



LATAR EXPRESSWAY
PLAZA TOL KUANG BARAT

COVER RATIONALE

As the world continues grappling with the far-reaching and life-altering impact of the global pandemic, Bina Puri looks ahead with confidence for better days to come. The cover combines vibrant illustrations of various prominent Malaysian landmarks which Bina Puri has built over the past decades, bearing testament to our enduring legacy of excellence. This robust track record empowers us to build for the future, as we endeavour to chart new horizons of sustainability and livability for generations.



This Annual Report is available at:

www.binapuri.com.my

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Enclosed

Proxy Form

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING ("30TH" AGM) OF BINA PURI HOLDINGS BHD. [COMPANY NO. 199001015515 (207184-X)] ("BINA PURI" OR "THE COMPANY") WILL BE CONDUCTED ON A VIRTUAL BASIS AND ENTIRELY VIA REMOTE PARTICIPATION AND ELECTRONIC VOTING FROM THE BROADCAST VENUE AT TRICOR BUSINESS CENTRE, MANUKA 2 & 3 MEETING ROOM, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR ON WEDNESDAY, 15 DECEMBER 2021 AT 11:00 A.M., OR AT ANY ADJOURNMENT THEREOF (AS THE CASE MAY BE), FOR THE PURPOSE OF CONSIDERING AND, IF THOUGHT FIT, PASSING THE FOLLOWING RESOLUTIONS, WITH OR WITHOUT MODIFICATIONS:-

ORDINARY BUSINESS

- | | | |
|-------|---|--------------------------------------|
| 1. | To receive the Audited Financial Statements for the year ended 30 June 2021 together with the Reports of Directors' and Auditors' thereon. | (Refer to Explanatory Note i) |
| <hr/> | | |
| 2. | To re-elect the following directors who retire pursuant to Clause 87 of the Company's Constitution: | |
| | a) Tan Sri Dato' Wong Foon Meng | Ordinary Resolution 1 |
| | b) Datuk Matthew Tee Kai Woon | Ordinary Resolution 2 |
| <hr/> | | |
| 3. | To approve the payment of Directors' fees of up to an amount of RM300,000 for the period from 15 December 2021 until the next Annual General Meeting. | Ordinary Resolution 3 |
| <hr/> | | |
| 4. | To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 4 |

SPECIAL BUSINESS

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

- | | | |
|----|---|------------------------------|
| 5. | PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS | |
| | "THAT, subject to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and/or its subsidiary companies be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature set out in paragraph 2.5 of the Circular to Shareholders of the Company dated 29 October 2021 which are necessary for their day-to-day operations with: | |
| | (a) Sea Travel and Tours Sdn. Bhd. | Ordinary Resolution 5 |
| | (b) Kumpulan Melaka Bhd. | Ordinary Resolution 6 |
| | (c) Dimara Holdings Sdn. Bhd. | Ordinary Resolution 7 |

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Subject further to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) appropriate disclosure is made in the annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of the Bursa Securities, which requires an actual breakdown of the aggregate value of the recurrent related party transactions entered into during the financial year, including amongst others, the type of recurrent related party transactions and the names of the related parties involved in each type of the recurrent related party transactions entered into and their respective relationships with the Company and that such approval shall, subject to annual renewal, continue to be in force until:
 - i. the conclusion of the next annual general meeting of the Company (unless by a resolution or resolutions passed at the said annual general meeting, the authority is renewed);
 - ii. the expiry of the period within which the next annual general meeting of the Company following the forthcoming annual general meeting at which this mandate is approved, is required to be held pursuant to Section 340(2) of the Companies Act 2016, without regard to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or
 - iii. revoked or varied by a resolution or resolutions passed by the shareholders of the Company in general meeting,

whichever is the earliest; and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by these ordinary resolutions.

6. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 8

"THAT pursuant to Section 75 and Section 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

NOTICE OF
ANNUAL GENERAL MEETING
(Cont'd)

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK")**

Ordinary Resolution 9

"THAT subject to the Companies Act, 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorised to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares ("Proposed Share Buy-back") in the Company as may be determined by the Directors of the Company from time to time on the market of the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all or part the shares so purchased and/or to retain all or part the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Securities and/or to retain part thereof as treasury shares and cancel the remainder; AND THAT the Directors be and are hereby authorised and empowered to do all acts and things to give full effect to the Proposed Share Buy-back AND FURTHER THAT such authority shall commence immediately upon passing of this resolution until:

- i. the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or
 - ii. the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
 - iii. revoke or varied by ordinary resolution of the shareholders of the Company at a general meeting,
- whichever is the earliest."

8. To transact any other business for which due notice shall have been given.

By Order of the Board

Tan Kok Aun (SSM PC No. 201908003805) (MACS 01564)
Nip Chee Sien (SSM PC No. 202008003954) (MAICSA 7066996)
Company Secretaries

Kuala Lumpur,
29 October 2021

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTES:

1. A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such Member, and where a Member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy but not more than two (2) proxy to attend and vote instead of him at the same meeting who shall represent all the shares held by such Member.
2. Where the Member of the Company appoints more than one (1) proxy but not more than two (2), the Member shall specify the proportion of his shareholdings to be represented by each proxy.
3. A proxy need not be a member of the Company.
4. Where a Member is an authorised nominee as defined under the Central Depositories Act, 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.
5. The instrument appointing a proxy shall be in writing under the hand of appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
7. Only members whose names appear in the Record of Depositors as at 7 December 2021 shall be eligible to attend the Thirtieth Annual General Meeting or appointed proxy(ies) to attend and vote on his behalf.
8. All the resolutions set out in this Notice of Thirtieth Annual General Meeting shall be put to vote by poll.

IMPORTANT NOTICE:

The Company will monitor the COVID-19 situation and may adopt further procedures and measures at the 30th AGM day to ensure the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Security Council, and other relevant authorities to curb the spread of Covid-19 are abided by.

The Company will closely monitor the situation and reserves the right to take further measures or short-notice arrangements as and when appropriate in order to minimize any risk to the 30th AGM. Any update on the 30th AGM will be announced on the Bursa Malaysia Securities Berhad ("Bursa") and the shareholders are advised to check the Company's announcement(s) made via Bursa regularly.

EXPLANATORY NOTES ON ORDINARY BUSINESS

- i. Agenda on Item 1 is meant for discussion only as the provision of Section 340 (1) (a) of the Companies Act 2016 does not require a formal approval of shareholders, and hence the matter will not be put forward for voting.
- ii. **Ordinary Resolution 1 and 2 – Re-election of Directors**

Tan Sri Dato' Wong Foon Meng and Datuk Matthew Tee Kai Woon are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this 30th AGM.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

iii. **Ordinary Resolution 3 - Directors' fees for the period from 15 December 2021 until next Annual General Meeting**

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting. This resolution is to facilitate payment of Directors' fees for the current financial year basis. In the event the proposed amount is insufficient, e.g. due to enlarged Board size, approval will be sought at the next Annual General Meeting for the shortfall.

EXPLANATORY NOTES ON SPECIAL BUSINESS

iv. **Ordinary Resolutions 5 to 7 – Proposed renewal of shareholders' mandate for recurrent related party transactions**

The ordinary resolutions 5, 6 and 7 if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in paragraph 2.5 of the Circular to Shareholders on recurrent related party transactions dated 29 October 2021, which is released with the Annual Report 2021.

v. **Ordinary Resolution 8 - Authority to Allot Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016**

The proposed Resolution 8 in item 6 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. The authorisation will, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting. This is a renewal of a general mandate in order to avoid any delay and cost involved in convening a general meeting, it is thus appropriate to seek members' approval.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares funding current and/or future projects, working capital and/or acquisitions.

vi. **Ordinary Resolution 9 - Proposed Renewal of Share Buy Back Authority**

The proposed Resolution 9 in item 7 is to empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. Please refer to the Share Buy Back Statement dated 29 October 2021, which is released together with the Company's Annual Report 2021.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

1. Directors who are standing for re-election

The Directors who are standing for re-election pursuant to Clause 87 of the Company's Constitution at the Thirtieth Annual General Meeting of the Company are as follows:

- a) Tan Sri Dato' Wong Foon Meng
- b) Datuk Matthew Tee Kai Woon

2. Profiles of Directors who are standing for re-election

The profiles of Directors standing for re-election are set out on pages 11 and 14 of Annual Report 2021.

3. Details of Attendance of Directors at Board Meetings

The details of attendance of directors at board meetings are stated on page 39 of Annual Report 2021.

4. Details of the Thirtieth Annual General Meeting



Wednesday, 15 December 2021



11.00 a.m.



Tricor Business Centre, Manuka 2 & 3 Meeting Room
Unit 29-01, Level 29, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

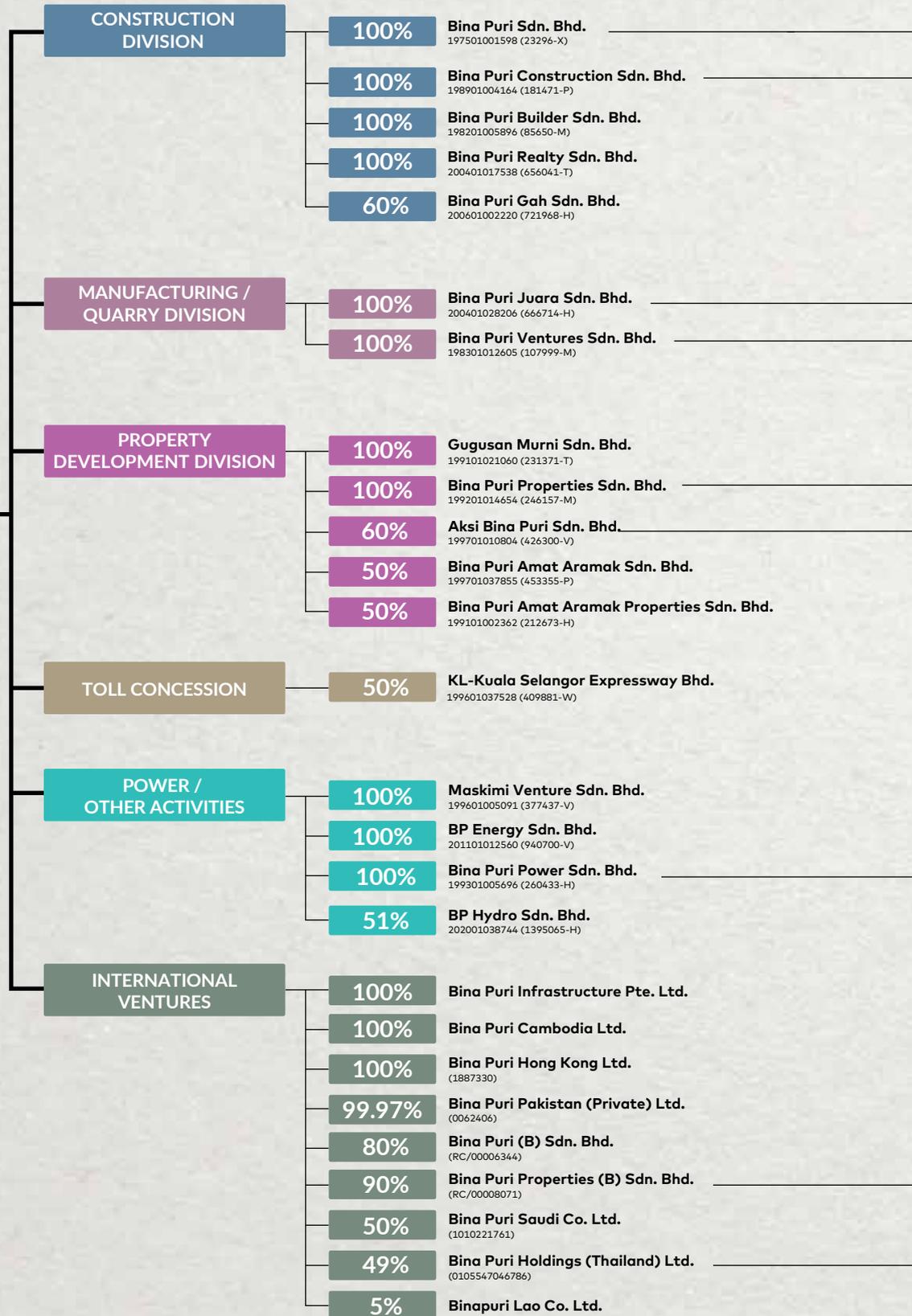


TIIH Online website at <https://tiih.online>

5. General Mandate for issue of Securities pursuant to Section 75 and 76 of the Companies Act 2016

The Company has obtained the mandate for issue of shares from the shareholders at the last Annual General Meeting held on 7 December 2020 ("the Previous Mandate").

GROUP CORPORATE STRUCTURE



GROUP
CORPORATE STRUCTURE
(Cont'd)

70% Konsortium Syarikat Bina Puri – TA 3 JV Sdn. Bhd.
199701011129 (426625-P)

95% Binapuri Lao Co. Ltd.

60% Latar Project Management Sdn. Bhd.
199601037043 (409396-U)

100% Easy Mix Sdn. Bhd.
199201010714 (242217-D)

100% Bina Puri Mining Sdn. Bhd.
199201019303 (250807-M)

100% BP Solar Sdn. Bhd (formerly known as BP Energy (Indonesia) Sdn. Bhd.)
199501003121 (332315-X)

70% KM Quarry Sdn. Bhd.
199601037044 (409397-V)

51% Sungai Long Industries Sdn. Bhd.
199001007085 (198655-D)

50% Bina Puri Sentosa Ventures Sdn. Bhd.
201201018528 (1004041-A)

30% Dimara Building System Sdn. Bhd.
200201025990 (593653-T)

100% Maskimi Polyol Sdn. Bhd.
199601033207 (405559-D)

100% Ascotville Development Sdn. Bhd.
200901036948 (880977-D)

100% BP S14 Sdn. Bhd.
202001002076 (1358395-V)

100% BP Healthcare Development Sdn. Bhd.
202001000745 (1357064-W)

56.5% Ideal Heights Properties Sdn. Bhd.
198401015146 (127701-D)

50% BP XA Sdn. Bhd.
201801028022 (1290048-V)

10% Bina Puri Properties (B) Sdn. Bhd.
(RC/00008071)

100% Semarak Semerah Sdn. Bhd.
199201013477 (244980-X)

70% Karak Land Sdn. Bhd.
200901026928 (870030-X)

60% Sumbangan Legenda Sdn. Bhd.
200001025313 (527920-U)

50.5% PT. Megapower Makmur Tbk.
(81201119001382)

35% Serambi Idaman Sdn. Bhd.
201101029503 (957638-K)

10% Bina Puri (B) Sdn. Bhd.
(RC/00006344)

51% Bina Puri (Thailand) Ltd.
(0105547057486)

100% Ideal Heights Sdn. Bhd.
198801009287 (176644-M)

100% Ideal Heights Property Management Sdn. Bhd.
200501010332 (687379-P)

70% Ideal Heights Development Sdn. Bhd.
200101017446 (553203-T)

70% Ideal Heights Hotel Management Sdn. Bhd.
201201031635 (1016122-U)

60% Ideal Mining Sdn. Bhd.
199501026019 (355224-W)

45% Ideal Minerals Sdn. Bhd.
199601036960 (409313-T)

100% Imperium Residence Property Management Sdn. Bhd.
201801020724 (1282743-V)

40% Ideal Metal Alloy Sdn. Bhd.
199101020190 (230501-W)

95% Star Effort Sdn. Bhd.
200601008956 (728706-A)

50% Karak Spring Sdn. Bhd.
199201014002 (245505-V)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Wong Foon Meng
Chairman/Non-Executive
Director

Tan Sri Datuk Tee Hock Seng, JP
Group Managing Director

Dr Tony Tan Cheng Kiat
Founder Director

Datuk Matthew Tee Kai Woon
Group Executive Director

Ir Ghazali Bin Bujang
Independent Non-Executive
Director

Mohd Najib Bin Abdul Aziz
Independent Non-Executive
Director

BOARD COMMITTEES

GROUP EXECUTIVE COMMITTEE

Tan Sri Datuk Tee Hock Seng, JP
Chairman

Dr. Tony Tan Cheng Kiat
Member

Datuk Matthew Tee Kai Woon
Member

AUDIT COMMITTEE

Ir Ghazali Bin Bujang
Chairman

Tan Sri Dato' Wong Foon Meng
Member

Mohd Najib Bin Abdul Aziz
Member

NOMINATING COMMITTEE

Tan Sri Dato' Wong Foon Meng
Chairman

Ir. Ghazali Bin Bujang
Member

Mohd Najib Bin Abdul Aziz
Member

REMUNERATION COMMITTEE

Tan Sri Dato' Wong Foon Meng
Chairman

Tan Sri Datuk Tee Hock Seng, JP
Member

Ir. Ghazali Bin Bujang
Member

Mohd Najib Bin Abdul Aziz
Member

GROUP COMPANY SECRETARIES

Tan Kok Aun (MACS 01564)
Nip Chee Sien (MAICSA 7066996)

REGISTERED OFFICE

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan
Tel : +603 6136 3333
Fax : +603 6136 9999
Email : corpcomm@binapuri.com.my
Website : <http://www.binapuri.com.my>

SHARE REGISTRAR

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

AUDITORS

MESSRS. UHY
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : +603 2279 3088
Fax : +603 2279 3099

PRINCIPLE BANKERS

Bangkok Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad
Alliance Bank Malaysia Berhad
MBSB Bank Berhad
AmBank (M) Berhad

STOCK EXCHANGE LISTING

The Main Board of Bursa Malaysia Securities Berhad
Stock Name : **BPuri**
Stock Code : **5932**
Listing Date : **6 January 1995**

BOARD OF DIRECTORS



Tan Sri Dato' Wong Foon Meng

Chairman/Independent
Non-Executive Director

Age: **67**

Gender: **Male**

Nationality: **Malaysian**

Tan Sri Dato' Wong Foon Meng, was appointed as Chairman/Non-Independent Non-Executive Director of the Company on 1 June 2010 and redesignated as Independent Non-Executive Director on 20 April 2013. He graduated in Mechanical Engineering from the University of Technology Malaysia in 1978.

He spent his early career in Government service where he held various positions at technical and administrative level. He had a distinguished career during his 13 years' service and had been attending various technical trainings, conferences and management courses at international level among others in Thailand, Philippines, Japan, France, Yugoslavia and USA. He had also been accorded the Excellence Service Award by the Ministry of Science, Technology and Environment in 1982. His last position held was as the Regional Director of Department of Environment for Terengganu and Kelantan before he left the service to be in the private practice in 1991.

He was elected as a State Assemblyman in Terengganu in 1995 and subsequently appointed as a member of the State Executive Council (EXCO). He was appointed as Senator and elected as Deputy President of the Senate of Parliament of Malaysia in 2004. He was then elected as the President of the Senate from July 2009 until April 2010. During his tenure with the Parliament, he had fostered close bilateral relationships with the Governments and Parliaments of countries in Asia, Africa, Europe as well as South America.

Tan Sri Dato' Wong Foon Meng's extensive experience in the public sector, executive and legislative experience at state and federal level, as well as corporate experience in the later years has enabled him to lead and share his experience with the Board. He does not have any securities holdings in the Company or in any of its subsidiaries.

He is the Chairman of the Nominating Committee and Remuneration Committee. He is also a member of the Audit Committee.

Tan Sri Dato' Wong Foon Meng is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the company or its subsidiaries.

BOARD OF DIRECTORS

(Cont'd)



Tan Sri Datuk Tee Hock Seng, JP, was appointed to the Board on 5 November 1990 and was subsequently appointed as the Group Managing Director on 22 November 1994.

He is an experienced entrepreneur with more than 47 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

Current Portfolios:

- Board of Trustee of Perdana Leadership Foundation
- EXCO member of Malaysia South-South Association
- Director of Malaysian South-South Corporation Bhd
- Honorary Chairman of The Chinese Chamber of Commerce & Industry of KL & Selangor
- Honorary Chairman of the Malaysia Quarries Association
- Executive Advisor of Selangor & Federal Territory Builder Association
- Honorary Chairman of The International Fellowship of Eng Choon Associates
- Life Honorable President of The Federation of Hokkien Association of Malaysia
- Advisor of The Associated Eng Choon Societies of Malaysia
- Honorary Chairman of The Federation of Xing Yang Associations of Malaysia
- Vice President of Tung Shin Hospital
- Director of the Chinese Maternity Hospital (CMH)
- Board of Trustee cum Exco Member of Selangor King George V Silver Jubilee Fund
- Chairman, Board of Governors of SMJK Confucian, SRJK(C) Tsun Jin and SRJK (C) Onpong II, KL

Tan Sri Datuk Tee Hock Seng, JP

Group Managing Director

Age: **72**

Gender: **Male**

Nationality: **Malaysian**

- Honorary Chairman of the Young Malaysians Movement and The Federation of Malaysian Clans & Guilds Association

Past Portfolios:

- Member of the Senate (Ahli Dewan Negara), Parliament of Malaysia (2008- 2011)
- Treasurer-General of Malaysian Chinese Association (MCA) (2008-2010)
- Board Member of MiGHT (Malaysian Industry-Government Group for High Technology) (1993-2003)
- Vice President & Treasurer-General, Master Builders Association Malaysia (MBAM) (1992-2007)

Notable Achievements/Awards:

- "Master Builders' Silver Award" by Master Builders Association Malaysia (MBAM) in 2001
- "Service to New Generations Award" by the Rotary Club of Pudu in 2004
- "SMI Platinum Award" by SME Association of Malaysia (SME) in 2004
- "Most Prominent Player" by the Construction Industry Development Board in 2005
- The 2nd Malaysia & Golden Entrepreneur Award "Lifetime Achievement Award" by FMCGA (The Federation of Malaysia Chinese Guilds Association) in 2015
- "Award of Honorary Fellowship" by The International College of Dentists (ICD) in 2016
- "Malaysian Fujian Outstanding Entrepreneur Award" by The Federation of Hokkien Association Malaysia in 2017
- "IFAWPCA-Atsumi Award" at the 44th International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) in 2018
- "Honorary Builder Award" by the Master Builders Association Malaysia (MBAM) in 2019

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 233 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Save as disclosed above, he does not have any conflict of interest in any arrangement involving the company or its subsidiaries.

- i) Tan Sri Datuk Tee Hock Seng, JP is the father of Datuk Matthew Tee Kai Woon.
- ii) Tan Sri Datuk Tee Hock Seng, JP is the nephew of Dr Tony Tan Cheng Kiat.

He is also the Chairman of the Group Executive Committee and a member of the Remuneration Committee.

BOARD OF DIRECTORS (Cont'd)



Dr Tony Tan Cheng Kiat

Founder Director

Age: **73**

Gender: **Male**

Nationality: **Malaysian**

Dr Tony Tan Cheng Kiat, founded Bina Puri Sdn. Bhd. in 1975 and has been the Executive Chairman since its inception. He was appointed to the Board of the Company on 5 November 1990. He is responsible for the growth and ongoing development of the company's business.

He was instrumental in the development of a number of major projects throughout Malaysia for the Group. He holds a doctorate in Business Administration and is also a licensed builder. He has been successful as a private property developer in Australia. With his wide experience, he has brought much progress to the Group.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 233 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Save as disclosed above, he does not have any conflict of interest in any arrangement involving the company or its subsidiaries.

- i) Dr Tony Tan Cheng Kiat is the uncle of Tan Sri Datuk Tee Hock Seng, JP
- ii) Dr Tony Tan Cheng Kiat is the grand uncle of Datuk Matthew Tee Kai Woon

Dr Tony Tan Cheng Kiat is a member of the Group Executive Committee.

BOARD OF DIRECTORS

(Cont'd)



Datuk Matthew Tee Kai Woon, joined the Company in December 2003 as Special Assistant to the Group Managing Director. He was appointed as Executive Director on 1 December 2009 and was re-designated as Group Executive Director on 7 March 2013.

He is a Chartered Accountant and holds a Bachelor of Commerce (Accounting and Marketing) from the University of Auckland, New Zealand. He has been a member of the Malaysian Institute of Accountants (MIA) since 2002 and was duly awarded the status, Fellow Certified Practising Accountant (FCPA) by CPA Australia in March 2016. He is also a Certified Financial Planner (Financial Planning Association of Malaysia).

Previously, he was the Administrator of the Chinese Maternity Hospital from 2001 to 2003 and was once attached to PricewaterhouseCoopers in the audit department from 1999 to 2001. He was also a Business Services Accountant with Marsden B. Robinson Chartered Accountants (New Zealand) from 1998 to 1999.

On 24 January 2017, he was appointed as an Independent Non-Executive Director of Chin Teck Plantations Berhad. He also holds directorships in other companies.

Datuk Matthew Tee Kai Woon

Group Executive Director

Age: **46**

Gender: **Male**

Nationality: **Malaysian**

Current Portfolios:

- Honorary Advisor of Master Builders Association of Malaysia (MBAM) from 2020-2022
- Board of Advisory of Construction Labour Exchange Centre Berhad (CLAB)
- Honorary Treasurer General of Malaysian Steel Structural Association (MSSA) since 2011
- Board Member of Malaysian Industry Government Group for High Technology (MIGHT) and Chairman of Board Audit Committee

Past Portfolios:

- President of Master Builders Association of Malaysia (MBAM) from 2012-2016
- Immediate President of Master Builders Association of Malaysia (MBAM) from 2016-2020
- Member of National Science Council (NSC) from 2016-2017
- Board Member of Construction Industry Development Board Malaysia (CIDB) from 2013-2016
- Council Member of the Road Engineering Association of Malaysia (REAM) from 2017-2019
- 44th President of the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) from 2017-2018
- Member of the Advisory Committee on Hotel and Tourism Management by the Chinese University of Hong Kong (CUHK) from 2017-2020

Notable Achievements/Awards:

- "Property CEO" by FIABCI Malaysia Property Award 2018.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 233 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Save as disclosed above, he does not have any conflict of interest in any arrangement involving the company or its subsidiaries.

- Tan Sri Datuk Tee Hock Seng, JP is the father of Datuk Matthew Tee Kai Woon.
- Dr Tony Tan Cheng Kiat is the grand uncle of Datuk Matthew Tee Kai Woon.

BOARD OF DIRECTORS

(Cont'd)



Ir Ghazali Bin Bujang

Independent
Non-Executive Director

Age: **70**

Gender: **Male**

Nationality: **Malaysian**

Ir Ghazali Bin Bujang, was appointed to the Board of the Company on 31 May 2013. He is an engineer by profession and is currently the Executive Chairman of Ghazali & Associates Sdn. Bhd. He graduated with a Bachelor of Engineering from the University of Liverpool, England in 1974 and obtained a Master of Science from the University of Leeds, England in 1979.

He is a member of the Board of Engineers, the Past President of the Association of Consulting Engineers Malaysia (1992-1994) and Honorary member of the Association of Consulting Engineers Malaysia.

He has vast experience in planning, engineering and management of infrastructure and development works. He also has a broad and balanced knowledge with respect to issues on economic and finance, technical and environmental relevant to development and infrastructure projects.

He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee.

Ir Ghazali Bin Bujang is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the company or its subsidiaries.

BOARD OF DIRECTORS

(Cont'd)



Mohd Najib Bin Abdul Aziz

Independent
Non-Executive Director

Age: **48**

Gender: **Male**

Nationality: **Malaysian**

Mohd Najib Bin Abdul Aziz, was appointed to the Board on 31 May 2013. He is an accountant by profession and graduated from the University of New South Wales, Australia with a Bachelor of Commerce (Accounting) Degree. He is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA).

He is currently the Managing Director of Corporate-Pacific Holdings Sdn. Bhd. and an Independent Non-Executive Director of Tropicana Corporation Berhad. He is also a Non-Executive Director of GCM Resources PLC, a coal mining company listed on the AIM market under the London Stock Exchange appointed on 17th June 2019.

He was the Assistant Manager of Global Corporate Finance in Arthur Andersen & Co. and had held the position of Senior Consultant with the Corporate Recovery Division of KPMG for three years in Perth, Western Australia. He is also a director of several private limited companies.

He was previously an Independent Non-Executive Director of Kumpulan Jetson Berhad, ECM-Avenue Securities Sdn. Bhd. and Alam Flora Sdn. Bhd.

He is a member of the Audit Committee, Nominating Committee and Remuneration Committee.

He is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the company or its subsidiaries.

KEY SENIOR MANAGEMENT



We Her Ching

Group Chief Operating Officer,
Contracts and Administration

Age: **61**

Gender: **Male**

Nationality: **Malaysian**

We Her Ching, is the Group Chief Operating Officer, Contracts and Administration of Bina Puri Holdings Bhd since 1 October 2002.

He graduated with a Bachelor of Applied Science (Construction Management and Economics) and is a member of The Chartered Institute of Building (MCIOB).

He joined Bina Puri Sdn. Bhd. in 1986 and has extensive experience in the construction industry. He is responsible for the overall management and operations of projects within the construction arm. He sits on the Board of a few of its subsidiaries.

KEY SENIOR MANAGEMENT

(Cont'd)



Lee Tong Leong

Chief Operating Officer,
Property Division

Age: **63**

Gender: **Male**

Nationality: **Malaysian**

Lee Tong Leong, was appointed as Chief Operating Officer, Property Division of the Company on 1 July 2012. He joined Ideal Heights Properties Sdn. Bhd., an associate company of Bina Puri Group since May 1991 prior to this appointment.

He is a graduate of the Tunku Abdul Rahman College and ICSA. He has had vast experience and exposure in property development and property management for more than 20 years, which include residential/condominium, commercial/ retail and industrial developments.

He is responsible for planning, development, execution and completion of new projects i.e. from land acquisition, feasibility studies and liaison with authorities/consultants to successful execution and completion of the projects.

He is also responsible for the setting up of the property management team of the Group to ensure proper maintenance of the strata developments that have been completed before handing over to JMBs or Management Corporations.

He is also involved in execution of sales and marketing strategies for new projects. For the execution of successful sales and marketing activities, he places high level of importance for the team to keep abreast of latest development and market trend of the property market.

CHAIRMAN'S STATEMENT



Tan Sri Dato'
Wong Foon Meng

Chairman

Dear shareholders, on behalf of the Board of Directors and the Management, it is my great pleasure to present the Annual Report and Audited Financial Statements of Bina Puri Holdings Bhd for the financial year ended 30 June 2021.

CHAIRMAN'S STATEMENT

(Cont'd)

With the ongoing Covid-19 pandemic, the year 2021 continued to be a challenging financial year for Bina Puri Holdings Bhd. However, as a Malaysian public listed company entrusted by the good faith of our shareholders and investors, we were driven to continuously maintain our competitive market position in various industries including the construction, property development, manufacturing, international ventures as well as other miscellaneous activities both locally and internationally.

Malaysia underwent uncertain market conditions throughout the year under review. From political changes to varying degrees of operations in its corporate climate, the country was on a slow and steady road to recovery. Due to the safety measures implemented throughout 2021, Malaysia's Gross Domestic Product increased by 16.1% within the second quarter of the year after four consecutive quarters of contractions. Against the strengthening backdrop of the country's economy, Bina Puri continues to perform, albeit at a slower pace, but enough to maintain a foothold in each of the industries it operates in.

The Group recorded RM287.5 million revenue and a loss before tax of RM62.4 million for the year ending 30 June 2021, a drop from last year's financial year group revenue which was recorded at RM387.4 million and loss before tax of RM27.1 million.

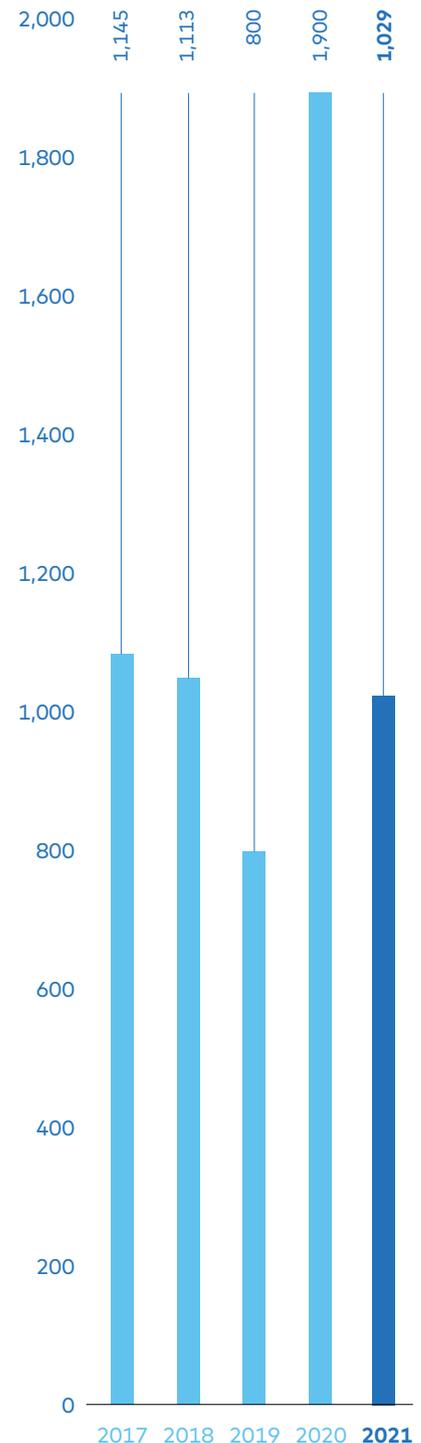
The drop from all operating segments was primarily due to the lackluster construction activities as well as the sluggish property market climate in Malaysia throughout the year which recorded a consolidated loss of RM49.7 million. It was brought on by severe disruption of the overall operating environment due to the implementation of Malaysia's Movement Control Order by the Government.

However, despite these challenging conditions, our property development arm continues to produce results through the sales of Opus Residence in Kuala Lumpur, the rental of commercial space at our Main Place Mall in Subang Jaya, the 96% take up of Puri Residences in Johor, and the sale of agricultural land in Karak, Pahang. Additionally, paired with the cost cutting exercises put in place even before the pandemic, Bina Puri is well equipped to tackle the difficult times ahead.

SEGMENTAL BUSINESS OVERVIEW

As publicly disclosed, the Group is involved in various businesses including construction, property development, quarry operations and power generation. Construction and property development have been the largest contributors to the Group's revenue as well as the main focus of our businesses.

Unbuilt Book Order from 2017-2021
September



CHAIRMAN'S STATEMENT
(Cont'd)



Bina Puri's Overseas
Power Supply Revenue

RM **12.3**
million



Ongoing Developments
in Johor, Pahang,
Sabah & Sarawak

RM **1.2**
billion of GDV



Puri Residences, notable
21.41-acre Landed
Residential in Masai, Johor

RM **229.5**
million of GDV



The Valley @ Bentong,
1,600-acre Homestead
Land and Durian
Plantation

RM **383**
million of GDV



*Hydropower Plant at PLTM Bantaeng 1,
Sulawesi Selatan, Pulau Sulawesi, Indonesia*



Puri Residences at Masai, Johor



Majestic View at The Valley @ Bentong, Pahang

For the year 2021, Bina Puri's overseas power supply division recorded a revenue of RM12.3 million from the activity of supplying electricity power to PT Perusahaan Listrik Negara (a state electricity company owned by the Indonesian government) as well as PLTM Bantaeng with a recorded loss before tax of RM0.6 million, a reduction in deficit compared to the previous year of RM11.4 million and RM4.7 million respectively. The performance of this division was due to lower power generated for PT Perusahaan Listrik Negara and PLTM Bantaeng.

Moving forward into the new year, the local and international business environment is expected to take an upswing as Malaysia and other countries are slowly recovering due to ongoing vaccination programs established globally. Currently, the Group is taking precautionary measures to prevent the spread of Covid-19 within all its operating business segments. Our construction division is currently involved in various projects both locally and internationally. We continue to scour both foreign and domestic landscapes in search of new

CHAIRMAN'S STATEMENT

(Cont'd)

opportunities while, at the same time, leverage on our existing projects to amass wealth for the Group's coffers. The current value of unbuilt works in progress stands at approximately RM1.03 billion. The Group is on the lookout for more projects to increase its order book and will participate in these opportunities either through tender participations or negotiations inside and outside the country.

In terms of the Group's property development division, Bina Puri has several ongoing developments in Johor, Pahang, Sabah and Sarawak with an estimated Gross Development Value (GDV) of RM1.2 billion. Puri Residences, its notable 21.41-acre landed residential offering in Masai, Johor, which comprises 384 units of double-storey homes, has an estimated GDV of RM229.5 million. The development was launched in the second quarter of 2018 and has done tremendously well with a take up of 96%. Another project of Bina Puri, The Valley @Bentong is a 1,600-acre homestead land and durian plantation located in Karak, Pahang commands an estimated GDV of RM383 million. The first and second phase of the development was launched in 2017 and commands a GDV of RM157.0 million. Phase 3 was then launched during the pandemic in March 2021 with an estimated GDV of RM160 million. Based on the current sales achieved for the property development division, the unbilled sales amounts to RM50 million.

Due to the travel restrictions imposed during the Covid-19 pandemic, the performance of the Group's rental and hospitality segment was affected. Despite this, we continue to continuously adopt aggressive marketing strategies in order to ensure optimal occupancy.

Additionally, the Group has been exploring business opportunities and ventures in solar and gas power supply both locally and overseas, primarily in Sabah and Indonesia. Bina Puri expects to secure the approval and signing of the Power Purchase Agreement for a new solar power plant development in Kunak, Sabah within the first half of 2022. The Group will continuously explore new markets to expand its revenue and client base in order to minimize any impact brought on by the Covid-19 pandemic as well as the weak economic conditions experienced worldwide.

Our Business Outlook and Prospects

According to research from Bank Negara Malaysia (BNM), the country's growth outlook for 2021 has been affected by the recent resurgence in Covid-19 cases. Despite this, it remains optimistic and the country's economy remains on a steady path towards recovery. The country's economy is expected to be cushioned by several factors including the continued allowances for essential economic sectors to operate, higher adaptability to remote work and an increase in automation and digitalization, and further supported by policy measures, which will provide cash flow for affected households and businesses. Moving forward, the growth trajectory will depend on the nation's ability to contain the pandemic and the materialization of health outcomes from the countrywide vaccination programmes. This will allow various economic sectors to slowly but surely reopen and provide some breathing space for household and business sentiments.

In combating the negative effects of the pandemic, Bina Puri had begun exercising cost cutting efforts since before the pandemic. During the height of the restrictions, the Group had begun implementing four-day work week as well as systematic expense curtails that allowed the company to remain resilient throughout the year under review. Additionally, through the sale of agricultural lands in Karak, despite recording losses in both of the Group's main business segments, Bina Puri is still competitively strong in the market.

DIVIDEND

No dividend has been declared for the financial year under review.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our deepest appreciation to our esteemed and reliable management team and employees for their patience, continuous support, dedication and commitment towards the company. I would also like to record my sincere appreciation to our financiers, business partners, and relevant approving authorities for their continuous support and co-operation.

Last but not least, to all of Bina Puri's valued shareholders, thank you again for your continued support and confidence in us.

GROUP MANAGING DIRECTOR'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS



Tan Sri Datuk
Tee Hock Seng, JP
Group Managing Director

OVERVIEW

Bina Puri Holdings Bhd continues to weather one of the toughest storms it had encountered since its conception in 1975, and we continue to remain resilient and competitive amidst uncertain market conditions, further emboldened by a slowly recovering economy.

GROUP MANAGING DIRECTOR'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Within the 12 months under review, Malaysia was still reeling from the turbulent economic conditions impacted by the global pandemic which hit the country in 2019 and Bina Puri was no different. Combined with internal struggles of curbing infections, political uncertainties and movement restrictions, the country had seen its toughest times in the year prior.

However, behind every cloud there is a silver lining. Towards the tail end of 2021, the country was beginning to show signs of recovery. Vaccination programs were rolled out efficiently, certain business sectors were allowed to operate, and restrictions were gradually being lifted guided by a phase-by-phase plan under the leadership of a new government. According to a report from Bank Negara Malaysia (BNM), while the growth outlook for the country has been affected by a resurgence in Covid-19 cases within the first half of 2021, Malaysia's economy is clearly on the path to recovery bolstered by the continued allowance for essential economic sectors to operate, higher adaptability to work remotely and an increase in automation and digitisation.

As the country began to bounce back from a year and a half of lackluster activities, the Group began mobilising its workforce to take advantage of a recovering business environment. Employees returned to the office, project tendering exercises continued, discussions resumed, and Bina Puri actively and aggressively began seeking out opportunities inside and outside the country.

Looking at the current condition of the market, I am hopeful that things can only get better for the Group and the country. Due to cost cutting exercises implemented even before the Covid-19 pandemic, we were able to weather the storm and are better prepared to take on a post-pandemic economy. Now with a brighter and healthier year to look forward to in 2022, we have drawn up our battle plans and look forward to rushing into metaphorical battle once again to take on a new year and new opportunities amid a new, invigorated market.

Review of Performance

The Group recorded revenue of RM287.5 million and a loss before tax of RM62.4 million for the year ended 30 June 2021 which is attributed towards the lower performance from all operating segments due to severe disruption of the overall operating environment brought on by the high Covid-19 cases in the country

with the implementation of Movement Control Order (MCO) by the Government.

Construction Division

The construction division recorded a revenue of RM157.0 million, a decline from the previous year's RM194.4 million attributable to the slow activity at several of our ongoing projects in Sarawak, Terengganu and Russia. Despite the decline, Bina Puri is confident in its performance within the coming year as it has a current value of unbuilt works in progress amounting to approximately RM1.03 billion which are expected to resume at a healthy pace. Additionally, the Group is constantly looking for opportunities to increase its order book through tender participations and project negotiations both locally and internationally.

Property Division

The property segment of Bina Puri recorded a revenue of RM103.7 million and profit before tax of RM2.5 million for the financial year ended 30 June 2021. Amidst the sluggish year, the Group remains bullish that it can be more competitive in 2022 as, with the economy on a steady road to recovery, Bina Puri's property development segment is backed by several of its ongoing developments namely Puri Residences in Masai, Johor; The Valley @Bentong in Karak, Pahang and a few others which have an estimated combined Gross Development Value of RM1.2 billion.

Quarry Division

The Quarry division in Melaka recorded a revenue of RM14.4 million. Towards the tail end of 2021, as more business segments are allowed to operate within the country, the Group anticipates an increasing demand for quarry aggregators and stones which will benefit Bina Puri in the coming year.

Power Supply Division

The powersupplydivision recorded a revenue of RM12.3 million mainly contributed by the supply of electricity to PT Perusahaan Listrik Negara (a State Electricity Company owned by the Indonesian Government) and PLTM Bantaeng. The underperformance of this division was due to lower power generated for both electricity companies. However, as reports indicate,

GROUP MANAGING DIRECTOR'S MESSAGE
AND MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

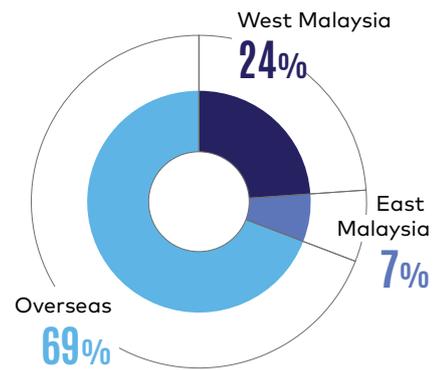


Opus Kuala Lumpur

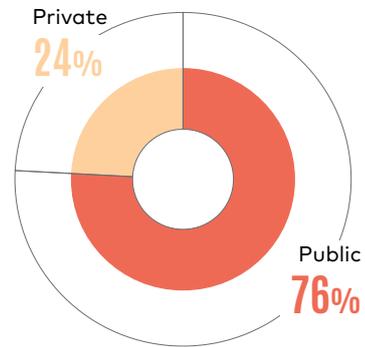
Project Secured from 2017 to 2021 (September)

Total Value : RM 1.2 Billion

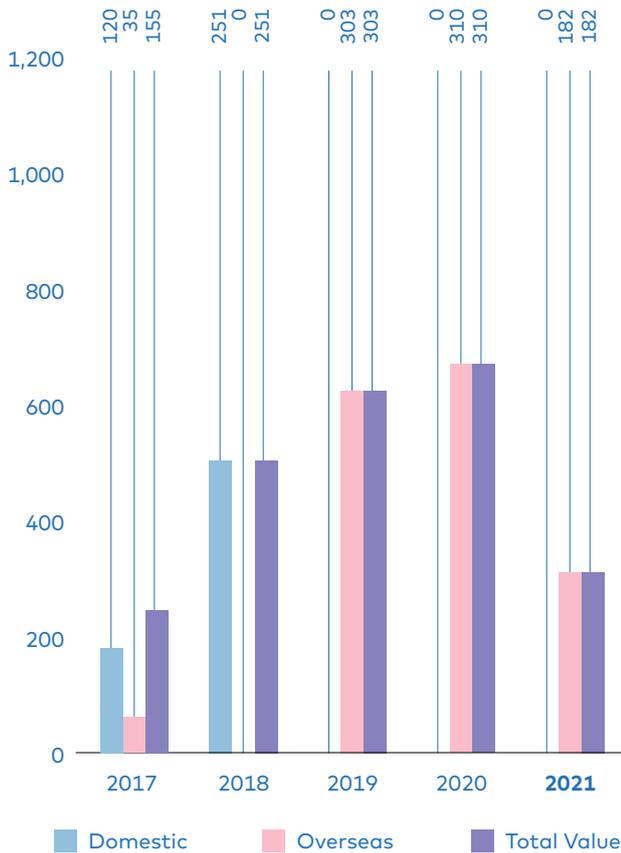
Geographical Breakdown



Public vs. Private

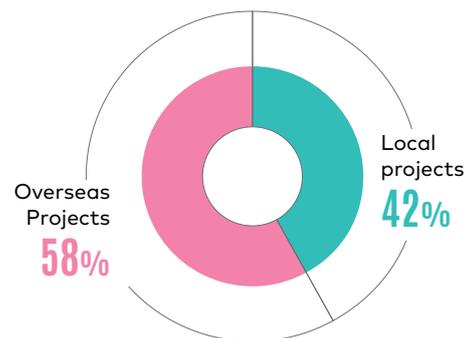


Annual Projects Secured from 2017-2021
(September) (RM' Mil)



THE GROUP'S CURRENT ONGOING PROJECTS
as at September 2021

Total Value : RM 1.65 Billion
Balance of Works : RM 1.03 Billion (62%)



GROUP MANAGING DIRECTOR'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

the Indonesian economy has slowly been recovering since the second half of 2020 attributed to policy supports, gradual reopening and favorable global conditions and we anticipate an uptick in power generation from PT Perusahaan Listrik Negara and PLTM Bantaeng.

The Group also expects to secure approval and complete signing of the Power Purchase Agreement for a new solar power plant development in Kunak, Sabah by first half of 2022.

Hospitality Division

The Group's hospitality division went through challenging times during the year under review. However, within the period of relaxation between MCO2.0 and MCO3.0, Swiss-Belhotel Kuantan and the Rimbun Suites and Residences in Brunei enjoyed high occupancy as domestic travelers took advantage of the lifted restrictions to enjoy a much-needed staycation away from home.

Recurring Revenue

The Group has enjoyed positive rental income from its Main Place Mall in USJ, Subang. However, to maintain its reputation as a responsible mall operator, the management has decided to reward rebates to tenants during the slow periods affected by the virus. Recently, management has noticed that footfall is slowly returning to Main Place and the Group expects to see an influx of visitors in the coming quarters as Malaysia is steadily lifting restrictions and retail businesses can resume as usual. Additionally, the Group will continue to adopt aggressive marketing strategies to ensure occupancy rates remain healthy.

Highway Concession Division

The Group is continuing its landbank diversification and monetisation efforts from last year with the solar energy venture of installing solar panels along the KL-Kuala Selangor Expressway (LATAR) in an effort to reduce energy bills under an arrangement with Tenaga Nasional Berhad (TNB). The solar panels are mounted on useable rooftops and on designated land areas and have a combined capacity of 413.60kWp.

Highway performance continues to fluctuate during periods of different MCOs as the traffic volume depends on the interstate travel approvals imposed by the Government. However, traffic volume has begun

to spike again as recovery MCO was announced by Prime Minister in October 2021. We are hopeful that our highway traffic will be back to normal soon.

Prospects

As Malaysia continues its journey on the road to recovery, the Group is taking this opportunity to increase its order book either through tender participations or project negotiations locally and internationally. However, we continue to remind ourselves that the pandemic is still ongoing, and we are taking the necessary precautions at all our centers of operations to help prevent the spread of the virus.

Our prospects for the coming year are clear and we will remain steadfast and resolute that the economy will recover, and the Group will take full advantage of this. We truly believe that no matter how dark the night gets, the sun will rise the next day and we will be there to welcome it. As such, Bina Puri will be on the lookout for new opportunities for its construction, property development, quarry operations and power generation businesses.

Dividend

There was no dividend paid during the financial period under review.

Appreciation

Before I end my message, I would like to express my appreciation and gratitude at the unfailing devotion, commitment and loyalty of all our employees as well as the management who have given their best during these difficult times.

The unwavering confidence of our employees in the Group's ability to navigate through rough waters during this storm is testament that we, as a family, must support and empower one another when situations become uncertain.

The dedication of our employees to comply with the Health Ministry's Standard Operating Procedures (SOP) has allowed Bina Puri to continue to operate. Together, through internal efforts by a Covid-19 committee made up of our internal staff, they have made it possible to contain the spread of the virus within our premises as well as negate any situations that might arise from the pandemic.



PLAZA TOL TAMAN RIMBA TEMPLER

Smart TAG

Smart TAG

SAHAJI

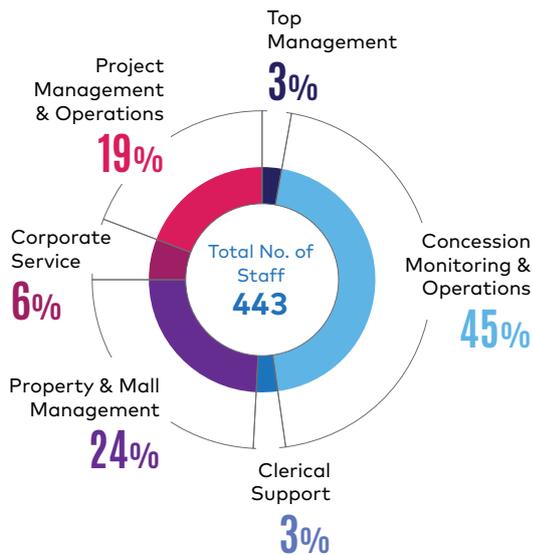
SAHAJI

GROUP MANAGING DIRECTOR'S MESSAGE
AND MANAGEMENT DISCUSSION AND ANALYSIS

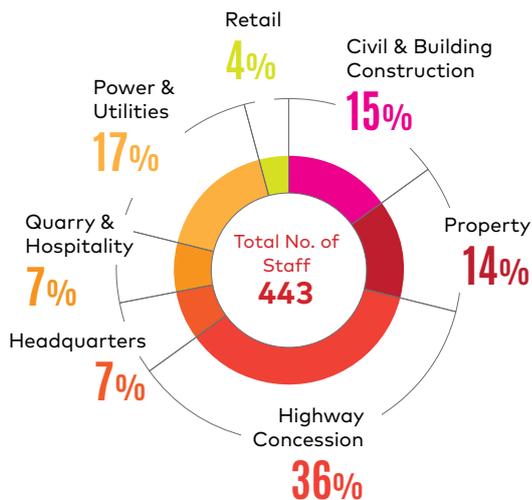
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STAFF BY JOB TYPES



STAFF BY DIVISION



As a distinguished builder, we have kept our promise to deliver outstanding projects that have been recognized in the industry by our peers and are deemed as industry standard practice. Our unwavering commitment to quality has helped us win numerous awards within the green and sustainable categories both locally and internationally.

I would also wish to express my deepest gratitude to the Board of Directors, shareholders, clients, financiers, suppliers, business partners and relevant authorities figures who have supported us.

Having weathered the difficult market conditions of a handicapped economy brought on by the pandemic, the Group has come out stronger and tougher, bearing the battle scars of a harsh environment yet upholding our reputation as Malaysia's landmark builder.

Moving forward in 2022 and onwards, while Malaysia goes through a recovery period, I would like to remind everyone to continue complying with the Ministry of Health's SOPs and doing everything in our power to stop the spread of the virus.

We'll see you in brighter days.

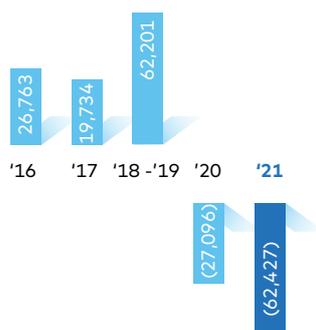
GROUP FINANCIAL HIGHLIGHTS

	2016 RM'000	2017 RM'000	2018 - 2019 RM'000	2020 RM'000	2021 RM'000
Revenue	1,050,297	1,097,330	1,040,989	387,422	287,466
Profit before taxation	26,763	19,734	62,201	(27,096)	(62,427)
(Loss)/ Profit attributable to the shareholders of the Company	1,070	3,099	462	(54,107)	(63,910)
Dividend Paid (Net)	-	-	-	-	-
Issued share capital	121,437	136,705	157,821	180,857	236,435
Shareholders' equity	222,992	239,809	253,540	232,101	242,524
Total assets employed	1,694,695	1,682,726	1,497,193	1,326,750	1,357,151
Net (loss) /earnings per share (sen)	0.45	1.19	0.14	(9.40)	(6.80)
Net assets per share (RM)	0.92	0.90	0.66	0.32	0.16
Share price (RM)					
- High	0.50	0.49	0.37	0.25	0.12
- Low	0.36	0.33	0.17	0.03	0.07

Revenue
(RM'000)



Profit Before Taxation
(RM'000)



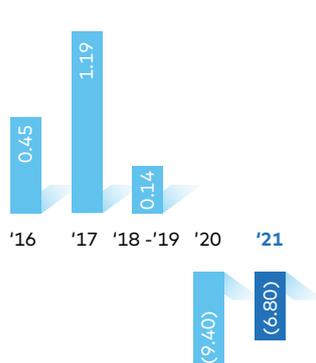
Shareholders' Equity
(RM'000)



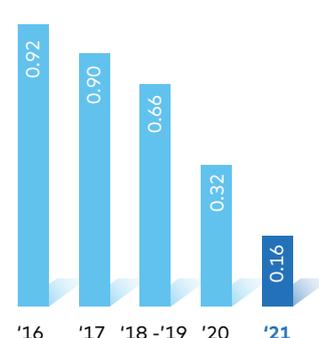
Total Assets Employed
(RM'000)



Net (loss) /Earnings Per Share
(Sen)



Net Assets Per Share
(RM)



CALENDAR OF EVENTS

7th **DECEMBER 2020**



Bina Puri Holdings Bhd held its 29th Annual General Meeting at Tricor Business Centre, Bangsar South, Kuala Lumpur virtually. The meeting was chaired by Y.Bhg Tan Sri Dato' Wong Foon Meng.

The Board of Directors attended the meeting were Y.Bhg Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat, Y.Bhg Datuk Matthew Tee Kai Woon, Ir Ghazali Bujang and Mr Mohd Najib bin Abd Aziz.

7th **APRIL 2021**



An Extraordinary General Meeting was held virtually from the broadcast venue at Tricor Business Centre, Bangsar South, Kuala Lumpur.

Bina Puri has successfully acquired Ideal Heights Properties Sdn Bhd (IHPSB) through its subsidiary Bina Puri Properties Sdn Bhd, holding a controlling stake of 56.5% in IHPSB.

The meeting also approved the resolution of Proposed Private Placement of up to 260,523,000 new ordinary shares of Bina Puri, representing 30% of the issued shares of Bina Puri.

3rd **MAY 2021**



Majlis Buka Puasa and presentation of Education Incentives to the excellent children of Bina Puri employees. Y.Bhg Tan Sri Dato' Wong Foon Meng, Chairman of Bina Puri Holdings Bhd presented the incentives.

JUNE - SEPTEMBER 2021



All Bina Puri staff were registered with the National Covid-19 Immunisation Program and received vaccination slots at the PPV centre in KLCC and CIDB Malaysia. By September 2021, all staff had completed both doses of vaccination.

30th **AUGUST 2021**



KL-Kuala Selangor Expressway Bhd (LATAR) distributed Jalur Gemilang to the users at RSA Kundang Timur and RSA Kundang Barat in conjunction with the National Day. A Hari Kebangsaan & Hari Malaysia trivia contest was also organized in LATAR's social media platforms.

14th **SEPTEMBER 2021**



Staff of LATAR celebrated Malaysia Day via Zoom Online platform.

SUSTAINABILITY STATEMENT

Bina Puri has worked tirelessly to ensure that all its employees were registered with the National Covid-19 Immunisation Program in order to receive special vaccination slots at the PPV centre in KLCC and CIDB Malaysia.

Prior to the Covid-19 pandemic, Bina Puri has actively been giving back to the community in areas it operates in. Its Corporate Social Responsibility (CSR) efforts have constantly been contributing towards deserving parties especially within the areas of education, health, and welfare. However, amidst the Covid-19 pandemic, the Group has had to steer its efforts internally in order to safeguard its own employees and look out for their wellbeing first and foremost.

To address and combat the growing number of Covid-19 positive cases, the Group enacted the Bina Puri Covid-19 Prevention Program and Response Plan. Since the Covid-19 pandemic attack and first Movement Control Order (MCO) in March 2020, the company has established various efforts to hinder the spread of the virus and protect its employees' health and welfare.

Among these programs include the Staff Vaccination Program, whereby from mid-June 2021, Bina Puri has worked tirelessly to ensure that all its employees were registered with the National Covid-19 Immunisation Program in order to receive special vaccination slots at the PPV centre in KLCC and CIDB Malaysia. By the end of September, all our company employees had completed both doses of vaccination.



Staff Vaccination Program



Bina Puri COVID-19 Awareness Posters

The Group also started its Positive Covid-19 Response Plan by creating a committee made up of internal staff members who came up with company-wide Standard Operating Procedures (SOPs) as well as a response plan after several positive cases of Covid occurred at Wisma Bina Puri. Since the committee was introduced, the Group has managed to contain the virus from spreading within the premises.

To date, the office continues the regular Covid-19 prevention procedures including the wearing of face masks, social distancing, temperature scanning, hand & body sanitisations as well as the Covid self-testing kits to be performed by every employee on Mondays before coming into work.

With these quick responses put in place and overseen rigorously by the Covid-19 Response Committee, Bina Puri can ensure that its employees are continuously kept safe from infection as well as doing its part for the country to control the spread of infection until herd immunity through the vaccination programs take effect.

The Group has continued on the tradition to provide assistance to bright students who are the children of its staff who excelled in their studies by granting them with education incentives. This year a total of RM10,000 in cash incentives was distributed out to 15 excellent students in their SPM, PT3 and UPSR examinations.

The presentation was held during our *Majlis Buka Puasa* on 3 May 2021.

AUDIT COMMITTEE REPORT

A. COMPOSITION, COMPLIANCE AND ATTENDANCE

MEMBERS OF THE COMMITTEE	DESIGNATION IN THE COMPANY	NO. OF MEETINGS ATTENDED
Ir. Ghazali Bin Bujang Chairman	Independent Non-Executive Director	6/6
Tan Sri Dato' Wong Foon Meng	Chairman/Independent Non-Executive Director	6/6
Mohd Najib Bin Abdul Aziz	Independent Non-Executive Director	6/6

- (a) The Audit Committee shall be appointed by the Directors from amongst their numbers via a Directors' resolution and shall consist of not less than three (3) members. All the Audit Committee members must be non-executive directors with a majority of them being Independent Directors. The composition of the Audit Committee shall meet the independence requirements of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other rules and regulations of the Securities Commission.
- (b) At least one member of the Audit Committee:
- i. is a member of the Malaysian Institute of Accountants (MIA); or
 - ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and
 - must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.
- (c) In the event of any vacancy in the Audit Committee, the Directors shall within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.
- (d) An Alternate Director shall not be appointed as a member of the Audit Committee.
- (e) The member of the Audit Committee that meets the requirement for having the necessary accounting qualification is En. Mohd Najib Bin Abdul Aziz.

B. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are consistent with the MMLR of Bursa Securities and the MCG 2017 and all the requirements under the Terms of Reference are fully complied with.

The Terms of Reference of the Audit Committee are accessible to the public for reference on Bina Puri's corporate website.

C. MEETINGS

The Committee will meet at least five (5) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. The external auditors may request a meeting if they consider that one is necessary.

The quorum for each meeting shall be two (2) members and the majority of members present must be Independent Non-Executive Directors.

The authorised officers and a representative of the external auditors may attend meetings at the invitation

AUDIT COMMITTEE REPORT

(Cont'd)

of the Committee. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors without executive Board members present.

The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.

The Secretary shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meeting of the Committee and circulating to the Committee members and to other members of the Board.

A resolution in writing signed or approved by letter by all the members of the Audit Committee who are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolution shall be described as "Audit Committee Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Company's minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

D. SUMMARY OF ACTIVITIES

The following activities were carried out by the Audit Committee during the year review:

1. Financial Reporting

- Reviewed the quarterly financial results, announcement, annual report and audited financial statements of the Company and the Group for financial year ended 30 June 2021 prior to recommending to the Board for consideration and approval;
- The review also involved discussion with Management and the external auditors to ensure they were drawn up in accordance with the applicable accounting standards approved by Malaysian Accounting Standards Board ("MASB") and other legal requirements; and

- The quarterly financial statements for the period from 1 July 2020 to 30 June 2021 (four quarters), which were prepared in compliance with the Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting, International Accounting Standards 34 Interim Financial Reporting and paragraph 9.22, including Part A, Appendix 9B of the MMLR, were reviewed at the AC meetings on 24 August 2020, 15 October 2020, 23 November 2020, 25 November 2020 (Adjourned AC), 22 February 2021 and 25 May 2021 respectively.

2. Internal Audit

- Reviewed and approved the annual audit plan proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the internal audit reports presented by the internal auditors on their findings and recommendations including Management's response;
- Considered internal auditors' recommendations and the Management's response with respect to system and control weaknesses, before proposing those system and control weaknesses be rectified and recommendations to be implemented; and
- Considered and recommended to the Board for approval of the audit fees payable.

3. External Audit

- Reviewed the external auditors' report on the final audit report for the financial year ended 30 June 2021 and Statement of Risk Management and Internal Control ("SORMIC") in October 2021 before recommending to the Board for approval;
- Reviewed the Internal Control Memorandum, together with Management's response to the findings of the external auditor;
- Reviewed the 2021 external auditors' audit plan for Bina Puri Group, encompassing the nature and scope for the year's audit and engagement strategy in 2021 prior to its implementation;

AUDIT COMMITTEE REPORT

(Cont'd)

- Reviewed the terms of engagement of the external auditors for the 2021 statutory audit and SORMIC, upon confirmation of its independence and objectivity, prior to tabling for the Board's approval. The engagement of the external auditors for the Group was supervised and processed under the Group's umbrella to streamline their terms of engagement;
- Reviewed and approved the non-audit services provided by the external auditors while ensuring there was no impairment of independence or objectivity. This includes monitoring the fee of the total non-audit work carried out by the external auditors so as not to jeopardise the external auditors' independent status. In the financial year ended 30 June 2021, the Company did not engage the external auditors for any non-audit projects.

Audit Committee also diligently exercised its right to hold annual meetings with the external auditors without the Management's presence on one separate occasion on 28 October 2021. These sessions were held to enable an open discussion with the Audit Committee and ensure the external auditors were not restricted in their scope of audit;

- Reviewed, assessed and monitored the performance, suitability and independence of the external auditors. The Audit Committee undertook an annual assessment to assess the performance, suitability and independence of the external auditors based on, amongst others, the quality of service, sufficiency of resources, communication and interaction, as well as independence, objectivity and professional scepticism.

The external auditors also provide an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements, including the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The engagement and concurring partners responsible for the

Group audit are rotated at least every five (5) financial years.

Following the review of the external auditors' effectiveness and independence, the Audit Committee is satisfied with the performance and the audit independence of the external auditors. Accordingly, Messrs. UHY has indicated their intention to seek re-election as auditor of the Company at the forthcoming Annual General Meeting.

The Board has in place, a formalised External Auditor Assessment Policy to enhance the External Auditors assessment processes and procedures. This Policy provides a structured, formalised/documentated assessment, review and supervision of the performance, suitability, objectivity and independence of External Auditors, to facilitate accountability and transparency of the Group's dealing with its External Auditors; and

- Considered and recommended to the Board for approval of the audit fees payable.

4. Others

- Reviewed the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- Reviewed the SORMIC and its recommendation to the Board for inclusion in the Annual Report; and
- Reviewed related party transactions that may arise within the Company or the Group.

The Committee discharged its duties and responsibilities in accordance with its Terms of Reference.

E. INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia"). The cost incurred for the internal audit function in respect of the financial year ended 30 June 2021 was RM25,740*.

AUDIT COMMITTEE REPORT

(Cont'd)

The internal audit function is headed by Mr. Chang Ming Chew, Executive Director of Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia"). Mr. Chang is a Certified Internal Auditor and holds a Certification in Risk Management Assurance from the Institute of Internal Auditors, professional member of the Institute of Internal Auditors Malaysia, member of the Association of Chartered Certified Accountants (UK), and member with the Malaysian Institute of Accountants.

The role of the internal audit function is to provide assurance to the Audit Committee in monitoring and managing risks and internal controls of the Group. A systematic and disciplined approach is used to evaluate the system of internal control of the Group.

The internal audit was carried out by referring to the International Professional Practices Framework issued by the Institute of Internal Auditors. The internal audit approaches are as follows:-

- Meeting with key staff to gain an understanding of the risks along with the processes reviewed, and the controls put in place;
- Reviewing key documents that support the processes and controls in place;
- Performing walkthrough test and test of control, and in particular management oversight controls, in order to provide assurance as to the design and operational effectiveness of the internal control; and
- Comparing existing processes with established best practices.

The internal audit activities are carried out based on a risk-based audit plan, which include both assurance and consulting activities approved by the Audit Committee, in order to achieve the following objectives:

- Compliance with legislation, regulations, policies and procedures;
- Economy and efficiency of operations;
- Safeguarding of assets;
- Reliability and integrity of financial and operational information; and
- Achievement of operational objectives.

For the financial period under review, Tricor Axcelasia has direct access to the Audit Committee. In order for the function to carry out its responsibilities, it shall have full access to all records, properties and personnel of the Group.

During the financial year ended 30 June 2021, Tricor Axcelasia carried out the following activities:

- a) Prepared the annual internal audit plan for the approval of the Audit Committee.
- b) Issued audit reports to the Committee and management identifying control weaknesses and issues as well as highlighting recommendations for improvements.
- c) Acted on suggestions made by Committee and/or senior management on concerns over operations or controls and significant issues pertinent to the Company or the Group.
- d) The internal audit undertaken by Tricor Axcelasia for the financial period from 1 July 2020 to 30 June 2021 included the following:
 - i. Internal Control Review on Finance and Treasury Functions.
 - ii. Internal Control Review on Defect Management

All findings and recommendations arising from the ICRs for financial year ended 30 June 2021 were tabled to the Audit Committee and the reviews were conducted based on an internal audit plan approved by the Audit Committee.

F . REVIEW OF THE AUDIT COMMITTEE

The nominating committee, as required of a listed issuer, reviews the term of office and performance of an Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

THE BOARD IS COMMITTED TO UPHOLD AND IMPLEMENT A CORPORATE CULTURE WHICH IS BASED ON THE PRINCIPLES AND BEST PRACTICES OF CORPORATE GOVERNANCE ("CG") AND IS PRACTICED BY THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP").

The Group CG framework is premised upon the following statutory provision, best practices, rules and guidelines:

- Companies Act 2016 ("the Act").
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad; and
- Malaysian Code on Corporate Governance ("the Code").

This report demonstrates the steps taken by the Board to apply three (3) key principles highlighted in the CG code in respect of Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Good governance depends on capable and effective leadership, professional behaviour and ethical corporate culture. Therefore the Board acknowledges that it is their responsibilities to inculcate the appropriate culture, values which reinforce ethical, prudent and professional behaviour throughout the organisation to create a healthy and dynamic corporate culture within the Group.

BOARD LEADERSHIP AND EFFECTIVENESS

OVERVIEW

The Board

The Board as a whole continues to take ownership of effective leadership and the long-term success of the Group. The diversified skills and leadership experience offered by the Non-Executive Directors enables them to scrutinise performance, assess the Group's risk management and control processes and to support the Executive Directors.

Practice 1.1 – Roles and Responsibilities of the Board

In discharging its functions and responsibilities, the Board is guided by the Board Charter, Authority Limits and Matters Reserved for the Board. The Board delegates certain roles and responsibilities to the Board Committees noted below whilst, amongst others, assuming the roles and responsibilities as stated below:

- Formulating and reviewing strategic plan for the Group quarterly;

The Board reviews and approves the annual corporate plan for the Group which includes overall corporate strategy, operational plan and the budget. These plans include consideration on the environmental condition, changes to rules and regulations, and incorporate environmental and social responsibility strategies which underpin the sustainability of the business.

The Board also intends to take steps to formalise a Sustainability Policy which sets out the business strategy that drives long-term corporate growth and profitability, by including environmental and social considerations in the business model. The Board will take steps to make available the policy on Group's corporate website.

- Overseeing the conduct of the businesses and financial performance of the Group;

Guidance is provided to management through frequent meetings and reporting whilst line managers are given sufficient level of autonomy to make decisions. The skillset and experience of the Directors enable in-depth discussion and examination of issues on performance, strategy, compliance and resources are discussed and examined in depth in order to take into consideration the long-term interest of the Group's stakeholders.

- Identifying and managing the principal risks of all aspects of the Group's operations and affairs;

The Board with the assistance from management, regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group.

Details of the Risk Management are further discussed in the Statement on Risk Management and Internal Control.

- Ensuring all senior management positions are held by candidates of sufficient experience;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The Board has established a formal organisation structure for the Group with delineated lines of authority, responsibility and accountability. The organisation structure is formed by focusing on performance delivery. It fosters and promotes the continual development of Executive Directors and key employees, thus enabling the Group to achieve its business objectives.

Moving forward, the Board intends to focus on business continuity through establishing a formal succession planning, to ensure that key positions maintain some measure of continuity.

- Ensuring that effective communication with its shareholders and stakeholders is in place; and

The Board strives to ensure that all shareholders have ready and timely access to all publicly available information of the Group and promote effective communication with shareholders so as to enable them to engage actively with the Group and exercise their rights as shareholders in an informed manner.

The Board also strives to ensure that the Group's disclosed information is compliant to legal, listing authority and stock exchange requirements, especially price-sensitive information.

- Ensuring that a sound framework of reporting on management information and internal controls is in place.

The Board's function in fulfilling the above responsibility is supported and reinforced through the various Committees established at both the Board and the management's level. Aided by independent outsourced Internal Audit and External Audit functions, the active functioning of these Committees through periodical meetings and discussions would provide a check and balance and reasonable assurance on the adequacy of the Group's internal controls.

Details on the Internal Audit and External Audit functions are further discussed in the Statement on Risk Management and Internal Control and Audit Committee Report.

Practice 1.2 - Role of Chairman

The Chairman leads and ensures the effectiveness of the board by among others, encouraging healthy debates by all directors, allowing sufficient time for discussion of issues and ensuring that the board's decisions fairly reflect board consensus.

YBhg. Tan Sri Dato' Wong Foon Meng takes on the role of Independent Non-Executive Chairman of the Group. Over the years, he has accumulated vast experience in public sector and legislative experience at state and federal level, as well as corporate experience. The Board is confident; he will be able to show leadership, entrepreneurship skills, business insight as well as instilling sound corporate governance practices in the best interests of the Group. He also communicates regularly with management and other Board Committee members.

Practice 1.3 - Separation of role of Chairman and Group Managing Director (GMD)

The role of the Independent Non-Executive Chairman and the Group Managing Director ("GMD") are distinct and separate to ensure that there is a balance of power and authority.

The GMD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The GMD is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

The GMD, YBhg. Tan Sri Datuk Tee Hock Seng, JP was assisted by a team of senior management in managing the day to day operations of the Group for the financial year under review.

The Group continues to comply with the Code in respect of separation of role between Chairman and GMD.

Practice 1.4 - Company Secretary

The Company Secretaries plays significant role in supporting the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with.

The Company Secretaries also highlighted all compliance and governance issues which they feel ought to be brought to the Board's attention.

Practice 1.5 - Information and Support for Directors

All Directors are provided with the meeting materials on a timely basis prior to the scheduled Board meetings. All Board papers, including those on complicated issues or specific matters and minutes of all Board Committee meetings, are distributed on

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

a timely basis to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise.

The Board members are supplied with information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of board reports or upon specific request to enable them to discharge their duties and responsibilities. All Directors are notified of the announcements release to Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, all Directors have access to the management and auditors for independent view and advice.

In furtherance of their duties, the Directors may seek independent advice, where necessary, at the expense of the Company, so as to ensure that they are able to make independent and informed decisions.

DIRECTORS' TRAINING PROGRAMME

The Board of Directors continues to evaluate and determine the training needs of its Directors to ensure continuing education to assist them in the discharge of their duties as Directors.

In addition to the Mandatory Accreditation Programmes required by the Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to keep them abreast with the current development of industry as well as any new statutory and regulatory requirements. This also will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations.

The Directors had participated in various training programmes, seminars and briefings in relation to governance, industry, finance and regulatory developments. During the financial year under review the Board members attended the following training programmes, seminars and briefings:

DIRECTOR	TOPIC	DATE
Tan Sri Dato' Wong Foon Meng	<ul style="list-style-type: none"> Update on Malaysia Code of Corporate Governance (MCCG 2021) 	17 August 2021
Tan Sri Datuk Tee Hock Seng, JP	<ul style="list-style-type: none"> Update on Malaysia Code of Corporate Governance (MCCG 2021) 	17 August 2021
Dr Tony Tan Cheng Kiat	<ul style="list-style-type: none"> Update on Malaysia Code of Corporate Governance (MCCG 2021) 	17 August 2021
Datuk Matthew Tee Kai Woon	<ul style="list-style-type: none"> Update on Malaysia Code of Corporate Governance (MCCG 2021) 	17 August 2021
Ir Ghazali Bin Bujang	<ul style="list-style-type: none"> Update on Malaysia Code of Corporate Governance (MCCG 2021) 	17 August 2021
Mohd Najib Bin Abdul Aziz	<ul style="list-style-type: none"> Audit Committee Conference 2021 Update on Malaysia Code of Corporate Governance (MCCG 2021) 	15 - 16 March 2021 17 August 2021

BOARD MEETINGS

The Board meeting calendar scheduling the meeting dates of the Board for each financial year were fixed in advance for the whole year to ensure that all Board meeting dates are booked and also to enable the Management's planning for the whole financial year.

The Board meets at least four (4) times a year with additional meetings being convened where necessary. The Board obtains the commitment from Directors to devote sufficient time and efforts to carry out their responsibilities at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees. None of the Directors of Group serve in more than five (5) listed companies. The present

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

directorships in external organisations held by the Group's Directors do not give rise to any conflict of interests nor impair their ability to discharge their responsibilities to the Group. Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan and schedule ahead for their attendance to the Board meetings in the coming year.

For the financial year ended 30 June 2021, the Board met four (4) times. The Board meetings were held on 26 August 2020, 25 November 2020, 25 February 2021 and 31 May 2021.

The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors which is evidenced by their attendance at the Board meetings as follows:

NAME OF DIRECTOR	BOARD MEETINGS
Tan Sri Dato' Wong Foon Meng	4/4
Tan Sri Datuk Tee Hock Seng, JP	3/4
Dr Tony Tan Cheng Kiat	4/4
Datuk Matthew Tee Kai Woon	4/4
Ir Ghazali Bin Bujang	4/4
Mohd Najib Bin Abdul Aziz	4/4

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") (minimum 50% attendance).

Practice 2.1 - Board Charter

The Board has in place a Board Charter which is accessible on the Group website. The Board Charter demarcates the responsibilities between Board, Board Committee, Chairman, Group Managing Director, Individual Director and Company Secretaries.

The Board shall review the said Charter periodically and any amendments/improvements shall be made thereto as and when the Board deems appropriate and necessary. Any subsequent amendments shall be approved by the Board.

Practice 3.1 - Code of Conduct and Ethics

Code of Conduct and Ethics defines the standards of conduct that are expected of Directors and employees to help them make the right decision in the course of performing their jobs to the highest standards of ethics, integrity and governance. Details of the Code of Conduct and Ethics which includes policies and procedures for managing conflicts of interest as well as preventing abuse of power, corruption, insider trading and money laundering is accessible from the Group's corporate website.

Practice 3.2 - Establishing and Implementation of Whistleblowing Policies and Procedures

The Board encourages employees and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group. The Whistleblowing Policy established by the Group provides and facilitates a mechanism for any employee and associate to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The Whistle-Blowing Policy is available on the Group's corporate website for ease of access for reporting by employees and associates of the Group.

Practice 4.1 - Presence of Independent Directors on the Board

The Board believes that the current composition is appropriate given the collective skills and experience of the Directors. The Board is of the view that with the current Board size, there is no disproportionate of power and authority on the Board between the Non-Independent and Independent Directors. The Board will continue to monitor and review the Board size and composition as may be needed.

The Board currently has six (6) members comprising three (3) Non-Executive Directors and three (3) Executive Directors. The Board is made up of an Independent Non-Executive Chairman, a Group Managing Director, a Founder Director/Executive Director, a Group Executive Director and two (2) Independent Non-Executive Directors. The Board has complied with Paragraph 15.02 of the Listing Requirements which requires at least two (2) Directors or one third (1/3) of the Board (whichever is higher) to be Independent Directors.

Practice 4.2 & 4.3 - Tenure of Independent Directors

The Board has considered the independence of each Independent Non-Executive Director in office as at the date of Annual Report and has concluded that the independence criteria as set out by MMLR have been met satisfactorily. The Board is generally satisfied that each Independent Non-Executive Director remains independent in character and judgement and is free from relationships or circumstances which are likely to affect or could appear to affect the Director's judgement.

To enhance the current process, Independent Non-Executive Directors will be required to declare formally on an annual basis his/her independence. Retention of independent directors after serving a cumulative term of nine (9) years are subject to shareholders' approval in line with the recommendation of the Code.

1/3 of Directors are subject to retirement by rotation yearly or at the interval of every 3 years. Information

on Directors who are retiring and who are willing to serve if so re-elected is disclosed in the notice of meeting.

Practice 4.4 & 4.5 - Diversity on Board and in Senior Management

The Board acknowledges importance of fostering diversity to enhance the effectiveness of the Board and senior management.

The Board takes appropriate measures to ensure that boardroom diversity is considered as part of its selection and recruitment exercise. However, the merits of the individual and knowledge and expertise relevant to the Company will be the main criteria when considering the selection of new candidates to the Board and/or senior management team.

Although currently, the Company do not have a written policy on diversity pertaining to the selection of its Board members and senior management team, the Board always taken into account diversity as one of the selection criteria.

The Board takes note of the Code with regard to Board gender diversity.

Practice 4.6 - Appointment of Directors

The Board is responsible for the appointment of Directors. It has formulated the terms of reference of the Nominating Committee ("NC") and has identified the composition of the Committee members. It is the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the MMLR of Bursa Securities allow a Director to sit on the board of 5 listed issuers. The Board had formalised the Boardroom Appointment and Performance Evaluation processes.

The processes will be as follow:

Boardroom Appointments

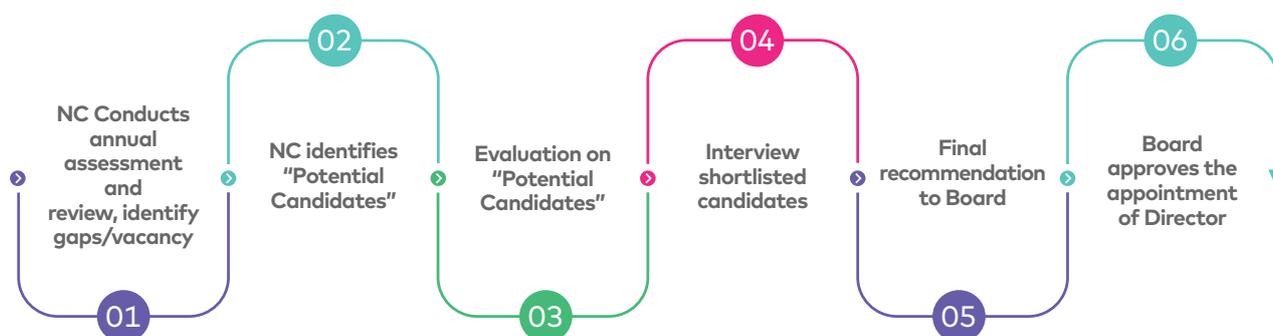
The selection, nomination and appointment of suitable candidates to the Board follow a transparent process.

Review of candidates for Board appointment has been delegated to the NC. NC is also responsible to review the existing composition of the Board, identifying the gaps and subsequently review and recommend to the Board a suitable candidate with the relevant skillsets, expertise and experience.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The Group's Boardroom appointment process is as follows:



Boardroom Membership Criteria

In reviewing and recommending to the Board any new Director appointments, the NC considers:

- Age, skills, knowledge, expertise, experience, professionalism, integrity, capabilities and such other factors which would contribute to the Board's collective skills;
- Competing time commitments if the candidate has multiple board representations;
- Composition requirements for the Board and Committees; and
- Independence, for the appointment of an Independent Non-Executive Director.

In identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing board members, management or major shareholders.

THE BOARD COMMITTEE

Practice 4.7 - Nominating Committee

The Nominating Committee ("NC") which comprises three (3) Directors, are exclusively made up of Independent Non-Executive Directors and is chaired by YBhg. Tan Sri Dato' Wong Foon Meng. The NC is responsible for nominating to the Board individuals as Directors and for assessing the Directors on an ongoing basis.

The Nominating Committee's Terms of Reference ("TOR") is available on Group's corporate website. The Terms of Reference discloses the following in

compliance with the MMLR of Bursa Securities:

- Board composition;
- Objectives of the committee;
- Meetings and access to information;
- Authorities; and
- Duties and Responsibilities.

In the process of selecting and evaluating candidates, the NC takes into consideration suitability for the role, Board balance and composition, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age and ethnicity background.

An assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees and the contribution of each individual Director. The annual assessment enables the Board to ensure that each of the Board members including the Group Managing Director has the character, experience, integrity, competence and time to effectively discharge their respective roles.

The key activities undertaken by the NC during the year are as follows:

- Recommending and reviewing the Policy on Board Composition;
- Reviewing the TORs of the Board Committees;
- Reviewing compliance of Board Committees with their respective TOR; and
- Reviewing the Term of Office and performance of the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Practice 5.1 - Evaluation for Board, Board Committees and Individual Directors

The purpose of the Board Evaluation is to assess the processes by which the Board fulfils its responsibilities, including those provided by the Code and outlined by the Board Charter.

The Board, through its Nominating Committee, undertakes an evaluation each year in order to assess how well the Board, its committees, the Directors and the Chairman are performing including assessing the independence of Independent Directors after taking into account the individual Director's capability to exercise independent judgement at all times.

The evaluation covers the Director's composition, combination of skills, experience, communication, roles and responsibilities, effectiveness as well as conduct. All Directors complete questionnaires regarding the Board and Committees' on the processes, their effectiveness and where improvements may be considered.

The outcome of the evaluation exercise is reported to the Nominating Committee and then to the Board for review.

The Director Performance Evaluation Process is as follow:



The criteria used in the Director Assessment process:

- Integrity, Commitment and Ethics
- Governance
- Strategic Perspective
- Adding Value
- Judgement and Decision Making
- Teamwork
- Communication
- Commitment

Individual board members' performances are tied to a full board assessment process. Board members rate their own performance at the same time that they rate board performance.

The main elements used in the Board and Committee assessment process:

1. Board Mix and Composition

Composition, constitution and diversity and that of its Committees, competencies of the members, review of Board and Committee charters and frequency of meetings.

2. Skills and Expertise

Determination of the skill, knowledge and expertise a board should ideally hold, those it holds currently and the identified gaps.

3. Dynamics and Functioning of the Board

Availability of timely and accurate information, interaction and communication with senior management, setting of Board agenda, cohesiveness and the quality of participation of members in meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Practice 6.1 - Remuneration Policy and Procedures for Directors and Senior Management

The Group has adopted the Remuneration Policy that link the level of remuneration to the experience and level of responsibilities undertaken by a Non-Executive Director and to structure the component parts of remuneration so as to link rewards to corporate and individual performance of Executive Directors and ensure it was aligned with the business strategy and long-term objectives of the Group.

The performance of the Executive Director is measured based on the achievements of his annual performance as well as the performance of the Group. The Group rewards its employees and the Executive Directors with options under the Share Issuance Scheme (SIS).

The details of the vesting of options under the SIS are set out on page 57 under the Directors' Report of the Audited Financial Statements for the FY2021.

Practice 6.2 - Remuneration Committee

The Remuneration Committee ("RC") is chaired by YBhg. Tan Sri Dato' Wong Foon Meng, comprises of four (4) Directors, of which three (3) are Independent Non-Executive Directors and one (1) Director is the Executive Director.

The Remuneration Committee's Terms of Reference ("TOR") is available on Group's corporate website. The terms of reference are as follows:

- (a) Review and recommend the entire individual remuneration packages for each of the Directors and key management of the Group;
- (b) Ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of the Directors and key management of the Group; and
- (c) Review and recommend to the Board of Directors of the Group the remuneration structure and policy and the terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement; other bonuses, fees and expenses; any compensation payable on the termination of the service contract for the Directors and key management.

Practice 7.1 & 7.2 - Disclosure of Remuneration

The details of the remuneration of the Directors of the Company and the Group for the financial year ended 30 June 2021:

	COMPANY		GROUP	
	EXECUTIVE DIRECTORS	NON EXECUTIVE DIRECTORS	EXECUTIVE DIRECTORS	NON EXECUTIVE DIRECTORS
Salary, Bonus & Socso (RM)	1,473	-	1,527	-
Fee (RM)	24	252	24	252
Defined Contribution Plan (RM)	100	-	100	-
Benefit-In-Kind (RM)	-	-	-	-
Total	1,597	252	1,651	252

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The number of Directors whose remuneration falls into the following bands is as follows:-

	SALARIES, BONUSES AND OTHER EMOLUMENTS		FEE	
	EXECUTIVE DIRECTORS	NON EXECUTIVE DIRECTORS	EXECUTIVE DIRECTORS	NON EXECUTIVE DIRECTORS
Group				
Below RM50,000	-	-	2	-
RM50,001 – RM100,000	-	-	-	2
RM100,001 – RM150,000	-	-	-	1
RM600,001 – RM650,000	1	-	-	-
RM1,000,001 – RM1,050,000	1	-	-	-
Company				
Below RM50,000	-	-	2	-
RM50,001 – RM100,000	-	-	-	2
RM100,001 – RM150,000	-	-	-	1
RM550,001 – RM600,000	1	-	-	-
RM1,000,001 – RM1,050,000	1	-	-	-

The details of the remuneration of each Director in name basis is not to disclosed due to confidentiality and security reasons and such disclosure may be prejudicial to the Company's business interest.

Although the disclosure is not on named basis, the details above nonetheless still provide breakdown and different bands.

The number of Senior Management for the financial year under review, whose remuneration falls within the respective bands is as follows:

	RM200,000 – RM300,000
Senior Management	5

The Group does not comply with the recommendation to disclose on named basis the top five senior management's remuneration in the bands of RM50,000 in order to preserve confidentiality and would be detrimental to the Group as this will facilitate opportunity for competitors to pinch the Group's top senior management.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Practice 8.1 - Chairman of Audit Committee

Ir. Ghazali Bin Bujang chaired the Committee and is not the Chairman of the Board. This is in compliance with the step up recommendation of the Code and MMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Practice 8.2 & 8.3 - Cooling off period for Key Audit Partner and Assessment of External Auditor

The Audit Committee will undertake an annual assessment on the performance of internal and external auditors, including the suitability and independence of the auditors, in accordance with the Group's policy. Both the internal and external auditors are independent.

The Group has in place a policy that requires a former key audit partner of existing external auditor to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

The Board has in place a formalised External Auditors Assessment Policy to enhance the External Auditors assessment processes and procedures. The policy shall assess the performance, suitability, objectivity and independence of the external auditor.

The functions of the Audit Committee in relation to the external and internal auditors are disclosed in pages 32 to 35 of the Annual Report.

Practice 8.4 - Independence of Audit Committee

The Committee consists of three (3) members of which all are independent non-executive directors. None of them are alternate Directors.

Practice 8.5 - Financial Literacy of Audit Committee Member

The Audit Committee possess the right mix of skills to discharge its duties effectively.

The Committee is chaired by Ir. Ghazali Bin Bujang who specialized in planning, engineering and management of infrastructure and development works. He also has a broad and balanced knowledge with respect to issues on economic and finance, technical and environmental relevant to development and infrastructure projects. En. Mohd Najib bin Abdul Aziz is a member of the Audit Committee and is a member of the Malaysian Institute of Accountants (MIA). The Committee also comprises members with engineering, corporate and finance backgrounds which are financially literate and provide diverse perspectives that strengthen the quality of deliberations.

Practice 9.1 & 9.2 - Risk Management and Internal Controls

The Board remains committed to ensuring that its communications with shareholders continue to present a fair, balanced and understandable assessment of the Group and its prospects. The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives.

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals and policies and procedures.

The Board assisted by management regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group. In addition, the internal auditors, using a risk-based approach, annually review the operational procedures and processes to ensure the integrity of the system of internal control.

Oversight of risk has been delegated to the Audit Committee ("AC"). The AC has responsibility for regularly reviewing the risk management assessment to ensure it remains sound. The AC is assisted by Board Executive Committee which are responsible for driving and supporting risk management across the Group.

The Statement of Risk Management and Internal Control is set out in page 49 the Annual Report outlines the principal risks and uncertainties associated with the Group's business. The Audit Committee monitors and reports on the Group's risk management systems, corporate reporting and internal control principles. The committee is also responsible for maintaining an appropriate relationship with its internal and external auditors which is set out on pages 32 to 35 of the Audit Committee Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Practice 10.1 & 10.2 - Effectiveness of Internal Audit Function

The Group outsourced its internal audit function to an independent internal audit service provider, Tricor Axcelasia Sdn. Bhd. The primary function of internal audit is to undertake systematic reviews of the governance, risk and internal control systems within the Group in accordance with an internal audit plan, so as to provide assurance that such systems are adequate and functioning as proposed.

The internal audit function's responsibilities are to provide independent and objective reports on the state of internal controls of the various operating units within the Group to the Audit Committee and provide recommendations for the improvement of the control procedures, so that corrective actions are taken to mitigate weaknesses noted in the system and controls of the respective operating units.

Details of the internal audit activities and scope of coverage of the outsourced internal audit function including the cost incurred are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Practice 11.1 - Communication with Stakeholders

The Board is committed to ensure that Group continues to engage effectively with the shareholders to facilitate a mutual understanding of objectives. The Group has a number of formal channels in place to effectively communicate this information to all the shareholders and stakeholders. The Board primarily achieve this through the following activities; the annual report, announcements to Bursa Securities, quarterly reports, Group's website and investor relations.

The Group also maintains a website which shareholders and other stakeholders can gain access to information about the Group, activities and/or any announcements made by the Group. This can all be located at www.binapuri.com.my.

Practice 12.1 - Notice of General Meeting

The notice of Annual General Meeting ("AGM") is sent out to the shareholders at least 28 days before the date of the meeting so that shareholders have adequate time to consider the resolutions that will be discussed at the AGM.

The AGM serves as a principal forum for dialogue with shareholders. Extraordinary General Meetings are held as and when required.

Practice 12.2 - Attendance of Directors at General Meeting

During the AGM, the Board presents the financial performance of the Group as contained in the Annual Report. Shareholders are encouraged to participate and are given every opportunity to raise questions and seek clarification during the session. All the Board members are available to respond to shareholders' queries.

Practice 12.3 - Use of Technology for Shareholders' Voting

Since 2018, the general meeting have adopted the voting exercise via electronic polling for convenience of the shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Compliance with the CG Code

The Board considers that the Group has complied with the best practice and applied the main principles of the Code with the exception of the following:

	EXPLANATION
Practice 4.1	<p>The Board currently has six (6) members comprising three (3) Non-Executive Directors and three (3) Executive Directors. The Board is made up of an Independent Non-Executive Chairman, a Group Managing Director, a Founder Director/Executive Director, an Executive Directors, and two (2) Independent Non-Executive Directors.</p> <p>The Board do not fulfil the requirement of the Code to have majority of the board comprising of independent directors. However, Board is in compliance with the requirements by the MMLR of Bursa Securities of having at least one third (1/3) of Independent Non-Executive Directors.</p>
Practice 6.2	<p>The Remuneration Committee should only consist of non-executive directors and a majority of them must be Independent Directors, drawing advice from experts, if necessary.</p> <p>The Remuneration committee currently consist of three (3) Independent Directors and one (1) executive director which is the Group Managing Director who is able to give insight on the Group's performance in relation to the industry.</p>
Practice 7.2	<p>To preserve confidentiality, the Group does not comply with recommendation to disclose on named basis the top five senior management's remuneration in the bands of RM 50,000.</p>
Practice 9.1	<p>The Board has a risk management assessment in practice for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals and policies and procedures.</p> <p>The Board assisted by management regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group. In addition, the internal auditors, using a risk-based approach, annually review the operational procedures and processes to ensure the integrity of the system of internal control.</p>
Practise 12.3	<p>Since 2018, the general meeting have adopted the voting exercise via electronic polling for convenience of the shareholders.</p>

CG Report

As required under paragraph 15.25 (2) of MMLR of Bursa Securities, the Group's application of each Practice of the CG Code during the financial year and explanation for departure and setting out timeline for compliance or alternative practice is set out in the Group CG Report and can be downloaded at www.binapuri.com.my.

ADDITIONAL DISCLOSURE

(a) Share Buy-Back

There was no Share Buy-Back during the financial year ended 30 June 2021.

(b) Options, Warrants or Convertible Securities Exercised

There were 54,134,500 options granted to the eligible employees and Directors of the Group during the financial year ended 30 June 2021.

(c) American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR")

There was no ADR or GDR Programme sponsored by the Company.

(d) Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by the relevant regulatory bodies.

(e) Non-Audit Fees

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial period ended 30 June 2021 was RM90,400.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

(f) Variation of Results

The results for the financial year ended 30 June 2021 do not differ by 10% or more from the unaudited results previously released. The Company has not released or announced any estimated profit, financial forecast or projection during the said financial year.

(g) Profit Guarantee

The Company has not issued any profit guarantee in the financial year ended period ended 30 June 2021.

(h) Material Contracts

None of the directors and major shareholders has any material contract with the Company and/or its subsidiaries during the financial year under review.

(i) Revaluation Policy on Landed Properties

The Group did not adopt a policy on regular revaluation of its landed properties.

(j) Private Placement

30% Private Placement

Proposed Private Placement of up to 260,523,000 new Shares, representing 30% of the existing total number of issued Shares, to independent third-party investor(s) to be identified later and at an issue price to be determined later.

The Company had successfully placed out 260,523,000 new Bina Puri Shares pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM21.1 million as detailed in the table below. The Company has utilised the proceeds in the following manner:

	Amount raised from the Private Placement (RM'000)	Amount utilised (RM'000)	Amount unutilised (RM'000)
Funding for existing and future construction and property development projects	21,028	21,028	-
Expenses in relation to the Private Placement	100	100	-
Total	21,128	18,937	-

The Private Placement has been completed following the listing and quotation of 260,523,000 Placement Shares on the Main Market of Bursa Securities on 19 April 2021.

10% Private Placement

- Proposed Private Placement of up to 143,111,100 new Shares, representing 10% of the existing total number of issued Shares, to independent third-party investor(s) to be identified later and at an issue price to be determined later.

The Company had successfully placed out 143,111,000 new Bina Puri Shares pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM7.5 million as detailed in the table below. The Company has utilised the proceeds in the following manner:

	Amount raised from the Private Placement (RM'000)	Amount utilised (RM'000)	Amount unutilised (RM'000)
Working capital	7,390	7,390	-
Expenses in relation to the Private Placement	129	129	-
Total	7,519	7,519	-

The Private Placement has been completed following the listing and quotation of 18,527,627 Placement Shares, being the seventh and final tranche of the Private Placement, on the Main Market of Bursa Securities on 4 October 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

(k) Share Issuance Scheme ("SIS")

The SIS of the Company is governed by the SIS By-Laws and was approved by the shareholders on 24 September 2018. The SIS is in force for a period of five (5) years effective from 1 March 2019 and will be expiring on 29 February 2024.

Date of offer	Exercise Price of option offered (RM)	Total number of Options offered
17 February 2020	0.076	114,575,000

Please refer to page 57 and 169 of the Annual Report for the further details on the SIS.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

THE MALAYSIAN CODE OF CORPORATE GOVERNANCE 2017 ("THE CODE") STIPULATES THAT THE BOARD OF DIRECTORS ("THE BOARD") OF LISTED COMPANIES SHOULD MAINTAIN A SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM TO SAFEGUARD SHAREHOLDERS' INVESTMENTS AND THE GROUP'S ASSETS. PURSUANT TO PARAGRAPH 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") AND THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS ("GUIDELINES"), THE BOARD IS PLEASED TO PROVIDE THE FOLLOWING STATEMENT, WHICH OUTLINES THE MAIN FEATURES AND ADEQUACY OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021.

BOARD'S RESPONSIBILITY

The Board recognises the importance of maintaining an effective risk management practice and a sound system of internal control of the Group as a whole. The Board also affirms its responsibility of reviewing the adequacy and integrity of these systems, so as to safeguard shareholders' investments and the Group's assets.

However, it should be noted that any system of internal control and risk Management is designed to manage rather than to eliminate the risk of failure to achieve the Group's strategic business and operational objectives within the risk appetite established by the Board and management. Accordingly, they can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

The Group has a well-defined organisational structure with clearly defined lines of accountability, authority and responsibility to the Board, its committees and functional units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control system including the following:

- The Group Executive Committee was established to manage the Group's operating divisions in accordance with corporate objectives, strategies, policies and annual budgets as approved by the Board.
- The Audit Committee ("AC") of the Group performs regular risk management assessments and through the Internal Audit function, reviews the internal control processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The AC also seeks the observations of the independent external and internal auditors of the Group. Further details are set out in the Audit Committee Report.
- Senior Management and Head of Department is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, to support the Group's risk management philosophy, promote compliance and manage risks.

Risk Management

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals and policies and procedures.

The Board assisted by management regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group. In addition, the internal auditors, using a risk-based approach, annually review the operational procedures and processes to ensure the integrity of the system of internal control.

The Group adopted the followings steps for its risk management:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

Through quarterly Board meeting discussion and operational meeting among project team, the Group had identified major risk areas of concern and mitigating actions were undertaken within appropriate timeframes. The Group's significant risks identified for the financial year ended 30 June 2021 are outlined below:

PRINCIPAL RISKS	DESCRIPTION	RISK MITIGATION STRATEGIES
<p>Economic Risk</p> 	<p>Slowdown in the local and global economy may affect the Property and Construction Division's order book replenishment and result in overcapacity situations in its capital resources.</p> <p>The Property Division's property sales slowed down due to the subdued market sentiments, saturated market and stiff competition.</p> <p>All of these factors affect the Group's profitability.</p>	<ul style="list-style-type: none"> • Securing long term yearly income recurring projects; • Exploring various business and geographical diversifications; • Regularly reviewing the business plans against performances to address any gaps or shortfalls • Securing long term yearly income recurring projects; • Exploring various business and geographical diversifications; • Regularly reviewing the business plans against performances to address any gaps or shortfalls; • Maintaining good relationships with contractors and suppliers in order to negotiate for more favourable terms; • Enhancing customer retention and also obtaining awards of projects from new customers; • Enhancing efficiency and productivity in its operations, particularly in project management; • Adopting innovative marketing strategies with appropriate product differentiation and flexibility in product offerings to suit the market demand for its properties.
<p>Project Risk</p> 	<p>These are risks associated with projects that are of specific nature, in particular, project management and construction risks in relation to both Construction and Property divisions, in both short and long term, potentially arising from delay in project completion, escalating construction costs, shortages of construction materials, supply chain efficiency and shortage of workers and experienced project managers.</p>	<ul style="list-style-type: none"> • Develop an effective strategy for managing project risks • Develop a set of key criteria to manage the significant risks that are common within most projects. • Setting a project governance structure consisting of clear project definition and planning process • An effective talent management program. • Specific risks associated with project management are normally delegated to project managers for attention and action. • Frequent site visits by contract officers and project management team

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

PRINCIPAL RISKS	DESCRIPTION	RISK MITIGATION STRATEGIES
<p>Financial Risk</p> 	<p>This is related to the risk that the Group may have inadequate cash flow to meet its financial obligations. The financial risks are in relation to interest rates, foreign currency, liquidity and credit.</p>	<ul style="list-style-type: none"> The Group constantly seeks to ensure that there is a reduction in cash outflow and increased cash inflow for the development of the Group's businesses, at the same time taking into consideration the impact of currency fluctuation, interest rates, credit risks and other risks related to the external market. The Group's fund raising exercises include Private Placement to investors and Rights Issue to all shareholders of Bina Puri Holdings Bhd.

Key Elements of the Group's Internal Control System

Authority and Responsibility

i. Organisation Structure

The Group has a comprehensive organisational structure which organises business operations. Clear lines of reporting, authority and segregation of duties are well documented in the organisation chart. The structure promotes ownership and accountability and delegated authority for planning, executing, controlling and monitoring of business operations. This structure is subject to periodic review to incorporate any emerging business needs.

ii. Clear Description of Roles and Responsibilities

Each role in the organisation structure is supported by clear job description established, which are linked to the vision, mission and business strategies of the Group.

iii. Delegation Authority Limit ("DAL")

The Group DAL is subject to regular review and update to promote organisational efficiency and ensure it is aligned with the Board's risk appetite.

Policies and Procedures

Policies and Procedures are established to ensure consistency in complying with related Group's operations requirement. New and revised policies are formulated to cater business needs or risks arise and to support implementation of proper governance of the Group.

Policies and Procedures are subject to periodic review to ensure it remains effective and relevant to the business growth and transformation. The Group's Policies and Procedures are categorised as follows:

i. Board Policies

Board level policies comprise Board Charters, Terms of References of Board Committees to ensure proper working of the Board in the handling of risk and control matters of the Group.

These are further explained in detail in the Corporate Governance Overview Statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

ii. Operational Policies and Procedures

Systematic documented standard operating policies and procedures that cover various operational areas which are subject to regular review and improvement. Other Policies and Procedures required by ISO 9001:2015 Quality Management System, are subject to regular review and improvement, to continually manage and controls the quality requirement of the Group's products and services.

iii. Code of Conduct and Ethics, and Whistle-blowing Policy

The Board has formalised a Code of Conduct and Ethics and a Whistle-blowing Policy to ensure the Board, senior management and employees' business decisions follow the Group commitment to the highest ethical standards and law, and to provide a channel for employees and stakeholders to provide information on frauds, wrongdoings and non-compliance with regulations and procedures by a vendor, customer or employee of the Group.

Human Resource Management and Development

A standardised performance management system is developed to continually appraise and reward the employees of the Group in accordance with their performance. Emphasis is also placed on enhancing the quality and capability of human assets through training and development programs, which enhances their ability to meet their performance and job expectations.

Monitoring

i. Financial and Operational Review

The Group presents its financial results to the Audit Committee for review in each quarter before financial statement is tabled to the Board for approval and subsequent announcement to Bursa Securities. The quarterly review enables the AC to assess and deliberate the Group's financial results, operational performance and variances against budget to enable them to monitor and contribute towards improving the performance of the Group.

ii. Budgetary Review

The Group performs an annual budgeting and forecasting exercise, including the development of business plan and performance targets for the Group. A comprehensive operating and capital expenditure requirement is tabled to the Board for approval prior to the commencement of a new financial year.

iii. Internal Audit Function

The Group had established an Audit Committee with the primary objective of assisting the Board to review the adequacy and integrity of the Group's internal control. In discharging its duties, the internal audit function of the Group is outsourced to Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia").

The Tricor Axcelasia independently reviews the adequacy and integrity of the system of internal control and reports to the Audit Committee on a regular basis. The annual audit plan covering the key activities of the Group is tabled to the Audit Committee for discussion and approval. The Internal Auditors review the Group's internal control system based on a risk-based approach and guided by accepted internal auditing practices

For the financial year ended 30 June 2021, Tricor Axcelasia has completed two (2) internal control review according to the approved annual audit plan. The findings arising from the internal control reviews together with recommendations, management responses and proposed action plans were promptly reported to the Audit Committee. The audit plan is further explained in detail in the Audit Committee Report.

The Audit Committee, on behalf of the Board, reviews the measures undertaken on internal control issues identified by the Internal Auditors. The Board will discuss with the Audit Committee and management on matters relating to internal controls and deliberates on their recommendations for implementation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

iv. Other Reviews

Frequent site visits by contract officers and project management team are established in monitoring the progress of projects undertaken by the Group. The ongoing performance of each business operating unit is reviewed on a monthly basis and these performance reviews are escalated to the Board on a quarterly basis.

THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board believes that the risk management and system of internal control are in place for the year under review and up to the date of issuance of financial statements, are effective and adequate to safeguard shareholders' investment, the interest of regulators and employees and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board has received assurance from the Group Managing Director that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects throughout the year under review.

The Board is committed to continually strengthen the transparency and efficiency of the Group's operations and control environment. This will be supported by an assessment independent of operations on the adequacy and integrity of the controls by the Internal Auditors. Other initiatives deemed necessary will be considered from time to time in order to ensure that the control environment remains reasonably secure.

The Statement on Risk Management and Internal Control does not deal with the associated companies and joint ventures as the Group does not have management control over their operations.

The internal control system is reviewed on an ongoing basis by the Board, Audit Committee and Management for the monitoring of compliance with policies and procedures. The Heads of Department as well as the respective Project Managers are involved in continually improving the control processes within their respective departments and projects.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Information and Audit and Assurance Practice Guide 3 (previously RPG 5 (Revised 2015) ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control.

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 statement is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidance for Directors of Listed Issuers to be set out, nor is factually inaccurate. AAPG 3 does not require the External Auditors to consider whether this Statement 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 Board of Directors and management thereon. The External Auditors 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.

CONCLUSION

The Board recognises the ever changing dynamic business environment and will endeavour to continue improving and enhancing the existing system of risk management and internal controls to ensure their continued relevance.



Financial Statements

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STATEMENT OF DIRECTORS' RESPONSIBILITY

in Relation to the Audited Financial Statements

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standard in Malaysia.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and the Company present a true and fair view of the statement of affairs of the Group and the Company as at the end of the financial year and of their results and their cash flows for the year then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- Overseeing the overall conduct of the company's business and that of the group;
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risk;
- Reviewing the adequacy and integrity of internal controls system and management system in the Company and the Group;
- Adopting suitable accounting policies and apply them consistently
- Ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standard in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2021 appropriate accounting policies were used and applied consistently, and adopted to include new and review Malaysian Financial Reporting Standards were applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimize fraud and other irregularities.

DIRECTORS' REPORT

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

Principal Activities

The principal activities of the Company are contractor for earthworks and building, project management services and investment holding.

The principal activities of the subsidiary companies are disclosed in Note 9 to the financial statements.

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

Financial Results

	Group RM'000	Company RM'000
Loss for the financial year	63,722	15,751
Attributable to:		
Owners of the parent	(63,910)	
Non-controlling interests	188	
	(63,722)	

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

DIRECTORS' REPORT

(Cont'd)

Issue of Shares and Debentures

During the financial year, the Company issued:

- (a) 24,000,000 new ordinary shares through private placement at an issue price of RM0.065 per share for a total cash consideration of RM1,560,000 for working capital purposes;
- (b) 30,000,000 new ordinary shares through private placement at an issue price of RM0.063 per share for a total cash consideration of RM1,890,000 for working capital purposes;
- (c) 49,601,000 new ordinary shares through Share Issuance Scheme at an issue price of RM0.1096 per share for a total cash consideration of RM5,436,270 for working capital purposes;
- (d) 22,907,900 new ordinary shares through private placement at an issue price of RM0.077 per share for a total cash consideration of RM1,763,908 for working capital purposes;
- (e) 260,523,000 new ordinary shares through private placement at an issue price of RM0.0811 per share for a total cash consideration of RM21,128,415 for working capital purposes; and
- (f) 280,000,000 new ordinary shares of RM0.085 each at RM23,800,000 as partial discharge of the purchase consideration for an acquisition of Ideal Heights Properties Sdn. Bhd., a subsidiary company (group) during the financial year.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up the unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

Share Issuance Scheme ("SIS") was implemented on 1 March 2019 to enable the Company to grant new and additional SIS options to the eligible persons in accordance with the By-Laws of the SIS. The maximum number of shares which may be allotted under the SIS shall not exceed in aggregate fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the SIS or such other limit prescribed by any guidelines, rule and/or regulation of the relevant authorities from time to time throughout the duration of the SIS. The salient features and other terms of the SIS are disclosed in the Note 24(b) to the financial statements.

DIRECTORS' REPORT
(Cont'd)

Options Granted Over Unissued Shares (Cont'd)

As at 30 June 2021, the options offered to take up unissued ordinary shares and the exercise price is as follow:

	Exercise price	At 1.7.2020	Number of options over ordinary shares			At 30.6.2021
			Granted	Exercised	Lapsed	
17 February 2020	0.076	9 8,132,000	14,456,000	(49,601,000)	(8,852,500)	54,134,500

Directors of the Company

Directors who served since the beginning of the financial year until the date of this report are:

Tan Sri Dato' Wong Foon Meng

Tan Sri Datuk Tee Hock Seng, JP *

Dr. Tan Cheng Kiat *

Datuk Matthew Tee Kai Woon *

Ir. Ghazali Bin Bujang

Mohd Najib Bin Abdul Aziz

* *Director of the Company and of its subsidiary companies*

DIRECTORS' REPORT

(Cont'd)

Directors of the Company (Cont'd)

The names of the Directors of the subsidiary companies of the Company during the financial year until the date of this report are disclosed in Note 10 to the financial statements.

Dato' Nik Ismail Bin Dato' Nik Yusoff	Imee Nurshafinaz Binti Mohd Bashah [#]	Tan Sri Datuk Seri (Dr) Foong Cheng Yuen
Datuk Borhan Bin Mohd Doya	Datuk Roslan Bin Datuk Hj. Ahmad	Cheo Chet Lan @ Chow Sak Nam, KMN
Abd Kadir Bin Md Idis	Mohd Zaharudin Bin Hussain	Muhammad Saleh Bin Jusman
Chow Chee Seng	Kang Jimmi	Kittipat Songcharoen
David Ng Chee Hwa	Lee Poh Teng	Mohd Azim Bin Latip
Dato' Gan Yeew Tian	Ng Chye Poh	Syed Sarfaraz H Rizvi
Dato' Ng Kee Leen	Ng Keong Wee	Adnan Bin Abdullah, PPN, PJK
Emil Malik Ibrahim	Ooi Tat Lean	Norpaizah Binti Abdul Wahab
Gan Choo Ann	Tan Cheng Kiat	Foong Yuen Fatt [^]
Haji Ismail Bin Omar	Tay Hock Lee	Ling Hie Ai [^]
Heap Wei Guan	We Her Ching	Dato' Sri Yong Seng Yeow [#]
Hi Siow Wea	Yam Huang Meng	Ang Kiam Chai [#]
Hoong Leng Wai	Yam Lee Ken	Hoi Choi Wan ^{##}

[#] *Directors resigned during the financial year*

^{##} *Directors resigned subsequent the financial year*

[^] *Directors appointed subsequent the financial year*

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

DIRECTORS' REPORT

(Cont'd)

Directors' Interests in Shares

The interests and deemed interests in the shares and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiary company) by the Directors in office at the end of the financial year (including their spouse or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.07.2020	Bought	Sold	At 30.06.2021
Bina Puri Holdings Bhd.				
Direct interest				
Tan Sri Datuk Tee Hock Seng, JP ⁽¹⁾	38,279,556	88,651,948	-	126,931,504
Dr Tan Cheng Kiat	9,668,902	75,505,571	-	85,174,473
Datuk Matthew Tee Kai Woon	9,317,850	65,801,309	-	75,119,159
Sungai Long Industries Sdn. Bhd.				
Indirect interest				
Tan Sri Datuk Tee Hock Seng, JP ⁽²⁾	1,820,000	-	-	1,820,000

	Number of warrants			
	At 01.07.2020	Acquired	Sold	At 30.06.2021
Bina Puri Holdings Bhd.				
Direct interest				
Tan Sri Datuk Tee Hock Seng, JP ⁽³⁾	19,139,778	-	-	19,139,778
Datuk Matthew Tee Kai Woon	4,618,925	-	-	4,618,925

	Number of SIS options over ordinary shares			
	At 01.07.2020	Granted	Exercised	At 30.06.2021
Bina Puri Holdings Bhd.				
Direct interest				
Tan Sri Datuk Tee Hock Seng, JP	13,000,000	-	(10,000,000)	3,000,000
Datuk Matthew Tee Kai Woon	13,000,000	-	(2,880,000)	10,120,000
Dr Tan Cheng Kiat	6,500,000	-	-	6,500,000

DIRECTORS' REPORT

(Cont'd)

Directors' Interests in Shares (Cont'd)

Notes:

- ¹ *Including shares held through nominee company and 800,000 shares held through Tee Hock Seng Holdings Sdn. Bhd.*
- ² *Deemed interested by virtue of his indirect substantial shareholding in the subsidiary.*
- ³ *Including warrants held through nominee company and 400,000 warrants held through Tee Hock Seng Holdings Sdn. Bhd.*

By virtue of their interests in the shares of the Company, Tan Sri Datuk Tee Hock Seng, JP is deemed to have interests in the shares of all its subsidiary companies during the financial year to the extent that the Company has an interest under Section 8(4) of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares and options over shares of the Company and of its related corporations during the financial year.

Directors' Benefits

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

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the share options granted under the SIS and warrants.

Indemnity and Insurance Costs

During the financial year, directors and officers of the Group and the Company were covered under a Directors and Officers Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, directors and officers of the Group and the Company subject to the terms of the policy. The total amount of indemnity coverage and insurance premium paid during the year for the directors and officers of the Group and of the Company were RM5,000,000 and RM22,000 respectively.

DIRECTORS' REPORT

(Cont'd)

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance 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) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT

(Cont'd)

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the notes to financial statements; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 9 to the financial statements.

Significant Events

The details of the significant event are disclosed in Note 44 to the financial statements.

DIRECTORS' REPORT

(Cont'd)

Auditors

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

The details of the auditors' remuneration are set out in Note 32 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 October 2021.

.....
TAN SRI DATUK TEE HOCK SENG, JP

KUALA LUMPUR

.....
DATUK MATTHEW TEE KAI WOON

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 75 to 226 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 October 2021.

.....
TAN SRI DATUK TEE HOCK SENG, JP

.....
DATUK MATTHEW TEE KAI WOON

KUALA LUMPUR

STATUTORY DECLARATION

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

I, Datuk Matthew Tee Kai Woon, the officer primarily responsible for the financial management of Bina Puri Holdings Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 75 to 226 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 29 October 2021.)

.....
DATUK MATTHEW TEE KAI WOON
(MIA Membership No. 19635)

Before me,

Zainul Abidin Bin Ahmad
No. W790

.....
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bina Puri Holdings 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 75 to 226.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

(Cont'd)

Key Audit Matters

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

Trade and other receivables, contract assets, and amount owing by associates

Refer to Note 2(d) (Significant Accounting Judgements, Estimates and Assumptions), Notes 14 and 16 (Trade and other receivables), Note 17 (Contract assets/liabilities) and Note 19 (Amount due from associates).

The total balances of trade and other receivables, contract assets, and amount owing by associates represented 50% of the Group's total assets as at 30 June 2021.

The management is required to exercise significant judgement, involving significant estimation, uncertainty subjective assumptions in impairment assessment of the receivables by determining the probability of default by receivables and adjusted with appropriate forward-looking information.

Our audit procedures performed in relation to management's impairment assessment included the following:

- Checked the expected timing and quantum of receipts of receivables by comparing to the historical payment trend of debtors and sighting of correspondences between the Group and the debtors;
- Assessed and considered the reasonableness of the forward-looking information included in management's assessment;
- Discussed with management to understand the status of the ongoing negotiation on the recovery of receivables and corroborated the key assumptions included in the ECL model; and
- Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Based on the procedures performed, we noted no significant exceptions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

(Cont'd)

Key Audit Matters (Cont'd)

Revenue and cost recognition on construction contracts and property development activities

Refer to Note 2(d) (Significant Accounting Judgements, Estimates and Assumptions) and Note 30 (Revenue).

A significant proportion of the Group's and of the Company's revenues and profits are derived from construction contracts and property development projects which span more than one accounting period. The Group and the Company use percentage-of-completion method in accounting for construction contracts and property development activities. The stage of completion is measured by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project.

We focused on this area because management applies significant judgement in determining the stage of completion, extent of costs incurred and estimated total costs, as well as appropriateness of provision for liquidated ascertained damages.

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

- Agreed a sample of costs incurred to date to invoice and/or progress claim such as sub-contractor claim certificates, verified by the Group's and Company's internal quantity surveyor or the employers and assessed the adequacy of accruals of costs made; and
- Challenged the assumptions in deriving at the estimates of construction contract and property development costs and compared the estimated costs to supporting documentation such as approved budgets, quotations, contracts and variation orders with sub-contractors;
- In instances where projects have been delayed, we have tested management's estimates of the liquidated ascertained damages provisions required to supporting documentation such as signed sale and purchase agreements with unit buyers, correspondences with unit buyers or sub-contractors and extension of time approvals;
- Reviewed management's workings on the computation of percentage-of-completion; and
- Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Based on the procedures performed, we noted no significant exceptions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

(Cont'd)

Key Audit Matters (Cont'd)

Fair value of investment properties

As at 30 June 2021, the Group's investment properties carried at fair value amounted to RM205.6 million.

The investment properties comprise various categories of properties such as shopping mall and commercial space. The valuations of the investment properties through investment and direct comparison methods were performed by independent external valuers.

We have identified the fair value of investment properties as a key audit matter due to complexities in determining the fair value of the investment properties, which involved significant estimates and judgements in determining the appropriate valuation methods and developing the underlying assumptions to be applied.

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

- We reviewed the external valuation reports of the investment properties from independent valuers and discussed the valuation methodologies and assumptions used in the valuation with the independent professional valuers;
- We assessed the reasonableness of the inputs underpinning the valuation and challenged the valuers on judgements and estimates used;
- We discussed with valuers to understand the basis of adjustments made to transacted price per square foot of comparable properties by considering factors related to the characteristics of the property, such as location, accessibility to the location, terrain, lot size and shape, tenure and comparable transacted dates and challenged the significant assumptions and critical judgement areas, including appropriateness of the rental rates, discount rates, estimated market yield and occupancy rates used; and
- We have assessed the capabilities, competency and objectivity of the independent external valuers through verification of their qualifications and registration;
- We reviewed and assessed the appropriateness and adequacy of the disclosures in the financial statements;
- We assessed whether the valuation methodologies were consistent with those used in the prior year and commonly used for the types of investment properties being valued.

Based on the procedures performed, we noted no significant exceptions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

(Cont'd)

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. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

(Cont'd)

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

(Cont'd)

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

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BINA PURI HOLDINGS BHD.

(Cont'd)

Other Matters

- (i) The financial statements of the Company for the preceding financial year were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditors, which was dated 26 October 2020, expressed an unmodified opinion.
- (ii) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM WAN YINN
Approved Number: 03262/04/2023 J
Chartered Accountant

KUALA LUMPUR

29 October 2021

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30.6.2021 RM'000	Group 30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
ASSETS				
Non-Current Assets				
Property, plant and equipment	4	135,878	113,117	124,622
Right-of-use assets	5	246	-	-
Investment properties	6	205,600	208,778	208,803
Intangible assets	7	8,585	11,585	14,585
Inventories	8	7,487	7,487	7,359
Investments in associates	10	3,839	3,941	7,949
Investments in joint venture	11	5,132	3,556	3,000
Other investment	13	2,781	3,327	3,842
Trade receivables	14	1,843	712	689
Deferred tax assets	15	3,645	3,670	-
		<u>375,036</u>	<u>356,173</u>	<u>370,849</u>
Current assets				
Inventories	8	269,186	247,147	240,040
Trade receivables	14	147,488	163,654	258,513
Other receivables	16	270,238	148,143	180,444
Contract assets	17	228,750	356,044	384,268
Amount due from associates	19	32,063	31,191	44,507
Tax recoverable		1,006	3,003	835
Fixed deposits with licensed banks	20	14,649	11,435	11,173
Cash and bank balances	21	18,624	9,960	6,564
		<u>982,004</u>	<u>970,577</u>	<u>1,126,344</u>
Non current asset held for sale	22	111	-	-
Total Assets		<u>1,357,151</u>	<u>1,326,750</u>	<u>1,497,193</u>

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

(Cont'd)

	Note	Group		1.7.2019 RM'000
		30.6.2021 RM'000	30.6.2020 RM'000	
EQUITY				
Share capital	23	236,435	180,856	157,821
Reserves	24	(4,334)	61,668	95,719
Equity attributable to owners of the parent		232,101	242,524	253,540
Non-controlling interests		133,331	121,441	113,663
Total Equity		365,432	363,965	367,203
LIABILITIES				
Non-Current Liabilities				
Trade payables	25	2,279	2,379	1,866
Lease liabilities	26	400	490	124
Bank borrowings	27	139,064	177,078	208,154
Deferred tax liabilities	15	18,129	14,017	14,158
		159,872	193,964	224,302
Current Liabilities				
Contract liabilities	17	23,357	41,268	36,724
Trade payables	24	295,050	268,575	381,530
Other payables	28	192,767	150,466	160,843
Lease liabilities	26	689	259	1,250
Bank borrowings	27	287,082	263,584	292,874
Amount due to corporate shareholders		-	8,179	-
Amount due to associates	19	12	6	12,076
Amount due to a joint venture	29	34	34	34
Amount due to director		1,715	1,305	-
Provision for taxation		31,141	35,145	20,357
		831,847	768,821	905,688
Total Liabilities		991,719	962,785	1,129,990
Total Equity and Liabilities		1,357,151	1,326,750	1,497,193

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

(Cont'd)

	Note	Company	
		2021 RM'000	2020 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	14,049	14,400
Investment in subsidiary companies	9	118,889	147,575
Investments in associates	10	33,455	33,455
Other investment	13	2,832	2,832
		<u>169,225</u>	<u>198,262</u>
Current Assets			
Trade receivables	14	-	11,489
Other receivables	16	66,866	34,767
Contract assets	17	-	4,492
Amount due from subsidiary companies	18	98,090	81,995
Amount due from associates	19	31,756	28,418
Tax recoverable		107	107
Fixed deposits with licensed banks	20	7	6
Cash and bank balances	21	13	402
		<u>196,839</u>	<u>161,676</u>
Total Assets		<u>366,064</u>	<u>359,938</u>
EQUITY			
Reserves	23	236,435	180,856
	24	29,738	46,912
Total Equity		<u>266,173</u>	<u>227,768</u>
LIABILITIES			
Current Liabilities			
Trade payables	25	18,845	20,879
Other payables	28	13,297	15,388
Bank borrowings	27	62,745	68,117
Amount due to subsidiary companies	18	4,289	27,746
Amount due to associates	19	6	6
Amount due to a joint venture	29	34	34
Amount due to Director		675	-
Total Liabilities		<u>99,891</u>	<u>132,170</u>
Total Equity and Liabilities		<u>366,064</u>	<u>359,938</u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	30	287,466	387,422	1,364	4,911
Cost of sales		(265,826)	(339,787)	(3,110)	(656)
Gross profit/(loss)		21,640	47,635	(1,746)	4,255
Other income		11,359	9,665	4,498	3,858
Administrative expenses		(60,247)	(52,856)	(10,680)	(11,421)
Net loss on impairment on financial instruments		(27)	(2,195)	-	(490)
Finance costs	31	(37,130)	(32,321)	(7,823)	(4,893)
Share of results of associates and joint ventures		1,978	2,976	-	-
Loss before tax	32	(62,427)	(27,096)	(15,751)	(8,691)
Taxation	33	(1,295)	(12,704)	-	169
Loss for the financial year		(63,722)	(39,800)	(15,751)	(8,522)

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(Cont'd)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other comprehensive loss:					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences for foreign operations		(1,267)	(396)	-	-
Other comprehensive loss for the financial year		(1,267)	(396)	-	-
Total comprehensive loss for the financial year		(64,989)	(40,196)	(15,751)	(8,522)
Loss for the financial year attributable to:					
Owners of the parent		(63,910)	(54,107)	(15,751)	(8,522)
Non-controlling interests		188	14,307	-	-
		(63,722)	(39,800)	(15,751)	(8,522)
Total comprehensive loss attributable to:					
Owners of the parent		(64,831)	(54,672)	(15,751)	(8,522)
Non-controlling interests		(158)	14,476	-	-
		(64,989)	(40,196)	(15,751)	(8,522)
(Loss) per share					
Basic (loss) per share (sen)	30(i)	(6.8)	(9.4)		
Diluted (loss) per share (sen)	30(ii)	(6.7)	(9.4)		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Group	Note	Attributable to Owners of the Parent							Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
		Non-distributable					Distributable				
		Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Warrant Reserve RM'000	Employee Share Option Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000			
At 1 July 2020		180,856	-	(10,402)	10,039	3,287	-	58,744	242,524	121,441	363,965
Profit for the financial year		-	-	-	-	-	-	(63,910)	(63,910)	188	(63,722)
Other comprehensive income for the financial year		-	-	(968)	-	-	-	47	(921)	(346)	(1,267)
Acquisition of subsidiary company		-	-	-	-	-	-	-	-	12,198	12,198
Total comprehensive income for the financial year		-	-	(968)	-	-	-	(63,863)	(64,831)	12,040	(52,791)
Transactions with owners:											
Issue of ordinary shares		55,579	-	-	-	-	-	-	55,579	-	55,579
Dividends paid to noncontrolling interests		-	-	-	-	-	-	-	-	(150)	(150)
Grant of share option scheme		-	-	-	-	496	-	-	496	-	496
Shares options lapsed		-	-	-	-	(297)	-	297	-	-	-
Shares options exercised		-	-	-	-	(1,667)	-	-	(1,667)	-	(1,667)
Total transaction with owners		55,579	-	-	-	(1,468)	-	297	54,408	(150)	54,258
At 30 June 2021		236,435	-	(11,370)	10,039	1,819	-	(4,822)	232,101	133,331	365,432

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(Cont'd)

Group	Note	Attributable to Owners of the Parent							Total Equity RM'000	
		Non-distributable				Distributable				
		Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Warrant Reserve RM'000	Employee Share Option Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
At 1 July 2019, as previously reported		157,821	(9,858)	-	-	-	105,577	253,540	113,663	367,203
Profit for the financial year		-	-	-	-	-	65	65	-	65
Effect of adopting of agenda decision		-	-	-	-	-	7,230	7,230	-	7,230
At 1 July 2019, as restated		157,821	(9,858)	-	-	-	112,872	260,835	113,663	374,498
Loss for the financial year		-	-	-	-	-	(54,107)	(54,107)	14,307	(39,800)
Other comprehensive income for the financial year		-	(544)	-	-	-	(21)	(565)	169	(396)
Total comprehensive income for the financial year		55,579	(544)	-	-	-	(54,128)	(54,672)	14,476	(40,196)
Transaction with owners:										
Issue of ordinary shares		23,035	-	10,039	-	-	-	33,074	-	33,074
Dividends paid to noncontrolling interests		-	-	-	-	-	-	-	(6,650)	(6,650)
Grant of share option scheme		-	-	-	3,287	-	-	3,287	-	3,287
Acquisition of non-controlling interests		-	-	-	-	-	-	-	(48)	(48)
Total transaction with owners		23,035	-	10,039	3,287	-	-	36,361	(6,698)	29,663
At 30 June 2020		180,856	(10,402)	10,039	3,287	-	58,744	242,524	121,441	363,965

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(Cont'd)

Company	Attributable to Owners of the Parent					Total Equity RM'000
	Non-distributable			Distributable		
	Share Capital RM'000	Warrant Reserve RM'000	Currency Translation Reserve RM'000	Employee Share Option Reserve RM'000	Retained Earnings RM'000	
At 1 July 2020	180,856	10,039	54	3,287	33,532	227,768
Loss for the financial year	-	-	-	-	(15,751)	(15,751)
Other comprehensive income for the financial year	-	-	-	-	-	-
Transaction with owners:						
Share option lapsed	-	-	-	-	45	45
Grant of share option scheme	-	-	-	(1,468)	-	(1,468)
Issue of ordinary shares	55,579	-	-	-	-	55,579
At 30 June 2021	236,435	10,039	54	1,819	17,826	266,173
Note						
		20				

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash Flows from Operating Activities				
Loss before tax	(62,427)	(27,096)	(15,751)	(8,691)
Adjustments for:				
Allowance for expected credit losses	-	-	-	490
Depreciation of:				
- property, plant and equipment	10,222	9,489	720	686
- right-of-use assets	61	-	-	-
Dividend income	(63)	(50)	(63)	(50)
Impairment loss on:				
- trade receivables	27	2,195	-	-
- goodwill on consolidation	3,000	3,000	-	-
Net effect of unwinding of interest from discounting	-	(77)	-	-
Share-based payment expenses	-	657	1,710	363
Reversal on impairment loss on amount due from subsidiary	-	-	-	(3,178)
Property, plant and equipment written off	114	-	-	-
Share of results of associates and joint ventures	137	(2,976)	-	-
Share of results of joint venture	(2,115)	-	-	-
Unrealised loss/(gain) on foreign exchange	-	2,589	4	-
Gain on disposal of:				
- property, plant and equipment	(942)	(3,041)	-	(171)
- investment properties	(1,122)	12	-	-
- investment in subsidiary	(2,663)	-	(4,000)	-
- associates	-	(1,036)	-	1,449
Interest income	-	(2,033)	-	-
Finance costs	37,130	32,321	7,823	4,893
Operating profit before working capital changes	(18,641)	13,954	(9,557)	(4,209)
Changes in working capital:				
Change in contract assets	21,674	51,773	4,491	3,528
Change in contract liabilities	(17,911)	4,544	-	-
Change in inventories	2,616	(30,784)	-	-
Change in amount due from associate companies	(872)	13,316	-	-
Changes in receivables	(124,805)	142,122	(22,319)	(6,853)
Changes in payables	136,319	(122,819)	(4,129)	(3,397)
	17,021	58,152	(21,957)	(6,722)
Cash (used in)/generated from operations	(1,620)	72,106	(31,514)	(10,931)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(Cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash Flows from Operating Activities (Cont'd)				
Interest paid	(37,130)	(32,321)	(7,823)	(4,893)
Interest received	-	-	-	-
Tax refunded	1,329	269	-	269
Tax paid	-	(5,649)	-	-
	(35,801)	(37,701)	(7,823)	(4,624)
Net cash (used in)/from operating activities	(37,421)	34,405	(39,337)	(15,555)
Cash Flows from Investing Activities				
Purchase of :				
- property, plant and equipment (Note 4(a))	(6,402)	(1,042)	(368)	(456)
- investment properties	-	-	-	-
Proceeds from disposal of :				
- investments in subsidiaries	33,782	-	34,000	-
- investment in associates	-	2,886	-	1
- property, plant and equipment	1,224	7,515	-	171
- investment properties	4,300	100	-	-
- other investment	546	515	-	510
Repayment from associates	-	-	-	14,176
Acquisition of associate	(35)	-	-	-
Acquisition of subsidiary company	6,875	(12,070)	-	-
Advances to subsidiaries	-	-	(40,866)	(24,188)
Advances to associates	-	-	(3,339)	-
Capital contributions from Non-controlling interest	11,702	-	-	-
Subscription of additional shares in a subsidiary	-	-	-	-
Dividend received	63	50	63	50
Interest received	-	2,033	-	-
Placement of fixed deposits	(3,214)	(262)	-	-
Net cash (used in)/from investing activities	48,841	(275)	(10,510)	(9,736)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(Cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash Flows from Financing Activities				
Advances from directors	410	-	675	-
Proceeds from issue of share capital	26,342	33,074	50,142	33,074
Dividends paid to non-controlling interest	-	(6,650)	-	-
Drawdown of/(repayment to) bank borrowings	(12,468)	(50,246)	(3,300)	(50)
Advances from associate companies	6	-	-	-
Repayment to subsidiaries	-	-	-	(5,997)
Advances from directors	-	9,484	-	-
Repayment to shareholders	(8,179)	-	-	-
Proceeds from exercise of SIS option	4,266	-	4,013	-
Derecognition of lease liabilities	-	(196)	-	-
Repayment of lease liabilities	(294)	(930)	-	(73)
Net cash from/(used in) financing activities	10,083	(15,464)	51,530	26,954
Net (decrease)/increase in cash and cash equivalents	21,503	18,666	1,683	1,663
Exchange translation differences on cash and cash equivalents	1,250	(3,142)	-	2
Cash and cash equivalents at the beginning of the financial year	(16,569)	(32,093)	(11,265)	(12,930)
Cash and cash equivalents at the end of the financial year (Note 18)	6,184	(16,569)	(9,582)	(11,265)
Cash and cash equivalents at the end of the financial year comprise:				
Cash and bank balances	18,624	9,960	13	402
Bank overdraft	(12,440)	(26,529)	(9,595)	(11,667)
	6,184	(16,569)	(9,582)	(11,265)

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

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

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

The registered office and the principal place of business of the Company is located at Wisma Bina Puri, 88 Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan.

The principal activities of the Company are as contractor for earthworks and building, project management services and investment holding. The principal activities of the subsidiary companies are disclosed in Note 9. There have been no significant changes in the nature of these activities during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

Adoption of new and amended standards

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

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3 Definition of a Business

Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108 Definition of Material

Amendments to MFRS 16 Covid-19-Related Rent Concessions

IFRIC Agenda Decision on MFRS 123 Borrowing Costs

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Adoption of new and amended standards (Cont'd)**

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for:

Effects of adopting IFRIC Agenda Decision on MFRS 123

In March 2019, the IFRS Interpretation Committee ("IFRIC") published an Agenda Decision on borrowing costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysia Accounting Standard Board announced that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group has adopted the IFRIC agenda decision retrospectively in its financial position as at 1 July 2019 and throughout all comparative presented, as if these policies had always been in effect. Comparative information in these financial statements have been restated to give effect to the above changes as disclosed in Note 45 to the financial statements.

Standards issued but not yet effective

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

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 9,	Interest Rate Benchmark	1 January 2021
MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Reform – Phase 2	
Amendments to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRSs Standards 2018 – 2020:		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

The initial applications of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

The financial statements of the Group and of the Company have been prepared under the historical cost basis, unless otherwise indicated in the significant accounting policies in Note 3.

(c) Functional and Presentation Currencies

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

(d) Significant accounting judgements, estimates and assumptions

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

Judgements

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

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. Basis of Preparation (Cont'd)**(d) Significant accounting judgements, estimates and assumptions (Cont'd)****Judgements (Cont'd)**Satisfaction of performance obligation in relation to contracts with customers

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

The Group recognises revenue over time in the following circumstances:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. Basis of Preparation (Cont'd)**(d) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty**

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

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

The Group regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount of the plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in Note 3(p)(i) on impairment of non-financial assets.

When value-in-use calculations are undertaken, management estimates the expected future cash flows from the cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment losses.

Their carrying amounts as at end of the reporting period and key assumptions applied in the impairment assessment of goodwill are given in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. Basis of Preparation (Cont'd)**(d) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty (Cont'd)**Impairment of investment in subsidiary companies

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

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 9.

Impairment of investment in associates and joint ventures

The Group reviews its investments in associates and investments in joint ventures when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Group evaluates the recoverable amounts based on market performance, economic and political situation of the country in which the joint ventures and associates operate.

The carrying amounts at the reporting date for investments in associates and joint ventures are disclosed in Notes 10 and 11 respectively.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. Basis of Preparation (Cont'd)**(d) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty (Cont'd)**Revenue and cost recognition on construction contracts and property development activities

The Group and the Company recognise revenue and cost from construction contract and property development activities in the profit or loss by using input method by reference to the stage of completion method. The stage of completion is determined by the proportion that contract cost or property development costs incurred for work performed to date bear to the estimated total contract or property development costs.

Significant judgement is involved in determining the stage of completion, extent of costs incurred and estimated total costs, as well as appropriateness of provision for liquidated ascertained damages.

Where the total actual revenue and cost incurred are different from the total estimated revenue and cost incurred, such differences will impact the contract profit or losses recognised.

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to Liquidated Ascertained Damage ("LAD") based on the facts and circumstances of the relevant construction or development projects being delayed. In making these judgements, the Group and the Company evaluate based on experience and by relying on the work of specialists.

The carrying amount of property development costs and contract assets/liabilities arising from performance under construction contracts at the reporting date are disclosed in Notes 8 and 17 respectively.

Provision for expected credit loss of financial assets at amortised cost

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

The carrying amounts at the reporting date for receivables are disclosed in Notes 14, 16, 17 and 18 respectively.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. Basis of Preparation (Cont'd)**(d) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty (Cont'd)**Discount rate used in leases

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

Income taxes

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

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2021, the Group has tax recoverable of RM1,006,000 (30.6.2020: RM3,003,000; 1.07.2019: RM835,000) and tax payable of RM31,141,000 (30.6.2021: RM35,145,000; 1.7.2019 RM20,357,000) respectively. The Company has tax recoverable of RM107,000 (2020: RM107,000).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies

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

(a) Basis of consolidation

(i) Subsidiary companies

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

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

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired. See accounting policy Note 3(p)(i) to the financial statements on impairment of non-financial assets.

(b) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(b) Investments in associates and joint ventures (Cont'd)**

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates and joint ventures (Cont'd)

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

(c) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

(d) Foreign currency

(i) Foreign currency transactions and balances

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(d) Foreign currency (Cont'd)****(i) Foreign currency transactions and balances (Cont'd)**

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

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

(ii) Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i).

(i) Recognition and measurement

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

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

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

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

(ii) Subsequent costs

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(e) Property, plant and equipment (Cont'd)****(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.

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.

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

Freehold buildings	50 years
Leasehold land and buildings	15 - 50 years
Plant, machinery and equipment	2 - 20 years
Truck and motor vehicles	5 - 20 years
Renovations, electrical installation, furniture and fittings	5 - 10 years
Office equipment	10 years

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

(f) Leases**(i) As lessee**

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(f) Leases (Cont'd)****(i) As lessee (Cont'd)**

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

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

Leasehold land and building	Over the remaining lease period
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The ROU assets are subject to impairment.

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

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

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

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

The Group applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(f) Leases (Cont'd)

(ii) As lessor

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

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

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

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

(g) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are 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 capitalised borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(g) Investment properties (Cont'd)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(h) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(h) Intangible assets (Cont'd)****(ii) Intangible assets acquired in a business combination (Cont'd)**

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(p)(i) on impairment of non-financial assets for intangible assets.

(i) Financial assets

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

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

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

(i) Finance assets at amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(i) Financial assets (Cont'd)****(i) Finance assets at amortised cost**

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

(ii) Finance assets through comprehensive incomeEquity instruments

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

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

The Group and the Company have not designated any financial assets at FVTPL

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(j) Financial liabilities**

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

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

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

(k) Financial guarantee contracts

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

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

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

(l) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

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

(i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

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

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

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

(ii) Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(m) Inventories (Cont'd)****(iii) Completed properties held for sale**

The cost of completed properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

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

(n) Contract assets/Contract liabilities

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

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

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

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(o) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(p) Impairment of assets****(i) Non-financial assets**

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

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

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(p) Impairment of assets (Cont'd)****(i) Non-financial assets (Cont'd)**

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

(ii) Financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(q) Share capital

(i) Ordinary shares

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

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

(ii) Warrant

Warrants are classified as equity instruments. The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of the warrants, the proceeds are credited to share capital and the related warrant reserves are reversed. The warrant reserves in relation to unexercised warrants at the expiry of the warrants will be reversed into retained earnings.

(iii) Distribution of non-cash assets to owners of the Company

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the assets to be distributed. At the end of the reporting period and on the settlement date, the Company reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Company settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

(r) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(r) Compound financial instruments (Cont'd)

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(s) Provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(t) Employee benefits

(i) Short term employee benefits

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

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

(ii) Defined contribution plans

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

(iii) Equity-settled share-based payment transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(t) Employee benefits (Cont'd)****(iii) Equity-settled share-based payment transaction (Cont'd)**

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

(v) Revenue recognition**(i) Revenue from contracts with customers**

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(v) Revenue recognition (Cont'd)****(i) Revenue from contracts with customers (Cont'd)**

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group recognises revenue from the following major sources:

(a) Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

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

If control of the asset transfers over time, revenue is recognised over the period of the contract by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(v) Revenue recognition (Cont'd)****(i) Revenue from contracts with customers (Cont'd)****(b) Revenue from construction contracts**

A contract with a customer is classified by the Group and by the Company as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's and the Company's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group and of the Company suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in Note 3(p).

(c) Sales of goods

Revenue from sale of goods is recognised when control of the products has transferred, being at the point the customer purchases the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. Payment of the transaction price is due immediately at the point the customer purchases the goods.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)

(v) Revenue recognition (Cont'd)

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

(d) Rendering of services

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

(ii) Rental income

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

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Sale of electricity

Revenue is recognised when electricity is consumed by customer based on meter reading of the customer.

(v) Management fee

Management fee is recognised when services are rendered.

(w) Income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(w) Income tax (Cont'd)**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. Significant Accounting Policies (Cont'd)**(x) Segment reporting**

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

(y) Contingencies

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

(z) Fair value measurement

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

For 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 is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Trucks and motor vehicles RM'000	Total RM'000
2021								
Cost								
At 1 July 2020	4,570	62,684	1,738	75,367	32,142	16,124	33,256	225,881
Additions	-	-	-	1,595	3,824	310	998	6,727
Acquisition of subsidiary	6,140	26,446	-	45	486	483	5	33,605
Disposals	(218)	-	-	(265)	-	(12)	(3,750)	(4,245)
Disposals of subsidiary	-	-	-	(3,962)	(1,079)	(4,130)	(1,282)	(10,453)
Written-off	-	-	-	-	(51)	(578)	(164)	(793)
Reclassification	(218)	-	-	-	-	-	-	(218)
Exchange differences	-	(1,118)	-	(2,103)	108	(17)	(11)	(3,141)
At 30 June 2021	10,274	88,012	1,738	70,677	35,430	12,180	29,052	247,363

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Trucks and motor vehicles RM'000	Total RM'000
2021								
Accumulated depreciation								
At 1 July 2020	563	13,251	1,176	34,878	18,110	12,874	31,912	112,764
Charge for the financial year	73	2,216	54	4,336	1,704	712	1,194	10,289
Acquisition of subsidiary	3,316	204	-	44	476	474	5	4,519
Disposals	(107)	-	-	(265)	-	(12)	(3,580)	(3,964)
Disposals of subsidiary	-	-	-	(3,841)	(1,075)	(4,124)	(1,282)	(10,322)
Written-off	-	-	-	-	(38)	(480)	(162)	(680)
Reclassification	(107)	-	-	-	-	-	-	(107)
Exchange differences	-	(198)	-	(785)	(1,419)	1,281	107	(1,014)
At 30 June 2021	3,738	15,473	1,230	34,367	17,758	10,725	28,194	111,485
Carrying amount								
At 30 June 2021	6,536	72,539	508	36,310	17,672	1,455	858	135,878

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)		Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Trucks and motor vehicles RM'000	Total RM'000
2020									
Cost									
At 1 July 2019	4,570	64,681	1,738	77,148	31,770	15,288	46,156	241,351	
Additions	-	-	-	-	10	1,138	395	1,543	
Disposals	-	(2,265)	-	(6,353)	(130)	(138)	(9,412)	(18,298)	
Written off	-	-	-	-	-	-	-	-	
Reclassification	-	(75)	-	3,936	334	(188)	(4,008)	(1)	
Exchange difference	-	343	-	636	155	24	128	1,286	
At 30 June 2020	4,570	62,684	1,738	75,367	32,139	16,124	33,259	225,881	
Accumulated depreciation									
At 1 July 2019	490	11,104	1,122	32,464	16,850	12,086	42,613	116,729	
Charge for the financial year	73	2,168	54	3,945	1,071	1,105	1,073	9,489	
Disposals	-	-	-	(5,061)	(84)	(84)	(8,596)	(13,825)	
Written-off	-	-	-	-	-	-	-	-	
Reclassification	-	(75)	-	3,297	197	(233)	(3,186)	-	
Exchange differences	-	55	-	232	76	-	8	371	
At 30 June 2020	563	13,252	1,176	34,877	18,110	12,874	31,912	112,764	
Carrying amount									
At 30 June 2020	4,007	49,432	562	40,490	14,029	3,250	1,347	113,117	

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Long leasehold land and buildings RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Trucks and motor vehicles RM'000	Total RM'000
Cost					
At 1 July 2020	19,797	2,343	3,377	555	26,072
Additions	-	4	4	360	368
At 30 June 2021	19,797	2,347	3,381	915	26,440
Accumulated depreciation					
At 1 July 2020	6,023	2,249	2,889	511	11,672
Charge for the financial year	465	27	136	91	719
At 30 June 2021	6,488	2,276	3,025	602	12,391
Carrying amounts					
At 30 June 2021	13,309	71	356	313	14,049

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Long leasehold land and buildings RM'000	Renovation, electrical installation, furniture and fittings RM'000	Office equipment RM'000	Trucks and motor vehicles RM'000	Total RM'000
Cost					
At 1 July 2019	19,797	3,635	1,629	1,138	26,199
Additions	-	-	456	-	456
Disposals	-	-	-	(583)	(583)
Reclassification	-	(1,292)	1,292	-	-
At 30 June 2020	19,797	2,343	3,377	555	26,072
Accumulated depreciation					
At 1 July 2019	5,558	3,528	1,477	1,006	11,569
Charge for the financial year	465	36	97	88	686
Disposals	-	-	-	(583)	(583)
Reclassification	-	(1,315)	1,315	-	-
At 30 June 2020	6,023	2,249	2,889	511	11,672
Carrying amounts					
At 30 June 2020	13,774	94	488	44	14,400

(b) Assets held in trust

Included in property, plant and equipment of the Group is a freehold land with a net book value of RM935,000 (30.6.2020: RM935,000; 1.7.2019: RM935,000) which is held in trust by former director of the Company.

(c) Purchase of property, plant and equipment

The aggregate cost of the Purchase of property, plant and equipment of the Group and of the Company during the financial year under the lease and cash payments are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Aggregate costs	6,727	1,543	368	456
Less: Finance lease financing	(325)	(501)	-	-
Cash payments	6,402	1,042	368	456

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4. Property, Plant and Equipment (Cont'd)**(d) Assets pledged as securities to licensed banks**

The carrying amount of property, plant and equipment amounted to approximately RM2,778,136 (30.6.2020: RM9,899,000; 1.7.2019: RM11,977,000) is pledged as securities for bank borrowings as disclosed in Note 27.

	Group	
	2021 RM'000	2020 RM'000
Freehold land and buildings	2,778	3,073
Long leasehold land and buildings	-	6,826
	<u>2,778</u>	<u>9,899</u>

(e) Assets held under finance leases

As at 30 June 2021, the net carrying amount of trucks and motor vehicles of the Group was RM253,168 (2020: RM525,526). Leased assets are pledged as security for the related finance lease liabilities.

(f) Lease period for leasehold land

Leasehold land consists of:

- (i) two pieces of land with unexpired lease period of 99 years, expiring on 4 June 2094 with remaining useful lives of 74 years (30.6.2020: 75 years; 1.7.2019: 76 years).
- (ii) two pieces of land with unexpired lease period of 99 years, expiring on 17 October 2089 with remaining useful lives of 69 years (30.6.2020: 70 years; 1.7.2019: 71 years).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

5. Right-of-Use Assets

	Group	
	Building RM'000	Total RM'000
2021		
Cost		
As at 1 July 2020	-	-
Additions	307	307
As at 30 June 2021	307	307
Accumulated depreciation		
As at 1 July 2020	-	-
Charge for the financial year	61	61
As at 30 June 2021	61	61
Carrying amount		
As at 30 June 2021	246	246

6. Investment Properties

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
At cost			
Included in the above are:			
Leasehold land	-	3,178	3,203
Shopping mall	205,600	205,600	205,600
	205,600	208,778	208,803
Fair value of investment properties	205,600	208,778	208,803

(a) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by independent qualified valuers amounting to RM205,600,000 (30.6.2020: RM208,778,000; 1.7.2019: RM208,803,000). The independent professional qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segment of the investment properties valued. The fair value measurements of the investment properties are based on the highest and best use. The fair values are within level 3 of the fair value hierarchy.

There was no transfer between levels during current and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

6. Investment Properties (Cont'd)

(a) Fair value basis of investment properties (Cont'd)

Level 3 fair value

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3 are as shown below:

Investment properties	Valuation techniques	Range	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Main Place Mall Jalan USJ 21/10, 47640 UEP Subang Jaya, Selangor.	Investment Method	1.50-76.90	Shopping complex	
			Actual rental rate (RM/psf/month)	expected market rental growth were higher/(lower)
			Reversionary rental rate (RM/psf/month)	expected reversionary rental growth were higher/(lower)
			Outgoings (RM/psf/month)	expected outgoings rate were lower/(higher)
			Reversionary outgoings (RM/psf/month)	expected reversionary outgoings rate were lower/(higher)
			Term yield (%)	term yield rate were lower/(higher)
			Reversionary yield (%)	reversionary yield were lower/(higher)
10	Void rate (%)	void rate were lower/(higher)		

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

6. Investment Properties (Cont'd)

(a) Fair value basis of investment properties (Cont'd)

Level 3 fair value (Cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3 are as shown below: (Cont'd)

Investment properties	Valuation techniques	Range	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Commercial lots The Main Place Residences Jalan USJ 21/10, 47640 UEP Subang Jaya, Selangor.	Investment Method	1.90-4.50 0.33 6 10	Commercial lot Actual rental rate (RM/psf/month) Outgoings (RM/psf/month) Term yield (%) Void rate (%)	expected market rental growth were higher/(lower) expected outgoings rate were lower/(higher) term yield rate were lower/(higher) void rate were lower/(higher)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

6. Investment Properties (Cont'd)

(a) Fair value basis of investment properties (Cont'd)

Level 3 fair value (Cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3 are as shown below: (Cont'd)

Investment properties	Valuation techniques	Range	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Car park The Main Place Residences Jalan USJ 21/10, 47640 UEP Subang Jaya, Selangor.	Investment Method	139	Actual rental rate (RM/bay/month)	expected market rental growth were higher/(lower)
		0.33	Outgoings (RM/psf/month)	expected outgoings rate were lower/(higher)
		0.363	Reversionary outgoings (RM/psf/month)	expected reversionary outgoings rate were lower/(higher)
		6	Term yield (%)	term yield rate were lower/(higher)
		10	Void rate (%)	void rate were lower/(higher)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

6. Investment Properties (Cont'd)**(a) Fair value basis of investment properties (Cont'd)**

The following table provides the fair value measurement hierarchy of the Group's investment properties:

	Level 3 RM'000
Group	
2021	
Shopping mall	205,600
	<u>205,600</u>
2020	
Leasehold land	3,178
Shopping mall	205,600
	<u>208,778</u>
2019	
Leasehold land	3,203
Shopping mall	205,600
	<u>208,803</u>

(b) Income and expenses recognised in profit or loss

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

	30.6.2021 RM'000	Group 30.6.2020 RM'000	1.7.2019 RM'000
Rental income	14,769	16,455	27,910
Direct operating expenses:			
- Income generating investment properties	(10,879)	(11,085)	(18,752)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

7. Intangible Assets

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Group			
At cost			
At 1 July/30 June	15,858	15,858	15,858
Accumulated impairment losses			
At 1 July	4,273	1,273	1,273
Additions	3,000	3,000	-
At 30 June	7,273	4,273	1,273
Carrying amount			
At 30 June	8,585	11,585	14,585

(a) Impairment testing for cash-generating units ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill is monitored for internal management purposes

The aggregate carrying amounts of goodwill allocated to each cash-generating unit ("CGU") are as follows:

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Power supply division	350	350	350
Property division	8,235	11,235	14,235
	8,585	11,585	14,585

The recoverable amounts of CGUs in respect of the goodwill were determined based on value-in-use ("VIU") calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a three to five-year period.

Key assumptions used in the VIU calculations for the goodwill impairment assessment are selling price per square foot, average room rate, occupancy rate, operating costs and margin. The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

7. Intangible Assets (Cont'd)

(b) Impairment testing for cash-generating units ("CGU") containing goodwill (Cont'd)

A pre-tax discount rates range from 14% (30.6.2020: 14%; 1.7.2019: 14%) per annum were applied in determining the recoverable amounts of the CGUs. The discount rates used are pre-tax and reflect the specific risks relating to the respective CGU

Based on the assessment on impairment on power sector, no impairment is required for the goodwill. A reasonable possible change in the key assumptions would not result in any impairment.

8. Inventories

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Non-current			
Land held for property development (Note a)	7,487	7,487	7,359
Current			
Property development cost (Note b)	231,123	219,167	239,893
Other inventories (Note c)	38,063	27,980	147
	269,186	247,147	240,040
	276,673	254,634	247,399

(a) Land held for development

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
At 1 July			
- land costs incurred to date	5,240	5,240	5,240
- development costs incurred to date	2,247	2,119	3,893
	7,487	231,123	231,123
Add: Costs incurred during financial year/period			
- development costs	-	128	(1,774)
At 30 June			
- land costs incurred to date	5,240	5,240	5,240
- development costs incurred to date	2,247	2,247	2,119
	7,487	7,487	7,359

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

8. Inventories (Cont'd)

(b) Property development costs

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Cummulative property development cost			
At 1 July			
- Land costs	84,725	98,165	96,265
- Development expenditure	134,442	141,728	167,919
	219,167	239,893	264,184
Add: Costs incurred during financial year/period			
- Land costs	-	-	1,900
- Development expenditure	65,695	77,649	186,613
	65,695	77,649	188,513
Less: Costs recognised in profit or loss			
- Land costs	-	(11,410)	-
- Development expenditure	(43,945)	(57,982)	(212,804)
	(43,945)	(69,392)	(212,804)
Less: Reclassified to inventory			
- Land costs	-	(2,030)	-
- Development expenditure	(9,774)	(26,953)	-
	(9,774)	(28,983)	-
Carrying amount			
At 30 June			
- Land costs	84,725	84,725	98,165
- Development expenditure	146,398	134,442	141,728
	231,123	219,167	239,893

The property development cost of the Group amounting to RM150,288,000 (2020: RM117,078,000) were charged to a licensed bank to secure a banking facility granted to the Group as stated in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

8. Inventories (Cont'd)**(c) Other inventories**

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Finished goods	938	-	-
Completed development unit	37,007	27,812	-
Spareparts	118	168	147
	38,063	27,980	147

9. Investment in Subsidiary Companies

	Company	
	2021 RM'000	2020 RM'000
In Malaysia		
At cost		
Unquoted shares	79,655	109,655
Capital contribution to subsidiaries, at cost	44,730	43,416
	124,385	153,071
Less: Accumulated impairment losses	(5,504)	(5,504)
	118,881	147,567
Outside Malaysia		
At cost		
Unquoted shares	1,845	1,845
Less: Accumulated impairment loss	(1,837)	(1,837)
	8	8
	118,889	147,575

Capital contribution represents unsecured, interest free non-trade advances given to subsidiaries. The settlement of these advances is neither planned nor likely to occur in the foreseeable future and it is the Company's intention to treat them as a long-term source of capital to the subsidiaries. As these advances are, in substance, a part of the Company's net investment in those subsidiaries, they are stated at cost less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Direct holding:				
Bina Puri Sdn. Bhd.	Malaysia	100	100	Contractor of earthworks, buildings and road construction
Bina Puri Construction Sdn. Bhd.	Malaysia	-	100	Contractor of earthworks, buildings and road construction
Aksi Bina Puri Sdn. Bhd. *	Malaysia	60	60	Investment holding
Bina Puri Ventures Sdn. Bhd. *	Malaysia	100	100	Investment holding and contractor of earthworks, buildings and road construction
Bina Puri Infrastructure Pte. Ltd.**	India	100	100	Inactive
Gugusan Murni Sdn. Bhd. *	Malaysia	100	100	Property developer and management
Maskimi Venture Sdn. Bhd. *	Malaysia	100	100	Commission agent
Bina Puri Power Sdn. Bhd. *	Malaysia	100	80	Investment holding
Bina Puri Realty Sdn. Bhd. (formerly known as DPBS-BPHB Sdn. Bhd.) *	Malaysia	100	100	Investment holding
Bina Puri Juara Sdn. Bhd. *	Malaysia	100	100	Investment holding
Bina Puri Gah Sdn. Bhd. *	Malaysia	60	60	Inactive
Bina Puri Pakistan (Private) Ltd. *	Pakistan	99.97	99.97	Builder of motorway

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Direct holding: (Cont'd)				
Bina Puri Properties (B) Sdn. Bhd. *	Brunei Darussalam	100	100	Renting of service apartment and property management
Bina Puri (B) Sdn. Bhd. *	Brunei Darussalam	80	80	Contractor of earthworks, buildings and road construction
Bina Puri Properties Sdn. Bhd. *	Malaysia	100	100	Property developer and management
Bina Puri Hong Kong Limited *	Hong Kong	100	100	Inactive
BP Energy Sdn. Bhd. *	Malaysia	100	100	Inactive
Bina Puri Builder Sdn. Bhd.	Malaysia	100	100	Contractor of earthworks, buildings and road construction
Bina Puri Cambodia Ltd. **	Cambodia	100	100	Inactive
Bina Puri Hydro Sdn. Bhd. *	Malaysia	51	-	Project management consultancy services
Indirect holding:				
Subsidiary company of Bina Puri Properties Sdn. Bhd.				
Ascotville Development Sdn. Bhd. *	Malaysia	100	100	Property developer and management
BP S14 Sdn. Bhd. *	Malaysia	100	100	Inactive
BP Healthcare Development Sdn. Bhd. *	Malaysia	100	100	Inactive

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Indirect holding: (Cont'd)				
Subsidiary company of Bina Puri Properties Sdn. Bhd.				
Konsortium Syarikat Bina Puri-TA3 JV Sdn. Bhd. *	Malaysia	70	70	Inactive
Subsidiary company of Bina Puri Construction Sdn. Bhd.				
Latar Project Management Sdn. Bhd. *	Malaysia	60	60	Inactive
Bina Puri Lao Co. Ltd. **	Laos	100	100	Inactive
Subsidiary company of Bina Puri Ventures Sdn. Bhd.				
Maskimi Polyol Sdn. Bhd. *	Malaysia	100	100	Manufacturer of polyol
Subsidiary company of Bina Puri Power Sdn. Bhd.				
PT Megapower Makmur *	Republic of Indonesia	51	56	Power supply
Subsidiary company of Bina Puri (B) Sdn. Bhd.				
Bina Puri (B) Sdn. Bhd.	Brunei Darussalam	10	10	Contractor of earthworks, buildings and road construction
Subsidiary company of Bina Puri Juara Sdn. Bhd.				
Bina Puri Mining Sdn. Bhd. *	Malaysia	100	100	Inactive
BP Solar Sdn. Bhd. (formerly known as BP Energy (Indonesia) Sdn. Bhd.)	Malaysia	100	100	Inactive

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Indirect holding: (Cont'd)				
Subsidiary company of Bina Puri Juara Sdn. Bhd. (Cont'd)				
Sungai Long Industries Sdn. Bhd.	Malaysia	51	51	Quarry operator and contractor of road paving projects
KM Quarry Sdn. Bhd. *	Malaysia	70	70	Quarry operator and contractor of road paving projects
Subsidiary company of Aksi Bina Puri Sdn. Bhd.				
Sumbangan Legenda Sdn. Bhd. *	Malaysia	60	60	Property developer, management and investment holding
Karak Land Sdn. Bhd. *	Malaysia	70	70	Property developer and management
Semarak Semerah Sdn. Bhd. *	Malaysia	100	100	Investment holding
Subsidiary company of Semarak Semerah Sdn. Bhd.				
Star Effort Sdn. Bhd. *	Malaysia	95	95	Property developer and management

* Subsidiary companies not audited by UHY

** Subsidiaries without audited financial statements and auditors' reports but the unaudited financial statements of the subsidiaries were adopted by the Group for the purpose of the consolidated financial statements of the Group

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interest:

Name of company	Proportion of ownership interests and voting rights held by noncontrolling interests		Profit/(Loss) allocated to noncontrolling interests		Accumulated noncontrolling interests	
	2021 %	2020 %	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sumbangan Lagenda SB	64	64	(705)	(387)	70,275	70,980
PT Megapower Makmur	51	55	(317)	(986)	18,724	19,041
Individually immaterial subsidiary companies with non-controlling interests					44,332	31,420
Total non-controlling interests					133,331	121,441

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

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

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarized financial information below represents amounts before inter-company eliminations.

(i) Summarised statements of financial position

	PT Megapower Makmur		Sumbangan Legenda Sdn. Bhd.	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current assets	59,559	66,585	205,947	206,015
Current assets	4,992	5,672	11,247	9,712
Non-current liabilities	(1,950)	(41)	(31,993)	(75,897)
Current liabilities	(29,802)	(37,722)	(75,396)	(28,923)
Net assets	32,799	34,494	109,805	110,907

(ii) Summarised statements of comprehensive income

	PT Megapower Makmur		Sumbangan Legenda Sdn. Bhd.	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	12,322	11,442	14,769	16,455
Loss for the financial year	(577)	(1,369)	(1,102)	(605)
Total comprehensive loss	(529)	(1,390)	(1,102)	(605)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

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

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarized financial information below represents amounts before inter-company eliminations. (Cont'd)

(iii) Summarised statements of cash flows

	PT Megapower Makmur		Sumbangan Legenda Sdn. Bhd.	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net cash flows from operating activities	5,877	3,138	3,184	4,736
Net cash flows used in investing activities	(31)	733	(38)	(23)
Net cash flows used in financing activities	(5,274)	(3,537)	(81)	(4,589)
Net increase/(decrease) in cash and cash equivalents	572	334	3,065	124
Dividends paid to NCI	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)**(b) Acquisition of subsidiary companies**

During the financial year:

- (i) On 14 October 2020, the Company has acquired additional 40,000 ordinary shares representing 20% of the issued and paid-up capital in Bina Puri Power Sdn. Bhd. ("BP Power SB") for a total consideration of RM1,400,000.
- (ii) On 23 February 2021, the Company has acquired additional 300,000 ordinary shares representing 60% of the issued and paid-up capital in Aksi Bina Puri Sdn. Bhd. from Bina Puri Properties Sdn. Bhd. ("BP Properties SB") for a total consideration of RM250,000. There is no change in equity interest.
- (iii) On 5 May 2021 BP Properties SB acquired 2,022,593 ordinary shares representing 44.5% of the issued and paid-up capital in Ideal Heights Properties Sdn. Bhd. ("IHPSB") for a total consideration of RM26,938,000.

The following summarises the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date.

Assets acquired and liabilities assumed at the date of acquisition and Net cash inflow arising from acquisition of subsidiary company

	RM'000
Acquisition of subsidiary	
Property, plant and equipment	16,878
Deferred tax assets	73
Contract assets	5,528
Inventories	1,106
Trade and other receivables	34,019
Cash and bank balances	7,128
Trade and other payables	(41,805)
Taxation	(20)
Bank borrowing	(12,041)
Deferred taxation	(1)
Gain on consolidation	-
Net assets acquired	10,865
Add: Purchase consideration settled in cash	3,138
Less: Cash and cash equivalents of subsidiary company acquired	(7,128)
Net cash outflow from acquisition of investment	6,875

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)**(a) Acquisition of subsidiary companies**In the previous financial year:

- (i) On 28 August 2018, the Company and Bina Puri Properties Sdn. Bhd, a wholly-owned subsidiary of the Company, entered into a Conditional Sale and Purchase agreement with Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan, Datuk Henry Tee, Datuk Matthew Tee, Mr Tee Kai Soon and Syarikat Masyakin Sdn. Bhd. for the proposed acquisition of 2,477,108 ordinary shares in Ideal Heights Properties Sdn. Bhd. for a total consideration of RM42,682,343 ("Proposed Acquisition"). In addition, the Company also announced that concurrent with the Proposed Acquisition, the Company proposed to undertake the proposed amendments to the memorandum and articles of association of the Company ("Proposed Amendments") to facilitate the issuance of the consideration redeemable preference share and retention redeemable preference shares pursuant to the Proposed Acquisition.

In the Extraordinary Shareholders Meeting held on 24 December 2018, the non-interested shareholders approved ordinary resolution for the Proposed Acquisition whilst the special resolution for the Proposed Amendments was not approved. Given the inter-conditionality of the ordinary resolution and the special resolution, the Proposed Acquisition and Proposed Amendments were not approved. The Company would contemplate the next course of action with regards to the Proposed Acquisition and Proposed Amendments accordingly.

- (ii) On 15 April 2019, the Company acquired additional 400 ordinary shares representing 40% of the issued and paid-up capital in DPBS-BPHB Sdn. Bhd. for a total consideration of RM400.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)**(b) Acquisition of subsidiary companies (Cont'd)**In the previous financial year: (Cont'd)

- (iii) On 13 February 2020, Bina Puri Properties Sdn. Bhd. acquired 100% equity interest in BP S14 Sdn. Bhd. and BP Healthcare Development Sdn. Bhd. for a total consideration of RM1 respectively.

(c) Disposal of subsidiary companiesDuring the financial year:

On 1 April 2021, the Company disposed of 20,000,000 ordinary shares representing 100% of the issued and paid-up capital in Bina Puri Construction Sdn. Bhd. for a total consideration of RM34,000,000.

The effect of the disposal of Bina Puri Construction Sdn. Bhd. on the financial position of the Group as at the date of disposal was as follows:

	RM'000
Property, plant and equipment	196
Trade and other receivables	50,430
Amount due from holding company	1,264
Contract assets	87,600
Tax recoverable	96
Cash and cash equivalents	218
	139,804
Trade and other payables	(17,516)
Amount due to related companies	(90,951)
Carrying value of net assets	31,337
Cash consideration	34,000
Cash and cash equivalents of the subsidiary	(218)
Net cash inflow from disposal of the subsidiary	33,782
<u>Gain on disposal</u>	
Cash received	34,000
Net assets deregonised	(31,337)
Gain on disposal	2,663

In the previous financial year:

- (i) On 30 June 2019, the Group entered into a sale agreement to dispose of 100% of its equity interest in its wholly-owned subsidiary, Easy Mix Sdn. Bhd., at a cash consideration of RM11,500,000. The disposal was completed on 30 June 2019, on which date control of Easy Mix Sdn. Bhd. passed to the acquirer.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. Investment in Subsidiary Companies (Cont'd)

(c) Disposal of subsidiary companies

In the previous financial year: (cont'd)

- (ii) Bina Puri Construction Sdn. Bhd. disposed entire equity interest in Bina Puri Development Sdn. Bhd. for a total consideration RM40,000.

10. Investments in Associates

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
In Malaysia:			
At cost			
Unquoted shares	30,460	31,910	33,210
Share of post acquisition reserves	(29,564)	(29,564)	(27,356)
Acquisition during the financial year	235	-	-
Disposal during the financial year	-	(1,450)	(900)
	931	896	4,954
Less: Accumulated impairment losses			
At 1 July	(460)	(460)	(460)
Impairment loss recognised	-	-	-
At 30 June	(460)	(460)	(460)
	471	436	4,494
Outside Malaysia:			
At cost			
Unquoted shares	3,916	3,916	3,916
Share of post acquisition reserves	(87)	50	-
	3,829	3,966	3,916
Less: Accumulated impairment losses			
At 1 July	(461)	(461)	(461)
Impairment loss recognised	-	-	-
At 30 June	(461)	(461)	(461)
	3,368	3,505	3,455
	3,839	3,941	7,949

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

10. Investments in Associates (Cont'd)

	Company	
	2021 RM'000	2020 RM'000
In Malaysia:		
At cost		
Unquoted shares	30,250	31,700
Disposal during the financial year	-	(1,450)
	30,250	30,250
Less: Accumulated impairment losses		
At 1 July	(250)	(250)
Impairment loss recognised	-	-
At 30 June	(250)	(250)
	30,000	30,000
Outside Malaysia:		
At cost		
Unquoted shares	3,916	3,916
Less: Accumulated impairment losses		
At 1 July	(461)	(461)
Impairment loss recognised	-	-
At 30 June	(461)	(461)
	3,455	3,455
	33,455	33,455

Details of the associate companies are as follows:

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Indirect holding:				
Bina Puri Holdings (Thailand) Ltd. *	Thailand	49	49	Investment holding
Bina Puri (Thailand) Ltd. *	Thailand	49	49	Contractor of earthworks, buildings and road construction
Bina Puri Norwest Sdn. Bhd. *	Malaysia	50	50	Property development and management

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

10. Investment in Associates (Cont'd)

The associates and shareholdings therein are as follows (Cont'd):

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Indirect holding (Cont'd):				
Bina Puri Saudi Co. Ltd. **	Arab Saudi	50	50	Inactive
KL-Kuala Selangor Expressway Berhad ("KLKSE") *	Malaysia	50	50	Builder and operator of an expressway
Bina Puri Amat Aramak Properties Sdn. Bhd. *	Malaysia	50	50	Inactive
Bina Puri Amat Aramak Sdn. Bhd. *	Malaysia	50	50	Inactive
Held through Bina Puri Juara Sdn. Bhd.				
Dimara Building System Sdn. Bhd. *	Malaysia	30	30	Contractor in steel engineering works
Bina Puri Sentosa Venture Sdn. Bhd. *	Malaysia	50	50	Inactive
Held through Bina Puri Power Sdn. Bhd.				
Serambi Idaman Sdn. Bhd. *	Malaysia	35	-	Inactive
Held through Bina Puri Properties Sdn. Bhd.				
BP XA Sdn. Bhd. *	Malaysia	50	50	Inactive

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

10. Investment in Associates (Cont'd)

The associates and shareholdings therein are as follows (Cont'd):

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
<i>Held through Karak Land Sdn. Bhd.</i>				
Karak Spring Sdn. Bhd.*	Malaysia	50	50	Durian Plantation

* Associate companies not audited by UHY

** Associates without audited financial statements and auditors' reports but the unaudited financial statements of the subsidiaries were adopted by the Group for the purpose of the consolidated financial statements of the Group

The Group has not recognised its share of losses of KL-Kuala Selangor Expressway Berhad amounting to RM8,494,000 (2020: RM14,046,000) because the Group's cumulative shares of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Groups' cumulative losses not recognised were RM113,853,000 (2020: RM105,358,000).

During the financial year

On 26 June 2020, the wholly-owned subsidiary, Bina Puri Power Sdn. Bhd. ("BPBSB") had subscribed 35 shares, representing 35% equity interest in newly incorporated associate, Serambi Idaman Sdn. Bhd. ("SISB"). On 20 July 2020, BPBSB had allotted 34,965 shares, representing 35% equity interest in SISB.

In the previous financial year

- (i) On 14 February 2020, the Company disposed entire equity interest in Bina Puri Norwest Sdn. Bhd. for consideration of RM1,000.
- (ii) On 20 February 2020, Bina Puri Juara Sdn. Bhd., a wholly-owned subsidiary of the Company disposed entire equity interest in Rock Processors (Melaka) Sdn. Bhd. for a consideration of RM2,886,246.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

10. Investment in Associates (Cont'd)

The summarised financial information of the Group's material associate companies ie. KL-Kuala Selangor Expressway Berhad ("KLKSE") is set out below:

(a) Summarised statements of financial position

	KLKSE	
	2021 RM'000	2020 RM'000
Assets and liabilities		
Non-current assets	930,167	943,952
Current assets	69,874	48,922
Non-current liabilities	(1,183,469)	(1,173,080)
Current liabilities	(34,247)	(30,512)
Net assets	(217,675)	(210,718)
Results		
Revenue	26,680	63,570
Net loss for the financial year	(16,988)	(28,092)
Total comprehensive loss	(16,988)	(28,092)

(b) Summarised statements of profit or loss and other comprehensive income

	KLKSE RM'000	Other individually immaterial associates RM'000
2021		
Group's share of net assets:		
Carrying amount in the consolidated statements of financial positions	(108,838)	1,220
Group's share of results:		
Group's share of profit or loss	(8,494)	(137)
Group's share of other comprehensive income	-	-
Group's share of total comprehensive loss	(8,494)	(137)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

10. Investment in Associates (Cont'd)

The summarised financial information of the Group's material associate companies ie. KL-Kuala Selangor Expressway Berhad ("KLKSE") is set out below:

(b) Summarised statements of profit or loss and other comprehensive income (Cont'd)

	KLKSE RM'000	Other individually immaterial associates RM'000
2020		
Group's share of net assets:		
Carrying amount in the consolidated statements of financial positions	(105,359)	1,365
Group's share of results:		
Group's share of profit or loss	(14,046)	(371)
Group's share of other comprehensive income	-	-
Group's share of total comprehensive loss	(14,046)	(371)

11. Investment in Joint Venture

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
In Malaysia:			
At cost			
Unquoted shares	3,000	3,000	3,000
Share of post acquisition reserves	2,132	556	-
	<u>5,132</u>	<u>3,556</u>	<u>3,000</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

11. Investment in Joint Venture (Cont'd)

Details of the joint venture incorporated in Malaysia are as follows:

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
<i>Held through Bina Puri Sdn. Bhd.</i>				
PPESW BPSB JV Sdn. Bhd.*	Malaysia	30	30	Developing and upgrading the Pan Borneo Highway (WP06) from Sg. Awik Bridge to Bintangor Junction

* Joint venture company not audited by UHY

12. Investment in Joint Operations

Details of the joint operation company are as follows:

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
<i>Joint operation under the Company</i>				
SPK-Bina Puri Joint Venture	United Arab Emirates	30	30	Builder and contractor for general engineering and construction works
<i>Joint operation under Bina Puri Sdn. Bhd.</i>				
UEMC-Bina Puri Joint Venture	Malaysia	40	40	Builder and contractor for general engineering and construction works

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

13. Other Investments

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000
At fair value			
Financial assets at fair value through other comprehensive income			
Unquoted shares in Malaysia	2,725	10,085	10,085
Transferable corporate membership in golf and country resort	56	61	61
Less: Disposals during the year	-	(3,515)	-
Less: Allowance for expected credit losses	-	(3,304)	(3,304)
	<u>2,781</u>	<u>3,327</u>	<u>6,842</u>

	Company	
	2021 RM'000	2020 RM'000
At fair value		
Financial assets at fair value through other comprehensive income		
Unquoted shares in Malaysia	6,136	6,646
Less: Disposals during the year	-	(510)
Less: Allowance for expected credit losses	(3,304)	(3,304)
	<u>2,832</u>	<u>2,832</u>

14. Trade Receivables

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000
Trade receivables			
- Retention sum	15,387	36,603	2,595
- Third parties	139,035	164,774	304,709
- Related parties	-	-	113
Less: Accumulated impairment losses	(5,091)	(37,011)	(48,215)
	<u>149,331</u>	<u>164,366</u>	<u>259,202</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

14. Trade Receivables (Cont'd)

	Company	
	2021 RM'000	2020 RM'000
At 1 July/30 June	-	1,489

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2020: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Company's credit exposures are concentrated mainly on 1 (2020: 1) debtors respectively, which accounted for 100% (2020: 100%) respectively of the total trade receivables as at 30 June 2021.

Retention on contracts, included in trade receivables of the Group and of the Company and the expected recovery are presented as follows:

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Within one year	152,579	200,666	304,822
More than one year	1,843	711	2,595
Less: Accumulated impairment losses	(5,091)	(37,011)	(48,215)
	149,331	164,366	259,202

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

14. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses are as follows:

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000
At 1 July	37,011	48,215	27,284
Disposal of subsidiary company	(231)	-	-
Impairment loss recognised	27	3,346	20,931
Reversal	-	(14,550)	-
Written off	(31,716)	-	-
At 30 June	5,091	37,011	48,215

In managing credit risk of trade receivables, the Group and the Company manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within the credit term.

The Group and the Company apply the simplified approach to measure the impairment losses on trade receivables and contract assets at lifetime expected credit losses ("Lifetime ECL"). Expected credit losses of all other financial assets are measured at an amount equal to 12 month expected credit losses ("12 – month ECL") if credit risk on a financial asset has not increased significantly. The Group and the Company compare the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition to ascertain whether there is a significant increase in credit risk. The assessment takes into consideration the macroeconomic information, credit rating and other supportable forward-looking information.

A significant increase in credit risk is presumed if a debt is more than 180 days past due. Where the credit risk has increased significantly, the impairment loss is measured at an amount equal to lifetime expected credit losses ("Lifetime ECL – Underperforming").

Full impairment losses are made for financial assets and contract assets that are determined to be credit impaired ("Lifetime ECL – Credit Impaired"). These are debtor who have defaulted on payments and are in financial difficulties.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

14. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of the reporting period:

	Gross Amount RM'000	Loss Allowance RM'000	Net Amount RM'000
Group			
30.6.2021			
Neither past due nor impaired	69,871	-	69,871
Past due not impaired:			
Less than 30 days	-	-	-
31 to 60 days	6,376	-	6,376
61 to 90 days	60,909	-	60,909
More than 90 days	17,266	(5,091)	12,175
	<u>154,422</u>	<u>(5,091)</u>	<u>149,331</u>
30.6.2020 (Restated)			
Neither past due nor impaired	91,354	(4)	91,350
Past due not impaired:			
Less than 30 days	2,049	-	2,049
31 to 60 days	60,902	-	60,902
61 to 90 days	43,741	(33,676)	10,065
More than 90 days	231	(231)	-
	<u>198,277</u>	<u>(33,911)</u>	<u>164,366</u>
01.07.2019 (Restated)			
Neither past due nor impaired	108,583	-	108,583
Past due not impaired:			
Less than 30 days	50,073	-	50,073
31 to 60 days	16,722	-	16,722
61 to 90 days	4,613	-	4,613
More than 90 days	127,426	(48,215)	79,211
	<u>307,417</u>	<u>(48,215)</u>	<u>259,202</u>
Company			
30.6.2020			
Past due not impaired:			
More than 90 days	11,489	-	11,489

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

14. Trade Receivables (Cont'd)

As at 31 March 2021, trade receivables of the Group amounting to RM79,460,000 (2020: RM73,016,000) were past due but not impaired. These relate to a number of customers from whom there is no recent history of default.

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

15. Deferred Tax Assets/(Liabilities)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July 2020	14,017	14,158	-	-
Acquisition of subsidiary	4,111	-	-	-
Recognised in profit or loss	1	(141)	-	-
At 30 June 2021	18,129	14,017	-	-

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deferred tax liabilities	18,129	14,017	-	-
Deferred tax assets	(3,645)	(3,670)	-	-
	14,484	10,347	-	-

The components of the deferred tax liabilities and assets prior to offsetting are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July 2020	3,670	-	-	-
Recognised in profit or loss	(25)	3,670	-	-
At 30 June 2021	3,645	3,670	-	-

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

15. Deferred Tax Assets/(Liabilities) (Cont'd)

The deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	140,458	74,100	30,678	13,903
Unabsorbed capital allowances	5,445	2,525	137	392
	<u>145,903</u>	<u>76,625</u>	<u>30,815</u>	<u>14,295</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses expiring				
- not more than 5 years	54,146	31,330	13,903	8,847
- not more than 6 years	19,954	22,816	-	5,056
- not more than 7 years	66,358	19,954	16,775	-
	<u>140,458</u>	<u>74,100</u>	<u>30,678</u>	<u>13,903</u>

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

16. Other Receivables

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Other receivables			
- Third parties	213,275	100,765	136,499
- Related parties	36,123	24,238	668
Deposits	20,443	22,891	30,643
Prepayments	879	2,133	8,045
GST receivables	8	146	4,101
Advances to sub-contractor	-	-	523
	<u>270,728</u>	<u>150,173</u>	<u>180,479</u>
Less: Accumulated impairment losses			
- Other receivables	(490)	(2,030)	(35)
- Deposits	-	-	-
	<u>(490)</u>	<u>(2,030)</u>	<u>(35)</u>
	<u>270,238</u>	<u>148,143</u>	<u>180,444</u>

	Company	
	2021 RM'000	2020 RM'000
Other receivables		
- Third parties	50,861	18,713
- Related parties	16,466	16,460
Deposits	29	46
Prepayments	-	38
	<u>67,356</u>	<u>35,257</u>
Less: Accumulated impairment losses		
- Other receivables	(490)	(490)
	<u>66,866</u>	<u>34,767</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

16. Other Receivables (Cont'd)

The Group's and the Company's other receivables are non-trade, unsecured, interest-free and are repayable on demand.

The Group's amount owing by related parties represents interest receivable from companies in which certain directors have interests. The amount is non-trade, unsecured, interest-free repayable on demand and is expected to be settled in cash.

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July	2,030	35	490	-
Additions	-	1,995	-	490
Written-off	(1,540)	-	-	-
At 30 June	490	2,030	490	490

Other receivables that are individually determined to be impaired at the end of the reporting period relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

Included in deposits of the Group and of the Company is an amount of RM16,291,000 (30.6.2020: RM16,291,000; 1.7.2019: RM16,291,000), which is deposits paid for the acquisition of land in Laos. The balance consideration is disclosed as capital commitment in Note 32 to the financial statements.

17. Contracts Assets/(Liabilities)

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
<u>Contract assets</u>			
Construction contracts (Note a)	228,750	356,044	384,268
<u>Contract liabilities</u>			
Construction contracts (Note a)	(19,237)	(41,268)	(36,724)
Property development activities (Note b)	(4,120)	-	-
	(23,357)	(41,268)	(36,724)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

17. Contracts Assets/(Liabilities) (Cont'd)

	Company		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
<u>Contract assets</u>			
Construction contract (Note a)	-	4,492	8,020

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its property development and construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer for construction contract, which revenue is recognised over time during the property development and constructions activities

(a) Construction contracts

Included in the Group's and the Company's contract assets is an amount of RM23,556,000 (30.6.2020: RM23,548,000; 1.7.2019: RM23,395,000) which relates to the construction costs incurred on a project related to the project as disclosed in Note 18(a) to the financial statements. The Group is currently engaged in an arbitration process to recover the said amounts from the Government of Pakistan. The recoverability of the said amounts is dependent on the outcome of the mediation process which, based on the advice of the Group's solicitors, the directors are of the opinion that the outcome of the mediation amount is sufficient to recover the contract assets. The status of the arbitration is disclosed in Note 40 to the financial statements.

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Revenue incurred to date	2,740,203	6,140,663	6,085,050
Less: Progress billings	(2,530,690)	(5,825,887)	(5,737,506)
	<u>209,513</u>	<u>314,776</u>	<u>347,544</u>
Presented as:			
Contract assets	228,750	356,044	384,268
Contract liabilities	(19,237)	(41,268)	(36,724)
	<u>209,513</u>	<u>314,776</u>	<u>347,544</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

17. Contracts Assets/(Liabilities) (Cont'd)**(b) Contract value yet to be recognised as revenue**

The transaction price allocated to the remaining performance obligation unsatisfied (or partially satisfied) as at 30 June 2021 are as follows:

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Construction contracts	282,572	555,486	665,338
Property Development	78,619	-	-
	<u>361,191</u>	<u>555,486</u>	<u>665,338</u>

Based on the information available to the Group and to the company, the management of the Group and of the Company expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts will be recognised as revenue in the period of next 6 months to 3 years.

(c) Contract assets from property development activities

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000
Revenue incurred to date	230,810	-	-
Less: Progress billings	(234,930)	-	-
	<u>(4,120)</u>	<u>-</u>	<u>-</u>
Presented as:			
Contract liabilities	<u>(4,120)</u>	<u>-</u>	<u>-</u>

Contract assets in relation to property development activities represent the timing differences in revenue recognition in profit or loss and the milestone billings to purchasers as at the reporting date.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional, when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

18. Amount Due from/(to) Subsidiary Companies**(a) Amount due from subsidiary companies**

	Company	
	2021 RM'000	2020 RM'000
Amount due from subsidiary companies		
- Trade	11,545	11,542
- Non-trades	127,927	111,835
Less: Accumulated impairment losses		
- Trade	(11,542)	(11,542)
- Non-trades	(29,840)	(29,840)
	<u>98,090</u>	<u>81,995</u>

These represent trade and non-trade balances which are unsecured, interest free and repayable on demand.

Movements in impairment losses on amount due from subsidiary companies during the financial year are as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 July/ 30 June	<u>41,382</u>	<u>41,382</u>

Included in amount due from subsidiary companies as at 30 June 2021 are retention sum of approximately RM24,457,000 (2020: RM41,382,000) relating to construction work-in-progress. Approximately RM22,709,066 (2020: RM19,893,000) of the retention receivable are expected to be recovered within one year.

(b) Amount due to subsidiary companies

These represent trade and non-trade balances which are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

19. Amount Due from/(to) Associate Companies

(a) Amount due from associate companies

	Group			Company	
	30.6.2021 RM'000	30.6.2020 RM'000	30.06.2019 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Amount due from subsidiary companies					
- Trade	9,283	9,283	9,283	9,283	9,283
- Non-trades	27,459	26,587	39,903	27,152	23,814
Less: Accumulated impairment losses					
- Non-trade	(4,679)	(4,679)	(4,679)	(4,679)	(4,679)
	<u>32,063</u>	<u>31,191</u>	<u>44,507</u>	<u>31,756</u>	<u>28,418</u>

These represent trade and non-trade balances which are unsecured, interest free and repayable on demand.

(b) Amount due to associate companies

	Group			Company	
	30.6.2021 RM'000	30.6.2020 RM'000	30.06.2019 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Amount owing to associate companies					
- Trade	(12)	(6)	(12,076)	(6)	(6)

20. Fixed deposit with licensed banks

The interest rates of fixed deposits of the Group ranging from 0.45% to 3.35% (2020: 0.45% to 3.35%) per annum and the maturities of deposits are ranging from 30 to 365 days (2020: 30 to 365 days).

The fixed deposits of the Group and the Company at amount of RM11,253,000 (2020: RM11,253,000) and RM6,000 (2020: RM6,000) have been pledged to licensed banks as security for bankers' guarantees issued.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

21. Cash and Cash Equivalents

	Note	Group		
		30.06.2021 RM'000	30.06.2020 RM'000	1.7.2019 RM'000
Cash and bank balances		17,371	8,674	3,799
Housing Development Account	(a)	1,253	1,236	1,625
Project Development Account	(b)	-	50	1,140
		18,624	9,960	6,564

Included in cash and bank balances of the Group are:

- (a) an amount of RMNil (2020: RM50,453) held in a special project's bank account from which withdrawals are restricted to contract expenditure incurred in respect of specific projects, and
- (b) an amount of RM1,253,000 (2020: RM1,236,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations. Withdrawals from the Housing Development Account are restricted to property development expenditure incurred in respect of the specific development project.

22. Asset Held For Sale

On 1 September 2021, the Group entered into a Sales and Purchase Agreement to dispose of a leasehold building of RM111,059 for a cash consideration of RM184,000, which had resulted a gain of RM72,941. The leasehold building has been reclassified to asset held for sale during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

23. Share Capital

	Group and Company			
	Number of shares		Amount	
	2021 Unit'000	2020 Unit'000	2021 RM'000	2020 RM'000
<u>Issued and fully paid</u>				
Ordinary shares				
At 1 July	764,078	382,039	180,856	157,821
Issuance of new shares pursuant to :				
- private placement	337,431	-	26,342	-
- share issuance scheme	49,601	-	5,437	-
- acquisition of IHPSB	280,000	-	23,800	-
- rights issue	-	382,039	-	23,035
At 30 June	1,431,110	764,078	236,435	180,856

During the financial year, the Company issued:

- (a) 24,000,000 new ordinary shares through private placement at issue price of RM0.065 for a total cash consideration of RM1,560,000 for working capital purposes;
- (b) 30,000,000 new ordinary shares through private placement at issue price of RM0.063 for a total cash consideration of RM1,890,000 for working capital purposes;
- (c) 49,601,000 new ordinary shares through Share Issuance Scheme at issue price of RM0.1096 for a total cash consideration of RM5,436,270 for working capital purposes;
- (d) 22,907,900 new ordinary shares through private placement at issue price of RM0.077 for a total cash consideration of RM1,763,908 for working capital purposes;
- (e) 260,523,000 new ordinary shares through private placement at issue price of RM0.0811 for a total cash consideration of RM21,128,415 for working capital purposes; and
- (f) 280,000,000 new ordinary shares of RM0.085 each at RM23,800,000 as partial discharge of the purchase consideration for an acquisition of Ideal Heights Properties Sdn Bhd, a subsidiary company during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

23. Share Capital (Cont'd)

In the previous financial year, the Company completed the issuance, listing and quotation of 382,039,550 rights shares and 382,039,550 warrants on the Main Market of Bursa Malaysia Securities Berhad.

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

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

24. Reserves

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-distributable					
Foreign currency translation reserve	(a)	(11,370)	(10,402)	54	54
Share option reserve	(b)	1,819	3,287	1,819	3,287
Warrant reserve	(c)	10,039	10,039	10,039	10,039
		488	2,924	11,912	13,380
Distributable					
Retained earnings		(4,822)	58,744	17,826	33,532
		(4,334)	61,668	29,738	46,912

(a) Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

(b) Share option reserve

A Share Issuance Scheme ("SIS") has been implemented on 01 March 2019 to enable the Company to grant new and additional SIS option to the eligible persons in accordance with the By-Laws of the SIS. The maximum number of shares which may be allotted under the SIS shall not exceed in aggregate fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the SIS or such other limit prescribed by any guideline, rule and/or regulation of the relevant authorities from time to time throughout the duration of the SIS.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. Reserves (Cont'd)**(b) Share option reserve (Cont'd)**

The SIS shall be in force for a period of five (5) years from 01 March 2019. However, the Board of Directors may at its absolute discretion extend the duration of the scheme upon the recommendation of the option committee, subject always that the duration of the SIS shall not exceed ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or other relevant authorities.

Subject to any adjustments made in accordance with the By-Laws and pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, the price payable for the new shares upon exercise of the SIS options shall be based on the five (5) day volume-weighted average market price of the Company's shares immediately preceding the date of offer with a discount of not more than ten percent (10%).

On 17 February 2020, the Company made an offer of 114,575,000 SIS options under the scheme to eligible persons at an exercise price of RM0.076. The SIS options were vested upon acceptance of the offer. 97,833,500 options accepted. No SIS options were exercised into ordinary shares of the Company during the current financial year.

The salient features of the SIS are as follows:

(i) Maximum number of SIS shares

The maximum number of SIS shares shall not exceed in aggregate 15% of the total number of issued ordinary shares (excluding treasury shares, if any) at any time over the duration of the SIS, as provided for in the By-Laws.

(ii) Eligibility

Subject to the determination and discretion of the option committee, a director or employee of the Group (excluding dormant subsidiaries) who fulfils the following criteria as at the date of offer shall be eligible to participate in the SIS:

(a) Any employee who fulfils the following criteria as at the date of offer:

- (i) he/she has attained 18 years of age and is not an undischarged bankrupt;
- (ii) he/she is employed by a company within the Group (excluding dormant subsidiaries);
and
- (iii) he/she fulfils any other criteria and/or falls within such category as may be determined by the option committee at its sole discretion from time to time.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. Reserves (Cont'd)**(b) Share option reserve (Cont'd)****(ii) Eligibility (Cont'd)**

(b) Any person who holds a directorship in a company within the Group (excluding dormant subsidiaries), in an executive capacity, and shall have the meaning given in Section 2(1) of the Companies Act 2016 and Section 2(1) of the Capital Markets and Services Act 2007 (excluding independent director, non-executive director and alternate director), who fulfils the following criteria as at the date of offer:

- (i) he/she has attained 18 years of age and is not an undischarged bankrupt;
- (ii) he/she is a director named in the register of directors of a company within the Group (excluding dormant subsidiaries) for a continuous period of at least 12 months; and
- (iii) he/she fulfils any other criteria and/or falls within such category as may be determined by the option committee at its sole discretion from time to time.

(iii) Basis of allotment and maximum allowable allotment of SIS shares

The basis of allocation of the number of SIS shares and the maximum number of SIS shares which may be offered and allotted to an eligible person shall be determined entirely at the discretion of the option committee and subject to the provisions of the By-Laws as well as taking into consideration, where relevant, the eligible person's position, seniority, performance, length of service, contribution to the continued success of the Group and such other factors that the option committee may deem relevant.

Notwithstanding the foregoing, the total number of SIS shares is subject to the following:

- (a) not more than 80% of the total number of SIS shares to be issued under the SIS shall be allocated, in aggregate, to the eligible directors and senior management of the Group (excluding dormant subsidiaries);
- (b) not more than 10% of the total number of SIS shares shall be allocated to an eligible person who either singly or collectively through persons connected with the eligible person holds 20% or more of the total number of issued shares in the Company (excluding treasury shares, if any); and

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. Reserves (Cont'd)**(b) Share option reserve (Cont'd)****(iii) Basis of allotment and maximum allowable allotment of SIS shares (Cont'd)**

- (c) the eligible directors and senior management of the Group (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their own allocation of SIS options, provided always that it is in accordance with the Listing Requirements or prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other requirement of the relevant authorities and as amended from time to time.

(iv) Option price

Subject to any adjustment made in accordance with the By-Laws and pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, the option price shall be based on the price to be determined by the Board of Directors upon recommendation of the option committee based on the five (5) day volume-weighted average price of the Company's shares immediately preceding the date of offer, with a discount of not more than 10%.

(v) Ranking of the SIS shares

The SIS shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing shares of the Company, save and except that the SIS shares will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment and issuance of such SIS shares.

(vi) Duration of the SIS

The SIS shall be in force for a period of 5 years from 1 March 2019. However, the Board of Directors may at its absolute discretion extend the duration of the New SIS upon the recommendation of the option committee, subject always that the duration of the SIS shall not exceed 10 years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authorities.

(c) Warrant reserve

Warrants are classified as equity investment and the value is allocated based on the closing price on the first trading day and recognised in the warrant reserve.

The issuance of ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. Reserves (Cont'd)**(c) Warrant reserve (Cont'd)**

Warrant reserve represents cumulative fair value of the warrants yet to be exercised.

The warrants are valid to be exercised for a period of 3 years from its issue date and ending on 29 December 2023 ("Exercise Period"). During the Exercise Period, each warrant shall entitle its registered holder to subscribe for one new ordinary share of the Company at an exercise price of RM0.10 per warrant in accordance with the provisions of the Deed Poll dated 11 November 2020. Any warrants not exercised will lapse thereafter and cease to be valid.

On 30 December 2020, the Company issued 382,039,550 warrants in connection with the proposed rights issue with warrants. At end of the current financial year, the entire 382,039,550 warrants remain unexercised.

25. Trade Payables

- (a) Included in trade payables are retention on contracts of the Group which are unsecured, interest free and expected to be settled as follows:

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Within one year	67,845	72,974	91,778
More than one year	10,050	2,100	1,866
	<u>77,895</u>	<u>75,074</u>	<u>93,644</u>

- (b) Credit terms of trade payables of the Group and of the Company ranged from 30 to 120 days (2020: 30 to 120 days) depending on the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

26. Lease Liabilities

	Group	
	2021 RM'000	2020 RM'000
At 1 July	749	1,374
Additions	634	505
Payment	(294)	(1,130)
At 30 June	1,089	749
Presented as:		
Non-current	400	490
Current	689	259
	1,089	749

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

	Group	
	2021 RM'000	2020 RM'000
Within one year	724	331
Later than one year and not later than two years	450	331
Later than two years and not later than five years	-	180
Later than five year	-	-
	1,174	842
Less: Future finance charges	(85)	(93)
Present value of lease liabilities	1,089	749

The Group lease buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

27. Bank Borrowings

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Secured			
Term loans	218,199	219,301	240,503
Bank overdrafts	14,408	8,936	11,089
Bridging loan	6,902	7,419	19,778
Trust receipt and banker acceptance	57,763	53,653	76,761
Revolving credit	87,375	100,810	68,849
	<u>384,647</u>	<u>390,119</u>	<u>416,980</u>
Unsecured			
Bank overdrafts	11,849	13,641	27,548
Revolving credit	29,650	36,902	56,500
	<u>426,146</u>	<u>440,662</u>	<u>501,028</u>
Non-current			
Term loans	139,064	177,078	208,154
Current			
Term loans	79,135	42,223	32,349
Bank overdrafts	26,257	22,577	38,637
Trust receipt and banker acceptance	57,763	53,653	76,761
Bridging loan	6,902	7,419	19,778
Revolving credit	117,025	137,712	125,349
	<u>287,082</u>	<u>263,584</u>	<u>292,874</u>
	<u>426,146</u>	<u>440,662</u>	<u>501,028</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

27. Bank Borrowings (Cont'd)

The bank overdrafts, banker acceptance, bridging loan, revolving credit and term loans obtained from licensed banks are secured by the following:

Term loans, bank overdrafts, bridging loan and revolving credit

- (a) A fixed charge over the property, plant and equipment of the subsidiaries;
- (b) Deeds of assignment over the proceeds of the contracts awarded to the Group;
- (c) Corporate guarantee provided by the Company; and
- (d) Negative pledge over the entire assets of certain subsidiaries.
- (e) Investment properties of the subsidiary company
- (f) Fixed deposits of the subsidiary company pledged with licensed bank
- (g) Deeds of assignment over the proceeds and housing development;
- (h) Third party legal charge over the subsidiary's land/project land;
- (i) Specific debenture over the project;
- (j) Deed of assignment over the power supply rental agreement with the grantor;
- (k) Existing Escrow agreement over subsidiary's Escrow account and existing charge over the borrower's Escrow account;
- (l) Property Sale and Purchase Agreement;
- (m) Assignment of rental and insurance on 72 units of service apartment located at Block 1A, 1B & 1C, Jalan Ong Sum Ping, Brunei Darussalam;
- (n) First party first legal charge over agricultural lands
- (o) Asset sale agreement over Shariah Compliant commodities;
- (p) First party first legal charge over 1 unit of 3-storey shop office;
- (q) First party second legal charge over 1 unit of 3-storey shop office;
- (r) Joint and severally guaranteed by all the directors of the Company.
- (s) Issuance of the individual/strata title, legal charge over the property.
- (t) Any other securities as advised by the Bank's solicitor.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

27. Bank Borrowings (Cont'd)

The interest rates per annum are as follows:

	Group		Company	
	30.6.2021 %	30.6.2020 %	2021 %	2020 %
Other bank borrowings	5% - 9%	5% - 11%	5% - 9%	5.50% - 8.85%
Term loans	5% - 8%	5% - 8.60%	5% - 8%	-

28. Other Payables

	Group			Company	
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000	2021 RM'000	2020 RM'000
Other payables	138,591	71,010	123,082	7,683	11,678
Accruals	41,410	46,718	27,015	5,565	3,661
Advances received	7,734	8,372	-	-	-
Deposits received	5,032	24,366	10,746	49	49
	<u>192,767</u>	<u>150,466</u>	<u>160,843</u>	<u>13,297</u>	<u>15,388</u>

Included in other payables of the Group is advances received for contract work yet to be performed is an amount of RM6,883,788 (2020: RM10,059,479).

29. Amount Due to a Joint Venture**Group and Company**

This represents non-trade balance which is unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

30. Revenue

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Revenue from contracts with customers:				
<u>Major goods and services:</u>				
Contract revenue	157,094	194,398	872	4,419
Sales of goods	14,358	37,526	-	-
Sales of electricity	12,322	11,442	-	-
Management fees	-	-	492	492
Rental income	20,012	22,539	-	-
Sales of development properties	83,680	121,517	-	-
	287,466	387,422	1,364	4,911
Timing of revenue recognition:				
At a point in time	34,370	60,065	492	492
Overtime	253,096	327,357	872	4,419
Total revenue from contracts with customers	287,466	387,422	1,364	4,911

31. Finance Costs

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Interest expenses on:				
Finance lease	40	60	-	1
Unwinding of discount on trade payables	1,326	665	-	-
Bank borrowings	34,619	28,276	6,679	4,307
Invoice financing	-	-	-	-
Others	1,145	3,320	1,144	585
	37,130	32,321	7,823	4,893

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

32. Loss before Tax

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

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Auditors' remuneration (Note a)	475	466	200	170
Impairment loss on:				
- Trade receivables	27	3,346	-	-
Bad debt written off	31,716	-	-	-
Depreciation of property, plant and equipment	10,222	9,489	720	686
Depreciation of rights-of-use assets	61	-	-	-
Loss on foreign exchange				
- realised	(461)	-	-	-
- unrealised	50	2,589	5	-
Gain/(Loss) on disposal of:				
- property, plant and equipment	(942)	(3,041)	-	(171)
- subsidiary	(1,122)	12	-	-
- associates	-	(1,036)	-	1,449
Property, plant and equipment written off	114	-	-	-
Rental expense on:				
- land and premises	2,456	273	-	-
- machinery and equipment	286	571	-	-
- others	532	2,281	-	-
Share-based payment expenses	-	657	-	363
Interest income	(2,419)	(2,032)	-	-
Gain on disposal of investment in an associate company				
- others	-	(1,788)	-	-
Accretion of discount on trade receivables	(841)	(740)	-	-
Dividend income	(63)	(50)	(63)	(50)
Impairment loss of goodwill	3,000	3,000	-	-
Rental income	(492)	(337)	(360)	(274)
Reversal of impairment on other receivables	(1,540)	-	-	-
Reversal of impairment on amount due by subsidiary	-	(14,550)	-	3,178

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

33. Taxation

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Tax expenses recognised in profit or loss				
Current income tax:				
Current tax provision				
- in Malaysia	1,312	12,706	-	-
- outside Malaysia	81	531	-	-
Over provision in prior years	(86)	(509)	-	(169)
	1,307	12,728	-	(169)
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	-	(24)	-	-
Under provision in prior years	(12)	-	-	-
	(12)	(24)	-	-
Tax expense for the financial year	1,295	12,704	-	(169)

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

33. Taxation (Cont'd)

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

	Group		Company	
	30.06.2021 RM'000	30.06.2020 RM'000 (Restated)	30.06.2021 RM'000	30.06.2020 RM'000
Loss before tax	(62,427)	(27,096)	(15,751)	(8,691)
At Malaysian statutory tax rate of 24% (2020: 24%)	(14,982)	(6,503)	(3,780)	(2,086)
Income not subject to tax	(4,353)	(1,387)	(1,353)	(56)
Expenses not deductible for tax purposes	9,705	15,526	1,061	1,605
Utilisation of capital allowance previously not recognised	(28)	-	-	-
Utilisation of tax losses previously not recognised	(468)	-	-	-
Deferred tax assets not recognised	10,980	5,419	4,072	537
Taxable timing difference not provided	-	(57)	-	-
Over provision of taxation in prior years	(86)	(509)	-	(169)
Over provision of deferred taxation in prior years	(12)	-	-	-
Share of associate tax	539	215	-	-
Tax expense/(credit) for the financial year	1,295	12,704	-	(169)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

33. Taxation (Cont'd)

The Group and the Company have the following estimated unused tax losses and unabsorbed capital allowances available for set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	140,458	74,100	30,678	13,903
Unabsorbed capital allowances	5,445	2,525	137	392
	<u>145,903</u>	<u>76,625</u>	<u>30,815</u>	<u>14,295</u>

The Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses with effect from year of assessment 2019.

The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment and any balance thereafter shall be disregarded.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses expiring				
- up to 2025	31,330	31,330	8,847	8,847
- up to 2026	22,816	22,816	5,056	5,056
- up to 2027	19,954	19,954	-	-
- up to 2028	66,358	-	16,775	-
	<u>140,458</u>	<u>74,100</u>	<u>30,678</u>	<u>13,903</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

34. Loss Per Share**(i) Basic loss per share**

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

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Net (loss)/profit for the financial year, attributable to owners of the parent	(63,910)	(54,107)	462
Weighted average number of ordinary shares in issue in 1 July (in thousand of shares)	764,079	382,039	267,160
Effect of ordinary shares issued during the financial year (in thousand of shares)	180,079	191,020	54,181
Weighted average number of ordinary shares in issue in 30 June (in thousand of shares)	944,158	573,059	321,341
Basic (loss)/earnings per share (in sen)	(6.8)	(9.4)	0.1

(ii) Diluted (loss)/earnings per share

The number of shares under warrants and SIS were not taken into account in the computation of diluted (loss)/earnings per share as the warrants and SIS do not have any dilutive effect on weighted average number of ordinary shares.

There have been no other transaction involving ordinary shares or potential ordinary shares since the end of the financial period and before the authorisation of these financial statements.

	Group		
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Net profit for the financial year, attributable to owners of the parent	(63,910)	(54,107)	462
Weighted average number of ordinary shares used in the calculation of basic earnings per share (in thousand of shares)	944,158	573,059	321,341
Adjustment for incremental shares from assumed conversions			
- ESOS (in thousand of shares)	5,317	-	-
Weighted average number of ordinary shares at 30 June (diluted) (in thousand of shares)	949,475	573,059	321,341
Diluted earnings per share (in sen)	(6.7)	(9.4)	0.1

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

35. Staff Costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, wages, bonuses and allowances	10,374	13,405	1,589	2,686
Defined contribution plans	1,127	1,388	348	479
Social security contributions	107	119	29	37
Share option under ESOS	828	-	828	-
	12,436	14,912	2,794	3,202

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

	Group		Company	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Executive Directors				
- Salaries and other emoluments	1,552	1,644	1,474	1,590
- Defined contributions plan	99	-	99	-
	1,651	1,644	1,573	1,590
Non-executive Directors				
Company				
- Fees	252	252	-	252
Subsidiaries				
- Fees	-	1,408	-	-
	252	1,660	-	252
Total Directors' remuneration	1,903	3,304	1,573	1,842

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

36. Capital Commitment

	Group and Company	
	2021 RM'000	2020 RM'000
Capital expenditure		
Approved but not contracted for:		
- property, plant and equipment	13,810	13,810

37. Related Party Disclosures**(a) Identifying related parties**

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

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

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

37. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere, the significant related party transactions of the Group and of the Company are as follow:

	30.06.2021 RM'000	30.06.2020 RM'000
Group		
<i>Transaction with a company in which a Director of the company has interest</i>		
Project management fees	-	(29)
Purchase of air tickets	-	(281)
Company		
<i>Transactions with subsidiary companies</i>		
Rental income	284	261
<i>Transactions with associate companies</i>		
Management fee income received/receivable	-	492
<i>Transactions with other investment company</i>		
Dividend income	63	50

(c) Compensation of key management personnel

Remuneration of Directors is disclosed in Note 35. Aggregate amount of remuneration received and receivable by other key management personnel is as follow:

	Group		Company	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Salaries, wages and other emoluments	1,804	3,304	1,474	1,842
Short-term employee benefits	-	4,820	-	948
Defined contributions plan	99	340	99	57
	1,903	8,464	1,573	2,847

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

38. Segmental Information

The main business segments of the Group comprise the following:

Construction	Construction of earthworks, building and road
Property development	Development of residential and commercial properties
Quarry	Quarry operation and production of readymix concrete
Power supply	Generation and supply of electricity
Polyol manufacturing	Manufacturing of polyol (ceased operation in previous financial year)

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

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

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

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

	Construction RM'000	Property development RM'000	Quarry RM'000	Power supply RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Per- consolidated financial statements RM'000
2021								
Revenue:								
External customer	157,047	103,692	14,358	12,322	47	287,466	-	287,466
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	157,047	103,692	14,358	12,322	47	287,466	-	287,466
Results								
Interest income	163	2,256	-	-	-	2,419	-	2,419
Finance costs	(29,328)	(6,630)	-	(1,172)	-	(37,130)	-	(37,130)
Depreciation and amortisation	(1,733)	(3,180)	(302)	(5,068)	-	(10,283)	-	(10,283)
Other non cash income/ (expenses)	(3,192)	(77)	(1,380)	-	-	(4,649)	(3,000)	(7,649)
Share of results of JV	-	-	-	-	-	-	2,115	2,115
Share of results of associates	-	-	-	-	-	-	(137)	(137)
Segment results	(15,605)	10,158	2,417	5,658	(281)	2,347	(14,109)	(11,762)
Segment profit/(loss) before tax	(49,695)	2,527	735	(582)	(281)	(47,296)	(15,131)	(62,427)
Income tax expense								(1,295)
Profit for the financial year								(63,722)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

	Construction RM'000	Property development RM'000	Quarry RM'000	Power supply RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Per- consolidated financial statements RM'000
2020								
Revenue:								
External customer	219,311	152,194	37,781	11,442	-	420,728	(33,306)	387,422
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	219,311	152,194	37,781	11,442	-	420,728	(33,306)	387,422
Results								
Interest income	-	-	-	-	-	-	2,203	2,203
Finance costs	(13,009)	(6,707)	(96)	(1,576)	(13)	(21,401)	(12,859)	(34,260)
Depreciation and amortisation	(2,278)	(1,708)	(259)	(5,299)	(45)	(9,589)	100	(9,489)
Other non cash income/ (expenses)	(32,990)	6,000	-	-	-	(26,990)	(3,347)	(30,337)
Share of results of associates	(497)	(133)	260	-	-	(370)	3,346	2,976
Segment results	(25,715)	61,986	(354)	(3,094)	120	32,943	8,868	41,811
Segment profit/(loss) before tax	(74,489)	59,438	(449)	(9,969)	62	(25,407)	(1,689)	(27,096)
Income tax expense								(12,704)
Profit for the financial year								(39,800)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

38. Segmental Information (Cont'd)**(a) Adjustments and eliminations**

Inter-segment revenues are eliminated on consolidation.

(b) Other non-cash income/(expense) consist of the following items as presented in the respective notes to financial statements:

	2021 RM'000	2020 RM'000
Allowance for expected credit losses on:		
- receivables	(27)	(2,178)
Gain/(loss) on disposal of:		
- property, plant and equipment	882	1,856
- investment in associates equipment	-	(2,721)
Impairment of:		
- goodwill	(3,000)	(3,000)
- trade receivable	(426)	-
Share-based payment	-	(657)
Property, plant and equipment written-off	-	(98)
Unwinding of discount on trade payables	-	7
Net effect of unwinding interest trade receivables	841	-
Unrealised gain/(loss) on foreign exchange	(50)	(2,589)
	<u>(1,780)</u>	<u>(9,380)</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

38. Segmental Information (Cont'd)**(c) Geographical information**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

	Malaysia RM'000	Other Asian countries RM'000	Consolidated RM'000
2021			
Revenue from external customers	273,840	13,626	287,466
Non-current assets (exclude deferred tax asset)	290,183	81,208	371,391
Segment assets	1,242,273	114,878	1,357,151
Segment liabilities	888,485	103,486	991,971
2020			
Revenue from external customers	369,896	17,526	387,422
Non-current assets (exclude deferred tax asset)	263,772	81,244	345,016
Segment assets	1,202,760	123,990	1,326,750
Segment liabilities	843,598	119,187	962,785

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

39. Contingent Liabilities

	Group		Company	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Corporate guarantees given to licensed banks and financial institutions for banking facilities granted to				
- associate companies	-	110,639	-	110,639
- subsidiary companies	-	-	409,459	443,458
Corporate guarantees given to a supplier a supplier of goods to subsidiary companies	-	-	31	89
Guarantees given to secure hire purchase payables of subsidiary companies	-	-	10	37

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

40. Material Litigations

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following:

(i) In the matter of an arbitration between BK Asiapacific (Malaysia) Sdn. Bhd. (formerly known as BK Burns & Ong Sdn. Bhd.) ("BK Burns") v UEMC-Bina Puri JV (unincorporated joint venture), UEM Construction Sdn. Bhd. and Bina Puri Sdn. Bhd. (collectively, "UEM-BPSB JV")

UEM-BPSB JV is an unincorporated joint venture between UEM Construction Sdn. Bhd. and BPSB (on a 60:40 proportion basis). Malaysia Airport Holdings Berhad had awarded a contract to UEM-BPSB JV to carry out construction works in respect of the development of the new low cost carrier terminal at the Kuala Lumpur International Airport, Sepang. UEM-BPSB JV thereafter engaged BK Burns for provision of commercial and contractual management & advisory services.

A statement of case was filed by BK Burns against UEM-BPSB JV on 16 June 2017 for wrongful termination, claiming for an alleged amount of RM6.9 million for loss and damage and loss of profit, including 5% incentive payment for any commercial settlement. This does not include BK Burns' claim for a monthly fee effective January 2012 until completion and 5% incentive payment during this period.

UEM-BPSB JV filed its defence on 16 August 2017 which contended inter-alia that there is no agreement of the alleged 5% incentive payment, the termination is valid and no further payments are due and owing to BK Burns.

The Hearing concluded on 1 March 2019. On 25 June 2020, the Arbitrator has determined that BK Burn is entitled for nominal damages of RM3,000.00 only with no order in respect of loss of profit, interest and costs ("Arbitration Decision").

On 12 October 2020, BK Burn has filed a Set Aside Application of the Arbitration Decision and the matter is fixed for Case Management on 27 October 2020.

The JV filed Affidavit Reply on 17.11.2020. UEM-BPSB JV opposition are on the grounds that the relief sought by BK Burns does not fall under the express provision in Section 37 of the Arbitration Act 2005. Additionally, there is no basis to BK Burns' allegations of biasness and/or lack of independence or impartiality. There are also no grounds to support BK Burns' contention that there was a breach of natural justice

The hearing is fixed on 14 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

40. Material Litigations (Cont'd)**(ii) Bina Puri Pakistan (Private) Limited ("BPPPL") v National Highway Authority of Pakistan ("NHA")**

BPPPL had filed an application under Section 20 of the Arbitration Act 1940 of Pakistan before the High Court of Sindh on 28 September 2012 for reference of a dispute to arbitration for the alleged unlawful termination by NHA of the concession agreement dated 16 January 2012 entered into between BPPPL and NHA ("Concession Agreement"). The application was granted on 23 April 2013.

BPPPL commenced the arbitral proceedings on 21 October 2013 claiming for a sum of PKR26,760,300,964 (approximately RM720 million) for loss and damage including loss of profit, interest, cost and expenses. NHA contended on 9 December 2013 that the termination is lawful. On 27 March 2019, Mr Justice (R) Nasir-ul-Mulk allowed BPPPL's claims against NHA as follows:-

a declaration that the termination notice issued by NHA was unlawful repudiation and therefore anticipatory breach of the Concession Agreement; and

BPPPL shall be entitled for the actual pre-development cost and actual development costs to be determined by a joint auditor in accordance with the award.

(a) and (b) above are collectively referred to as the "Arbitration Award".

On 6 April 2019, the Adjudication Award was filed in High Court of Sindh at Karachi to be enforced and made a rule of court. On 25 November 2019, the Court recognised the enforcement of the Arbitration Award and appointed the Auditor to evaluate the damages. On 7 September 2020, the Auditor has directed that the termination payment payable by NHA to BPPPL is PKR 873,561,224 with interest of PKR224,681.00 per day from 21 July 2020 until full settlement.

On 29 October 2020, BPPPL has filed in the enforcement/recovery of award application to the court.

Pending hearing date for BPPPL's recovery of award. BPPPL has filed certificate of urgency.

(Based on BNM's exchange rate of PKR1:RM0.0269)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

40. Material Litigations (Cont'd)**(iii) Conaire Engineering Sdn. Bhd. – L.L.C (“Conaire”) v (1) BPHD and (2) Pembinaan SPK Sdn. Bhd. (“SPK”) (collectively referred as “SPK – BPHB JV”)**

SPK- Bina Puri is an unincorporated joint venture between SPK and Bina Puri (on a 70:30 proportion basis) (“SPK-BPHB JV”). An agreement was entered into between Conaire and the SPK-BPHB JV in respect of the electromechanical and plumbing works at Phase 1, Plot 1, Area B for 'residential, commercial and entertainment development at Al Reem Island, Abu Dhabi, UAE'. On 17 March 2015, Conaire obtained a judgment in default at the Abu Dhabi Court against SPK-BPHB JV for, amongst others, AED20,718,958.25 (approximately RM23.6/22790854 million) (“Abu Dhabi Judgment”).

On 11 April 2016, Conaire issued and served a writ to SPK and Bina Puri to enforce the Abu Dhabi Judgment at the High Court of Pulau Pinang (“Conaire’s Claim”). On 31 October 2017, the High Court of Pulau Pinang directed the case to be heard at the High Court of Kuala Lumpur. Conaire thereafter applied for a summary judgment to enforce the Abu Dhabi Judgment but it was dismissed by the High Court of Kuala Lumpur. On 18 January 2019, the High Court of Kuala Lumpur allowed the Conaire’s Claim (“High Court Judgment”).

On 14 February 2019, SPK and Bina Puri filed an appeal at the Court of Appeal on the High Court Judgment (“Appeal”). On 22 February 2019, SPK and Bina Puri applied to stay the High Court Judgment pending the disposal of the Appeal (“Stay of Execution Application”). On 17 April 2019, the High Court of Kuala Lumpur allowed the Stay of Execution Application. On 12 September 2019, the Court of Appeal has granted SPK and BPHD’s notice of motion to amend the notice of appeal. On 3 February 2021, the Court of Appeal dismissed BPHD’s appeal and varied the High Court judgement.

BPHB has filed application for leave to appeal in Federal Court on 19 February 2021 and on 5.10.2021, SPK and BPHB had obtained the leave to appeal to Federal Court. The Federal Court directed both parties are to file a record of appeal by 29.11.2021; and a case management is fixed on 29.11.2021 for further directions.

Bina Puri’s solicitors are of the view that there is a reasonable chance of success subject to the Court of Appeal agreeing to, amongst others, that the judgment obtained by Conaire at the Abu Dhabi Court cannot be enforced in Malaysia under the Reciprocal Enforcement of Judgments Act 1958.

(Based on BNM’s exchange rate of AED1:RM1.1399)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

40. Material Litigations (Cont'd)**(iv) Bina Puri Mining Sdn. Bhd. ("BPM") v Bukit Biru Quarry Sdn. Bhd. ("BB Quarry")**

BPM had filed a suit against BB Quarry on 11 May 2015, claiming for the sum of RM8,714,779.84 for the breach of the quarry operation agreement dated 1 January 2013 entered into between the parties ("Quarry Operation Agreement"), which includes a claim for misrepresentation. BB Quarry counter-claimed against BPM for a sum of RM1,412,023.79 being the alleged contract fees, insurance premium and reimbursement of commission fees payable by BPM pursuant to the Quarry Operation Agreement.

The Miri High Court has directed to split the trials into two tiers, firstly, liability of the parties and thereafter the computation of the quantum. The trial has been concluded on 16 May 2018. On 24 December 2018, BPM's claim has been dismissed while the counter-claim by BB Quarry has been allowed. On 21 January 2019, BPM has filed an appeal at the Court of Appeal.

On 24 June 2021, BPM's appeal has been dismissed. BPM has filed application for leave of appeal at Federal Court. The hearing will be fixed for on 9 November 2021.

The hearing on 16 April 2020 was adjourned until further notice due to the Restriction Movement Order. The trial has been fixed for on the 14th -18th February 2022.

BPM's solicitors are of the view that there is a reasonable chance for the appeal in the event the Court of Appeal is agreeable with the ground raised by BPM.

(v) Ideal Heights Development Sdn Bhd ("IHD") v Jurujati Konsultant Sdn Bhd ("Jurujati")

Writ and statement of claim was filed by IHD against Jurujati on 30.12.2020 for seeking of refund for fees overpaid to Jurujati amounting to RM565,519.66 as well as general damages, interest, and costs.

In Jurujati defend, there has been no overpayment and alleges that IHD owes a sum of RM380,438.66 for outstanding fees to Jurujati instead.

Currently, both parties are in the midst of complying with the court's directions on pre-trial documents. No trial dates have been fixed.

On 15.01.2021, IHD filed a writ and a statement of claim at the Shah Alam High Court against Jurujati for loss and damage suffered by IHD as a result of Jurujati's breach of contract and/or negligence concerning a construction project in Kuantan. The issues in disputes concern the change in design and/or structural drawings, collapse of boardwalk, clogging of the gross pollutant trap.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

40. Material Litigations (Cont'd)**(v) Ideal Heights Development Sdn Bhd ("IHD") v Jurujati Konsultant Sdn Bhd ("Jurujati") (Cont'd)**

IHD is claiming for additional costs for the structural of the project in the sum of RM4,293,073.42 as well as general damages, interest, and costs. No trial dates have been fixed for this matter. On 12.10.2021, Jurujati has submitted adjudication actions against IHD arising from a construction project in Kuantan for claim of RM449,088.35

(vi) RHB Bank v Bina Puri Holding Bhd (SHAH ALAM HIGH COURT SUIT NO. BA-22NCC-37-03/2020)

A suit was filed by RHB Bank Berhad ("RHB") against Bina Puri Holding Bhd ("BPHB") for demand under guarantee and indemnity for bank guarantees provided by it in favour of National Housing Authority of Thailand ("NHA") in respect of a joint venture agreement dated 9.3.2006 between NHA, Bina Puri (Thailand) Ltd ("BPTL") and Deva Development Public Co. Ltd.

There was a Thai Court judgment dated 16.8.2019 against BPTL and RHB, which is currently appealed upon and pending a hearing date. However, RHB has called on the revolving bank guarantees with EXIM Bank and unilaterally on 13.11.2019, paid a sum of Thai Baht 323,042,419.28 into the Thai Court.

Taking into account of the aforesaid payments, RHB now claims against BPHB for the balance, i.e., interest and other expenses in total of Thai Baht 93,535,467.66 (RM12,486,330.18) together with interest of 5% p.a from date of judgement until the date of full settlement and costs. RHB subsequently filed an application for a summary judgment on the Thai Baht 93,535,467.66 (RM12,486,330.18) against BPHB.

However, it was dismissed by the High Court. RHB then appealed against the High Court' decision in dismissing the summary judgment application to the Court of Appeal. The matter is now fixed for case management on 11.10.2021.

The proceedings in the High Court is currently stayed pending the outcome of the appeal. The High Court suit is now fixed for case management on 8.11.2021.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

40. Material Litigations (Cont'd)**(vii) RHB Bank Berhad v Bina Puri Holding Bhd**

RHB Bank Berhad filed a Writ Action against Bina Puri and Bina Puri Holdings Bhd at the Shah Alam High Court vide Writ No: BA-22NCC-106-07/2020 on 20.7.2020.

RHB's cause of action against Bina Puri is for their failure to repay the overdraft facility granted to them. The cause of action against Bina Puri Holdings is based on the same facility in the capacity as a guarantor for the said facility. The sums claimed is for a sum of RM3,922,553.54 calculated as at 31.5.2020.

RHB filed an application for summary judgment against Bina Puri and Bina Puri Holdings. On 4/2/2021, the Court granted judgment against Bina Puri and Bina Puri Holdings for the sums mentioned above.

On 2.3.2021, Bina Puri and Bina Puri Holdings filed an appeal to the Court of Appeal against the said decision vide Court of Appeal No: B-02(IM)(NCO)-462-03/2021. Bina Puri and Bina Puri Holdings also filed an application for stay of execution which was fixed for hearing on 6/9/2021. The decision of the application for stay of execution was adjourned to 8/10/2021.

The Appeal at the Court of Appeal was heard and dismissed on 7/10/2021 with costs of RM5,000. On 8/10/2021, the application for stay of execution was dismissed with costs of RM4,000.

(viii) Lakehill Resort Development Sdn Bhd (LRDSB) v (1) Bina Puri Properties Sdn Bhd (BPPSB) and (2) Bina Puri Holdings Berhad

Lakehill filed summons on 28 September 2021 for a sum of RM18,356,047.45 for the outstanding land cost and the owner's entitlement at the Shah Alam High Court vide Suit no. BA-22NCVC-381-09/2021

Bina Puri and BPPSB have entered appearance. The next case management date is on 29th October 2021.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

41. Financial Instruments

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as Fair Value through Profit or Loss ("FVTPL") and Amortised cost ("AC").

	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000 (Restated)
Group			
Financial Assets			
<i>At fair value through profit or loss</i>			
Other investment	2,781	3,327	3,842
<i>At amortised cost</i>			
Trade receivables	149,331	164,366	259,202
Other receivables	269,351	145,864	167,775
Contract assets	228,750	332,495	384,268
Amount owing by associates	32,063	31,191	44,507
Fixed deposits with licensed banks	14,649	11,435	11,173
Cash and bank balances	18,624	9,960	6,564
	712,768	695,311	873,489

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)

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

	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000
Group			
Financial Liabilities			
At amortised cost			
Trade payables	297,329	270,954	383,396
Other payables	151,356	103,748	133,828
Contract liabilities	23,357	41,268	36,724
Amount owing to corporate shareholders	-	8,179	-
Amount owing to directors	1,715	1,305	-
Amount owing to a joint venture	34	34	34
Finance lease liabilities	1,089	749	1,374
Bank borrowings	426,146	440,662	501,028
	<u>901,026</u>	<u>866,899</u>	<u>1,056,384</u>

	2021 RM'000	2020 RM'000
Company		
Financial Assets		
At amortised cost		
Other investments	2,832	2,832
Trade receivables	-	11,489
Other receivables	32,866	34,767
Contract assets	-	4,492
Amount due from subsidiary companies	98,090	81,995
Amount due from associates	31,756	28,418
Fixed deposits with licensed banks	7	6
Cash and bank balances	13	402
	<u>165,564</u>	<u>164,401</u>
Financial Liabilities		
At amortised cost		
Trade payables	18,845	20,879
Other payables	13,297	15,388
Amount due to subsidiary companies	4,289	27,746
Amount due to associates	6	6
Amount due to a joint venture	34	34
Amount due to director	675	-
Bank borrowings	62,745	68,117
	<u>99,891</u>	<u>132,170</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies**

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(i) Credit risk (Cont'd)***Receivables and contract assets*

Exposure to credit risk, credit quality and collateral

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

Concentration of credit risk

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profiles of the Group's trade receivables at the end of financial year are as follows:

	Group			Company	
	30.6.2021 RM'000	30.6.2020 RM'000	1.7.2019 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Countries					
Brunei Darussalam	3,682	3,630	3,629	-	-
Indonesia	1,916	3,036	3,036	-	-
Malaysia	143,713	157,700	183,723	-	11,489
	149,311	164,366	190,388	-	11,489

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(i) Credit risk (Cont'd)****Cash and cash equivalents (Cont'd)**

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company also provides corporate guarantee to suppliers of goods to subsidiary companies. The Company monitors on a continuous basis the results of the subsidiary companies and repayments made by the subsidiary companies.

Exposure to credit risk, credit quality and collateral

The Company's maximum exposure in this respect is RM2.34 million (2020: RM554,223), representing the outstanding banking facilities and for supply of goods to certain subsidiary companies as at the end of the reporting period. There was no indication that the subsidiary company would default on repayment as at the end of the reporting period.

Financial guarantees

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary company is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(i) Credit risk (Cont'd)****Financial guarantees (Cont'd)***Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Inter-company loans and advances*Recognition and measurement of impairment loss*

Generally, the Company considers loans and advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary companies are not able to pay when demanded. The Company considers a subsidiary company's loan or advance to be credit impaired when:

- The subsidiary company is unlikely to repay its loan or advance to the Company in full;
- The subsidiary company's loan or advance is overdue for more than 365 days; or
- The subsidiary company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)

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

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from their various payables.

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

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4.1. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
Group						
30.06.2021						
Non-derivative financial liabilities						
Trade payables	295,050	2,279	-	-	297,329	297,329
Other payables	192,767	-	-	-	192,767	192,767
Contract liabilities	23,357	-	-	-	23,357	23,357
Amount owing to a joint venture	34	-	-	-	34	34
Lease liabilities	724	450	-	-	1,174	1,089
Bank borrowings	82,235	64,089	27,193	279,822	453,339	426,146
	594,167	164,366	27,193	279,822	968,000	940,722

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4.1. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
Group						
30.06.2020						
Non-derivative financial liabilities						
Trade payables	268,575	2,379	-	-	270,954	270,954
Other payables	150,466	-	-	-	150,466	150,466
Contract liabilities	41,268	-	-	-	41,268	41,268
Amount owing to a joint venture	34	-	-	-	34	34
Lease liabilities	331	331	180	-	842	749
Bank borrowings	45,076	272,118	133,449	36,812	487,455	440,662
	505,750	274,828	133,629	36,812	951,019	904,133

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4.1. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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

Group	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
01.07.2019						
Non-derivative financial liabilities						
Trade payables	381,530	1,866	-	-	383,396	383,396
Other payables	160,843	-	-	-	160,843	160,843
Contract liabilities	36,724	-	-	-	36,724	36,724
Amount owing to associates	12,076	-	-	-	12,076	12,076
Amount owing to a joint venture	34	-	-	-	34	34
Lease liabilities	943	501	-	-	1,444	1,374
Bank borrowings	304,235	43,746	131,239	60,854	540,074	501,028
Financial guarantee	135,903	-	-	-	135,903	-
	1,032,288	46,113	131,239	60,854	1,270,494	1,095,475

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4.1. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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

Company	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
2021						
Non-derivative financial liabilities						
Trade payables	18,845	-	-	-	18,845	18,845
Other payables	13,297	-	-	-	13,297	13,297
Amount due to subsidiary companies	4,289	-	-	-	4,289	4,289
Amount due to associate companies	6	-	-	-	6	6
Amount due to joint venture	34	-	-	-	34	34
Bank borrowings	62,745	-	-	-	62,745	62,745
	99,216	-	-	-	99,216	1,095,475

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4.1. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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

Company	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flow RM'000	Total carrying amount RM'000
2020						
Non-derivative financial liabilities						
Trade payables	20,879	-	-	-	20,879	20,879
Other payables	15,388	-	-	-	15,388	15,388
Amount due to subsidiary companies	27,746	-	-	-	27,746	27,746
Amount due to associate companies	6	-	-	-	6	6
Amount due to joint venture	34	-	-	-	34	34
Bank borrowings	68,117	-	-	-	68,117	68,117
	132,170	-	-	-	132,170	132,170

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4.1. Financial Instruments (Cont'd)

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

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Brunei Dollar (BND), Indonesian Rupiah (IDR), Pakistan Rupee (PKR), United States Dollar (USD) and other currency.

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Group	Dominated in					Total RM'000
	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other currency RM'000	
30.6.2021						
Financial asset						
Trade and other receivables	4,359	-	2,283	-	-	6,642
Fixed deposits with licensed banks	6,996	-	418	-	-	7,414
Cash and bank balances	129	5	1,538	1	35	1,708
	11,484	5	4,239	1	35	15,764

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4.1. Financial Instruments (Cont'd)
(b) Financial risk management objectives and policies (Cont'd)
(iii) Market risks (Cont'd)
(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows (Cont'd):

	Dominated in					Total RM'000
	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other currency RM'000	
Group						
30.6.2021						
Financial asset						
Trade and other receivables	4,359	-	2,283	-	-	6,642
Fixed deposits with licensed banks	6,996	-	418	-	-	7,414
Cash and bank balances	129	5	1,538	1	35	1,708
	11,484	5	4,239	1	35	15,764
Financial liabilities						
Trade and other payables	14,106	173	269	46	10	14,604
Finance lease liabilities	90	-	256	-	-	346
Bank borrowings	8,037	-	134	-	-	8,171
	22,233	173	659	46	10	23,121
Net currency exposure	(10,749)	(168)	3,580	(45)	25	(7,357)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4.1. Financial Instruments (Cont'd)

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

(ii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows (Cont'd):

	Dominated in					Total RM'000
	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other currency RM'000	
Group						
30.6.2020						
Financial asset						
Trade and other receivables	4,319	-	4,195	-	-	8,514
Fixed deposits with licensed banks	6,942	-	-	-	-	6,942
Cash and bank balances	382	5	1,000	1	12	1,400
	11,643	5	5,195	1	12	16,856
Financial liabilities						
Trade and other payables	12,591	174	237	62	10	13,074
Finance lease liabilities	110	-	-	-	-	110
Bank borrowings	9,114	-	1,812	-	-	10,926
	21,815	174	2,049	62	10	24,110
Net currency exposure	(10,172)	(169)	3,146	(61)	2	(7,254)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4.1. Financial Instruments (Cont'd)
(b) Financial risk management objectives and policies (Cont'd)
(iii) Market risks (Cont'd)
(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows (Cont'd):

	Dominated in					Total RM'000
	Brunei Dollar RM'000	Pakistan Rupee RM'000	Indo. Rupiah RM'000	US Dollar RM'000	Other currency RM'000	
Group						
1.7.20219						
Financial asset						
Trade and other receivables	4,115	71	7,334	-	-	48,520
Fixed deposits with licensed banks	6,882	-	-	-	-	6,882
Cash and bank balances	132	8	659	32	-	831
	48,129	79	7,993	32	-	56,233
Financial liabilities						
Trade and other payables	35,382	182	3,354	-	-	38,918
Finance lease liabilities	-	-	124	-	-	124
Bank borrowings	10,213	-	3,301	-	-	13,514
	45,595	182	6,779	-	-	52,556
Net currency exposure	2,534	(103)	1,214	32	-	3,677

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)**(c) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(a) Foreign currency risk (Cont'd)**Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the BND, IDR, PKR and USD exchange rates against RM, with all other variables held constant.

Group	Change in currency rate RM'000	2021 Effect on profit before tax RM'000	Change in currency rate RM'000	2021 Effect on profit before tax RM'000
BND	Strengthened 5%	(73)	Strengthened 5%	(106)
	Weakend 5 %	73	Weakend 5 %	106
PKR	Strengthened 5%	(12)	Strengthened 5%	(1)
	Weakend 5 %	12	Weakend 5 %	1
IDR	Strengthened 5%	(25)	Strengthened 5%	(44)
	Weakend 5 %	25	Weakend 5 %	44
USD	Strengthened 5%	(4)	Strengthened 5%	-
	Weakend 5 %	4	Weakend 5 %	-
Other currency	Strengthened 5%	-	Strengthened 5%	-
	Weakend 5 %	-	Weakend 5 %	-

(b) Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(b) Interest rate risk (Cont'd)**

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

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

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group			Company	
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Financial asset					
Fixed deposits with licensed banks	14,649	11,435	11,173	7	6
Financial liabilities					
Lease liabilities	1,089	749	1,374	-	-
Bank borrowings	426,146	440,662	501,028	62,745	68,117

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in market interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)**(c) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(b) Interest rate risk (Cont'd)****Interest rate risk sensitivity analysis (Cont'd)**Cash flow sensitivity analysis for floating rate instruments

A change in 0.5% (2020: 0.5%) interest rate at the end of the reporting period would have increased/(decreased) the Group and the Company's loss before tax by RM62,427,000 and RM19,751,000 (2020: RM27,096,000 and RM8,691,000) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. All buy and sell decisions are approved by the Directors of the Company.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 5% strengthening in FBMKLCI at the end of the reporting period would have increased the Group's other comprehensive income by approximately Nil (2020: Nil) for investments classified as fair value through other comprehensive income. A 5% weakening in FBMKLCI would have had equal but opposite effect on other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

41. Financial Instruments (Cont'd)

(d) Fair values of financial instruments

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

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

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
30.6.2021					
Group					
Financial assets					
Other investments					
- Unquoted shares	-	-	2,725	2,725	2,725
- Transferable corporate golf membership	-	-	56	56	56
	-	-	2,781	2,781	2,781
Company					
Financial assets					
Other investments					
- Unquoted shares	-	-	2,832	2,832	2,832
30.6.2020					
Group					
Financial assets					
Other investments					
- Unquoted shares	-	-	3,266	3,266	3,266
- Transferable corporate golf membership	-	-	61	61	61
	-	-	3,327	3,327	3,327
Company					
Financial assets					
Other investments					
- Unquoted shares	-	-	2,832	2,832	2,832

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

42. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes (cont'd):

	At 1 July 2019 RM'000	Net changes from financing cash flows (i) RM'000	Non-cash changes	At 30 June 2020 RM'000
			New term loan RM'000	
Group				
Lease liabilities (Note 21)	1,374	(1,130)	505	749
Bank borrowing (Note 22)	501,028	(60,366)	-	440,662
Total liabilities from financing activities	502,402	(61,496)	505	441,411
Company				
Finance lease liabilities (Note 21)	73	(73)	-	-
Bank borrowing (Note 22)	69,685	(1,568)	-	68,117
Total liabilities from financing activities	69,758	(1,641)	-	68,117

(i) The cash flows from loans and borrowings make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

43. Capital Management

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

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

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

	Group			Company	
	30.6.2021 RM'000	30.6.2020 RM'000 (Restated)	1.7.2019 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Total loans and borrowings	424,706	440,662	501,028	62,775	68,117
Less: Fixed deposits, cash and bank balances (Note 20) ^	(33,273)	(21,395)	(17,737)	(20)	(409)
Net debt	391,433	419,267	483,291	62,755	67,708
Total equity	363,432	363,965	367,203	262,173	227,768
Debt-to-equity ratio	1.08	1.15	1.32	0.24	0.30

^ Fixed deposits, cash and bank balances excluded cash and cash equivalents restricted from use.

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

44. Significant Events**(a) Effect of outbreak of coronavirus pandemic**

The outbreak of the COVID-19 pandemic has caused travel restrictions and lockdown and prolonged economic downturn nationwide and worldwide. Consequently, the Group has recorded lower performance from all operating segments such as slower activity at construction site and slower property sales due to sever disruption of overall operating environment during the current financial year, impact of COVID-19 has been reflected in this set of financial statements.

The Group has taken initiative and steps to mitigate the exposure and disruptions in the business operations. Nevertheless, the Directors will closely monitor the current development of COVID-19 pandemic and at the present the business activities of the Group are in normal and stable operation.

The Group is cognizant of the challenges posed by these developing events and is actively monitoring and taking appropriate and timely measures, also works closely with the local authorities to support their efforts in containing the spread of Covid-19 to minimise the impact of Covid-19 on its business operations. The COVID-19 mitigation measures that implemented by the Group includes physical distancing at work, workplace segregation, staggered work hours and lunch breaks, flexible working arrangements including working from home, virtual meetings, temperature checks and regular workplace sanitisation.

At the reporting date, the Group and the Company have performed an assessment of the overall impact of the situation on the Group's and on the Company's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities and concluded that there is no material adverse effect on the financial statements for the financial year ended 30 June 2021.

The Directors and management of the Company are not aware of any uncertainties arising after the end of the financial year that would have a significant impact on the current financial statements, including the financial continuity and sustainability of the Group and of the Company as going concern for the next twelve (12) months.

- (b) Bina Puri Sdn. Bhd. ("BPSB") through its joint venture company, SPTK Joint Venture Company Limited ("SPTK JV Co. Ltd.") won a bid for a package from the High-Speed Railway Project to connect regions in Bangkok – Nong Khai Section, (Phase 1 Bangkok - Nakhon Ratchasima Section), Contract No. 3-5 Civil Works for the Khok Kruat-Nakhon Ratchasima Section ("the Contract"). The Contract value is THB7,750,000,000.00 (equivalent RM1.036 billion). A total of 26 projects with approximate value of RM2.0 billion have been completed by Bina Puri in Thailand since 2003. The Contract will have no material effect on the share capital and substantial shareholders' shareholding of BPHB. The Contract is expected to contribute positively to the earnings and net assets of the BPHB Group. With the latest award mentioned above, the Group's unbuilt book order stands at RM1.9 billion as at to date.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

44. Significant Events (Cont'd)

- (c) Pursuant to the announcement dated 18 December 2017, BP Energy Sdn. Bhd. ("BPE"), a wholly-owned subsidiary of the Company, has on 16 November 2020 received a Letter of Acceptance of Offer from Suruhanjaya Tenaga ("ST") to undertake the development of 5.00 megawatt of alternating current ("MWac") Large Scale Solar Photovoltaic Plant ("LSSPV Plant") in Kunak, Sabah. ("the Project"), with the Commercial Operation Date of the LSSPV Plant on 31 December 2022.

BPE is currently in the midst of finalising the terms and conditions of the Solar Power Purchase Agreement for ST approval.

- (d) On 22 January 2021, the Company announced on the proposed acquisition of 2,022,593 ordinary shares in Ideal Heights Property Sdn. Bhd. ("IHPSB"), representing 44.50% equity interest in IHPSB by Bina Puri Properties Sdn. Bhd. ("BPPSB"), a wholly-owned subsidiary of the Company for a total purchase consideration of RM26,938,000 to be satisfied in partly cash and partly by way of issuance of new ordinary shares in the Company.
- (e) On 17 February 2020, the Company made an offer of 114,575,000 option at the exercise price of RM0.076 per option under the scheme to the eligible persons.

The Company had successfully placed out 124,583,373 new Bina Puri Shares pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM6.6 million.

45. Prior Year Adjustments

The effects arising from prior year adjustments are as follows:

(a) Agenda Decision on Borrowing Costs – Over Time Transfer of Constructed Goods

On 18 December 2018, the Malaysian Accounting Standards Board ("MASB") has issued for public comment six Tentative Agenda Decisions ("TAD") published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 Borrowing Costs ("IAS 23").

Consequently, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision during the financial year.

- (b) The financial statements of the Group and of the Company as at 30 June 2020 were audited by another firm of chartered accountant. During the financial year, the Group made certain adjustments to the comparative as a result of certain reclassifications and restatements to the comparative to confirm with the current period presentation.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

45. Prior Year Adjustments (Cont'd)

- (c) During the financial year, the Group made certain adjustments and restatements to the comparative in respect of:
- (i) understatement of share of associates' and joint ventures' profit;
 - (ii) adjustment on the effect from disposal of an investment property and property, plant and equipment.
 - (iii) understatement of expenses and costs

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of Financial Position as at 30 June 2020			
Non-Current Assets			
Property, plant and equipment	113,262	(145)	113,117
Investment properties	208,803	(25)	208,778
Investments in associates	1,365	2,576	3,941
Investment in joint venture	-	3,556	3,556
Other investment	6,327	(3,000)	3,327
Trade receivables	2,040	(1,328)	712
Deferred tax assets	121	3,549	3,670
Current Assets			
Inventories	238,175	40,008	278,183
Trade receivables	152,088	11,566	163,654
Other receivables	138,627	9,516	148,143
Contract assets	347,052	(14,557)	332,495
Amount due from associates	31,462	(271)	31,191
Tax recoverable	730	2,273	3,003
Fixed deposits with licensed banks	11,253	182	11,435
Cash and bank balances	10,450	(490)	9,960

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

45. Prior Year Adjustments (Cont'd)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of Financial Position as at 30 June 2020			
Equity			
Reserves	89,804	(31,126)	58,678
Non-controlling interests	123,267	(479)	122,788
LIABILITIES			
Non-Current Liabilities			
Trade payables	2,100	279	2,379
Finance lease liabilities	660	(170)	490
Bank borrowings	181,229	(4,151)	177,078
Deferred tax liabilities	14,013	4	14,017
Current Liabilities			
Contract liabilities	13,262	28,006	41,268
Trade payables	241,080	27,495	268,575
Other payables	146,722	3,744	150,466
Finance lease liabilities	165	(86)	79
Lease liabilities	-	180	180
Bank borrowings	259,421	4,163	263,584
Amount due to corporate shareholders	-	8,179	8,179
Amount due to directors	-	1,305	1,305
Provision for taxation	28,208	6,937	35,145

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

45. Prior Year Adjustments (Cont'd)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of Comprehensive Income as at 30 June 2020			
Revenue	420,728	(33,306)	387,422
Cost of sales	(347,042)	7,255	(339,787)
Other income	7,862	1,803	9,665
Administrative expenses	(49,733)	(5,318)	(55,051)
Finance costs	(21,088)	(11,233)	(32,321)
Share of results of associates and joint ventures	(371)	3,347	2,976
Taxation	(13,254)	550	(12,704)

46. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 October 2021.

ANALYSIS OF SHAREHOLDINGS

as at 30 September 2021

Issued Share Capital : 1,555,694,373 ordinary shares
 Class of Shares : Ordinary shares
 Voting rights : One vote per ordinary share

Substantial Shareholders

(as per Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
Tan Sri Datuk Tee Hock Seng, JP	126,131,504 *	8.11	75,919,159 **	4.88
Dr. Tony Tan Cheng Kiat	85,174,473	5.48	-	-
Dato' Neoh Soo Keat	78,380,700 *	5.04	-	-
Datuk Matthew Tee Kai Woon	75,119,159	4.83	126,931,504 ***	8.16

Directors' Interest

(as per Register of Directors' Shareholdings)

Name of Directors	Direct Interest	%	Indirect Interest	%
Tan Sri Datuk Tee Hock Seng, JP	126,131,504 *	8.11	75,919,159 **	4.88
Dr. Tony Tan Cheng Kiat	85,174,473	5.48	-	-
Datuk Matthew Tee Kai Woon	75,119,159	4.83	126,931,504 ***	8.16

* including shares held through nominee company.

** indirect interest - 800,000 shares held by Tee Hock Seng Holdings Sdn. Bhd. and 75,119,159 shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Datuk Matthew Tee Kai Woon.

*** indirect interest - 126,131,504 shares held by Datuk Matthew Tee Kai Woon's father, Tan Sri Datuk Tee Hock Seng, JP and 800,000 shares held by Tee Hock Seng Holdings Sdn. Bhd.

Distribution of Shareholdings

(as per Record of Depositors)

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Shares
Less than 100	83	0.92	1,654	0.00
100 - 1,000	887	9.87	578,987	0.04
1,001 - 10,000	2,618	29.13	16,414,840	1.06
10,001 - 100,000	4,011	44.64	172,567,277	11.09
100,001 to less than 5% of issued shares	1,385	15.41	1,185,905,194	76.23
5% and above of issued shares	2	0.02	180,226,421	11.58
Total	8,986	100.00	1,555,694,373	100.00

THIRTY LARGEST SHAREHOLDERS

	No. of Shares	%
1. Tan Sri Datuk Tee Hock Seng, JP	95,391,948	6.13
2. Dr. Tan Cheng Kiat	84,834,473	5.45
3. Datuk Matthew Tee Kai Woon	75,119,159	4.83
4. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Neoh Soo Keat	53,380,700	3.43
5. Ooi Chieng Sim	35,000,000	2.25
6. RHB Nominees (Tempatan) Sdn. Bhd. Bank Of China (Malaysia) Berhad Pledged Securities Account for Tan Sri Datuk Tee Hock Seng, JP	30,685,556	1.97
7. CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Ng Keong Wee (PB)	28,187,200	1.81
8. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Wai Yuan (MY0867)	23,417,946	1.51
9. Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Avenue Portal Sdn. Bhd.	23,000,000	1.48
10. Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for San Tuan Sam	22,000,000	1.41
11. Kittipat Songcharoen	20,000,000	1.29
12. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Neoh Soo Keat	19,000,000	1.22
13. Ooi Chieng Sim	18,830,586	1.21
14. Chai Lee Ping	18,527,627	1.19
15. Koh Pee Seng	17,300,000	1.11
16. Datin Lee Kuan Chen	16,000,000	1.03
17. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Yiew On (6000006)	15,991,800	1.03
18. JF APEX Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Seik Yee Kok	14,514,000	0.93
19. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Koon Chai (E-KTN/JBH)	14,000,000	0.90
20. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kok Thye	11,136,600	0.72

THIRTY LARGEST
SHAREHOLDERS

(Cont'd)

	No. of Shares	%
21. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Kah Wai (7004499)	11,000,000	0.71
22. Jentera Jati Sdn. Bhd.	10,388,000	0.67
23. Chan Fong Yun	10,000,000	0.64
24. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jentera Jati Sdn. Bhd. (KLC)	10,000,000	0.64
25. Tan Pow Choo @ Wong Seng Eng	8,500,000	0.55
26. AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jega Devan A/L M Nadchatiram	8,490,000	0.55
27. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Wai Yuan (T Cheras-CL)	7,894,500	0.51
28. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jindar Singh A/L Sham Singh	7,841,200	0.50
29. Chung Kin Chuan	7,000,000	0.45
30. Chen Shiang Yih	6,907,800	0.44

ANALYSIS OF WARRANTHOLDINGS

as at 30 September 2021

Total Warrants Issued : 382,039,550

Warrant holders : 2,121

Substantial Warrantheolders

(as per Register of Substantial Warrantheolders)

Name of Substantial Warrantheolders	Direct Interest	%	Indirect Interest	%
Ooi Chieng Sim	44,500,086	11.65	-	-
Tan Sri Datuk Tee Hock Seng, JP	18,739,778 *	4.91	5,018,925 **	1.31

Directors' Interest

(as per Register of Directors' Warrantheoldings)

Name of Directors	Direct Interest	%	Indirect Interest	%
Tan Sri Datuk Tee Hock Seng, JP	18,739,778 *	4.91	5,018,925 **	1.31
Datuk Matthew Tee Kai Woon	4,618,925	1.21	19,139,778 ***	5.01

* including warrants held through nominee company.

** indirect interest - 400,000 warrants held by Tee Hock Seng Holdings Sdn. Bhd. and 4,618,925 warrants held by Tan Sri Datuk Tee Hock Seng, JP's son, Datuk Matthew Tee Kai Woon.

*** indirect interest - 18,739,778 warrants held by Datuk Matthew Tee Kai Woon's father, Tan Sri Datuk Tee Hock Seng, JP and 400,000 warrants held by Tee Hock Seng Holdings Sdn. Bhd.

Distribution of Warrantheoldings

(as per Record of Depositors)

Range of Warrantheoldings	No. of Warrantheolders	% of Warrantheolders	No. of Warrants	% of Issued Warrants
Less than 100	0	0.00	0	0.00
100 - 1,000	95	4.48	61,700	0.02
1,001 - 10,000	531	25.04	3,471,213	0.91
10,001 - 100,000	1,035	48.80	47,119,471	12.33
100,001 to less than 5% of issued warrants	459	21.64	296,387,166	77.58
5% and above of issued warrants	1	0.05	35,000,000	9.16
Total	2,121	100.00	382,039,550	100.00

THIRTY LARGEST WARRANTHOLDERS

	No. of Shares	%
1. Ooi Chieng Sim	35,000,000	9.16
2. RHB Nominees (Tempatan) Sdn. Bhd. Bank Of China (Malaysia) Berhad Pledged Securities Account for Tan Sri Datuk Tee Hock Seng, JP	15,342,778	4.02
3. CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Ng Keong Wee (PB)	14,093,600	3.69
4. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chan Why Kuan	14,049,000	3.68
5. Kittipat Songcharoen	10,000,000	2.62
6. Ooi Chieng Sim	9,500,086	2.49
7. Datin Lee Kuan Chen	8,000,000	2.09
8. Wan Fareezudin bin Wan Husain	7,287,600	1.91
9. Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for San Tuan Sam	5,500,000	1.44
10. Chan Fong Yun	5,000,000	1.31
11. Datuk Matthew Tee Kai Woon	4,618,925	1.21
12. Ang Kar Seng	4,010,000	1.05
13. Tiew Tian Meng	3,500,000	0.92
14. Tan Sri Datuk Tee Hock Seng, JP	3,370,000	0.88
15. Ang Saw Peng	3,339,800	0.87
16. UOBM Nominees (Tempatan) Sdn. Bhd. UOBM for Goh Kui Lian (PBM)	2,860,000	0.75
17. Chen Shiang Yih	2,766,400	0.72
18. HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	2,422,000	0.63
19. RHB Capital Nominees (Tempatan) Sdn. Bhd. Ko Lai Kuei	2,305,000	0.60
20. Tan Pow Choo @ Wong Seng Eng	2,227,600	0.58

THIRTY LARGEST
WARRANTHOLDERS

(Cont'd)

	No. of Shares	%
21. Chan Kim Moon	2,184,100	0.57
22. Dan Yoke Pyng	2,075,600	0.54
23. Lim Swee Ing	2,028,400	0.53
24. Abdul Haniff bin Sulaiman	2,000,000	0.52
25. Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Arami Fayadh bin Hasnol Azmi	2,000,000	0.52
26. Lee Yong Hsiang	2,000,000	0.52
27. Vijendran A/L Seevaratnam	2,000,000	0.52
28. Chia Guan Seng	1,891,700	0.50
29. Foong Wai Chee	1,700,000	0.44
30. Sabir Hassan bin Muhammad Yahya	1,700,000	0.44

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 7 December 2020, the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note No. 12 of the Bursa Malaysia Securities Berhad listing requirements, the details of recurrent related party transactions conducted during the financial period 1 July 2020 to 30 June 2021 pursuant to the Shareholders' Mandate are disclosed as follows:

Nature of transactions undertaken by the Company and its subsidiaries	Related Parties	Transacting Parties	Value of Transactions RM'000
Purchase of air tickets (to facilitate air travel in the course of business, eg. travel to project sites)	Sea Travel and Tours Sdn Bhd, a company in which a family member of Director Tan Sri Datuk Tee Hock Seng,JP hold 20% equity interest	(i) Bina Puri Holdings Bhd (ii) Bina Puri Sdn. Bhd. (iii) Bina Puri Properties Sdn. Bhd.	3 43 6
Sale of quarry products / Contract works (e.g. road paving)	Kumpulan Melaka Bhd, which holds 30% equity interest in the Company's subsidiary KM Quarry Sdn. Bhd.	KM Quarry Sdn. Bhd.	-
Project management services	Ideal Heights Properties Sdn. Bhd, in which Directors, YBhg. Tan Sri Datuk Tee Hock Seng, JP, Dr. Tony Tan Cheng Kiat, Datuk Matthew Tee Kai Woon and persons connected with them, Mr. Tay Hock Lee and YBhg. Datuk Henry Tee Hock Hin, collectively hold 51% equity interest.	(a) Bina Puri Holdings Bhd (b) Bina Puri Properties Sdn. Bhd. (c) Gugusan Murni Sdn. Bhd. (d) Star Effort Sdn. Bhd.	- - - -

LIST OF PROPERTIES

30 June 2021

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net book value 30 June 2020 RM'000
HS(M) 13570 PT No. 22184 Mukim of Batu District of Gombak Selangor Darul Ehsan	5 1/2 storey office building	1-Jul-1998	Leasehold	2089	17,920 sq ft/ 62,451 sq ft	23	Office	11,670
Unit 104, 105, 106 & 107 Block L Alamesra Plaza Permai Alamesra Sabah	2 storey shop cum office	18-Jan-2005	Leasehold	2098	18,331 sq ft	17	Office	2,078
H.S.(D) 102462 PT No. 17604 32 Jalan Kajang Perdana 2/3 Taman Kajang Perdana Kajang, Selangor Darul Ehsan	3 storey shoplot	10-Jul-2014	Freehold	-	7,389 sq ft	16	Renting	2,778
3 level shopping Mall Main Place Mall Lot 49113 Pekan Subang Jaya District of Petaling Selangor Darul Ehsan	Shopping Mall	20-Mar-2014	Freehold	-	645,834 sq ft	8	Renting	205,600
Mukim 701, Lot No.960 Mukim Semenyih Daerah Hulu Langat Selangor Darul Ehsan	Land	1-Dec-2016	Leasehold	2081	2.13 hectare	-	Workshop cum Storage	6,680
HS (M) 12980 PT No. 21686 Mukim of Batu District of Gombak Selangor Darul Ehsan	2 units condominium	9-Feb-1995	Leasehold	2089	3,900 sq ft	27	Guest House	836
Parcel No B-5-3 Tower Banyan The Haven Lakeside Residences Held under master title PN 342582 Lot 398127, Mukim Hulu Kinta Daerah Kinta, Perak	condominium	14-Jan-2015	Leasehold	2108	1,455 sq ft	7	Guest House	802
GM806/MI/4/34 & GM806/MI/4/35 PTK No. 34 & 35, TLET 4 BGN MI - Lot 5820 Mukim of Sri Rusa, Port Dickson	1 unit condominium	1-Jan-1997	Freehold	-	1,992 sq ft	24	Guest House	111

LIST OF PROPERTIES

30 June 2021

(Cont'd)

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net book value 30 June 2020 RM'000
Plot A,B & C Daerah Alor Gajah Mukim Melaka Pindah Melaka	Granite deposit area	2-Mar-1998	Leasehold	2027	95 acres	-	Extracting of granite aggregates	353
Lot 925, 1867 Lot 843 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Leasehold land	12-Aug-1997	Leasehold	2033 2024	3.7 acres 2.4 acres	-	Premix plant	154
Lot 709, 952, 954, 955, 956,958, 1060 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Freehold land	12-Aug-1997	Freehold	-	15.4 acres	-	Weigh bridge & crusher plant	935
Two Adjoining units of 2 1/2 Storey Shop offices Pajakan Mukim 304 & 305 Selangor Mukim of Bandar Selayang District of Gombak Selangor	Shop office	1994	Leasehold	2089	2,800 Sq.ft	27	office	3
Lot No. 52185 Mukim of Batu, District of Gombak Selangor	Shop office	1994	Leasehold	2089	1,400 Sq.ft	27	office	
Casa Mila Club House Pajakan Mukim 377, Lot No. 60291 Mukim of Bandar Selayang District of Gombak Selangor	Building	1994	Leasehold	2094	35,952 Sq. ft	27	Club house facility	23
Casa Venicia Club House Pajakan Mukim 378, Lot No. 60292 Mukim of Bandar Selayang District of Gombak Selangor	Building	1994	Leasehold	2094	35,952 Sq. ft	27	Club house facility	38

ADMINISTRATIVE DETAILS

for the Thirtieth Annual General Meeting ("30TH AGM") of Bina Puri Holdings Bhd

Date : **Wednesday, 15 December 2021**
Time : **11.00 a.m.**
Broadcast : **Tricor Business Centre, Manuka 2 & 3 Meeting Room,**
Venue **Unit 29-01, Level 29, Tower A,**
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Precautionary Measures Against the Coronavirus Disease ("COVID-19")

- In line with the Government's directive and the Securities Commission Malaysia ("SC") Guidance Note above to curb the spread of COVID-19, the Company will conduct the 30TH AGM on **a virtual basis through live streaming and online remote voting** via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") **TIIH Online** website at <https://tiih.online>.
- The venue of the 30TH AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.
- We **strongly encourage** you to attend the 30TH AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 30TH AGM.
- Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 30TH AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 30TH AGM.
- The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

Remote Participation and Voting

- The RPV facilities are available on Tricor's TIH Online website at <https://tiih.online>.
- Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 30TH AGM using RPV facilities from Tricor.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

Procedures to Remote Participation and Voting via RPV Facilities

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the AGM using the RPV facilities:

ADMINISTRATIVE DETAILS

for the Thirtieth Annual General Meeting ("30TH AGM") of Bina Puri Holdings Bhd

(Cont'd)

Before the AGM Day

Procedure	Action
i. Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii. Submit your request to attend 30 th AGM remotely	<ul style="list-style-type: none"> Registration is open from Friday, 29 October 2021 until the day of 30th AGM on Wednesday, 15 December 2021. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 30th AGM to ascertain their eligibility to participate the 30th AGM using the RPV. Login with your user ID (i.e. e-mail address) and password and select the corporate event: (Registration) Bina Puri Holdings Bhd 30th AGM Read and agree to the Terms & Conditions and confirm the Declaration. Select "Register for Remote Participation and Voting". Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 7 December 2021, the system will send you an e-mail after 13 December 2021 to approve or reject your registration for remote participation. <p><i>(Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order that you can login to TIIH Online and participate the meeting remotely).</i></p>

On the AGM Day

Procedure	Action
i. Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 30th AGM at any time from 10.00 a.m. i.e. 1 hour before the commencement of meeting on Wednesday, 15 December 2021 at 11.00 a.m.
ii. Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: (Live Stream Meeting) Bina Puri Holdings Bhd 30th AGM to engage in the proceedings of the 30th AGM remotely. <p>If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 30th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.</p>

ADMINISTRATIVE DETAILS

for the Thirtieth Annual General Meeting ("30TH AGM") of Bina Puri Holdings Bhd

(Cont'd)

iii. Online remote voting	<ul style="list-style-type: none"> • Voting session commences from 11.00 a.m. on Wednesday, 15 December 2021 until a time when the Chairman announces the end of the session. • Select the corporate event: (Remote Voting) Bina Puri Holdings Bhd 30TH AGM or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
iv. End of remote participation	<ul style="list-style-type: none"> • Upon the announcement by the Chairman on the conclusion of the 30TH AGM, the Live Streaming will end.

Note to users of the RPV facilities:

- (i) Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- (ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- (iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 7 December 2021 shall be eligible to attend, speak and vote at the 30TH AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the 30TH AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 30TH AGM yourself, please do not submit any Form of Proxy for the AGM. You will not be allowed to participate in the 30TH AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 30TH AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than 13 December 2021 at 11.00 a.m.:
 - (i) In Hard copy:
 - a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
 - b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

ADMINISTRATIVE DETAILS

for the Thirtieth Annual General Meeting ("30TH AGM") of Bina Puri Holdings Bhd

(Cont'd)

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: Bina Puri Holdings Bhd 30TH AGM - "Submission of Proxy Form". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate exercise name: "Bina Puri Holdings Bhd 30TH AGM - Submission of Proxy Form". Agree to the Terms & Conditions and Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Submit the proxy appointment file. Login to TIIH Online, select corporate exercise name: "Bina Puri Holdings Bhd 30TH AGM - Submission of Proxy Form". Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE DETAILS

for the Thirtieth Annual General Meeting ("30TH AGM") of Bina Puri Holdings Bhd

(Cont'd)

Voting at Meeting

- The voting at the 30TH AGM will be conducted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Company has appointed Tricor to conduct the poll voting electronically ("e-voting") via Tricor e-Vote application ("Tricor e-Vote App") and Coopers Professional Scrutineers Sdn Bhd as Independent Scrutineers to verify the poll results.
- Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the 30TH AGM at 11.00 a.m. Kindly refer to "Procedures to Remote Participation and Voting via RPV Facilities" provided above for guidance on how to vote remotely via TIIH Online.

Results of the voting

- The resolutions proposed at the 30TH AGM and the results of the voting will be announced at the 30TH AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

No Door Gift or Vouchers

- There will be no distribution of door gifts or vouchers during the 30TH AGM since the meeting is being conducted on a virtual basis.

Pre-Meeting Submission of Questions to the Board of Directors

- The Board recognises that the 30TH AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 30TH AGM, shareholders may in advance, before the 30TH AGM, submit questions to the Board of Directors via Tricor's TIIH Online website at <https://tiih.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than 13 December 2021. The Board of Directors will endeavor to address the questions received at the 30TH AGM.

No Recording of Photography

- Unauthorized recording and photography are strictly prohibited at the 30TH AGM.

Annual Report

- The Annual Report is available on the Company's website at www.binapuri.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of the Annual Report at <https://tiih.online> by selecting "Request for Annual Report" under the "Investor Services".
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

Enquiry

- If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday).

GROUP CORPORATE DIRECTORY

BINA PURI HOLDINGS BHD

Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia
Tel : +603 - 6136 3333 • Fax : +603 - 6136 9999 • Email : corpcomm@binapuri.com.my • Website : www.binapuri.com.my

MAJOR SUBSIDIARIES & ASSOCIATES

CONSTRUCTION

BINA PURI SDN. BHD.

Kuala Lumpur Office
Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : +603 - 6136 3333
Fax : +603 - 6136 9999
Email : corpcomm@binapuri.com.my

Sarawak Office

No. 19 & 20
Travillion Commercial Centre
Jalan Petanak, 93100 Kuching
Sarawak, Malaysia
Tel : +6082 - 241 991
Fax : +6082 - 241 994
Email : bp.kuc@binapuri.com

Sabah Office

Lot 104-107, Block L, Alamesra
Sulaman - Coastal Highway
88400 Kota Kinabalu
Sabah, Malaysia
Tel : +6088 - 485 727
Fax : +6088 - 485 739
Email : binapuri.kk@binapuri.com

HIGHWAY CONCESSION

KL-KUALA SELANGOR EXPRESSWAY BERHAD (LATAR)

Kompleks Operasi LATAR
45600 Bestari Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 - 6145 1500
Fax : +603 - 6145 1400
Call Centre : +603-6145 1515
Website : www.latar.com.my

PROPERTY DEVELOPMENT

BINA PURI PROPERTIES SDN. BHD.

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : +603 - 6136 3333
Fax : +603 - 6136 9999
Email : corpcomm@binapuri.com.my

IDEAL HEIGHTS PROPERTIES SDN. BHD.

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : +603 - 6136 3333
Fax : +603 - 6136 9999
Email : ihp@idealheights.com.my

QUARRY OPERATION

KM QUARRY SDN. BHD.

No. 16-1, Jalan PE35
Taman Paya Emas Fasa 2A
76450 Paya Rumpit, Melaka,
Malaysia
Tel : +606 312 4286
Fax : +606 312 4278
Email : kmquarry@binapuri.com.my

UTILITIES

BINA PURI POWER SDN. BHD.

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : +603 - 6136 3333
Fax : +603 - 6136 9999
Email : corpcomm@binapuri.com.my

PT MEGAPOWER MAKMUR TBK

Galeri Niaga Mediterania 2
Blok M8 I - J
Jalan Pantai Indah Utara 2
Pantai Indah Kapuk
Jakarta Utara, 14460, Indonesia
Tel : +6221 588 3595
Fax : +6221 588 3594
Email : info@megapowermakmur .co.id
Website : www.megapowermakmur .co.id

INTERNATIONAL DIRECTORY

BINA PURI (THAILAND) LTD

11, Bangna-Trad 25 Alley, Bangna-Trad
Rd., Bangna Neua Sub District, Bangna
District, 10260 Bangkok, Thailand
Tel : +66 2 - 744 1366 / 1367
Fax : +66 2 - 744 1369

BINA PURI (B) SDN. BHD.

Rimbun Suites & Residences
Level 1, Block 1C,
Jalan Ong Sum Ping
BA 1311 Bandar Seri Begawan
Brunei Darussalam
Tel : +00673 223 2373
Fax : +00673 2233 7711
Email : rimbunsuites@gmail.com
Website : www.rimbunsuites.com

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I/We
(Full Name in block letters & IC No./Company no.)

of
(Address)

being a member of BINA PURI HOLDINGS BHD. hereby appoint
(Full name in block letters & IC No.)

of
(Address)

and
(Full name in block letters & IC No.)

of
(Address)

or failing whom, CHAIRMAN OF THE MEETING as my / our proxy to vote for me / us and on my / our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on a virtual basis and entirely via remote participation and electronic voting from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 15 December 2021 at 11.00 a.m., or at every adjournment thereof for/against the resolutions to be proposed thereat.

RESOLUTION	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Re-election of Director – Tan Sri Dato' Wong Foon Meng		
Ordinary Resolution 2	Re-election of Director – Datuk Matthew Tee Kai Woon		
Ordinary Resolution 3	To approve Directors' fees for the period from 15 December 2021 until the next Annual General Meeting		
Ordinary Resolution 4	To re-appoint Messrs. UHY as Auditor of the Company		
Ordinary Resolution 5	To approve renewal of related party transaction – Sea Travel and Tours Sdn. Bhd.		
Ordinary Resolution 6	To approve renewal of related party transaction – Kumpulan Melaka Berhad		
Ordinary Resolution 7	To approve renewal of related party transaction – Dimara Holdings Sdn. Bhd.		
Ordinary Resolution 8	To approve Authority to Allot Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016		
Ordinary Resolution 9	To approve proposed renewal of authority to purchase its own shares		

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain at his/her discretion.]

First Proxy	%
Second Proxy	%
Total:	100 %

No. Of Shares Held:	
CDS Accounts No.	

Dated this day of, 2021

Signature of Shareholder/Common Seal

NOTES:

- A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such Member, and where a Member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy but not more than two (2) proxy to attend and vote instead of him at the same meeting who shall represent all the shares held by such Member.
- Where the Member of the Company appoints more than one (1) proxy but not more than two (2), the Member shall specify the proportion of his shareholdings to be represented by each proxy.
- A proxy need not be a member of the Company.
- Where a Member is an authorised nominee as defined under the Central Depositories Act, 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.
- The instrument appointing a proxy shall be in writing under the hand of appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- Only members whose names appear in the Record of Depositors as at 7 December 2021 shall be eligible to attend the Thirtieth Annual General Meeting or appointed proxy(ies) to attend and vote on his behalf.
- All the resolutions set out in this Notice of Thirtieth Annual General Meeting shall be put to vote by poll.

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AFFIX STAMP

**SHARE REGISTRAR,
BINA PURI HOLDINGS BHD**

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.

Unit 32-01, Level 32, Tower A,
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