supervising its affairs to ensure its success within a framework of acceptable risks and effective control and in compliance with relevant laws, regulations, guidelines and directives in the countries which it operates in.

The Board delegates and confers some of its authorities and discretion to the Chairman/Group Managing Director ("GMD") and Management as well as on properly constituted Board Committees comprising mainly/exclusively Non-Executive Directors.

The Board believes that for its current size, it is more expedient for the two (2) roles to be held by the same person as long as there is pertinent check balance to ensure no one person in the Board has unfettered powers to make major decision for the Company. As such the Board is of the view that the significant contribution of Independent Non-Executive Directors which is made up of 75% of the current Board's size, provides for the relevant checks and balance.

The Chairman is responsible for the Group's future business and strategy plan, setting goal to achieve the mission and vision. He provides leadership and governance of the Board, ensuring its effectiveness and assumes the formal role as the leader in chairing all Board meetings and shareholders' meetings. He leads the Board in overseeing Management and principally ensures that the Board fulfils its obligations and as required under the relevant legislations.

Some of the specific responsibilities of the Chairman include: -

- (i) Manage Board meetings and boardroom dynamics by promoting a culture of openness and debate where Directors are encouraged to provide their views;
- (ii) Work closely with the Executive Directors to ensure provision of accurate, timely and clear information to facilitate the Board to perform effectively, able to make informed decisions and to monitor the effective implementation of the Board's decisions;
- (iii) To provide his view and decision objectively;
- (iv) Ensure meetings of the shareholders are conducted in an open and proper manner with appropriate opportunity for them to ask questions; and
- (v) As Group's official spokesperson.

The duties of GMD include implementation of decisions and policies approved by Board, overseeing and running the Group's day to day business, and also coordinating business and strategic decisions.

The role of Management is to support the GMD and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

The Board Committees include the Audit Committee, Nominating 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 appropriate recommendations.

The Non-Executive Directors are independent from Management. Their roles are to provide a balance view, to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have direct access to the Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

The Board assumes the following key responsibilities:

- Reviewing and adopting the Company's strategic plans
- Overseeing the conduct of the Company's business
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures
- Succession planning
- Overseeing the development and implementation of a shareholder communications policy for the Company
- Reviewing the adequacy and the integrity of the management information and internal controls system of the Company.

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social, health and safety, staff welfare and governance aspects are taken into consideration. The Board takes heed of go green and energy saving by implementing several measures on sustainability.

Uphold Integrity in Financial Reporting

The Board is responsible for ensuring that financial statements prepared for each financial year give a true and fair view of the Group's state of affairs. The Directors took due care and reasonable steps to ensure that requirements of accounting standards were fully met. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board of Directors prior to their release to Bursa Securities.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2021, the Group has used appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. The Responsibilities Statement by Directors pursuant to the Main LR is set out in this Annual Report.

Qualified and competent Company Secretary

The Directors have the unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary on new regulatory requirements and directives from time to time.

The Company Secretary is a qualified Chartered Secretary, under the prescribed body as permitted by Companies Act 2016. The appointment and removal of the Company Secretary is under the purview of the Board of Directors.

Access to information and advice

The Directors have full and unrestricted access to all information pertaining to the Company's business and affairs so as to enable them to discharge their responsibilities. Prior to the Board meetings, the Directors are provided with the agenda together with the Board papers on issues to be discussed. A record of the Board's deliberation of issues discussed and conclusion reached are recorded in the minutes of the meeting by the company secretary. After the meeting, the minutes are circulated to the Board and Board Committee members in a timely manner.

The Board, whether as a full Board or in their individual capacity, has the right to engage independent professional advice, if necessary, at the Group's expense. In addition, all Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board meeting procedures and applicable rules and regulations are adhered to.

Board Charter

The Board has formalised and uploaded its Board Charter in the website of the Company. The Board Charter sets out the Board roles and responsibilities. The Board Charter is periodically reviewed by the Board and changes made whenever necessary.

The Board Charter can be viewed at the Company's website at <http://www.pjbumi.com.my/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

Directors' Code of Ethics and Whistleblowing Policy

The Board of Directors has conducted themselves in an ethical manner while executing their duties and functions and complied with the Company Directors' Code of Ethics recommended by the Companies Commission of Malaysia. The said Code establish a standard of ethical behaviour for the directors to uphold such as the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating the Company.

The Company has also adopted Whistleblowing policy to safeguard the Company's interest and also to protect the whistleblower interest. The policy spells out the types of misconduct, malpractice and irregularity, and how the reporting and investigations will be carried out. The Company expects all employees to observe the policy in the conduct of day to day business.

The Directors' Code of Ethics and Whistleblowing Policy can be viewed at the Company's website at <http://www.pjbumi.com.my/>.

BOARD COMPOSITION

The Board comprises of a Chairman/GMD and three (3) Independent Non-Executive Directors. The composition fulfils the requirements set out under the Main Market Listing Requirement of Bursa Malaysia Securities Berhad where at least one third of the Board members are independent Directors. This ensures that minority shareholders' interest is adequately represented.

The Group is led by an effective Board which comprises members with skills from a diverse blend of professional backgrounds ranging from business, engineering, finance and accounting experience. The Board views its current composition encompasses a balance mix of skills and strength in qualities which are relevant to enable the Board to discharge its responsibilities in an effective and competent manner.

The Board Committees comprises of Audit Committee, Nominating 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 appropriate recommendations.

The Nominating Committee ("NC") is responsible for identifying and recommending new nominees to our Board as well as committees of the Board. For new appointments to the Board, the NC shall consider diversity of skills, expertise, cultural background, age, gender and experience in evaluating the appointment of Directors. The Company believes in providing equal opportunity to all candidates based on merit.

In addition, the Nominating Committee assesses the effectiveness of the Board as a whole and the Board Committees, and also the contribution of each Director. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities.

The Board, through the Nominating Committee, reviews periodically its required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board. All assessments and evaluations carried out by the Nominating Committee in the discharge of all its functions are properly documented. This assessment is done on yearly basis.

The Committee is empowered by its terms of reference to carry out duties and responsibilities as follows:

- (a) To examine the size of the Board to ensure its effectiveness in discharging its duties and responsibilities, and ensure every Directors shall be subject to retirement at least once in every 3 years;
- (b) To review annually the Board's mix of skills and experience and other qualities including core competencies which Non-Executive Director should bring to the Board;
- (c) To recommend suitable continuing educational training to existing and new Directors;
- (d) To ensure an election of directors shall take place each year and that all directors shall retire from office once at least in each 3 years but shall be eligible for re-election;
- (e) To recommend to the Board, suitable candidates to fill the Board, Audit, Nomination, Remuneration and other Board Committees;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

The Committee is satisfied with the current size of the Board and with the mix of qualifications, skills and experience among the Board members.

The members of the Nominating Committee whom are Independent Non-Executive Directors are as follows:-

Name	Position
Nik Md Nor Suhaimi Bin Nik Ibrahim	Chairman
Ahmad Bin Md Daud	Member
Abd Rahim Bin Embi	Member

The Committee met one time during the financial year.

None of the Independent Non-Executive Directors had served the Company for more than 9 years.

FOSTER COMMITMENT

Time Commitment

All Board members are required to notify the Chairman or any new directorships notwithstanding that the Listing Requirements of Bursa Securities allows a Director to sit on the boards of 5 listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. During the financial year ended 2021, the Board met 6 times to deliberate on a variety of matters of the Company. Additional meetings may be convened on an ad-hoc basis when urgent and important decisions are required to be made in between scheduled meeting.

The Board meeting attendance record of each director is as follows:

Name and Designation	Attendance
Adlin Bin Shaharudin (Chairman/GMD)	6/6
Ahmad Bin Md Daud (Independent Non-Executive Director)	6/6
Nik Md Nor Suhaimi Bin Nik Ibrahim (Independent Non-Executive Director)	6/6
Abd Rahim Bin Embi (Independent Non-Executive Director)	3/6

The agenda for each Board meeting and papers relating to the agenda items are circulated to all Directors at least 5 days before the meeting so as to provide sufficient time for the Directors to review the Board papers and seek clarification, if any.

Directors' training

All the directors have completed the Mandatory Accreditation Programme within the stipulated timeframe required in the Listing Requirements.

The Directors are aware of their obligation and will continue to attend suitable training to equip and enhance themselves with the knowledge to facilitate themselves in discharging their duties and responsibilities diligently with integrity.

Re-election

Under Article 86 of the Company's Constitution, an election of Directors shall take place each year. At every annual general meeting of the Company one-third (1/3) of the Directors (including the Managing Director) or if their number is not a multiple or three, then the number nearest to one-third shall retire from office PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**REMUNERATION**

The Remuneration Committee ("RC") reviews and proposes, subject to the approval of our Board the remuneration policy and terms and conditions of service of each Director for his services as member of the Board as well as Committees of the Board. Nevertheless, the remuneration of Non-Executive Directors is a matter for the Board decision as a whole. Relevant directors are required to abstain from deliberation and voting decisions in respect of his individual remuneration. The remuneration of Directors is generally based on market conditions, responsibilities held and the overall financial performance of the Group. Decisions and recommendations by RC shall be reported to the Board for approval.

The members of the Remuneration Committee comprise of Independent Non-Executive Directors as follows:-

Name	Position
Ahmad Bin Md Daud	Chairman - Independent Non-Executive
Nik Md Nor Suhaimi Bin Nik Ibrahim	Member - Independent Non-Executive
Abd Rahim Bin Embi	Member - Independent Non-Executive

The Committee met once during the financial year and was attended by all its members.

Remuneration policy and procedures

The Directors' remuneration package is linked to the experience, scope of duty and responsibility, seniority, performance and industrial practices. The remuneration of Executive Directors consists of basic salary, among others bonus, whereas the Non-Executive Directors receive fixed director fees. Details of the Directors' remuneration in aggregate for financial year ended 30 June 2021 are tabulated as below:

Company

	Fees	Salary	Bonus	Benefit-in-kind	Total
Executive Director					
Adlin Bin Shahrudin	-	-	-	-	-
Independent Director					
Ahmad Bin Md Daud	RM500.00	-	-	-	RM500.00
Nik Md Nor Suhaimi Bin Nik Ibrahim	RM500.00	-	-	-	RM500.00
Abd Rahim Bin Embi	RM500.00	-	-	-	RM500.00
	RM1,500.00	-	-	-	RM1,500.00

Group

	Fees	Salary	Bonus	Benefit-in-kind	Total
Executive Director					
Adlin Bin Shahrudin	-	-	-	-	-
Independent Director					
Ahmad Bin Md Daud	RM500.00	-	-	-	RM500.00
Nik Md Nor Suhaimi Bin Nik Ibrahim	RM500.00	-	-	-	RM500.00
Abd Rahim Bin Embi	RM500.00	-	-	-	RM500.00
	RM1,500.00	-	-	-	RM1,500.00

The Remuneration Committee reviews and recommends the Executive Directors' remuneration package by assessing their KPI and also refers to market of similar industry and its size as a benchmark. An appropriate remuneration package is designed to retain and attract calibre directors to discharge their duty with integrity, to grow and lead the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control process, review of related party transactions as well as conflict of interest situations. The AC also undertakes to provide oversight on the risk management processes/ framework of the Group.

The AC is chaired by an Independent Director and consists of all Independent Directors. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the financial year as well as the attendance record of each member are set out in the AC Report in the Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has overall responsibility for maintaining a sound system of internal control and risk management that provide a reasonable assurance of effective and efficient operations, and compliance with the relevant laws and regulations as well as with internal procedures and guidelines. The Statement on Risk Management and Internal Control as disclosed in this Annual Report provides an overview of the risk management and internal control framework adopted by the Company for the current financial year.

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

COMMUNICATION WITH STAKEHOLDERS

The Company values dialogues with the investors and is constantly striving to improve the communication with the public. The Board believes that an effective investor relation is essential in enhancing shareholders' value and therefore ensures that shareholders are kept well informed of major development of the Company. Such information is disseminated via the Company's Annual Report, various disclosures and announcements to Bursa Securities and the Company's website. (<http://www.pjbumi.com.my/>).

The AGM is the principal forum for dialogue between the Company and the shareholders. The Board provides the opportunity for shareholders to raise questions pertaining to issues in the financial performance and business plan of the Group. The Board takes the opportunity to present a comprehensive review of the progress and performance of the Company and provides answers to the questions raised by the shareholders during the general meeting.

CONDUCT OF GENERAL MEETINGS

The Group is of the view that General Meetings are important platforms to engage with its shareholders as well as to address their concerns. The Group encourage shareholders to attend and participate in the AGM by providing adequate advance notice and holding the AGM at a readily accessible location. The location of the AGM is customarily nestled in one of the hotels in the Klang Valley which is easily assessable through public transportation. The resolution of the General Meetings is conducted via poll voting.

ADDITIONAL COMPLIANCE INFORMATION

1. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

There is no recurrent related party transactions entered into during the financial year ended 30 June 2021.

2. AUDIT AND NON-AUDIT FEES

- (a) Amount of audit fees paid or payable to the Company's auditors incurred by the Company and on a group basis are RM81,000 and RM110,000 respectively.
- (b) There is no amount of non-audit fees paid or payable to the Company's auditors incurred by the Company and on a group for the financial year ended 30 June 2021.

3. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOANS

There was no material contracts entered into by the Company and its subsidiaries which involved Directors' or major shareholders' interest (not being contracts entered into in the ordinary course of business) during the financial year ended 30 June 2021.

AUDIT COMMITTEE REPORT

The Board of Directors of PJBumi Berhad ("the Board") is pleased to present the Audit Committee Report for the financial year ended 30 June 2021.

COMPOSITION AND MEETINGS

As at the date of this Annual Report, the Audit Committee comprises three (3) Directors as follows:

Chairman

Abdul Rahim Bin Embi - Independent Non-Executive Director

Members

Ahmad Bin Md Daud - Independent Non-Executive Director

Nik Md Nor Suhaimi Bin Nik Ibrahim - Independent Non-Executive Director

The present composition and the qualification of its members comply with paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Audit Committee met six (6) times during the financial year ended 30 June 2021 and the details of attendance of the Audit Committee are as follows:

Name of Directors	Attendance
Abd Rahim Bin Embi	3/6
Ahmad Bin Md Daud	6/6
Nik Md Nor Suhaimi Bin Nik Ibrahim	6/6

Details of the members of the Audit Committee are contained in the Profile of Directors set out in this Annual Report.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In accordance with the terms of reference of the Audit Committee, the following activities were undertaken by the Audit Committee during the financial year ended 30 June 2021, among others deliberated on and reviewed:

- the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to submission to the Board for their approval and release of the Group's results to Bursa Securities.
- the annual audited financial statements of the Group and of the Company prior to submission to the Board of Directors for consideration and approval.
- the External Auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the External Auditors without the presence of the executive Board members and management.
- And reported to the Board of Directors on the internal audit plan and the results of the internal audit assessments, the internal audit report and the recommendations arising from the reviews conducted by the outsourced internal auditor and the Internal Audit Report which is to be included in the Annual Report.
- the related party transactions and potential conflict of interest situation that may have arisen within the Company or Group.
- the re-appointment of External Auditors and their audit fees, before the recommendation to the Board of Directors for approval.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

- (g) the internal audit function of the Group in the following areas: -
 - (i) review the understanding of the internal auditors' accountability to the AC and their understanding of the Group's business and risk environment;
 - (ii) review the scope of audit work, adequacy of resources and access to information;
 - (iii) review the competency of the internal auditors;
 - (iv) review the timely communication and handling of the audit findings to AC, recommendations thereof and monitoring of such recommendations; and
 - (v) review the performance of the internal auditors and quality of their internal audit plan.
- (h) the internal audit plan and internal audit reports of the associated company.

INTERNAL AUDIT FUNCTION

During the financial year ended 30 June 2021, the Group's internal audit function was outsourced to an independent person, Abd Aziz bin Ibrahim. He has more than 10 years experience in conducting internal audits for banking institutions. He has no family relationship with other directors or major shareholders of PJBumi Berhad and he has no conflict of interest with PJBumi Berhad. The Board of Directors' of PJBumi has appointed him to review and improve its existing internal control process and to assist in identifying and managing the Group's risks and the control procedures to manage those risks and to assist the AC in obtaining the assurance quality in relation to the effectiveness of the system of internal control implemented by the Management.

During the financial year under review, the Internal Auditors carried out an independent internal audit review on the Group's Human Resource Management and assessed the adequacy and effectiveness of internal controls within the Group.

There was no cost incurred for the internal audit service for the financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors ("Board") of PJBumi Berhad is guided by the Statement on Risk Management & Internal Control - Guidelines for Directors of Listed Issuers in making disclosures concerning the main features of the risk management framework and internal controls system of the Group pursuant to the Paragraph 15.26(b) of the Listing Requirements. The Board is pleased to present below its Statement of Risk Management and Internal Control which outlines the nature and scope of the risk management and internal controls of the Group during the financial year ended 30 June 2021. This is in line with the Malaysian Code on Corporate Governance 2012.

2. BOARD RESPONSIBILITY

The Board is fully committed to ensure the existence of an effective risk management framework and internal controls system within the Group, and continuously reviews and evaluates the adequacy and integrity of these systems. However, the Board recognises that such systems are designed to manage and reduce, rather than eliminate, the risks identified to acceptable levels. Therefore, the internal controls implemented can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, fraud or loss.

Whilst the Board has overall responsibility for the Group's risk management and internal controls system, it has delegated the implementation of these internal controls system to the Management, who regularly report to the Audit Committee of the Board on risks identified and actions taken to mitigate and/or minimise the risks. The risk management and internal controls system is subject to the Board's regular review with a view towards appraising the adequacy, effectiveness and efficiency of such system within the Group and also to ensure that these systems are viable and robust.

3. RISK MANAGEMENT FRAMEWORK

With the increasingly complex and dynamic business environment, proactive management of the overall business risks is a prerequisite in ensuring that the organisation achieves its strategic objectives.

The Group is committed that the risks inherent in its business are identified and effectively managed through formulation and implementation of requisite action plans and activities. Risk management activities are to be regarded an integral part of the Group's philosophy and business practices and not in isolation. The management of risks is aimed at achieving an appropriate balance between realising opportunities for gains while minimising losses to the Group.

The Group is establishing a risk management framework through an ongoing process of identifying, evaluating and managing significant risks encountered by the Group. The Board regularly reviews this process and applies corrective measures to mitigate and manage the risks.

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

i. Board Committee

Besides the Audit Committee, the Nomination and Remuneration Committees have been established in the Group to assist the Board to perform its oversight function. Specific responsibilities have been delegated to these Board Committees. These Committees have the authority to examine all matters within their scope and report to the Board with their recommendations.

ii. Audit Committee

The Audit Committee was established by the Board with its terms of reference to assist in reviewing management's financial reports, internal audit reports and external audit reports. Significant issues are brought to the attention of the Board. The Audit Committee also oversees the independence and resources of the internal audit function besides ensuring that the scope of work is adequate and that the audit has been carried out objectively and effectively by a competent team of auditors.

3. RISK MANAGEMENT FRAMEWORK (CONT'D)

iii. Board Executive Committee

The Board Executive Committee was established by the Board to assist the Group Managing Director ("GMD") in ensuring that daily operations are conducted effectively and according to the Group's strategic plan, approved budgets, policies, procedures and relevant laws and regulations. The members of the Committee comprising two (2) Directors and the management representatives.

4. INTERNAL AUDIT FUNCTION

In the efforts to strengthen the internal control within the Group, a number of preventive and corrective measures have been carried out and implemented throughout the financial year. The Group's internal audit function is performed by En.Abd Aziz bin Ibrahim (AAI) who is appointed by the Board to assist the Board and Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. AAI graduated with a Bachelor of Economics with Honours Degree from University of Malaya. He has more than 20 years of experience in banking institution with more than 10 years in internal audit department.

With the engagement, the Internal Auditors have disclosed that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence of the internal audit function. The Internal Auditors do not have any direct operational responsibility or authority over any of the activities audited. The Audit Committee is of the opinion that the internal audit function is effective and able to function independently.

The Internal Auditors reviewed and addressed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to internal control processes. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

During the financial year ended 30 June 2021, the internal audit function carried out by an internal audit review on the Human Resource Management. The reviews were carried out in accordance with the approved audit plan and timetable. The review reports were presented in the Audit Committee meetings and corrective actions were recommended.

The Audit Committee keeps track and addresses any issues that relate to these matters. Audit Committee and its members are constantly being updated on any activities that relate to the above.

5. OTHER KEY ELEMENT OF INTERNAL CONTROL

Other key elements of the Group's internal control system are as follows:

- (i) The Group maintains a formal organization structure that includes clear lines of accountability, which has a documented delegation of authority that sets out decision that need to be taken and the appropriate authority levels of management, including matters that requires the Board's approval.
- (ii) The external auditors provide assurance in the form of their statutory audit for the financial statements. Further areas for improvement during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters, or discussed at Audit Committee meetings.
- (iii) The Managing Director are closely involved in the running of business and operations of the Group and report to the Board on significant changes in business and external environment, which affect operation of the Group at large.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

5. OTHER KEY ELEMENT OF INTERNAL CONTROL

Other key elements of the Group's internal control system are as follows: (cont'd)

- (iv) The Management has established written policies and procedures which have been approved by the Board and they have been implemented in the core business processes throughout the Group. The Group's internal control policies and procedures are clearly documented in the Standard Operating Procedures (SOP) and other procedures manuals applicable to the Group's operations. The Company has in place authority limits and approvals processes at the various levels of operations and business decision-making.

The business units' processes and SOP constitute the Group's "first line of defense" under its internal control system. They serve to ensure the compliance with the internal control and relevant laws and regulations. Regular reviews and updates are performed in line with changes in business environment, statutory and regulatory requirements to ensure their relevance and effectiveness.

- (v) One of the Group's operations is ISO 9001:2015 certified. With such certification, audits are periodically conducted by external ISO auditors to ensure continuous compliance and enhancement of quality management system.

6. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 30 June 2021 in accordance with Paragraph 15.23 of the MMLR of Bursa Securities and the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether the SORMIC 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 external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in this annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the SORMIC factually inaccurate.

7. CONCLUSION

For the financial period under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system is currently in place as far as practicable. The Board and Management are firm in implementing continuous measures of improvement to further strengthen the current risk management and internal control systems.

The Board has received assurance from the Group Chief Operating Officer ("GC00") and the Group General Manager Finance that the Group's risk management and internal controls system, in all material aspects, will continuously be improved and enhanced to ensure it operates adequately and effectively. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

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DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period from 1 January 2020 to 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the 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 principal activities during the financial period.

CHANGE OF FINANCIAL PERIOD

The Group and the Company have changed its financial period from 31 December to 30 June. Accordingly, the financial statements of the Group and the Company cover 18 months period from 1 January 2020 to 30 June 2021 compared to the previous 12 months period ended 31 December 2020.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit/(loss) for the period attributable to :		
Owners of the company	451	(192)
Non-controlling interest	(8)	-
	<u>443</u>	<u>(192)</u>

RESERVES AND PROVISION

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

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

DIVIDENDS

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

DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial period to the date of this report are as follows:

Adlin bin Shaharudin
Ahmad bin Md Daud
Nik Md Nor Suhaimi bin Nik Ibrahim
Abd Rahim bin Embi

DIRECTORS OF THE COMPANY (CONT'D)

The Directors of the Company's subsidiaries in office since the beginning of the financial period to the date of this report are as follows:

Amir bin Awang Hamad
 Abd Aziz bin Ibrahim
 Ahmad bin Md Daud
 Syed Ali Zainal Abidin bin Syed Mudzaffar
 Idris bin Abas

DIRECTORS' BENEFIT

Neither at the end of the financial period, nor at any time during the period, did there subsist any arrangement to which the Group and the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debenture of the Group and of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 7 of the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits or deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 27 to the financial statements.

DIRECTORS' INTERESTS

According to the register of director's shareholdings, the interest of directors in the office at the end of the financial period in shares of the Company and its related corporation during the financial period were as follows:

	Number of ordinary shares			
	At 1 January 2020	Acquired	Sold	At 30 June 2021
EMEF Technology Sdn Bhd				
CMAi Capital Sdn Bhd *				
Adlin bin Shaharudin **	15,169,000	-	-	15,169,000

* Deemed interested by virtue of holding substantial interest in the shares of EMEF Technology Sdn Bhd

** Deemed interested by virtue of holding substantial interest in the shares of CMA i Capital Sdn Bhd

None of the other directors holding office at 30 June 2021 had any interest in shares and options over shares of the Company and of its related corporations during the financial period.

ISSUANCE OF SHARES AND DEBENTURES

There were no other changes in the issued and paid up share capital of the Company during the financial period.

WARRANTS

The salient terms of the warrants are disclosed in Note 20 to the financial statements.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors or past directors of the Company comprising remunerations received/receivable from the Company during the period are as follows :

	Group RM'000	Company RM'000
Directors' remuneration:		
Directors' fees	2	2

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been the director, officer or auditor of the Company.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.
- (d) At the date of this report, directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) 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 period which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

- (f) In the opinion of the directors:
- (i) the result of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial period in which this report is made.

AUDITORS' REMUNERATION

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows :

	Group RM'000	Company RM'000
Statutory audit	110	81

AUDITORS

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

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

ABD RAHIM BIN EMBI
Director

ADLIN BIN SHAHARUDIN
Managing Director

Shah Alam, Selangor

Date : 20 October 2021

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, ABD RAHIM BIN EMBI and ADLIN BIN SHAHARUDIN, being two of the directors of PJBUMI BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2021.

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

ABD RAHIM BIN EMBI

Director

ADLIN BIN SHAHARUDIN

Managing Director

Shah Alam, Selangor

Date: 20 October 2021

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, ADLIN BIN SHAHARUDIN, being the Director primarily responsible for the financial management of PJBUMI BERHAD, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, 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 ADLIN BIN SHAHARUDIN	}	
at Shah Alam in Selangor Darul Ehsan	}	
on 20 October 2021	}	ADLIN BIN SHAHARUDIN

Before me:

Commissioner for Oaths

Shah Alam, Selangor

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PJBUMI BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PJBumi Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 105.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Impairment assessment of the carrying amounts of goodwill and investment in subsidiaries

As disclosed in Note 12 and 17 to the financial statements, the cost of investment in subsidiaries and goodwill stood at 51,350,003 and RM15,313,314 respectively.

Under MFRS 136, management is required to annually perform impairment assessment for goodwill and investment in subsidiaries.

These assessments are significant to our audits as they involve significant management judgement and are based on assumptions that are affected by expected future market and economic conditions.

The risk is also described in note 3 (c) and 3 (g) to the financial statements.

Key Audit Matters (cont'd)

Our audit approach to address Key Audit Matters

Our audit procedures performed in this area included, among others:-

- Performing opening balance procedures on the balances in adherence with the requirement of International Standards on Auditing 510 (ISA 510), Initial Audit Engagement- Opening balances;
- Examining the cash flow projections against recent performance and challenged assumptions in financial projections to external available external industry sources of data, where applicable;
- Evaluating the reasonableness of projected profit margins and growth rates by assessing evidence available to support the assumptions and their consistency with findings from other areas of our audit;
- Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount; and
- Evaluating the adequacy of the financial statements disclosures about those assumptions to which the outcome of the impairment test is most sensitive.

Recoverability of Receivables

As disclosed in Note 19 to the consolidated financial statements, the Group had receivables of RM8,465,571 and the impairment of receivables stood at RM 3,793,704.

Receivables of the group comprise mainly receivables from rendering of after-sales support services including connecting works of fibre plastic tanks and mechanical and engineering equipment as well as service rendered on managing solid waste and area cleansing. The amount mostly due from customers. The Group is exposed to a heightened risk of significant financial loss when the customers fail to meet their obligation in accordance with the credit term.

We focused on this area because the recognition of impairment requires significant judgment and assumptions from management concerning on the recoverability of the receivables.

Our audit approach to address Key Audit Matters

Our audit procedures performed in this area included, among others:-

- Performing opening balance procedures on the balances in advance with the requirement of International Standards on Auditing 510 (ISA 510), Initial Audit Engagement- Opening balances;
- Obtaining an understanding of the Group's:
- Control over the receivables approval and collection process;
- Process to identify and assess the impairment of receivables; and
- Policy to determine the accounting estimate for the impairment of receivables.
- Reviewing and testing aging of receivables balances at period end;
- Assessing the recoverability of these outstanding receivables who exceeded credit limit via discussion with management and with reference to credit profile of the customers and latest correspondence with customers;
- Evaluating management's assessment to support the collectability of receivables;
- Assessing the recoverability of the balances by comparing the outstanding amounts as at period end against subsequent settlements; and
- We reviewed the appropriateness and reasonableness of the assumptions applied in the management assessments of the expected credit loss, taking into account specific known receivables' circumstances.

Key Audit Matters (cont'd)***Impairment of Investment Property***

As disclosed in note 14 of the consolidated statement financial position, the Group has Investment Properties of RM10,707,885.

We focused on this area as an assessment of impairment of Investment Properties ("IP") because it involved in management judgements and estimation of uncertainty in determining the fair value of asset by considering the recoverable amount and cash generating unit produces.

Our audit approach to address Key Audit Matters

Our audit procedures performed in this area included, among others:-

- Performing opening balance procedures on the balances in advance with the requirement of International Standards on Auditing 510 (ISA 510), Initial Audit Engagement- Opening balances;
- Reviewed the management's impairment assessments of investment property in accordance with MFRS 140;
- Assessed the reasonableness of the key assumptions such as similar Investment Property, adjusted for age and cost of disposal by evaluating the underlying data;
- Independently verified on the external sources data used by the management in deriving at the fair value of Investment Property;
- Performed physical sighting;
- Checked the mathematical accuracy of management's computation of the fair value less cost of disposal; and
- Reviewed adequacy of the related disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

OTHER MATTERS

- a) The financial statements of PJBUMI Berhad for the year ended 31 December 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 12 May 2020.
- b) 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

Kuala Lumpur, Malaysia

Date: 20 October 2021

MUHAMMAD AKBAR BIN ISMAHADI

3311/07/23 (J)

Chartered Accountant (M)

Partner

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2021

	Note	Group		Company	
		Period from	Year Ended	Period from	Year Ended
		1/1/2020 to 30/06/2021 RM'000	31/12/2019 RM'000	1/1/2020 to 30/06/2021 RM'000	31/12/2019 RM'000
Revenue	4	17,888	12,632	-	-
Cost of sales	5	(16,450)	(11,073)	-	-
Gross profit		1,438	1,559	-	-
Other income	6	1,998	774	684	1,008
Employee benefits expense	7	(972)	(1,218)	(381)	(493)
Selling and distribution expenses		(3)	(7)	(3)	(2)
Administrative expenses		(12,187)	(795)	(488)	(490)
Finance costs		(5)	-	(5)	-
(Loss)/profit before income tax	9	(9,731)	313	(193)	23
Income tax credit	10	16	-	1	-
(Loss)/profit from continuing operations		(9,715)	313	(192)	23
Discontinued operations					
Profit from discontinued operations (attributable to equity holders of the Company)	8	10,158	-	-	-
Net profit/(loss), total comprehensive profit/ (loss) for the period/year		443	313	(192)	23
Net profit/(loss), total comprehensive profit/(loss) attributable to :					
Continuing operations		(9,707)	314	(192)	23
Discontinued operation		10,158	-	-	-
Equity holders of the company		451	314	(192)	23
Non controlling interest		(8)	(1)	-	-
		443	313	(192)	23

**STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (CONT'D)**

		Group	
	Note	Period from 1/1/2020 to 30/06/2021 RM'000	Year Ended 31/12/2019 RM'000
Earnings per share attributable to shareholders of the Company (sen per share) :			
Basic	11	<u>0.55</u>	<u>0.38</u>
Diluted	11	<u>0.46</u>	<u>0.32</u>
Earnings per share attributable to shareholders of the Company for continuing operations (sen per share) :			
Basic	11	<u>(11.84)</u>	<u>0.38</u>
Diluted	11	<u>(10.01)</u>	<u>0.32</u>

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	Group 2021 RM'000	2019 RM'000 Restated
Assets			
Non-current assets			
Property, plant and equipment	13	47	58
Investment properties	14	10,709	10,709
Right-of-use assets	15	19	-
Deferred tax assets	16	254	8,712
Goodwill on consolidation	17	15,313	15,313
Total non-current assets		26,342	34,792
Current assets			
Inventories	18	-	180
Receivables	19	4,672	9,370
Cash and bank balances		101	195
Total current assets		4,773	9,745
Total assets		31,115	44,537
Equity and liabilities			
Share capital	20	44,473	44,473
Reserves	20	2,775	4,775
Accumulated losses		(24,386)	(26,841)
Equity attributable to the owners of the Company		22,862	22,407
Non controlling interest		212	220
Total equity		23,074	22,627
Non-current liability			
Deferred tax liabilities	16	3	8,668
Lease liability	22	9	-
Payables	21	1,001	2,314
Total non-current liabilities		1,013	10,982
Current liabilities			
Trade and other payables	21	3,812	5,380
Tax liabilities		3,205	5,548
Lease liability	22	11	-
Total current liabilities		7,028	10,928
Total liabilities		8,041	21,910
Total equity and liabilities		31,115	44,537

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Company 2021 RM'000	2019 RM'000 Restated
Assets			
Non-current assets			
Property, plant and equipment	13	39	37
Investment properties	14	10,709	10,709
Right-of-use assets	15	19	-
Investment in subsidiaries	12	35,535	35,535
Total non-current assets		46,302	46,281
Current assets			
Receivables	19	1,568	1,514
Cash and bank balances		62	95
Total current assets		1,630	1,609
Total assets		47,932	47,890
Equity attributable to owners of the Company			
Share capital	20	44,473	44,473
Reserves	20	2,775	2,775
Accumulated losses		(25,985)	(25,793)
Total equity		21,263	21,455
Non-current liability			
Deferred tax liabilities	16	1	2
Lease liability	22	8	-
Payables	21	1,001	1,509
Total non-current liabilities		1,010	1,511
Current liabilities			
Trade and other payables	21	23,235	22,511
Tax liabilities		2,413	2,413
Lease liability	22	11	-
Total current liabilities		25,659	24,924
Total equity and liabilities		47,932	47,890

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2021

Group	Attributable to owners of the Company Distributable/(non-distributable)					
	Share capital RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000
At 1 January 2020	44,473	4,694	81	(26,841)	22,407	220
Disposal of subsidiary	-	(2,000)	-	2,004	4	-
Profit/(loss) for the period	-	-	-	451	451	(8)
At 30 June 2021	44,473	2,694	81	(24,386)	22,862	212
At 1 January 2019	44,473	4,694	81	(27,155)	22,093	221
Profit/(loss) for the year	-	-	-	314	314	(1)
At 31 December 2019	44,473	4,694	81	(26,841)	22,407	220

Company	Distributable/(non-distributable)					
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2020	44,473	-	2,694	81	(25,793)	21,455
Loss for the period	-	-	-	-	(192)	(192)
At 30 June 2021	44,473	-	2,694	81	(25,985)	21,263
At 1 January 2019	44,473	-	2,694	81	(25,816)	21,432
Profit for the year	-	-	-	-	23	23
At 31 December 2019	44,473	-	2,694	81	(25,793)	21,455

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2021

	Group		Company	
	Period from 1/1/2020 to 30/06/2021 RM'000	Year Ended 31/12/2019 RM'000	Period from 1/1/2020 to 30/06/2021 RM'000	Year Ended 31/12/2019 RM'000
Cash flows from operating activities				
(Loss)/profit before tax	(9,731)	313	(193)	23
Adjustments for :				
Allowance for expected credit loss	2,567	-	-	-
Depreciation of right-of-use assets	25	-	25	-
Depreciation of property, plant and equipment	32	32	19	16
Property, plant and equipment written off	-	1	-	1
Loss of control of shares	(2,000)	-	-	-
Loss of control of subsidiary	10,142	-	-	-
Write off of:				
- inventories	57	-	-	-
- receivables	184	84	63	71
Interest expense	5	-	5	-
Interest income	(1)	-	-	-
Operating profit/(loss) before changes in working capital	1,280	430	(81)	111
Working capital changes:				
Inventories	-	33	-	-
Trade and other receivables	1,092	309	55	(34)
Trade and other payables	(1,103)	(856)	6	(31)
Amount due to director	(1,313)	120	(508)	150
Amount due from/(to) related companies	-	-	546	(132)
Cash generated from operations	(44)	36	18	64
Interest received	1	-	-	-
Interest paid	(5)	-	(5)	-
Net cash generated from operating activities	(48)	36	13	64

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	Period from 1/1/2020 to 30/06/2021 RM'000	Year Ended 31/12/2019 RM'000	Period from 1/1/2020 to 30/06/2021 RM'000	Year Ended 31/12/2019 RM'000
Cash flows generated from investing activity				
Acquisition of property, plant and equipment	(21)	-	(21)	-
Net cash used in investing activity	(21)	-	(21)	-
Cash flows used in financing activity				
Payments of finance lease	(25)	-	(25)	-
Net cash used in financing activity	(25)	-	(25)	-
Net (decrease)/increase in cash and cash equivalents	(94)	36	(33)	64
Cash and cash equivalents at the beginning of the financial period/year	195	159	95	31
Cash and cash equivalents at the end of the financial period/year	101	195	62	95

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2021

1. CORPORATE INFORMATION

PJBumi Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal activities of the Company are that of investment holding and the 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 principal activities during the financial period.

The financial statements was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 20 October 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the respective significant accounting policies.

The financial statements are presented in Ringgit Malaysia.

2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.3 Adoption of new and amendment to MFRS's and Interpretation

During the financial period, the Group and the Company has adopted the following amendments to MFRSs issued by the MASB that are mandatory for current financial period.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

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

Adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Adoption of new and amendment to MFRS's and Interpretation (cont'd)

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Reference to the Conceptual Framework (Amendments to MFRS 3)
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)
- Annual improvements to MFRS Standards 2018-2020 cycle

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17: Insurance Contract (Amendments to MFRS 17 Insurance Contracts) Amendments to MFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)
- Disclosure of Accounting Policies (Amendments to MFRS 10) Deferred
- Definition of Accounting Estimates (Amendments to MFRS 108) Deferred

The Group and the Company will apply the above MFRSs, Amendments and Interpretations that are applicable once they become effective. The initial application of application of the above MFRSs, Amendments and Interpretations is not expected to have any significant impact on the financial statements of the Group and the Company.

2.4 Summary of significant accounting policies

(a) Basis of consolidation

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

- The Group controls exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial periods, 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.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial periods, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial periods, the Group did not consider de facto power in its assessment of control.

(i) Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(ii) Business combinations

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.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When 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 acquiree either at fair value or at the proportionate 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.

(iii) Loss of control

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

(iv) Non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. 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.

(v) Transaction eliminated on consolidation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(vi) Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the 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 recognised for goodwill is not reversed in a subsequent period.

(b) Property, plant and equipment

(i) Recognition and measurements

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(b) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows :

Plant and machinery, office equipment and furniture and fittings	10% - 20%
Motor vehicles	20%
Computer Hardware and Software	10% - 33%

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

(c) Investment properties

(i) Investment property carried at fair value

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capital borrowing costs.

An investment properties is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(d) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows cash-generating units ("CGU").

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss in the period the assessment is carried out. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(e) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for 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.

(f) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(f) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(f) Financial assets (cont'd)

(iii) Debt instruments classified as at FVTOCI

Subsequent measurement of debt instruments depends on the Group 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.

(iv) Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(f) Financial assets (cont'd)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

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

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

(i) Provisions

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

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

(j) 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(j) Financial liabilities

(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.

(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.

(k) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(m) Employee benefits

Defined contribution plans

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

(n) Leases

(i) Definition of a lease

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

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component. The Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

(ii) Recognition and initial measurement

As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments less any incentives receivable; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Summary of significant accounting policies (cont'd)****(n) Leases (cont'd)****(iii) Subsequent measurement****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 insubstance fixed lease payments, or if there is a change in the Group'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.

(o) Revenue and other income**(i) Revenue**

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

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

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Management fees

Management fees are recognised when services are rendered.

(iv) Rental income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(p) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(p) Income taxes (cont'd)

(ii) Deferred tax (cont'd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(q) Contingencies

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

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

(r) Finance Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor 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 amortisation.

(s) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 23, including the factors used to identify the reportable segments and the measurement basis of segment information.

(t) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(u) Fair value measurements

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

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

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

Level 1 : quoted prices(unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumption 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 period are as stated below:-

(a) Allowance for impairment

The Group and the Company make impairment based on an assessment of the recoverability of trade and other receivables. Impairment are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectibles. The identification of expected loss rate requires use of judgement and estimates where the rate is different from the original rate, such difference will impact the carrying value of the trade and other receivables and impairment loss in the period in which such has been changed.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**Key sources of estimation uncertainty (cont'd)****(b) Useful Lives of Property, Plant and Equipment**

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(c) Impairment of Investment in Subsidiaries

The Group tests investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of investment in subsidiaries.

The management determined the recoverable amount of the investment in subsidiaries based on the individual assets' value in use and the probability of the realisation of the assets. The present value of the future cash flows to be generated by the asset is the asset's value in use, and it is assumed to be the same as the net worth of the asset as at the end of the reporting period. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount.

In view of the above, the management are in the opinion that no impairment is required for the investment in subsidiaries as at the end of the reporting period.

(d) Impairment of Non-current Assets

The Group reviews the carrying amount of its non-current assets, which include property, plant and equipment and investment property, to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets. Independent professional valuers to determine the carrying amount of these assets will be procured when the need arise.

(e) Deferred tax assets

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

(f) Net Realisable Values of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key sources of estimation uncertainty (cont'd)

(g) Goodwill on consolidation

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

(h) Tax expense

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Company recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

4. REVENUE

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000

Revenue from contracts with Customers	17,888	12,632	-	-
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Disaggregation of the Group revenue from contract with customers:

Group

Types of goods and services	Industrial RM'000	Commodity Trading RM'000	Total RM'000
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Period from 1/1/2020 to 30/06/2021

Service and maintenance contract	5,504	-	5,504
Waste management	1,740	-	1,740
Construction contract	800	-	800
Sales of palm oil related product	-	9,844	9,844
	8,044	9,844	17,888

Year ended 31/12/2019

Construction contract	46	-	46
Service and maintenance contract	5,466	-	5,466
Waste management	1,846	-	1,846
Sales of palm oil related product	-	5,274	5,274
	7,358	5,274	12,632

4. REVENUE

Disaggregation of the Group revenue from contract with customers: (cont'd)

Group	Industrial RM'000	Commodity Trading RM'000	Total RM'000
Timing of revenue recognition:			
- At a point in time	8,044	9,844	17,888
- Over time	-	-	-
	<u>8,044</u>	<u>9,844</u>	<u>17,888</u>

5. COST OF SALES

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000
Cost of sales				
Cost of goods sold	9,168	23	-	-
Cost of services	7,282	11,050	-	-
	<u>16,450</u>	<u>11,073</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as an expense during the financial period in the Group amounted to RM Nil (2019 : RM23,000).

6. OTHER INCOME

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000
Waive of payment due to liquidation of subsidiary	38	-	-	-
Gain on disposal of scrap	-	4	-	-
Interest income	1	1	-	-
Rental income	428	528	428	528
Waive of payment from trade creditor	1,531	-	-	-
Reversal of long outstanding trade creditors	-	241	-	-
Management fee	-	-	256	480
	<u>1,998</u>	<u>774</u>	<u>684</u>	<u>1,008</u>

7. EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000
Salaries, bonus, allowance others	866	1,076	336	437
Contribution to Employees Provident Fund	94	127	41	51
Social security costs	12	15	4	5
	972	1,218	381	493

The total number of employees of the Group and the Company (including directors) at the financial period ended was 23 and 8 (2019 : 25 and 12)

Included in employee benefits expenses of the Group and of the Company are directors' remuneration. The details of remuneration receivable by directors of the Company during the period are as follows:

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000
Directors' remuneration:				
Directors' allowances and fees				
Ahmad bin Md Daud	1	5	1	5
Nik Md Nor Suhaimi bin Nik Ibrahim	1	4	1	4
Adlin bin Shaharudin	-	-	-	-
Abd Rahim bin Embi	-	4	-	4
	2	13	2	13

The number of directors of the Company whose total remuneration during the financial period fell within the following bands is analysed below:

	Number of directors	
	Period from 01/01/2020 to 30/06/2021	Year ended 31/12/2019
Non executive directors:		
RM0 to RM50,000	3	3
Managing director:		
RM0 to RM50,000	1	1

8. PROFIT FROM DISCONTINUED OPERATION

On 8 January 2020, a subsidiary of the Group which is Company PJBumi Composites Sdn Bhd - in liquidation - was officially detached from the Group.

- (a) An analysis of the results of the discontinued operations is as follows:

	Group Period from 01/01/2020 to 30/06/2021 RM'000
Revenue	-
Cost of sales	-
Gross profit	-
Other income	4
Selling and distribution expenses	1
Administrative expenses in prior year	(14)
Profit before tax, representing profit after tax	(9)
Gain on loss of control	10,167
Profit after tax of discontinued operation	10,158

The profit from discontinued operation of RM10,158,000 is attributable entirely to the owners of the Company.

- (b) The major classes of asset and liabilities of the discontinued operation are as follows:

	Group As at 30/06/2021 RM'000
Assets	
Current assets	
Inventories	125
Trade and other receivables	8,297
Cash and bank balances	22
Total assets	8,444
Non-current liability	
Deferred tax liabilities	128
Current liabilities	
Trade and other payables	16,076
Tax liabilities	2,407
Total liabilities	18,611
Net liabilities directly associated with the discontinued operation	(10,167)

8. PROFIT FROM DISCONTINUED OPERATION

(c) The cash flows attributable to the discontinued operation are as follows:

	Group As at 30/06/2021 RM'000
Net cash (used in)/generated from operating activities	-
Net cash (used in)/generated from investing activities	(22)
Net cash (used in)/generated from financing activities	-
Effect on cash flow	(22)

9. (LOSS)/PROFIT BEFORE INCOME TAX

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000
(Loss)/profit before tax is arrived at after charging:				
Auditors' remuneration				
- current period	110	99	81	55
- Overprovision in previous period	(24)	(30)	(15)	(10)
Depreciation of property, plant and equipment	32	32	19	16
Property, plant and equipment written off	-	1	-	1
Rental expense:				
- motor vehicles	2	4	-	-
- office premises	252	206	207	138
- office equipment	3	-	-	-
- overprovision of rental of office equipment (adoption of MFRS 16)	(14)	-	(14)	-
Allowance for expected credit loss (Note 19)	2,567	84	-	71
Reversal of allowance for expected credit loss due to liquidation (Note 19)	(3,674)	-	-	-
Write off of subsidiary due to liquidation	7,809	-	-	-
Depreciation of right-of-use asset	25	-	25	-
Write off of other receivable	93	-	63	-
Write off of trade receivable	91	-	-	-
Write off of inventory	57	-	-	-
Write off of bank balances	35	-	4	-

10. INCOME TAX

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000
Income tax				
Current period	63	-	-	-
	63	-	-	-
Deferred tax (Note 16)				
Current period	(72)	-	1	-
Overprovision in prior year	(7)	-	(2)	-
	(79)	-	(1)	-
Income tax credit	(16)	-	(1)	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% assessable profit for the period

The reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the period ended 30 June 2021 and 31 December 2019 are as follows:

	Group		Company	
	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000	Period from 01/01/2020 to 30/06/2021 RM'000	Year ended 31/12/2019 RM'000
Profit/(Loss) before tax	427	313	(193)	23
Taxation at Malaysian statutory tax rate of 24%	102	75	(46)	6
Expenses not deductible for tax purposes	286	-	29	2
Deferred tax assets not recognised during the period (note 16)	-	-	18	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(397)	(75)	-	(8)
Over provision of deferred tax in prior periods	(7)	-	(2)	-
Income tax credit	(16)	-	(1)	-

11. EARNINGS PER SHARE

(a) Basic

Basis earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period, as follows:

	Group	
	As at 30/06/2021 RM'000	As at 31/12/2019 RM'000
Consolidated profit attributable to equity holders of the Company	451	314
Weighted average number of ordinary shares in issue ('000)	82,000	82,000
Basic earning per share (cents)	0.55	0.38
Continuing operations		
Consolidated loss attributable to equity holders of the Company	(9,707)	314
Weighted average number of ordinary shares in issue ('000)	82,000	82,000
Basic earning per share (cents)	(11.84)	0.38
Discontinued operations		
Consolidated profit attributable to equity holders of the Company	10,158	-
Weighted average number of ordinary shares in issue ('000)	82,000	-
Basic earning per share (sen)	12.39	-

11. EARNINGS PER SHARE (CONT'D)**(b) Diluted**

Diluted earning per share is calculated by dividing the profit/(loss) for the period attributable to equity holders of the parent Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	As at 30/06/2021 RM'000	As at 31/12/2019 RM'000
Consolidated profit attributable to equity holders of the Company	451	314
Weighted average number of ordinary shares in issue ('000)	97,000	97,000
Basic earning per share (cents)	0.46	0.32
Continuing operations		
Consolidated loss attributable to equity holders of the Company	(9,707)	314
Weighted average number of ordinary shares in issue ('000)	97,000	97,000
Basic earning per share (cents)	(10.01)	0.32
Discontinued operations		
Consolidated profit attributable to equity holders of the Company	10,158	-
Weighted average number of ordinary shares in issue ('000)	97,000	-
Basic earning per share (sen)	10.47	-

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2019
	RM'000	RM'000
Unquoted shares, at cost	49,350	51,350
Less: Accumulated impairment loss	(13,815)	(15,815)
	35,535	35,535

(a) Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest	
			2021	2019
			%	%
PJBumi Composites Sdn. Bhd. (Insolvent)	Manufacture and sale of Fibre Reinforced Plastic ("FRP") Sewerage treatment plants and other FRP products	Malaysia	100	100
PJBumi Waste Management Sdn. Bhd.	Investment holding, solid waste management, garbage collection, area cleaning and other related activities	Malaysia	100	100
PJBumi Heavy Engineering & Services Sdn. Bhd.	After-sales support services including connecting works of FRP tanks and mechanical and electrical equipment, providing maintenance, upgrading and/or rectification works, desludging works and sludge treatment	Malaysia	100	100
PJBumi Construction Sdn. Bhd.	Undertake works for civil, mechanical, electrical and erection engineering	Malaysia	100	100
PJBumi Resources Sdn. Bhd.	Commodity trading, industrial products products trading and marketing services	Malaysia	100	100
Goldix Resources Sdn. Bhd.	Investment holding	Malaysia	70	70
Subsidiary of PJBumi Waste Management Sdn. Bhd.				
Kemudi Majujaya Sdn. Bhd.	Trading, investment holding and property	Malaysia	100	100

12. INVESTMENT IN SUBSIDIARIES (CONT'D)**(b) Non-controlling interests in a subsidiary**

The Company's non-wholly owned subsidiary is Goldix Resources Sdn Bhd where 30% equity interest and voting rights are held by non-controlling interests. The details of profit allocated to the non-controlling interests during the financial year as at the end of the reporting period are as follows:-

	Group	
	2021	2019
	RM	RM

Allocated to non-controlling interests:

- Loss for the year	8,226	(890)
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Summarised financial information of Goldix Resources Sdn Bhd is set out below. The summarised financial information is presented before inter-company eliminations.

Summarised assets and liabilities

	2021	2019
	RM	RM
Current assets	1,006,917	1,006,917
Current liabilities	300,997	273,577
Net assets	705,920	733,340

Summarised profit or loss and other comprehensive income

	Period from 1/1/2020 to 30/06/2021 RM'000	Year Ended 31/12/2019 RM'000
Loss for the year	(27,420)	(2,965)

(c) Deconsolidation of a subsidiary due to winding up

During the year, the Company has deconsolidated a wholly-owned subsidiary, namely PJ Bumi Composites Sdn. Bhd. due to winding up with profit from deconsolidation of RM10,158,000 being recognised in profit or loss.

On 8 January 2020, PJ Bumi Composites Sdn. Bhd., a subsidiary of the Company was under court order winding up pursuant to Section 465(1)(e) of the Companies Act, 2016 as the Company is unable to pay its debts.

A gain of RM10,158,000 resulted from the loss of control of subsidiary recognised in the profit or loss of the Group.

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Deconsolidation of a subsidiary due to winding up (cont'd)

The effect of the loss of control of PJ Bumi Composites Sdn. Bhd on the financial position of the Group as at date of disposal was as follows:

	PJ Bumi Composites Sdn Bhd RM'000
Inventories	125
Trade and other receivables	8,297
Cash and bank balances	22
Deferred tax liabilities	(128)
Trade and other payables	(16,076)
Tax liabilities	(2,407)
Net liabilities disposed	(10,167)
Gain on disposal of subsidiary	10,167
Proceeds from disposal	-
Less: Cash and cash equivalents disposed	(22)
Net cash outflows from disposal	(22)

13. PROPERTY, PLANT AND EQUIPMENT**Group**

	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
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As at 30 June 2021**Cost**

At 1 January 2020	4,294	1,349	5,643
Addition	21	-	21
Transfer to investment property	-	-	-
At 30 June 2021	4,315	1,349	5,664

Accumulated depreciation and impairment loss**At 1 January 2020**

Accumulated depreciation	4,239	1,346	5,585
Depreciation for the year	29	3	32
Transfer to investment property	-	-	-
At 30 June 2021	4,268	1,349	5,617

Net carrying amount

At 30 June 2021	47	-	47
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The Group net book value of motor vehicles under finance lease arrangement is RM Nil (2019 : RM3)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Group (cont'd.)**

	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
As at 31 December 2019				
Restated				
Cost				
At 1 January 2019	233	4,295	1,349	5,877
Write off	-	(1)	-	(1)
Transfer to investment property	(233)	-	-	(233)
At 31 December 2019	-	4,294	1,349	5,643
Accumulated depreciation and impairment loss				
At 1 January 2019				
Accumulated depreciation	176	4,216	1,340	5,732
Depreciation for the year	3	23	6	32
Transfer to investment property	(179)	-	-	(179)
At 31 December 2019	-	4,239	1,346	5,585
Net carrying amount				
At 31 December 2019	-	55	3	58

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Company**

	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
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As at 30 June 2021**Cost**

At 1 January 2020	2,189	726	2,915
Addition	21	-	21
Transfer to investment property	-	-	-
At 30 June 2021	2,210	726	2,936

Accumulated depreciation and impairment loss

At 1 January 2020			
Accumulated depreciation	2,152	726	2,878
Depreciation for the year	19	-	19
Transfer to investment property	-	-	-
At 30 June 2021	2,171	726	2,897

Net carrying amount

At 30 June 2021	39	-	39
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company (cont'd)

	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
As at 31 December 2019				
Restated				
Cost				
At 1 January 2019	233	2,190	726	3,149
Write off	-	(1)	-	(1)
Transfer to investment property	(233)	-	-	(233)
At 31 December 2019	-	2,189	726	2,915
Accumulated depreciation				
At 1 January 2019				
Accumulated depreciation	176	2,139	726	3,041
Depreciation for the year	3	13	-	16
Transfer to investment property	(179)	-	-	(179)
At 31 December 2019	-	2,152	726	2,878
Net carrying amount				
At 31 December 2019	-	37	-	37

14. INVESTMENT PROPERTIES

	Group and Company	
	As at 30/06/2021 RM'000	As at 31/12/2019 RM'000 Restated
Cost		
At 1 January	12,713	12,480
Transfer from property, plant and equipment	-	233
At 30 June / 31 December	12,713	12,713
Accumulated depreciation and impairment loss		
At 1 January		
- Accumulated amortisation	2,004	1,825
Transfer from property, plant and equipment	-	179
At 31 December		
- Accumulated amortisation	2,004	2,004
Net carrying amount	10,709	10,709
Fair value of investment properties	10,709	10,709

Included in the above are:

	Group and Company	
	As at 30/06/2021 RM'000	As at 31/12/2019 RM'000 Restated
Freehold land	4,798	4,798
Building	5,911	5,911
	10,709	10,709

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

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly investment properties are stated at cost less accumulated depreciation and any accumulated impairment loss, if any.

There are three properties owned by the Company, two of the are located in Sungai Petani Industrial area in Kedah and one shoplot unit located in Taman Setiawangsa, Kuala Lumpur.

The valuation of investment properties were prepared by a qualified external valuer using a comparative method of valuation. The valuation was performed on 15 March 2013. The Group has accessed on the current valuation of the properties and the Directors are of the opinion that the value of properties do not vary significantly than the last valuation and no impairment made to the properties.

15. RIGHT-OF-USE-ASSETS

As a lessee

The Group and the Company have long term lease of equipment of five (5) years which the lease term is more than 12 months. The lease is non cancellable and the payment is RM850 per month.

Other lease related to premise is having the lease term of 12 months or less. Therefore the Group and the Company apply the 'short term lease' recognition exemptions for this lease.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year.

	Group and Company	
	As at	Total
	30/06/2021	
	RM'000	RM'000
As at 1 January 2020, upon adoption of MFRS 16	44	44
Depreciation	(25)	(25)
As at 30 June 2021	19	19

16. DEFERRED TAX (ASSETS)/LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2019	2021	2019	2021	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	-	-	3	8,668	3	8,668
Unabsorbed capital allowance	(4)	(833)	-	-	(4)	(833)
Provision for doubtful debt	(74)	-	-	-	(74)	-
Unutilised tax losses	(176)	(7,879)	-	-	(176)	(7,879)
	(254)	(8,712)	3	8,668	(251)	(44)

16. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The components and movement of deferred tax liabilities and assets during the year prior to offsetting are as follows (stated at gross):

Deferred tax assets of the Group:

	Unabsorbed Capital Allowance RM'000	Provision for doubtful debt RM'000	Unutilised tax losses RM'000	Total RM'000
At 1 January 2019	(833)	-	(7,879)	(8,712)
Recognised in profit and loss	-	-	-	-
At 31 December 2019	(833)	-	(7,879)	(8,712)
Recognised in profit and loss	4	(74)	-	(70)
Loss of control of subsidiary	825	-	7,703	8,528
At 30 June 2021	(4)	(74)	(176)	(254)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000
At 1 January 2019	8,668
Recognised in profit and loss	-
At 31 December 2019	8,668
Recognised in profit and loss	(9)
Loss of control of subsidiary	(8,656)
At 30 June 2021	3

Deferred tax liabilities of the Company:

	Property, plant and equipment RM'000
At 1 January 2019	2
Recognised in profit and loss	-
At 31 December 2019	2
Recognised in profit and loss	(1)
At 30 June 2021	1

16. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

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

	Company	
	2021	2019
	RM'000	RM'000
Property, plant and equipment	-	1
Unutilised business losses	56	-
Unabsorbed capital allowances	18	-
	74	1

Deferred tax asset have not been recognised in respect of the items because it is not probable that future taxable profit will be available against which the Company and its subsidiaries can utilise the benefits.

The unutilised business losses, unabsorbed capital allowances and other deductible temporary differences are available indefinitely for offset against future taxable profits subject to no substantial change in shareholdings of the Company and the respective subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967.

17. GOODWILL ON CONSOLIDATION

	Group	
	2021	2019
	RM'000	RM'000

Cost

At the beginning of the period/year	15,313	15,313
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Goodwill acquired in business combinations is allocated, at acquisition, to cash-generating units ("CGU") that are expected to benefit from the business combinations. The carrying amount of goodwill has been allocated to the investment in Goldix Resources Sdn. Bhd.

The recoverable amount of CGU is determined base on value-in-use, which apply a discounted cash flow model using cash flow projections based on financial budget and projections approved by management.

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projection

The three-year cash flow projections are based on the most recent budget approved by the management.

(ii) Discount rate

The discount rate of 7.52% is applied to the cash flow projections. The discount rate was based on the Group's weighted average cost of capital. The Group believes that any reasonably possible change in the above key assumptions applied are not likely to materially cause recoverable amount to be lower than its carrying amount.

There is no impairment made on goodwill in period ended 2021 since the recoverable amount is more than its carrying amount.

18. INVENTORIES

	Group	
	2021	2019
	RM'000	RM'000

At cost:

Tools and accessories

-	180
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19. RECEIVABLES

	Note	Group	
		2021	2019
		RM'000	RM'000

Trade

Trade receivables

19.1 **5,721** 11,004

Less: Allowance for expected credit loss

19.3 **(3,589)** (4,696)**2,132** 6,308**Non-trade**

Other receivables

2,405 2,671

Less: Allowance for expected credit loss

(204) (204)**2,201** 2,467

Deposits

136 388

Prepayments

203 207**2,540** 3,062

Total trade and other receivables

4,672 9,370

		Company	
	Note	2021	2019
		RM'000	RM'000

Trade

Trade receivables

19.1 **493** 493

Less: Allowance for expected credit loss

19.3 **(493)** (493)**-** -**Non-trade**

Amounts due from subsidiaries

19.2 **1,516** 1,344

Other receivables

1 19

Deposits

51 151

Total trade and other receivables

1,568 1,514**Note 19.1**

The Group's and the Company's normal trade credit term is 30 to 60 days (2019: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has significant concentration of credit risk from a group and a single customer. As at 30 June 2021, included in trade receivables is an amount owing from a group and a single customer amounting to RM1,700,570 (2019: RM3,368,650).

19. RECEIVABLES (CONT'D)

Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables are as follows:

	Group	
	2021	2019
	RM'000	RM'000
Neither past due nor impaired	31	390
1 to 30 days past due not impaired	8	50
31 to 60 days past due not impaired	10	53
61 to 90 days past due not impaired	7	48
91 to 120 days past due not impaired	11	43
More than 121 days past due not impaired	2,065	5,724
	2,132	6,308
Impaired	3,589	4,696
	5,721	11,004

	Company	
	2021	2019
	RM'000	RM'000
Neither past due nor impaired	-	-
More than 121 days past due not impaired	-	-
Impaired	493	493
	493	493

Receivables that are neither past due nor impaired

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

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,714,251 (2019: RM5,918,666) that is past due at the reporting date but not impaired and are unsecured in nature. Trade receivables that are past due but not impaired are creditworthy debtors, who by past trade practice, have paid after the expiry of the trade credit terms. The Group does not anticipate recovery problem in respect of these debtors.

19. RECEIVABLES (CONT'D)Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

	Group	
	Individually impaired	
	2021	2019
	RM'000	RM'000
Trade receivables - nominal account	3,589	4,696
Less: Allowance for impairment	(3,589)	(4,696)
	-	-

Note 19.2

The amount due from subsidiaries are in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

Note 19.3

The movement of allowance accounts used to record the individual impairment are as follows:

	Group	
	2021	2019
	RM'000	RM'000
As at 1 January	4,696	4,612
Doubtful debt recovered	(2)	-
Loss of control of subsidiary	(3,675)	-
Charge for the year	2,570	84
As at 30 June/31 December	3,589	4,696

	Company	
	2021	2019
	RM'000	RM'000
As at 1 January	493	422
Charge for the year	-	71
As at 30 June/ 31 December	493	493

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

20. SHARE CAPITAL AND RESERVES**Share capital**

	Group and Company	
	Number of ordinary shares	
	2021	2019
	000 unit	000 unit

Issued and fully paid:

At the beginning of the year	82,000	82,000
At the end of the period/year	82,000	82,000

	Amount	
	2021	2019
	RM'000	RM'000

Issued and fully paid:

At the beginning of the year	44,473	44,473
At the end of the period/year	44,473	44,473

Reserves

	Note	Group		Company	
		2021	2019	2021	2019
		RM'000	RM'000	RM'000	RM'000
Accumulated losses		(24,386)	(26,841)	(25,985)	(25,793)
Non-distributable:					
Revaluation reserve	(a)	4,694	4,694	2,694	2,694
Warrant reserve	(b)	81	81	81	81
		4,775	4,775	2,775	2,775
Loss of control of subsidiary		(2,000)	-	-	-
		2,775	4,775	2,775	2,775

20. SHARE CAPITAL AND RESERVES (CONT'D)**(a) Revaluation reserve**

The revaluation reserve relates to the revaluation of property, plant and equipment and investment property.

(b) Warrant reserve

The salient point of the warrants are as follows:

- i. Total number of warrant issued : 14,999,996
- ii. Total number of warrant outstanding : 14,999,996
- iii. Exercise period : The exercise period is any time within a period of 5 years from the date issue up to the expiry date of 5 July 2022.
- iv. Exercise price per warrant : RM0.50 each and subject to adjustments (where applicable) with the conditions provided in Deed Pool.
- v. Warrant entitlement : Each warrant entitles the warrant holder during the exercise period to subscribe for every ten (10) existing shares held.

21. PAYABLES

	Note	Group 2021 RM'000	2019 RM'000
Current			
Trade			
Trade payables	21.1	934	2,423
Non-trade			
Other payables		2,082	2,201
Accrued expenses		796	756
		3,812	5,380
Non-current			
Non-trade			
Amount due to a director	21.2	1,001	2,314

21. PAYABLES (CONT'D)

	Note	Company 2021 RM'000	2019 RM'000
Current			
Non-trade			
Other payables		1,347	1,431
Accrued expenses		404	315
Amount due to subsidiaries	21.3	21,484	20,765
		23,235	22,511
Non-current			
Non-trade			
Amount due to a director	21.2	1,001	1,509

Note 21.1

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and to the Company range from 30 days to 60 days.

Note 21.2

The amount due to a director, Adlin bin Shaharudin is in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

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

Note 21.3

The amount due to subsidiaries is in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

22. LEASE LIABILITY

	Group and Company 2021 RM'000
Minimum lease payments:	
- Not later than 1 year	10
- Later than one year but not later than 5 years	11
Less: Future finance charges on finance lease	(1)
	20
Present value of lease liability	
- Not later than 1 year	9
- Later than one year but not later than 5 years	11
	20

23. SEGMENTAL REPORTING

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purpose of resource and allocation and assessment of segment performance.

Accordingly, the Group's reportable segments under MFRS 8 are as follows:

- | | | | |
|------|-----------------------------------|---|--|
| (i) | Manufacturing & Trading | - | manufacturing and sale of Fibre Reinforced Plastic ("FRP"), Reinforced Concrete Sewerage Treatment Plants ("STP") and Underground Storage Tanks ("UST") |
| (ii) | Operation, Maintenance and design | - | provision of after-sales support services including connecting works of fibre plastic tanks and mechanical and engineering equipment, providing maintenance, upgrading and/or rectification works, desludging works and sludge treatment |

Accordingly, the Group's reportable segments under MFRS 8 are as follows:

- | | | | |
|-------|------------------------------|---|---|
| (iii) | Waste management services | - | solid waste management, garbage collection, area cleaning, dump processing and other waste related activities |
| (iv) | Construction & Project | - | undertake construction works for civil, mechanical, electrical and erection engineering |
| (v) | Resources, Commodity Trading | - | commodity trading and other related business |
| (vi) | Investment | - | investment holding and management services |

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.4 (s). Segment results represent profit or loss before finance costs, interest income and tax expense. Inter-segment transactions are entered into in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

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

Segment liabilities

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

23. SEGMENTAL REPORTING (CONT'D)

Business segment

	Manufacturing & Trading RM'000	Operation, maintenance and design RM'000	Waste management RM'000	Construction & Project RM'000	Resources & Commodity Trading RM'000	Investment RM'000	Adjustments and Eliminations RM'000	Consolidation - continuing operations RM'000	Discontinued operation RM'000
External customers	-	5,504	1,740	800	9,844	-	-	17,888	-
	-	5,504	1,740	800	9,844	-	-	17,888	-
Segment results	11	(380)	(7,711)	(1,721)	264	(189)	10,158	(9,726)	10,158
Finance costs	-	-	-	-	-	(5)	-	(5)	-
Interest income	-	-	-	-	-	-	-	-	-
Profit before tax	11	(380)	(7,711)	(1,721)	264	(194)	10,158	(9,731)	
Tax credit/(expenses)	-	68	8	1	(63)	2	-	16	
Profit for the year	11	(312)	(7,703)	(1,720)	201	(192)	10,158	(9,715)	

Period from 1/1/2020 to

30/06/2021

Segment Revenue

23. SEGMENTAL REPORTING (CONT'D)

Business segment (cont'd)

	Manufacturing & Trading RM'000	Operation, maintenance and design RM'000	Waste management services RM'000	Construction & Project RM'000	Resources & Commodity Trading RM'000	Investment RM'000	Eliminations RM'000	Consolidated RM'000
Year ended 31/12/2019								
Segment Revenue								
External customers	46	5,466	1,846	-	5,274	-	-	12,632
	46	5,466	1,846	-	5,274	-	-	12,632
Segment results	(102)	92	132	130	37	23	-	312
Finance costs	-	-	-	-	-	-	-	-
Interest income	-	-	1	-	-	-	-	1
Profit before tax	(102)	92	133	130	37	23	-	313
Tax expense	-	-	-	-	-	-	-	-
Profit for the year	(102)	92	133	130	37	23	-	313

23. SEGMENTAL REPORTING (CONT'D)

Business segment (cont'd)

	Manufacturing & Trading RM'000	Operation, maintenance and design RM'000	Waste management services RM'000	Construction & Project RM'000	Resources & Commodity Trading RM'000	Investment RM'000	Adjustments Eliminations RM'000	Consolidation - continuing operations RM'000	Discontinued operations RM'000
As at 30 June 2021									
Deferred tax assets	-	252	-	-	-	-	-	252	-
Segment assets	8,550	1,023	25,118	1,224	808	47,935	(53,795)	30,863	8,458
Total assets	8,550	1,275	25,118	1,224	808	47,935	(53,795)	31,115	8,458
Tax liabilities	-	-	737	(9)	63	2,413	-	3,204	2,407
Deferred tax liabilities	-	-	-	-	-	1	-	1	128
Segment liabilities	16,291	814	1,730	2,298	642	24,257	(41,198)	4,834	16,081
Total liabilities	16,291	814	1,730	2,298	642	24,257	(41,198)	8,039	18,616
Included in the measure of segment assets are additions to non-current assets other than financial instruments and deferred tax assets									
Depreciation of property, plant and equipment	-	6	6	1	-	19	-	32	-
Right-of-use assets	-	-	-	-	-	19	-	19	-
Included in the measure of segment liabilities are additions to non-current liabilities and current liabilities other than financial instruments and deferred tax liabilities									
Lease liability	-	-	-	-	-	20	-	20	-

23. SEGMENTAL REPORTING (CONT'D)

Business segment (cont'd)

	Manufacturing & Trading RM'000	Operation, maintenance and design RM'000	Waste management services RM'000	Construction & Project RM'000	Resources & Commodity Trading RM'000	Investment RM'000	Eliminations RM'000	Consolidated RM'000
As at 31 December 2019								
Deferred tax assets	-	184	-	-	-	-	-	184
Segment assets	8,447	1,477	33,623	1,686	413	48,898	(58,719)	35,825
Total assets	8,447	1,661	33,623	1,686	413	48,898	(58,719)	36,009
Tax liabilities	2,413	2,407	737	(9)				5,548
Deferred tax liabilities	128		9	1		2		140
Segment liabilities	16,076	889	2,651	1,771	510	24,295	(38,498)	7,694
Total liabilities	16,076	889	2,651	1,771	510	24,295	(38,498)	13,382

Other segment information

Depreciation of property, plant and equipment	3	5	7	1	-	16	-	32
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23. SEGMENTAL REPORTING (CONT'D)

Business segment (cont'd)

Nature of elimination to arrive amount reported in the consolidated financial statements:

- a) Inter-segment revenue is eliminated in consolidation statements
- b) Inter-segment expenses are eliminated on consolidation; and
- c) Inter-segment assets and liabilities are eliminated on consolidation.

Major customers

The following are major customers with revenue equal or more than 10% of the Group's revenue:

	Revenue		Segment
	2021 RM'000	2019 RM'000	
- Customer A	1,111	1,846	Waste management services
- Customer B	9,263	5,274	Resources, Commodity trading trading
- Customer C	800	4,877	Construction & Project

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 30 June 2021 categorised as Amortised Cost ("AC"). The details as follows:

As at 30 June 2021	Carrying amount RM'000	AC RM'000
Financial assets		
Group		
Trade and other receivables	4,672	4,672
Cash and bank balances	101	101
	4,773	4,773
Company		
Trade and other receivables	1,568	1,568
Cash and bank balances	62	62
	1,630	1,630
Financial liabilities		
Group		
Trade and other payables	4,813	4,813
Company		
Trade and other payables	24,236	24,236

24. FINANCIAL INSTRUMENTS (CONT'D)**24.1 Categories of financial instruments (cont'd)**

The table below provides an analysis of financial instruments as at 31 December 2019 categorised as follows:

As at 31 December 2019	Carrying amount RM'000	AC RM'000
Financial assets		
Group		
Trade and other receivables	9,370	9,370
Cash and bank balances	195	195
	<u>9,565</u>	<u>9,565</u>
Company		
Trade and other receivables	1,514	1,514
Cash and bank balances	95	95
	<u>1,609</u>	<u>1,609</u>
Financial liabilities		
Group		
Trade and other payables	7,694	7,694
	<u>7,694</u>	<u>7,694</u>
Company		
Trade and other payables	24,020	24,020

24.2 Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Managing Director and Group Financial Controller. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk primarily arises from its trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position and financial guarantee to a bank in respect of banking facility granted to an affiliated company.

24. FINANCIAL INSTRUMENTS (CONT'D)**24.2 Financial risk management objectives and policies (cont'd)****(i) Credit risk (cont'd)**

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all new customers who wish to trade on credit terms are subject to credit evaluation procedures. In addition, receivable balances are monitored on an ongoing basis to minimise the Company's exposure to bad debts.

The Group has significant concentration of credit risk from a group and a single customer. As at 30 June 2021, included in trade receivables is an amount owing from a group and a single customer amounting to RM1,700,570 (2019: RM3,368,650).

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities. This include maintains adequate cash and cash equivalent by the management to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The repayment schedule of most defaulted banking facilities of the Group and of the Company have been restructured in the previous years. The Group actively manages its operating cash flows so as to ensure that all repayment and funding needs are met.

Analysis of financial instruments by remaining contractual maturity

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

As at 30 June 2021	On demand RM'000	Within 1 year RM'000	Within 1 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
Financial liabilities:						
Group						
Trade payables	934	-	-	-	934	934
Other payables	2,878	-	1,001	-	3,879	3,879
	3,812	-	1,001	-	4,813	4,813
Company						
Other payables	23,235	-	1,001	-	24,236	24,236

24. FINANCIAL INSTRUMENTS (CONT'D)**24.2 Financial risk management objectives and policies (cont'd)****(ii) Liquidity risk (cont'd)**

Analysis of financial instruments by remaining contractual maturity (cont'd)

As at 31 December 2019	On demand RM'000	Within 1 year RM'000	Within 1 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
Financial liabilities:						
Group						
Trade payables	2,423	-	-	-	2,423	2,423
Other payables	2,957	-	2,314	-	5,271	5,271
	5,380	-	2,314	-	7,694	7,694
Company						
Other payables	22,511	1,509	1,509	-	25,529	25,529

(iii) Interest rate risk

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

The Group's and the Company's has no exposure to interest rate risk since the all borrowings has been settled.

24.3 Fair value information

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

It is not practical to estimate the fair value of the Company's investment in unquoted shares due to lack of active market to determine reliably the fair value of the financial asset. The carrying amount of other financial assets and liabilities recognised in the statements of financial position approximate their fair values.

24. FINANCIAL INSTRUMENTS (CONT'D)**24.3 Fair value information (cont'd)**

The following table presents the Group's and the Company's financial assets and liabilities that are measured at fair value as at 30 June 2021 and 31 December 2019 into three different levels as defined below:

	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000
Financial assets				
As at 30 June 2021				
Group				
Trade and other receivables	-	-	4,672	4,672
Cash and bank balances	-	-	101	101
	-	-	4,773	4,773
Company				
Investment in subsidiaries	-	-	35,535	35,535
Trade and other receivables	-	-	1,568	1,568
Cash and bank balances	-	-	62	62
	-	-	37,165	37,165
As at 31 December 2019				
Group				
Trade and other receivables	-	-	9,370	9,370
Cash and bank balances	-	-	195	195
	-	-	9,565	9,565
Company				
Investment in subsidiaries	-	-	35,535	35,535
Trade and other receivables	-	-	1,514	1,514
Trade and other balances	-	-	95	95
	-	-	37,144	37,144

24. FINANCIAL INSTRUMENTS (CONT'D)**24.3 Fair value information (cont'd)**

		Fair value of financial instruments not carried at fair value			Carrying amount
		Level 1	Level 2	Level 3	
		RM'000	RM'000	RM'000	RM'000
Financial liabilities					
As at 30 June 2021					
Group					
Trade and other payables	-	-	4,813	4,813	
	-	-	4,813	4,813	
Company					
Trade and other payables	-	-	24,236	24,236	
	-	-	24,236	24,236	
As at 31 December 2019					
Group					
Trade and other payables	-	-	7,694	7,694	
	-	-	7,694	7,694	
Company					
Trade and other payables	-	-	24,020	24,020	
	-	-	24,020	24,020	

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial year.

(ii) Level 1 fair value

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

(iii) Level 2 fair value

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

Non-derivative financial instruments

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

24. FINANCIAL INSTRUMENTS (CONT'D)

24.3 Fair value information (cont'd)

(iv) Level 3 fair value

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

The fair value of finance lease liabilities is calculated using discounted cash flows where the market rate of interest is determined by reference to similar lease arrangements.

25. SIGNIFICANT EVENTS DURING THE PERIOD

a) Liquidation on PJ Bumi Composites Sdn. Bhd.

On 8 January 2020, PJ Bumi Composites Sdn. Bhd., a wholly-owned subsidiary of the Company, has been winding up ordered by the court pursuant to Section 465(1)(e) of the Companies Act, 2016 as the Company is unable to pay its debts.

This is due to the winding up was filed by Lembaga Hasil Dalam Negeri (LHDN) as PJ Bumi Composites is unable to pay the amount owed to LHDN. The inability to pay the debt by PJ Bumi Composites pursuant to the Section 466(1)(a) 'a company shall be deemed to be unable to pay its debts if the Company is indebted in a sum exceeding the amount as may be prescribed by the Minister, and the company has for twenty-one days after the service of the demand neglected to pay the sum.

b) Covid-19 Outbreak

On 18 March 2020, the Government of Malaysia had imposed the country the Movement Control Order (MCO) due to the COVID-19 and has subsequently entered into various phases of the MCO to curb the spread of the COVID-19. The businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services which have triggered significant disruptions to business and resulting in an economic slowdown. In response to significant decreases in demand amidst the COVID-19 outbreak, the Group had decided to temporarily reduce its workforce by 2 positions since June 2020.

Other expected financial effects from the continuous MCO will be the deliverables of the Group's products and services which gave negative impact due to temporary suspension of all economic and construction activities. The Group however had taken some measurements to minimize the losses including negotiation with customers to replace the service and maintenance works within the same financial year. The Group and the Company will continue to monitor the Covid-19 pandemic situation and will take action as necessary.

The Group has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 June 2021 have not been adjusted to reflect the above impact.

26. RESTATEMENT

	As previously reported RM'000	Restatement RM'000	As restated RM'000
Group			
Property, plant and equipment	59	(1)	58
Investment in subsidiaries	10,708	1	10,709
Company			
Property, plant and equipment	38	(1)	37
Investment in subsidiaries	10,708	1	10,709

27. RELATED PARTIES**Identity of related parties**

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

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

The Group has related party relationship with its key management personnel. (See note 7).

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is the total debt divided by total capital plus total debt. Total debt includes trade and other payables, loans and borrowings. Total Capital of the Group represents equity attributable to owners of the parent.

The debt to equity ratio as at 30 June 2021 and 31 December 2019 are as follows:

	Note	2021 RM'000	2019 RM'000
Trade and other payables	21	3,812	5,380
Total debts		3,812	5,380
Equity attributable to owners of the parent		22,862	22,407
Capital and total debts		26,674	27,787
Gearing ratio		0.14	0.19

PROPERTIES HELD BY THE GROUP

No	Address	Description	Sq.Ft	Existing use	Tenure	Age of building	*Net book value
1.	Lot 46-1 Jalan Setiawangsa 11A Taman Setiawangsa 54200 Kuala Lumpur	Building	1,000	Rented	Freehold	29 years	52,543
2.	Plot 2, PT60593 08000 Sungai Petani Kedah Darul Aman	Factory Land and Building	201,716	Factory	Malay Reserve	21 years	8,255,342
3	Plot 3, PT60594 08000 Sungai Petani Kedah Darul Aman	Land	200,351	Vacant	Malay Reserve	-	2,400,000

SHAREHOLDINGS ANALYSIS

AS AT 29 SEPTEMBER 2021

Issued share capital : RM41,000,000.00
 Class of shares : Ordinary shares
 Voting Rights : One vote per ordinary share

CLASSIFICATION OF SHAREHOLDERS

Category of Shareholders	Malaysian		Foreign	
	No. of shares	%	No. of shares	%
1. Individual	19,039,181	23.22	57,009	0.07
2. Body Corporate				
a. Banks / Finance Companies	63,400	0.08	-	-
b. Private / Limited Company	41,931,400	51.13	6,000,000	7.32
3. Nominees	8,428,810	10.28	6,480,200	7.90
	69,462,791	84.71	12,537,209	15.29

Size of shareholdings	No. of shareholders	No. of shares	% of shareholdings
<100	15	666	0.00
100 -1,000	244	178,600	0.22
1,001 – 10,000	503	2,750,506	3.35
10,001 – 100,000	294	9,330,300	11.38
100,001 - < 5% issued shares	61	22,457,628	27.39
5% and above of issued shares	5	47,282,300	57.66
	1,122	82,000,000	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	No. of shares held		
		%	Deemed Interest	%
EMEF Technology Sdn Bhd	15,169,000	18.50	-	-
Panama Ventures Sdn Bhd	10,028,600	12.23	-	-
Tanjung Setara Sdn Bhd	8,542,900	10.42	-	-
Veto Growth Sdn. Bhd.	7,428,500	9.06	-	-
Citigroup Nominees (Asing) Sdn Bhd - Exempt an for Bank of Singapore Limited (Foreign)	6,113,300	7.46	-	-
CMA i Capital Sdn Bhd			*15,169,000	18.50
Adlin bin Shaharudin			**15,169,000	18.50

DIRECTORS' SHAREHOLDINGS

Name	Direct Interest	No. of shares held		
		%	Deemed Interest	%
Adlin bin Shaharudin	-	-	**15,169,000	18.50
Ahmad bin Md Daud	-	-	-	-
Nik Md Nor Suhaimi bin Nik Ibrahim	-	-	-	-
Abd Rahim bin Embi	-	-	-	-

Notes :

* Deemed interested by virtue of holding substantial interest in the shares of EMEF Technology Sdn Bhd

** Deemed interested by virtue of holding substantial interest in the shares of CMA i Capital Sdn Bhd

SHAREHOLDINGS ANALYSIS (CONT'D)

30 LARGEST SHAREHOLDERS AS AT 29 SEPTEMBER 2021

No.	Shareholders	Shareholding	%
1.	EMEF TECHNOLOGY SDN BHD	15,169,000	18.50
2.	PANAMA VENTURES SDN BHD	10,028,600	12.23
3.	TANJUNG SETARA SDN BHD	8,542,900	10.42
4.	VETO GROWTH SDN BHD	7,428,500	9.06
5.	CITIGROUP NOMINEES (ASING) SDN BHD - EXEMPT AN FOR BANK OF SINGAPORE LIMITED	6,113,300	7.45
6.	TMF TRUSTEES MALAYSIA BERHAD - PANAMA VENTURES SDN BHD	2,314,300	2.82
7.	TMF TRUSTEES MALAYSIA BERHAD - TANJUNG SETARA SDN BHD	1,971,400	2.40
8.	TMF TRUSTEES MALAYSIA BERHAD - VETO GROWTH SDN BHD	1,714,300	2.10
9.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	1,586,300	1.93
10.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR AB GHASUS BIN ISMAIL (551010)	1,022,600	1.25
11.	HLB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEONG WYE KEONG	810,700	0.99
12.	ASTRA TAIWAN SDN BHD	555,200	0.68
13.	AMERJEET SINGH A/L NAIB SINGH	551,800	0.67
14.	MOKHSEN BIN IBRAHIM	525,828	0.64
15.	NG KIEN TIONG	453,000	0.55
16.	MOHD NOOR BIN BIDIN	451,000	0.55
17.	LIM YAW JENN	450,000	0.55
18.	LIM LIEW HONG	400,000	0.49
19.	HOW YIT LIN @ HO YUET LING	400,000	0.49
20.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR TEH ENG HUAT (M01)	385,000	0.47
21.	SIM HEOK HOO	375,600	0.46
22.	SOON KHIAT VOON	367,000	0.45
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MOHD YUNUS BIN MOHD TASI	365,900	0.45
24.	SELVARAJA A/L KRISHNAN THEVAR	360,000	0.44
25.	MOHAMAD YUNUS BIN ARIFFIN	319,300	0.39
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEW CHONG KIAT	310,000	0.38
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LOW KOK CHEW	260,000	0.32
28.	ANG YING YING	250,000	0.30
29.	ANG KIAN YOONG	250,000	0.30
30.	EIK CHU YEW	245,000	0.30
	TOTAL	63,976,528	78.03

WARRANTHOLDINGS ANALYSIS

AS AT 29 SEPTEMBER 2021

No. of Warrants in Issue : 14,999,996
 Exercise price of the Warrants : RM0.50
 Expiry date of the Warrants : 5 July 2022
 No. of Warrant Holders : 670

CLASSIFICATION OF WARRANTHOLDERS

Category of Warrantholders	Malaysian		Foreign	
	No. of warrants held	%	No. of warrants held	%
1. Individual	2,180,015	14.53	15,880	0.10
2. Body Corporate				
a. Banks / Finance Companies	1,200	0.01	-	-
b. Trusts / Foundation / Charity	1,900	0.01	-	-
c. Private / Limited Company	9,705,130	64.71	1,875,000	12.50
3. Nominees	592,551	3.95	628,320	4.19
	12,480,796	83.21	2,519,200	16.79

Size of warrantholdings	No. of warrantholders	No. of warrants	% of warrantholdings
<100	77	2,361	0.02
100 -1,000	422	142,580	0.95
1,001 – 10,000	114	409,813	2.73
10,001 – 100,000	46	1,380,352	9.20
100,001 - < 5% issued shares	7	3,422,990	22.82
5% and above of issued shares	4	9,641,900	64.28
	670	14,999,996	100.00

LIST OF SUBSTANTIAL WARRANTHOLDERS

Name	Direct Interest	No. of warrants held	
		%	Deemed Interest
Panama Ventures Sdn Bhd	3,134,000	20.90	-
Tanjung Setara Sdn Bhd	2,669,600	17.80	-
Veto Growth Sdn. Bhd.	2,321,400	15.48	-
EMEF Technology Sdn Bhd	1,516,900	10.11	-
CMA i Capital Sdn Bhd			*1,516,900
Adlin bin Shaharudin			**1,516,900

DIRECTORS' WARRANTHOLDINGS

Name	Direct Interest	No. of warrant held	
		%	Deemed Interest
Adlin bin Shaharudin	-	-	**1,516,900
Ahmad bin Md Daud	-	-	-
Nik Md Nor Suhaimi bin Nik Ibrahim	-	-	-
Abd Rahim bin Embi	-	-	-

Notes :

* Deemed interested by virtue of holding substantial interest in the shares of EMEF Technology Sdn Bhd

** Deemed interested by virtue of holding substantial interest in the shares of CMA i Capital Sdn Bhd

WARRANTHOLDINGS ANALYSIS (CONT'D)

30 LARGEST WARRANTHOLDERS AS AT 29 SEPTEMBER 2021

No.	Shareholders	Shareholding	%
1.	PANAMA VENTURES SDN BHD	3,134,000	20.90
2.	TANJUNG SETARA SDN BHD	2,669,600	17.80
3.	VETO GROWTH SDN BHD	2,321,400	15.48
4.	EMEF TECHNOLOGY SDN BHD	1,516,900	10.11
5.	TMF TRUSTEES MALAYSIA BERHAD - PANAMA VENTURES SDN BHD	723,200	4.82
6.	TMF TRUSTEES MALAYSIA BERHAD - TANJUNG SETARA SDN BHD	616,100	4.11
7.	LOK WEI SEONG	615,500	4.10
8.	CITIGROUP NOMINEES (ASING) SDN BHD - EXEMPT AN FOR BANK OF SINGAPORE LIMITED	611,330	4.07
9.	TMF TRUSTEES MALAYSIA BERHAD - VETO GROWTH SDN BHD	535,700	3.57
10.	WU SONG SEE @ GOH SONG SEE	217,700	1.45
11.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR AB GHAUS BIN ISMAIL (551010)	103,460	0.69
12.	HLB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEONG WYE KEONG	81,070	0.54
13.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR HONG WUI PHIN (E-KKU)	73,600	0.50
14.	JF APEX NOMINEES (TEMPATAN) - PLEDGED SECURITIES ACCOUNT FOR AHMAD ZAINNIE BIN ABU HASSAN (MARGIN)	66,200	0.44
15.	SUHAILA BINTI HASSAN	65,000	0.43
16.	ASTRA TAIPAN SDN BHD	55,520	0.37
17.	MOKHSEN BIN IBRAHIM	52,582	0.35
18.	WONG WAI FUN	50,000	0.33
19.	ONG JIAN LOON	50,000	0.33
20.	LAU KIM SAN	49,000	0.33
21.	LIM YAW JENN	47,010	0.31
22.	MOHD NOOR BIN BIDIN	45,100	0.30
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MOHD YUNUS BIN MOHD TASI	36,590	0.24
24.	NUR SHAZZMIRA BINTI SHAHARUDIN	34,900	0.23
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - TEE AH KIM	33000	0.22
26.	MOHAMAD YUNUS BIN ARIFFIN	31,930	0.21
27.	ONG JIAN LOON	31,000	0.21
28.	HLIB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR QUEK CHEE TECK (CCTS)	30,000	0.20
29.	SOON KHIAT VOON	30,000	0.20
30.	NORAZMAN BIN JAAFAR	30,000	0.20
	TOTAL	13,957,392	93.04

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Sixth Annual General Meeting ("36th AGM") of the Company will be held at Concorde Hotel Shah Alam, Level 1, Orchid Meeting Room, No. 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 17 December, 2021 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM1,500 for the year ended 30 June 2021.
3. To re-elect the following director retiring pursuant to the Company's Constitution, and being eligible, offered himself for re-election: -
(a) Encik Abd Rahim Bin Embi (Article 86)
4. To re-appoint Messrs Afrizan Tarmili Khairul Azhar (AFTAAS) as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

**Ordinary
Resolution 1**

**Ordinary
Resolution 2**

**Ordinary
Resolution 3**

AS SPECIAL BUSINESS

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

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 (1) AND SECTION 76 (1) OF THE COMPANIES ACT 2016**

"That pursuant to Section 75 (1) and Section 76 (1) of the Companies Act 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot new shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the issued share capital of the Company thereat AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are hereby also authorised to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so allotted."

**Ordinary
Resolution 4**

6. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA NO. 0799845)

M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA NO.0781031)

Company Secretaries

Dated: 28 October 2021
Selangor

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:-

1. For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 13 December 2021. Only a depositor whose name appears on the Record of Depositors as at 13 December 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy.
3. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member who is an exempt authorized nominee is entitled to appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorized.
6. The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
7. **Explanatory Notes To Special Businesses**

Resolution Pursuant to Section 75 (1) and Section 76 (1) of the Companies Act, 2016

The Proposed Resolution 4 is the renewal of the general mandate obtained from the shareholders at the last AGM. As at the date of this notice, the Company did not allot any share pursuant to the general mandate granted to the Directors at the 35th Annual General Meeting held on 18 September 2020.

This Ordinary Resolution 4, if passed, will empower the Directors to allot and issue ordinary shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any possible fund raising activities for future investment projects or undertakings or for working capital purpose as the Directors may in their absolute discretion deem fit.

IMPORTANT NOTICE:-

In view of the outbreak of COVID-19 which is now a global pandemic, the Company has in place rules and control for the Annual General Meeting ("AGM") in order to safeguard the health of attendees at AGM. You are requested to read and adhere to the Administrative Guide issued which is sent together with this Notice of AGM. Members are also reminded to monitor the Company's website and announcements from time to time for any changes to the AGM's arrangements.

ADMINISTRATIVE GUIDE

THIRTY-SIXTH ANNUAL GENERAL MEETING ("36TH AGM")

Day and Date : Friday, 17 December 2021
Time : 10:00 a.m.
Venue : Concorde Hotel Shah Alam, Level 1, Orchid Meeting Room, No. 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan

MEASUREMENT TO MINIMISE RISKS OF COVID-19 INFECTION

In view of the COVID-19 situation, the following steps will be taken for shareholders, proxies and others who will be attending the 36th AGM in order to minimize the risks of spreading the COVID-19 virus:

TEMPERATURE CHECKS AND FACE MASK

1. All persons attending the 36th AGM will be required to undergo a temperature check before entering the 36th AGM venue.
2. Any person who had recent travel history to overseas or any red zone areas in Malaysia during the last 14 days prior to the 36th AGM or had been in contact with a suspected or confirmed COVID-19 patient during the last 14 days prior to the 36th AGM, irrespective of nationality, will not be permitted to attend the 36th AGM.
3. Any person with a body temperature of more than 37.5 degrees Celsius and/or exhibit flu-like symptoms will not be allowed to attend the 36th AGM. Shareholders/proxies who are feeling unwell are strongly advised not to attend the 36th AGM.
4. All persons must practise proper hygiene including the use of hand sanitisers provided by the Company and are strongly advised to wear a face mask before entering the 36th AGM venue.

SOCIAL DISTANCING AND SEATING ARRANGEMENT

5. There will be door gifts and packed food served at the 36th AGM.
6. To enhance social distancing measures, the seats allocated for shareholders/ proxies at the 36th AGM venue will be maintained at a certain distance from one another as per the guidelines and/or standing operating procedure provided by the relevant governmental and/or health authorities.

7. Limitation to the number of attendees

The Company will limit the number of participants to be physically present at the 36th AGM venue to 40 based on the size of the venue. Children are not allowed to enter the meeting venue.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate up to the day of the 36th AGM of the Company, in accordance with the guidelines and/or standing operating procedure issued by the Malaysian Government and other relevant authorities in order to minimise any risk to shareholders and others attending the 36th AGM. The Company would like to thank all shareholders for their patience and co-operation in enabling us to hold our 36th AGM with the optimum safe distancing measures amidst the COVID-19 pandemic.

REGISTRATION ON THE DAY OF 36th AGM

8. Registration will commence at 9:00 a.m. and will close by 10.15 am.
9. Please present your original National Registration Identity Card (NRIC) or Passport to the registration staff for verification.
10. A wrist band will be given to you thereafter. No one will be allowed to enter the meeting room without the wrist band.
11. Registration must be done in person. No person is allowed to register on behalf of another.
12. The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

PROXY

13. A member entitled to attend and vote in the meeting is allowed to appoint proxy. Please submit your Form of Proxy in accordance with the notes and instructions printed therein.
14. The Form of Proxy is not required if you are attending as shareholder.
15. If you have submitted your Form of Proxy prior to the meeting and subsequently decided to attend the meeting in person, please proceed to the registration counter to revoke the appointment of your proxy.
16. Please ensure that the original Form of Proxy is deposited at the Company's Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the meeting time. No proof of sending of Form of Proxy will be entertained.

GENERAL MEETING RECORD OF DEPOSITORS

17. For the purpose of determining who shall be entitled to attend the 36th Annual General Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 13 December 2021 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

NO RECORDING OR PHOTOGRAPHY

18. No recording or photography of the 36th AGM proceedings is allowed without the prior written permission of the Company.

MOBILE DEVICES

19. Please ensure all mobile devices i.e. phones/other sound emitting devices are put on silence mode during the 36th AGM to ensure smooth and uninterrupted proceedings.

36TH AGM ENQUIRY

20. For any enquiry prior to the 36th AGM, please contact the following during office hours

Mega Corporate Services Sdn Bhd
Tel No.: +603 - 2692 4271
Email: sharereg@megacorp.com.my

PJBUMI BERHAD

Registration No: 198501009089 (141537-M)

FORM OF PROXY

(Before completing this form please refer to the notes below)

No. of ordinary shares held	
CDS Account No.	

I/We _____ NRIC No./Passport No./Registration No.: _____
(Full name in block letters)

of _____
(Full address)

being a member/members of **PJBUMI BERHAD** hereby appoint the following person(s):-

Name of proxy, NRIC/Passport No. & Address

No. of shares to be represented by proxy

1. _____
2. _____

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on my/our behalf at the Thirty-Sixth Annual General Meeting of the Company to be held at Concorde Hotel Shah Alam, Level 1, Orchid Meeting Room, No. 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 17th December 2021 at 10.00 a.m. and at every adjournment thereof to vote as indicated below: -

ORDINARY RESOLUTIONS	FIRST PROXY		SECOND PROXY	
	FOR	AGAINST	FOR	AGAINST
1. To approve Directors' fees				
2. To re-elect Abd Rahim Bin Embi				
3. To re-appoint Messrs Afrizan Tarmili Khairul Azhar (AFTAAS) as Auditors of the Company				
4. Authority to allot shares				

(Please indicate with an "x" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

Dated this day of 2021

.....
Signature/Common Seal

Notes

1. For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 13 December 2021. Only a depositor whose name appears on the Record of Depositors as at 13 December 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy.
3. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member who is an exempt authorized nominee is entitled to appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorized.
6. The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

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AFFIX
STAMP

The Share Registrar

PJBUMI BERHAD

Registration No. 198501009089 (141537-M)
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur.

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PJBUMI BERHAD

Registration No: 198501009089 (141537-M)

No. 11, Jalan Ruang U8/109
Seksyen U8, Bukit Jelutong
40150 Shah Alam, Selangor D.E.
Tel: (603) 7831 0075
Fax: (603) 7832 5840

www.pjbumi.com.my