PTT SYNERGY GROUP BERHAD

(Formerly known as Grand Hoover Berhad)
197101000134 (10493-P)

ANNUAL REPORT 2022

51st ANNUAL GENERAL MEETING

Date & Time:-

28 December 2022
at 9.00 a.m.

Venue:-

Courtyard, Space U8,
No. 6, Persiaran Pasak Bumi,
Taman Bukit Jelutong,
Seksyen U8,
40150 Shah Alam,
Selangor Darul Ehsan.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-First Annual General Meeting ("**AGM**") of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) ("**PTTS**" or "**the Company**") will be held at Courtyard, Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 28 December 2022 at 9:00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and the Auditors thereon. ***[Please refer to Explanatory Note (i)]***

2. To approve the payment of Directors' fees and benefits payable to the Directors up to an aggregate amount of RM309,600/- for the period from 29 December 2022 until the next AGM of the Company to be held in year 2023. ***(Ordinary Resolution 1)***

3. To re-elect the following Directors, who are due to retire in accordance with Clause 88 of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (a) Datuk Ir. Ruslan Bin Abdul Aziz; ***(Ordinary Resolution 2)***
   (b) Dato' Paul Lim Tau Ern; and ***(Ordinary Resolution 3)***
   (c) Tuan Sr. Hj. Mohd Farid Bin Naim. ***(Ordinary Resolution 4)***

4. To re-appoint Messrs. Moore Stephens Associates PLT as the Company's Auditors for the ensuing year, and to authorise the Directors to fix their remuneration. ***(Ordinary Resolution 5)***

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modification, to pass the following Ordinary Resolutions:-

5. **ORDINARY RESOLUTION**
   WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016 ***(Ordinary Resolution 6)***

   "**THAT** pursuant to Section 85 of the Companies Act 2016 ("**the Act**") to be read together with Clause 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to the Act.

   AND THAT subject to the passing of Ordinary Resolution 7, the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine."

6. **ORDINARY RESOLUTION** ***(Ordinary Resolution 7)***
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"**THAT** contingent upon the passing of the Ordinary Resolution 6 on waiver of pre-emptive rights under Section 85 of the Act and subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, always provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities;

AND FURTHER THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. **ORDINARY RESOLUTION** ***(Ordinary Resolution 8)***
PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** subject to the Main Market Listing Requirements of Bursa Malaysia Securities, approval be and is hereby given to the Company and its subsidiaries ("**the Group**") to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Parties as specified in Section 2.5 of the Circular to Shareholders dated 31 October 2022, provided that such transactions are:-

(i) recurrent transactions of a revenue or trading nature;

(ii) necessary for the Group's day-to-day operations;

(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and

(iv) not detrimental to the minority shareholders of the Company.

(the "**Mandate**");

Notice of Annual General Meeting (Cont'd)

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following this AGM at which the Mandate was passed, at which time it will lapse unless, by an ordinary resolution passed at the next AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT the Directors be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate."

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

By Order of the Board of Directors

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
Company Secretary

Kuala Lumpur
Dated: 31 October 2022

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 December 2022 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.

2. A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.

3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

NOTES: (CONT'D)

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. All resolutions set out in this notice of Meeting are to be voted by poll.

   Please refer to the Administrative Guide on the Conduct of a Physical General Meeting available for download at https://pttgroup.com.my/investor-relations/ for further details.

   Explanatory Notes to Ordinary and Special Business

   (i) Audited Financial Statements for the financial year ended 30 June 2022

   This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require the formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

   (ii) Ordinary Resolution 1 - Payment of Directors' Fees and Benefits

   Section 230(1) of the Act 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.

   The Board wishes to seek shareholders' approval at the Fifty-First AGM on the payment of Directors' fees and benefits, which comprise of meeting allowance payable for attendance of Directors at Board and/or Board Committees' meetings from 29 December 2022 until the next AGM of the Company to be held in the year 2023.

   In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged size of the Board of Directors, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

   (iii) Ordinary Resolution 6 - Waiver of Pre-emptive Rights under Section 85 of the Act

   Pursuant to Section 85 of the Act read together with Clause 50 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

   The proposed Ordinary Resolution 6, if passed, will waive your pre-emptive rights to be offered new shares to be issued by the Company pursuant to the Ordinary Resolution 7.

Notice of Annual General Meeting (Cont'd)

Explanatory Notes to Ordinary and Special Business (Cont'd)

(iv) Ordinary Resolution 7 - Authority to Issue Shares pursuant to the Act

The Company had been granted a general mandate by its shareholders at the Fiftieth AGM held on 28 December 2021 ("**Previous Mandate**").

As of the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders. Hence, no proceeds were raised therefrom.

The Company wishes to renew the mandate on the authority granted to the Directors to issue and allot shares pursuant to the Act at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

The proposed Ordinary Resolution 7, if passed, will provide flexibility to the Company's Directors to undertake any possible fundraising activities, including but not limited to placement of shares to fund the Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

(v) Ordinary Resolution 8 - Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will give a mandate to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details of which are set out in Section 2.5 of the Circular to Shareholders dated 31 October 2022.

The aforesaid mandate from shareholders is on an annual basis and is subject to renewal at the next AGM of the Company.

The details of the proposal are set out in the Circular to Shareholders dated 31 October 2022.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

No individual is standing for election as Director of the Company at the Fifty-First Annual General Meeting.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS AND/OR PROXIES ATTENDING THE FIFTY-FIRST ANNUAL GENERAL MEETING ("51ST AGM")

INFORMATION ON 51ST AGM

1. Date, Time, and Venue of 51st AGM

The Company's 51st AGM is scheduled to be held as follows:-

Day and Date	**:**	**Wednesday, 28 December 2022**
Time	**:**	**9:00 a.m.**
Venue	**:**	**Courtyard, Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan**

2. Entitlement to Attend

Only members whose names appear in the Record of Depositors as of 21 December 2022 shall be entitled to attend, participate, speak and vote at the 51st AGM or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf in respect of the number of shares registered in his/her name at that mentioned date.

3. Lodgement of Proxy Form of 51st AGM

(a) If you are unable to attend the 51st AGM and wish to appoint proxy(ies) to vote on your behalf, you may deposit your Proxy Form at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time set for holding the 51st AGM or any adjournment thereof, i.e., **latest by Monday, 26 December 2022 at 9:00 a.m.**

(b) If you wish to attend the 51st AGM yourself, please do not submit any Proxy Form for the 51st AGM that you wish to attend. You will not be allowed to attend the 51st AGM together with a proxy appointed by you. Only one of you is allowed to attend and enter the meeting venue.

(c) If you have submitted your Proxy Form prior to the 51st AGM and subsequently decided to attend the 51st AGM yourself, please revoke your proxy appointment at the time of registration.

4. Corporate Member

Any corporate member who wishes to appoint a representative instead of a proxy to attend the 51st AGM should submit the original certificate of appointment under the corporation's seal to the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan at any time before the time appointed for holding the 51st AGM or to the registration staff on the meeting day for the Company's records.

5. Parking

You may park your vehicle at the allocated visitors' parking bays.

6. Door Gifts or Food Vouchers

Door gifts or food vouchers will be given.

Administrative Guide (Cont'd)

GUIDANCE FOR ATTENDANCE OF 51ST AGM

1. Registration for the 51st AGM

(a) Registration will start at 8:00 a.m. and end at such time as the Chairman of the meeting may be determined.

(b) Please read the signage to ascertain the registration counter to register yourself for the 51st AGM and join the queue accordingly.

(c) Please present your original National Registration Identification Card ("**NRIC**") or Passport for verification by the Share Registrar against the Record of Depositors as of 21 December 2022. Please ensure that you collect your NRIC or Passport thereafter.

(d) After verification, you are required to write your name and sign on the Attendance List provided by the Share Registrar. Thereafter, you will be given an identification wristband.

(e) **NO** individual will be allowed to enter the meeting venue without the identification wristband. There will be no replacement if you lose or misplace the identification wristband.

(f) **NO** person will be allowed to register on behalf of another person, even with the original NRIC or Passport of that person.

(g) The registration counter is solely for verification of identity and registration purposes.

(h) All attendees are also required to observe the social distancing rule.

(i) Please vacate the registration area immediately after registration.

If you have any enquiries on other matters, please refer to our staff who will be at hand to assist.

2. Safety Measures due to COVID-19 Pandemic

All attendees are required to adhere to the following standard operating procedures of the Company:-

(a) To undergo a temperature screening upon arrival at the meeting venue. You will not be allowed to enter the meeting venue if you are believed to be suffering from pneumonia symptoms (which include sore throat/flu/fever/cough/shortness of breath) or having a body temperature above 37.5 Celsius; and

(b) to wear a face mask before entering the meeting venue and throughout the 51st AGM.

3. Submission of Questions prior to the 51st AGM

Shareholders are encouraged to submit questions ahead of the 51st AGM and email your questions to info@ptt.com.my, **latest by Monday, 26 December 2022 at 9:00 a.m.**

The Company will endeavour to answer your question(s) at the 51st AGM if time permits or by email after the 51st AGM.

The 51st AGM proceedings will focus on the proposed resolutions to minimise crowd gathering time in an enclosed environment.

ENQUIRY

Should you have any enquiries on the foregoing, please do not hesitate to contact our Share Registrar at their general line: +603 2084 9000 or Ms. Wong from the Company at general line: +603 5037 2822 or email: info@ptt.com.my during office hours.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' ABD RAHIM BIN JAAFAR
Executive Chairman

TEO SWEE LENG
Deputy Chairman

TEO SWEE PHIN
Managing Director

TUAN SR. HJ. MOHD FARID BIN NAIM
Executive Director

DATO' MAHAMED BIN HUSSAIN
Independent Non-Executive Director

DATUK IR. RUSLAN BIN ABDUL AZIZ
Independent Non-Executive Director

DATO' PAUL LIM TAU ERN
Independent Non-Executive Director

TOH SENG THONG
Independent Non-Executive Director

AUDIT COMMITTEE

DATO' MAHAMED BIN HUSSAIN
Chairman
Independent Non-Executive Director

DATUK IR. RUSLAN BIN ABDUL AZIZ
Independent Non-Executive Director

DATO' PAUL LIM TAU ERN
Independent Non-Executive Director

TOH SENG THONG
Independent Non-Executive Director

REMUNERATION COMMITTEE

DATO' MAHAMED BIN HUSSAIN
Chairman
Independent Non-Executive Director

DATUK IR. RUSLAN BIN ABDUL AZIZ
Independent Non-Executive Director

DATO' PAUL LIM TAU ERN
Independent Non-Executive Director

TOH SENG THONG
Independent Non-Executive Director

NOMINATION COMMITTEE

DATO' MAHAMED BIN HUSSAIN
Chairman
Independent Non-Executive Director

DATUK IR. RUSLAN BIN ABDUL AZIZ
Independent Non-Executive Director

DATO' PAUL LIM TAU ERN
Independent Non-Executive Director

TOH SENG THONG
Independent Non-Executive Director

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.
Tel : 03-2084 9000
Fax : 03-2094 9940

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.
Tel : 03-2084 9000
Fax : 03-2094 9940

BUSINESS ADDRESS

2A-1-1(B), Space U8,
No. 6, Persiaran Pasak Bumi,
Taman Bukit Jelutong,
Seksyen U8, 40150 Shah Alam,
Selangor Darul Ehsan.
Tel : 03-5037 2822
Fax : 03-5037 2823
Website : https://pttgroup.com.my/
Email : info@ptt.com.my

COMPANY SECRETARY

Chua Siew Chuan
SSM PC NO. 201908002648
(MAICSA 0777689)

AUDITORS

Messrs. Moore Stephens Associates PLT
[201304000972 (LLP0000963-LCA) & AF002096]
Chartered Accountants
Unit 3.3A, 3rd Floor,
Surian Tower,
No. 1, Jalan PJU 7/3,
Mutiara Damansara,
47810 Petaling Jaya,
Selangor Darul Ehsan.

PRINCIPAL BANKER

Malayan Banking Berhad
Ambank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : PTT
Stock Code : 7010

CORPORATE STRUCTURE

PTT SYNERGY GROUP BERHAD
(FORMERLY KNOWN AS GRAND HOOVER BERHAD)
Registration No. 197101000134 (10493-P)

PROPERTY DEVELOPMENT & CONSTRUCTION

- **100%** **PTT INFRA SDN. BHD.**
  (FORMERLY KNOWN AS PEMBINAAN ATT SDN. BHD.)
  REG NO.:198201001934(81680-M)
  - **100%** **PTT ASSETS SDN. BHD.**
    REG NO.:202201003650 (1449347-P)
- **100%** **PTT DEVELOPMENT SDN. BHD.**
  (FORMERLY KNOWN AS HOOVER BUILDERS SDN. BHD.
  REG NO.:198201001372 (81116-T)
- **100%** **PTT PROPERTY SDN. BHD.**
  (FORMERLY KNOWN AS GRAND HOOVER PROPERTY SDN. BHD.
  REG NO.:198201001919 (81665-T)

MANAGEMENT SERVICES

- **100%** **HOOVER MANAGEMENT SDN. BHD.**
  REG NO.:198201005972 (85726-A)

TRADING PIPING, SANITARY WARE & BUILDING MATERIALS

- **100%** **HOOVER TILING TRADING SDN. BHD.**
  REG NO.:198201001935 (81681-H)
- **70%** **HEAP WAH BARAKAH SDN. BHD.**
  REG NO.:198401009617 (122161-A)
  - **100%** **ANGGUN TEGAS MERAK SDN. BHD.**
    REG NO.: 201801000548 (1262561-A)
    - **100%** **PTS DURA MARKETING SDN. BHD.**
      REG NO.: 201801004041 (1266055-U)

PROFILE OF DIRECTORS

DATO' ABD RAHIM BIN JAAFAR

Executive Chairman

Aged **55** Gender **Male** Nationality **Malaysian**

Dato' Abd Rahim bin Jaafar ("**Dato' Abd Rahim**") was appointed to the Board of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) ("**PTTS**" or "**the Company**") as the Executive Chairman on 18 March 2021. Dato' Abd Rahim was re-appointed as a Director of the Company following Dato's retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. He attended all seven (7) Board meetings held in the financial year.

Dato' Abd Rahim holds a Bachelor of Engineering (Hons) in Civil Engineering from London South Bank University (formerly known as London South Bank Polytechnic). In addition, he has accumulated over twenty-five (25) years of experience in project management and construction.

He is also currently the shareholder and Director of Aim Concept Sdn. Bhd. ("**ACSB**") which is principally involved in the design and building of construction projects. He oversees the implementation of all construction projects undertaken by ACSB. His responsibilities include contract negotiations, contract monitoring, progress monitoring, budget and quality control monitoring, as well as project supervision for building construction and infrastructure works.

Dato' Abd Rahim had undertaken construction contracts totaling approximately RM1.0 billion in value over ten (10) years.

Dato' Abd Rahim is a major shareholder of the Company by virtue of his indirect equity interest in the Company via his shareholding in Aim Tetap Teguh Group Sdn. Bhd. ("**ATTG**").

Save as disclosed above, Dato' Abd Rahim does not hold any other directorship in any other public companies or public listed companies in Malaysia and has no family relationship with any other Director and/ or major shareholder of the Company nor any conflict of interest with the Company.

TEO SWEE LENG

Deputy Chairman, Executive Director

Aged **58** Gender **Male** Nationality **Malaysian**

Mr. Teo Swee Leng was appointed to the Board of the Company as the Deputy Chairman on 18 March 2021. Mr. Teo Swee Leng was re-appointed as a Director of the Company following his retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. He attended all seven (7) Board meetings held in the financial year.

Mr. Teo Swee Leng holds a Diploma in Civil Engineering from the Federal Institute of Technology, Kuala Lumpur, and has accumulated over thirty-six (36) years of experience in the construction sector and thirteen (13) years of experience in the property development sector.

He is currently a shareholder and Director of several private limited companies, including Pembinaan Tetap Teguh Sdn. Bhd. which has undertaken a variety of construction contracts that mainly comprise earthworks and infrastructure work for property development projects and have completed a variety of residential and mixed property development projects.

Mr. Teo Swee Leng is the founder of Denai Alam Recreational and Riding Club (DARC), the first non-profitable horse riding club in Malaysia. Mr. Teo Swee Leng is also the Honorary Consul of Nepal in Malaysia since year 2017 and extended until year 2027. Mr. Teo Swee Leng is a trustee of Sakyamuni Dharma Centre and Sakyamuni Buddha Foundation. He is also a treasurer of International Buddha Confederation.

He is the elder brother of Mr. Teo Swee Phin, the Managing Director and major shareholder of PTTS.

Mr. Teo Swee Leng is also a major shareholder of the Company by virtue of his indirect equity interest in the Company via his shareholding in ATTG.

Save as disclosed above, Mr. Teo Swee Leng does not hold any other directorship in any other public companies or public listed companies in Malaysia nor any conflict of interest with the Company.

Profile of Directors (Cont'd)

TEO SWEE PHIN

Managing Director

Aged **44** | Gender **Male** | Nationality **Malaysian**

Mr. Teo Swee Phin was appointed to the Board of the Company as the Managing Director on 18 March 2021. Mr. Teo Swee Phin was re-appointed as a Director of the Company following his retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. He attended all seven (7) Board meetings held in the financial year.

Mr. Teo Swee Phin holds a Diploma in Technology (Building) from Tunku Abdul Rahman College, Kuala Lumpur. In addition, he has accumulated over twenty-one (21) years and fourteen (14) years of experience in the construction sector and property development sector, respectively.

He is currently a shareholder and Director of several private limited companies, including Pembinaan Tetap Teguh Sdn. Bhd. and PTT Jentera Sdn. Bhd., both of which have undertaken a variety of construction contracts that mainly comprise earthworks and infrastructure work for property development projects and have completed a variety of residential and mixed property development projects. Mr. Teo Swee Phin undertook construction contracts totaling more than RM1.0 billion in value over ten (10) years.

Mr. Teo Swee Phin was awarded in Martrade's 100 Most Influential Young Entrepreneurs 2016. He was also awarded as Finalist in the Ten Outstanding Young Malaysian Awards 2017 under Category Business, Economics and/or Entrepreneurial Accomplishment.

He is the younger brother of Mr. Teo Swee Leng, the Deputy Chairman and major shareholder of PTTS.

Mr. Teo Swee Phin is also a major shareholder of the Company by virtue of his indirect equity interest in the Company via his shareholding in ATTG.

Save as disclosed above, Mr. Teo Swee Phin does not hold any other directorship in any other public companies or public listed companies in Malaysia nor any conflict of interest with the Company.

TUAN SR. HJ. MOHD FARID BIN NAIM

Executive Director

Aged **55** | Gender **Male** | Nationality **Malaysian**

Tuan Sr. Hj. Mohd Farid Bin Naim ("**Tuan Sr. Hj. Mohd Farid**") was appointed as the Executive Director on 18 March 2021. Tuan Sr. Hj. Mohd Farid was re-appointed as a Director of the Company following Tuan Sr. Hj. Mohd Farid's retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. He attended all seven (7) Board meetings held in the financial year.

Tuan Sr. Hj. Mohd Farid holds a Bachelor's Degree in Quantity Surveying from the University of Reading, United Kingdom, and a Master in Construction Management from the University Teknologi Malaysia.

Tuan Sr. Hj. Mohd Farid is a Registered Quantity Surveyor, Member of Royal Institute of Chartered Surveyors (UK), and Fellow of Royal Institute of Surveyors Malaysia.

Tuan Sr. Hj. Mohd Farid has accumulated over thirty-one (31) years of experience in quantity surveying works for property development and construction project. Tuan Sr. Hj. Mohd Farid is currently the Managing Director of Pakatan Ukur Bahan Sdn. Bhd.

Tuan Sr. Hj. Mohd Farid does not hold any other directorship in any other public companies or public listed companies in Malaysia and has no family relationship with any other Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

DATO' MAHAMED BIN HUSSAIN

Independent Non-Executive Director

Aged **67** | Gender **Male** | Nationality **Malaysian**

Dato' Mahamed Bin Hussain ("**Dato' Mahamed**") was appointed as the Independent Non-Executive Director on 18 March 2021. Dato' Mahamed was re-appointed as a Director of the Company following Dato' Mahamed's retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. Dato' Mahamed is the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee. Dato' Mahamed attended six (6) out of seven (7) Board meetings held in the financial year.

Dato' Mahamed holds a Bachelor of Art from the University Kebangsaan Malaysia and Masters in Business Administration from the University of Hull, United Kingdom.

Dato' Mahamed held various positions in the government sector before Dato's retirement in December 2015. Dato' Mahamed was the Head of Development Division of Ministry of Higher Education, Principle Private Secretary to the Minister of Technology, Science and Innovation, and Director of Administration Division of National Unity Department. Dato' Mahamed was also exposed to the Land Administration while working as an Assistance District Officer in Ulu Selangor from 1982 to 1987 and Assistance Director in the Kuala Lumpur Land Office from 1996 to 2000. Dato' Mahamed is currently a Director of a private limited company.

Dato' Mahamed does not hold any other directorship in any other public companies or public listed companies in Malaysia and has no family relationship with any other Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

DATUK IR. RUSLAN BIN ABDUL AZIZ

Independent Non-Executive Director

Aged **61** | Gender **Male** | Nationality **Malaysian**

Datuk Ir. Ruslan Bin Abdul Aziz ("**Datuk Ir. Ruslan**") was appointed as the Independent Non-Executive Director on 18 March 2021. Datuk Ir. Ruslan was re-appointed as a Director of the Company following Datuk Ir. Ruslan's retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. Datuk Ir. Ruslan is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Datuk Ir. Ruslan attended all seven (7) Board meetings held in the financial year.

Datuk Ir. Ruslan holds a Bachelor of Science in Civil Engineering from the University of Nottingham, United Kingdom, and a Master of Business Administration in Construction Business from the International Islamic University, Malaysia.

Datuk Ir. Ruslan held various positions in the Jabatan Kerja Raya ("**JKR**") Headquarters in Kuala Lumpur and other states since 1984. He was the JKR State Director for Malacca and Selangor. Datuk Ir. Ruslan was the Senior Director, heading the Road Division and Building Division of JKR Malaysia before Datuk's retirement on 6 February 2021. Datuk Ir. Ruslan has extensive experience with over thirty-six (36) years in implementation of building and infrastructure projects locally and internationally. Datuk Ir. Ruslan was also involved in project planning, project construction, contract administration, and collaborative work with the government department and other stakeholders.

Datuk Ir. Ruslan does not hold any other directorship in any other public companies or public listed companies in Malaysia and has no family relationship with any other Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

Profile of Directors (Cont'd)

TOH SENG THONG, JP

Independent Non-Executive Director

Aged **64** | Gender **Male** | Nationality **Malaysian**

Mr. Toh Seng Thong ("**Mr. Toh**") was appointed as the Independent Non-Executive Director on 28 April 2021. Mr. Toh was re-appointed as a Director of the Company following his retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. He attended all seven (7) Board meetings held in the financial year.

Mr. Toh obtained his Bachelor of Commerce (Accounting) degree from the University of Canterbury, New Zealand, in 1981. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, and Chartered Accountants Australia and New Zealand. He was made a Fellow Member of the Chartered Tax Institute of Malaysia in 1997. Mr. Toh has over thirty-two (32) years of experience in auditing, taxation, and corporate and financial advisory. He is also a practicing Chartered Accountant of Malaysia.

Currently, Mr. Toh's directorships in other public listed companies include Rhong Khen International Berhad (formerly known as Latitude Tree Holdings Berhad) and Adventa Berhad. Mr. Toh is also currently a Director of several private companies.

Mr. Toh does not have any family relationship with any other Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

DATO' PAUL LIM TAU ERN

Independent Non-Executive Director

Aged **44** | Gender **Male** | Nationality **Malaysian**

Dato' Paul Lim Tau Ern ("**Dato' Paul**") was appointed as the Independent Non-Executive Director on 18 March 2021. Dato' Paul was re-appointed as a Director of the Company following Dato' Paul's retirement pursuant to Clause 95 of the Company's Constitution on 28 December 2021. Dato' Paul is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Dato' Paul attended all seven (7) Board meetings held in the financial year.

Dato' Paul holds a Diploma of Business from the University of Cambridge and a Bachelor of Arts from the University of Bolton.

Dato' Paul is currently the Executive Director of Premiumlogy Holding Sdn. Bhd., the largest retail chain for corporate gifts and Chief Executive Officer of Satu Gadget Sdn. Bhd., one of the leading companies in the mobile phone industry. Dato' Paul is also the Deputy President of the Malaysia Mobile and Communication Association.

Dato' Paul was awarded in Martrade's 100 Most Influential Young Entrepreneurs 2016. He was also awarded as Top 30 Finalist in the Ten Outstanding Young Malaysians Award 2018 under Category Contribution to Children, World Peace and / or Human Rights. He was also awarded as the Finalist in the Creative Young Entrepreneur Award 2018. Dato' Paul is also awarded as the Honorary Deputy Field Marshall and Lifetime Honorary Advisor of Community Policing Malaysia.

Dato' Paul does not hold any other directorship in any other public companies or public listed companies in Malaysia and has no family relationship with any other Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

Notes:
Other than traffic offences, none of the Directors has any conviction for offences within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

TANG CHOI PENG, TRACY

Chief Financial Officer

Aged **51** Gender **Female** Nationality **Malaysian**

Ms. Tang Choi Peng, Tracy ("**Ms. Tracy**") was appointed as the Chief Financial Officer of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) ("**PTTS**" or "**the Company**") on 1 September 2021.

Ms. Tracy graduated with a Bachelor of Accounting and Finance degree from the University of Leicester, United Kingdom, in 1993.

Ms. Tracy has more than twenty-six (26) years of working experience in the fields of accounting, financial management, credit control, and sales & marketing. She has worked with various construction and property development companies, including Gadang Land Sdn. Bhd., Leadmont Sdn. Bhd. and Tanco Holdings Berhad, as well as held various management positions in Accounting & Finance, Credit Control, and Sales & Marketing.

Prior to joining the Company, Ms. Tracy was the Head of Sales & Marketing for Pembinaan Tetap Teguh Sdn. Bhd.'s ("**PTT**") Property Development Division in the year 2009. She was then promoted to General Manager of the Special Project and Business Development in the year 2013. In 2016, she was promoted as the Group Financial Officer of PTT.

Ms. Tracy does not hold any directorship in any public companies or public listed companies in Malaysia and has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

HASNAN BIN SAAIDIN

Head of Business Development

Aged **55** Gender **Male** Nationality **Malaysian**

Encik Hasnan Bin Saaidin ("**Encik Hasnan**") was appointed as the Head of Business Development of PTTS on 2 March 2022.

Encik Hasnan holds a BSc. (Hons) Quantity Surveying and a diploma in Management. He has accumulated over twenty-nine (29) years of experience in the field of project management and real estate development, and has been involved in various infrastructure projects, commercial and residential development in the Middle East and Malaysia.

Amongst iconic development, he was involved Petronas Twin Towers Development and Diplomatic Enclave Development in Putrajaya. In Saudi, he was involved in the early development of Jabal Omar in Makkah and Mid-market hotel development in Jeddah.

Encik Hasnan does not hold any directorship in any public companies or public listed companies in Malaysia and has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

Profile of Key Senior Management (Cont'd)

LUM PEK YOKE

Managing Director of Heap Wah Barakah Sdn. Bhd. Director of Anggun Tegas Merak Sdn. Bhd. and PTS Dura Marketing Sdn. Bhd.

Aged **58**

Gender **Female**

Nationality **Malaysian**

Ms. Lum Pek Yoke ("**Ms. Lum**") was appointed as a Director of Heap Wah Barakah Sdn. Bhd. ("**Heap Wah**") on 1 October 1984. Subsequently, she was appointed as the Managing Director of Heap Wah on 1 September 2017. She was then appointed as the Director of two (2) subsidiaries of Heap Wah, namely Anggun Tegas Merak Sdn. Bhd. and PTS Dura Marketing Sdn. Bhd. on 4 January 2018 and 26 January 2018, respectively.

Ms. Lum has completed her STPM education. She is responsible for the sales, operations, and administration of Heap Wah and its subsidiaries. She has more than thirty (30) years of experience in trading construction materials.

Ms. Lum has direct shareholdings of 1,333 ordinary shares in PTTS. In addition, she holds 136,500 ordinary shares in Heap Wah, a 70%-owned subsidiary of PTTS.

Ms. Lum does not hold any directorship in any public companies or public listed companies in Malaysia and has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

SYED MOHAMMAD ZAKI BIN BAAIN

Director of PTT Infra Sdn. Bhd. (formerly known as Pembinaan ATT Sdn. Bhd.)

Aged **39**

Gender **Male**

Nationality **Malaysian**

Encik Syed Mohammad Zaki Bin Baain ("**Encik Syed Mohammad**") was appointed as a Director of PTT Infra Sdn. Bhd. (formerly known as Pembinaan ATT Sdn. Bhd.) on 18 March 2021.

Encik Syed Mohammad holds a degree in Civil Engineering from the University of Teknologi Mara, Shah Alam. He has accumulated over seventeen (17) years of experience in the construction industry, and has been involved in earthworks, general infrastructure, and civil building projects. He is currently the Project Director for the construction operation of PTTS and its subsidiaries.

Encik Syed Mohammad does not hold any directorship in any public companies or public listed companies in Malaysia and has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

Notes:
Other than traffic offences, none of the Key Senior Management has any conviction for offences within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) ("**PTTS**" or "**the Company**") is one of the Malaysia's leading construction companies specialising in earthworks and infrastructure works. Besides bulky construction works and the existing trading business which supply infrastructure water related products, PTTS and its subsidiaries ("**the Group**") have ventured into the industrial property development industry by transforming industrial lands into customised industrial units for both local and foreign businesses. The Group's strategy is to continue to build a portfolio of complementary capabilities across its assets and resources to maximise returns. A disciplined approach to risk management and a focus on cash generation, complemented by rigorous capital allocation and cost control and underpinned on safety are key elements of the Group's strategy.

NEW CONTROLLING SHAREHOLDERS AND MANAGEMENT TEAM

Following the completion of the unconditional mandatory take-over by Aim Tetap Teguh Group Sdn. Bhd. on 17 March 2021, the new management team, led by Mr. Teo Swee Phin, the current Managing Director of PTTS, took over the management roles of the Group. The Company had on 7 January 2022 changed its name from Grand Hoover Berhad to PTT Synergy Group Berhad.

Since the new management took over the leadership, PTTS has transformed itself to become a formidable construction and industrial development player in Malaysia, whilst re-strategising the Group's legacy trading business which supplies water infrastructure related products such as pipes, fittings and equipment to customers.

The new management has implemented various strategies to turn around the Group, inter alia:

- Revive the businesses for Construction and Property Division that were being left dormant by the previous management team;
- Recruit and develop core team of experienced personnel and construction workers;
- Implement cost savings strategies with technology-based cost control applications, broad-based quality controls, increase efficiency and performance including acquiring new machineries, minimising outsourcing of work etc;
- Secure more construction projects; and
- Review the customers' profile of Trading business vis-à-vis robust ageing analysis of the trade receivables to focus on collection to improve cashflow position.

In July 2021, PTTS had successfully raised a proceed of RM30.0 million from the Renounceable Rights Issue of 50,000,000 New Ordinary Shares in the Company to finance the Group's turnaround plan. The proceed raised has been fully utilised in the financial year ("**FY**") 2022 and our new management team has successfully turn around the Group to be profitable in FY2022 versus the losses in previous years.

Management Discussion & Analysis (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE

In the financial year ended ("**FYE**") 30 June 2022, PTTS has two (2) main business segments:

(1) Construction and Property Development; and
(2) Trading.

The Construction and Property Development segment involves the provision of end-to-end construction works specialising in Earthwork and Infrastructure Work; and the development of industrial lands into a unique range of customised industrial units and facilities for local and foreign businesses.

The Trading segment involves the trading and supply of building materials, plumbing, water and infrastructure related products to local contractors involved in the construction of various types of properties and government agencies related to water supply and infrastructure such as JPS, PWD, JBA etc.

The Group's business operations in early part of FY2022 were impacted by the social restrictions from the Movement Control Orders to curb the spread of Covid-19. However, there was improvement in the Group's financial performance following the roll-out of the National Recovery Plan and safe re-opening of the economy.

Arising from the above strategies undertaken by the new management together with the re-opening of the economy, the Group registered a higher revenue of RM125.55 million in FY2022 (FY2021: RM62.24 million). The higher revenue was attributed to the higher revenue from the revived Construction and Property Development Division.

The profit before tax increased to RM11.70 million in FY2022 (FY2021: loss of RM2.14 million). The significant increase was due to higher profits from all business divisions.

FINANCIAL POSITION OVERVIEW

RM'000	FY2019	FY2020	FY2021	FY2022
Extracts from Income Statement:				
Revenue	62,676	48,171	62,239	**125,555**
Gross Profit	8,275	8,471	11,098	**24,657**
Results From Operating Activities	(805)	(2,572)	(1,478)	**12,258**
Profit Before Tax	(1,482)	(3,333)	(2,138)	**11,701**
Profit For The Year	(2,488)	(3,220)	(1,180)	**9,405**
Profit attributable to owners of the Company (PATAMI)	(2,826)	(3,036)	(1,094)	**8,416**
Extracts from Balance Sheet:				
Total Assets	88,116	87,897	88,149	**157,604**
Cash And Equivalents	1,811	2,413	2,982	**5,166**
Total Liabilities	32,386	33,282	36,271	**66,952**
Borrowings	11,961	11,843	11,422	**12,985**
Total Equities attributable to owners	44,299	42,691	40,538	**78,473**

FINANCIAL POSITION OVERVIEW (CONT'D)

RM'000	FY2019	FY2020	FY2021	FY2022
Extracts from Cash Flow Statement:				
Net cash from/(used in) operating activities	(2,685)	944	718	**(18,712)**
Net cash from/(used in) investing activities	31	60	(8)	**(8,391)**
Net cash from/(used in) financing activities	1,252	144	132	**33,197**
Financial Ratios:				
Gross Margins	13.2%	17.6%	17.8%	**19.6%**
Operational Margins	(1.3%)	(5.3%)	(2.4%)	**9.8%**
Net Margins	(4.0%)	(6.7%)	(1.9%)	**7.5%**
PATAMI Margins	(4.5%)	(6.3%)	(1.8%)	**6.7%**
Return On Equity	(6.2%)	(7.0%)	(2.6%)	**14.1%**
Current Ratio (times)	1.8	1.7	1.6	**1.8**
Net Gearing Ratio* (times)	0.24	0.26	0.25	**0.16**

* Net gearing calculation includes lease liabilities.

Some Key Financial Highlights in FY2022 vs FY2021

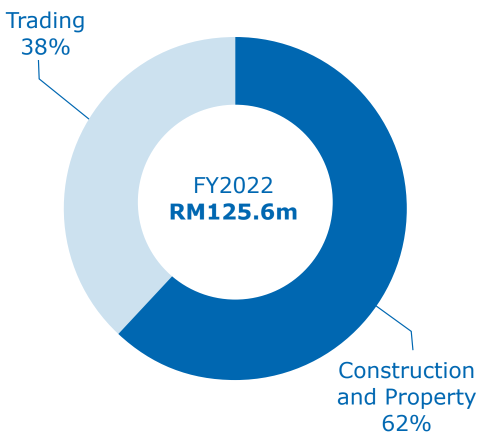
The Group's financial position has improved as shown above:

- Successful turnaround in Group's profitability since the new management team took over in March 2021.
- **Revenue** rose 101.7% year-on-year to RM125.6 million driven by the Construction & Property Business segment.
- **Profit before tax** ("**PBT**") jumped to RM11.7 million compared to the loss before tax of RM2.1 million in FY2021 on the back of higher profit from all business segments.
- **Profit after tax after minority interest** ("**PATAMI**") increased to RM8.42 million compared to a loss of RM1.09 million in FY2021.
- **Total equity** grew strongly by 94% to RM78.5 million on full subscription of rights issue.
- **Group's current ratio**, a yardstick that measures the state of the Group's financial liquidity, improved to 1.8 times (FY2021: 1.6 times). The healthy current ratio indicates that the Group has adequate liquidity to meet its short-term commitments and working capital requirements.
- **Net Gearing Ratio** has reduced to 0.16 times. The Group is working towards reducing its gearing level such as disposal of landbank which is not for immediate development and intensifying sales of the Group's existing inventories, both the Property Development and Trading Divisions. This will ensure that the Group to have sufficient internal funds and credit facilities on hand to seize any project opportunities in the market.

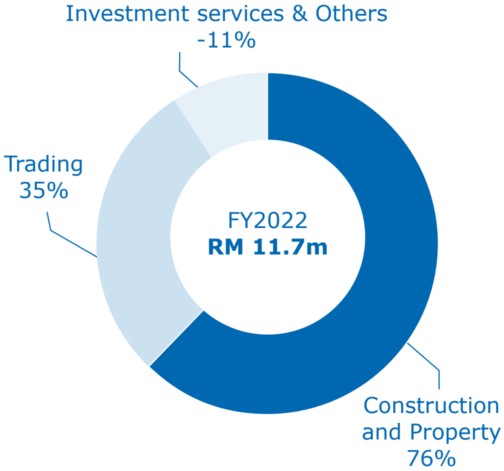
Management Discussion & Analysis (Cont'd)

SEGMENTAL OVERVIEW

Revenue Breakdown by Segments



PBT Breakdown by Segments



1. Construction and Property Business:

RM '000	FY2021	FY2022
Revenue	1,350	78,401
Profit/ (loss) before tax	(908)	8,960

Financial Performance

Revenue for the Construction and Property Business increased significantly to RM78.4 million in FY2022 (FY2021: RM1.35 million). PBT turn around from RM0.9 million loss before tax in FY2021 to RM8.9 million PBT in FY2022. This is due to the reasons below:

- The construction segment has been re-activated in July 2021 after being dormant for some years.
- Normalisation of works to full capacity in Quarter 3 and Quarter 4 of FY2022 with the lifting of the Movement Control Order 3.0.
- The new management, with strong expertise in construction industry and networks, managed to secure new contracts from reputable clientele base.

Operational Overview

The world is beset with extended period of disruptions brought about by geopolitical tensions, increase in interest rates, high inflation and rising overall operating cost. This could result in cost over-runs for construction companies unless stringent cost controls and efficient project management and operations are in place. The ongoing uncertainties and political instability in the country does not augur well for the construction and property development industry. The Group is prepared to address the challenges ahead by participating in new tenders and working to secure more jobs from existing clients. In addition, the management team will be focused on cost controls, quality controls and timely deliveries of all projects undertaken. Proper planning will be initiated from the onset of the tendering stage.

As of 12 October 2022, the Group has a total unbilled order book of RM519.7 million, inclusive a new contract of RM53.8 million that was obtained on 15 July 2022, and is expected to improve with the resumption of construction activities. Besides the above order book in hand, the Group has identified strategic industrial land for development. The Group will generate innovative design and development to provide a wholistic warehousing facilities and solutions to fulfil the demand of the clients.

SEGMENTAL OVERVIEW (CONT'D)

2. Trading Business

RM '000	FY2021	FY2022
Revenue	60,889	47,154
Profit before tax	770	4,157

Financial Performance

Although revenue for the Trading segment achieved a lower revenue of RM47.2 million in FY2022 compared to RM60.9 million in FY2021, PBT rose to RM4.1 million compared to RM0.8 million in FY2021. The fall in revenue is due to the impact of the pandemic situation which limits the movements of people and goods nationwide. The jumped in the PBT is due to the Group's profitability turnaround strategies, write back of impairment of trade receivables, and recovery of bad debts.

Operational Overview

During FY2022, the Group has successfully implemented profitability turnaround initiatives such as cost control strategies, effective inventory management, credit management processes, product-mix specialisation and customer base profiling. These initiatives are expected to further enhance the profitability of the division going forward. As to the challenges of a weak residential property market and stiff competition from building materials suppliers, the Trading Division will continue to expand its customer base to industrial users and create new value-added products.

KEY RISKS

The Group is mindful of several risks it is exposed to, which are outlined below:-

Trading Business

1. Credit risk – We grant credit term to majority of our customers. Therefore, the Group constantly reviews and implements a stringent policy on our receivables collection in order to minimise any defaults.

2. Soft demand risk – The continuously weak property market and stiff competition among the building material players would indirectly affect our trading division's financial performance. Hence, the Group is undertaking various initiatives in mitigating the potentially slower business, which include expanding our customer base and fabricating/modifying value-added products with higher profit margin to suit the customers' need.

Construction Business

1. Slow job replenishment rate – In the event that we are unable to secure any new projects, our orderbook will decline over time and this would adversely affect our financial performance in the future. Hence, we are actively participating in new tenders and also working to secure more jobs from our existing clients.

2. Cost overruns risk – In the event of unanticipated cost increases during the project execution and construction period, a large portion of the cost may not be able to be passed on to our customers. Hence, we always practice ordering in bulk during project take off to lock the material pricing, hedging the diesel price which is the major project cost to mitigate the cost overruns risk.

Management Discussion & Analysis (Cont'd)

KEY RISKS (CONT'D)

Construction Business (Cont'd)

3. Delay risk – In the event of any delays in the completion of our projects, we could be liable for Liquidated Ascertained Damages ("**LAD**") claims and/or penalties from customers which will adversely affect our financial performance and reputation. Therefore, our management team is very hands-on with the overall project management in order to ensure timely delivery of projects.

Property Development Business

1. Soft demand risk – Given the softening economy outlook, higher interest rate and persistently intense competition among the property players, we are cautious on the property market. The Company is monitoring the market sentiment and will only launch new property development projects when the property market is more encouraging and venturing into Industrial Development Project.

2. Execution and delay risks – Shortage of workers and certain building materials may cause delays to the completion schedule. Additionally, we also rely on subcontractors to perform certain jobs. Our experienced project teams are very hands-on at every stage of the projects to ensure we do not incur any LAD claims.

BUSINESS OUTLOOK & STRATEGIES

1. Improving Construction Division's Profitability

As at 12 October 2022, the Group has a total unbilled order book of RM519.7 million and is expected to improve with the resumption of construction activities. PTTS plans to implement the following business strategies to improve the construction business:

- Actively tendering and securing new construction projects from clients
- Proactive management and monitoring of current projects to meet all project timeline without delay
- Execution of cost control strategies such as hedging and bulk purchasing of raw materials, and hedging and variation orders for pricing
- Maintain strong relationship with master developer which will lead to stronger ability to secure new construction projects and control cost

2. Enhancing Trading Division's Profitability

PTTS will continue to take prudent steps to focus on the collection, reviewing our customers' profile vis-à-vis the ageing of the trade receivables, maintain customers with a good credit profile and continue to reassess customers with long-overdue payments.

PTTS will also work on expanding our customer base, exploring more efficient supply chain strategies especially in securing lower prices from suppliers, and creating more value-added products to achieve better margins.

BUSINESS OUTLOOK & STRATEGIES (CONT'D)

3. Expansion into Industrial Development Activities

Moving forward, PTTS aims to continue breaking new heights by venturing into the industrial property development cum one-stop warehousing facilities and solutions. PTTS will focus in developing industrial lands and offer a unique range of customised industrial units and facilities for local and foreign businesses. PTTS foresees a strong and sustainable growth in Malaysia's industrial activities as the country offers good resources and infrastructure to both local and foreign businesses to expand or set up their businesses in Malaysia. We expect our in-house construction capabilities to support and synergise well with our new ventures.

4. Dividend

The Board of Directors did not recommend any dividend for the FYE 2022.

APPRECIATION

We would like to record our thanks to our loyal shareholders for your continued support and belief in the Management. Our appreciation also goes to our customers, suppliers, bankers, and, business associates for their commitment and, most importantly, to our dedicated employees for their immeasurable contributions in this tumultuous period.

We are confident that the Group will remain resilient to steer through uncertainty and challenging outlooks and are cautiously optimistic of a positive performance in the year ahead.

TEO SWEE PHIN
Managing Director
Date: 12 October 2022

SUSTAINABILITY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) ("**PTTS**" or "**the Company**") recognises the importance of sustainability and strives to achieve sustainable growth in our core businesses by incorporating the factors such as Economic, Environmental, Social and Governance into the journey of PTTS and its subsidiaries ("**the Group**"). PTTS is committed to adopting and applying responsible practices to minimise risk and to enhance the long-term developmental impact of its corporate activities towards a sustainable future.

STATEMENT OVERVIEW

Reporting Period and Cycle

This Sustainability Statement ("**Statement**") covers the financial year from 1 July 2021 to 30 June 2022, and is reported on an annual basis.

Reporting Scope

This Statement encompasses all business operations of the Group within the geographic scope of Malaysia. The divisions covered are Construction and Property Development, and Trading.

OUR SUSTAINABILITY APPROACH

Sustainability Framework

We have streamlined our disclosures after taking into consideration key reporting frameworks such as those highlighted within the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") related to Sustainability Statements in Annual Reports and is guided by the Global Reporting Initiative ("**GRI**") Standards and the United Nations Sustainable Development Goals ("**SDGs**").

Sustainability Governance

Sustainability governance at PTTS is anchored upon the structure of our Sustainable Working Committee ("**SWC**") to ensure accountability across all identified initiatives. This SWC includes our key senior management team and all our Head of Departments ("**HODs**"), headed by the Managing Director, Mr. Teo Swee Phin. Discussions from SWC have been led to the various strategic thrusts to further improve overall sustainability within the Group, covering all aspects within the Economics, Environmental, Social and Governance topics.

The Board also ensures that the Group's strategies promote sustainability.

SUPPORTING THE UNITED NATIONS SGDs

The following is a strategic mapping of SDGs that we have identified.

SDG 3 - GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages

SDG 8 - DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive sustainable economic growth, full and productive employment and decent work for all

SDG 11 - SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, resilient and sustainable

SDG 13 - CLIMATE ACTION
Take urgent action to combat climate change and its impacts

STAKEHOLDER ENGAGEMENT

Stakeholders will continuously be the focal point of our business; therefore, we have engaged all stakeholder groups through various methods in differing frequencies in the past year, this may happen through both formal and informal discussions and meetings that cover shareholder meetings, investor conferences, direct engagement programs, surveys, audits, and more.

Stakeholder Group	Frequency and type of engagement	Related Material Topics	How we manage issues
Customers (existing and potential)	Frequency: Ongoing Type: Customer survey	• Economic Performance • Occupational Health & Safety	• Customer survey • Address customer concerns
Media	Frequency: Ongoing Type: Newspaper, social media, press release	• Economic Performance • Corporate Social Responsibility	• Direct engagement • Press statements/ briefings • To highlight effort through engagement and communication channel

Sustainability Statement For The Year Ended 30 June 2022 (Cont'd)

STAKEHOLDER ENGAGEMENT(CONT'D)

Stakeholder Group	Frequency and type of engagement	Related Material Topics	How we manage issues
Employees	Frequency: Regular, ongoing Type: Knowledge sharing session, internal customer engagement programme, internal customer satisfaction survey programme, innovation accelerator programme	• Employee Well-Being • Occupational Health and Safety	• Staff engagement programmes • Implementation of environment, safety and health programmes involving employees • Job-related training and workshops
Suppliers	Frequency: Occasional Type: Meetings, discussions	• Supply Chain Management	• Constant and regular communications • Process improvement • Engage and share concerns with relevant parties
Investors and financiers	Frequency: Annual, quarterly, ongoing Type: Annual general meeting, announcements, press releases, briefings, meetings	• Economic Performance • Corporate Governance and Integrity	• Regular audits • Constant engagement and sharing of strategy
Business partners	Frequency: Ad hoc Type: Meetings, discussions	• Economic Performance • Corporate Governance and Integrity	• Communication • Engage and share concerns with relevant parties
General public	Frequency: Ad hoc Type: Dialogue, engagement	• Natural Resource Management • Corporate Social Responsibility	• Communication via reporting on environmental conservation activities • Corporate social responsibility activities
Governments and regulators	Frequency: Regular, ongoing Type: Meetings, pre-consult submission, periodical reporting	• Corporate Governance and Integrity	• Responsible reporting and communications • Monitoring of compliance

MATERIAL TOPICS

Our Material Topics were created in consultation of various stakeholder groups, with each Material Topic encompassing highlighted matters of concern such as return on investment, reliable services, impact to business operations, significance to shareholders and etc.

The Material Topics for PTTS are as follows:-

Economics	Environmental	Social	Governance
• Economic Performance • Supply Chain Management	• Natural Resource Management	• Employee Well-Being • Occupational Health and Safety • Corporate Social Responsibility	• Corporate Governance and Integrity

We understand that the sustainability topics are ever-evolving, therefore we target to fully refresh our Materiality Matrix in the coming year.

ECONOMICS

Economics Performance

Material Topic: Economic Performance	
Definition of Material Topic Information about the economic performance-related impacts of our businesses, and how we manage these impacts.	
Why Is This Topic Material to Us? The direct economic value generated from our businesses will have financial implications and impacts to our employees, shareholders, government and the people in Malaysia and we would like to sustainably contribute to the growth and advancement of the local economy.	
Risk/Challenges Weak economic performance will lead us to contribute less to our employees, shareholders, government and the local economy's growth.	**Opportunities** Strong economic performance can lead to an increase of employees' salaries, shareholder returns, government taxes, and contribute to the growth in the local economy.
Management Approach 1. Infrastructure Investment – Improving various infrastructures such as roads, bridges, drainage for the benefit for our nation. 2. Promote Local Hiring – Prioritising employment opportunities for Malaysians. 95% of our workforce consists of Malaysians. 3. Economic Value Distribution – Paying employee wages and benefits, payments to providers of capital, payments to government and community investments.	

Sustainability Statement For The Year Ended 30 June 2022 (Cont'd)

ECONOMICS (Cont'd)

Supply Chain Management

Material Topic: Supply Chain Management

Definition of Material Topic

Management of suppliers and contractors to ensure sustainability principles are upkept within the value chain.

Why Is This Topic Material to Us?

Supply chain plays a huge part to ensure the delivery of our businesses. The performance of our suppliers affects directly to the Group's performance. A sustainable supply chain management sets the foundation of a company while maximising customer value.

Risk/Challenges

- Suppliers with poor performance are more prone to encounter operational disruption, which will affect the Group's operation.
- Suppliers with poor environmental, social and governance culture may affect the Group's reputation.

Opportunities

- A sustainable supply chain can ensure smooth operation and improve productivity.
- Companies that practice a sustainable supply chain are more attractive to potential customers, investors and employees.

Management Approach

1. Support Local Suppliers – Priority to source procurements requirements through the use of locally manufactured products.

2. Transparent Procurement Practices – Procurement practices are carried out in adherence to a strict and transparent procurement policy which is audited by an internal audit team and an external audit team.

ENVIRONMENT

Natural Resource Management

Material Topic: Natural Resource Management

Definition of Material Topic

Information about how our businesses affect the environment and the additional steps taken by our company to manage scarce natural resources and preserve the well-being of the environment.

Why Is This Topic Material to Us?

Our business operations involve the use of scarce natural resources, hence the need for our organisation to impose strict and sustainable business operating practices to ensure the environment is not heavily impacted by our operations.

Risk/Challenges

- Non-environmentally friendly building practices will lead to wastages of raw materials, causing natural resources to deplete at a swift rate.
- Depletion of natural resources will lead to environmental impacts such as deforestation and global warming.
- Reputational risk for our organisation if found guilty of breach in environmental legislations.

Opportunities

- Taking additional environment-friendly actions will minimise wastages of raw materials, thus maintaining supply of raw materials and reducing purchasing costs, additionally preserving the environment.
- Establishing pioneer steps in providing solutions to construct green and sustainable buildings which have minimal impact on the environment.

Management Approach

1. Landscape and Green Building – Encourages to be environmentally responsible and resource-efficient as much as possible in building development.

2. Environmental – Friendly Construction Methodology – Practicing environmentally friendly earthwork methodology such as tree mulching, coir log, silt trap, earth drain and etc.

Slit Trap

Earth Drain

Coir Log

3. Minimise nature clearing – The Group will make every effort to minimise land clearing and tree cutting during building development and construction activities.

Sustainability Statement For The Year Ended 30 June 2022 (Cont'd)

ENVIRONMENT (CONT'D)

Natural Resource Management (Cont'd)

Material Topic: Natural Resource Management

Management Approach (Cont'd)

4. Waste management – The Group ensures that all production wastes are responsibly and safely disposed of, by utilising the services of registered waste management disposal service providers.

5. Water Conservation – The Group's business model does not rely on the use of water in excess of the requirements of normal office buildings/plants.

6. Energy – The Group encourages energy saving when using electricity and water, as well as replacing light bulbs with LED energy saving bulbs. The Group's business model does not rely on any energy source other than the normal electricity power supply to office buildings/plants.

7. Quality – We place a premium on providing high-quality products and conduct rigorous quality checks at all stages of property development. We also ensure the products sold at our trading division are of good quality and adhere to the authorities' standards and requirements. Our Group believes that good quality products are able to minimise wastage and are better for the environment.

8. Electronic Publication – To minimise paper consumption, the Company's Annual Report is made available on the Company's website for easy access by shareholders and investors.

9. Materials – The Group ensures that all wood materials are procured from responsible and sustainable sources.

SOCIAL

Employees Well-Being

Material Topic: Employees Well-Being

Definition of Material Topic

Maintain the well-being of our employees by ensuring they are respected and included.

Why Is This Topic Material to Us?

Our employees are the most important stakeholders supporting the Group's success journey. With the constant shifts in the labour market dynamics, employee's well-being is gaining more importance and PTTS recognises factors such as compensation, benefits, talent development, diversity and human rights in attracting and retaining new and existing talents.

SOCIAL (CONT'D)

Employees Well-Being (Cont'd)

Material Topic: Employees Well-Being	
Risk/Challenges	**Opportunities**
• High employee turnover rate might lead to the Group's reputation risk, which would affect the Group's ability to attract talents moving forward. • Companies that do not regularly invest in training and education of employees will risk compromising the quality of their product and services. • Neglecting and failing to reward the employee's contribution fairly may result in decreased employee morale and productivity.	• A good company reputation with a good management on human capital can improve employee recruitment and retention. • Companies that focus on talent development will empower the employees with improved skills and competencies to deliver higher demand and quality. • Employees that are well appreciated and taken care off can boost the employees' morale and productivity.

Management Approach

1. Diversity and Equal Opportunity – PTTS prohibits discrimination and harassment of any type, regardless of race, color, age, gender, nationality, and disability status. PTTS gives employment opportunities equally to all applicants and supports diversity of skill, experience, age, and ethics in the workplace. The Group has a workforce of one hundred and thirty-three (133) employees as of 30 June 2022. The workforce consists of 98% Malaysian, and 23% are female. Currently, the Group's pool of employees also includes retirees employed and disabled persons employed in the workplace.

2. Wage Compensation – All wages are paid and deductions are made in accordance with the relevant statutes, regulations and guidelines governing employment law and industrial relations in Malaysia. PTTS also adheres to the minimum wage guideline of RM1,500 set by the government of Malaysia.

3. Benefits – PTTS offers financial and non-financial benefits to promote a healthy working environment for all employees, including:

   - Complimentary food, monthly lunch treats/allowance and dinners to commemorate all major festivals celebrated by the employees;
   - Employees insurance coverage as part of the employment package;
   - Supports and funds extra-curricular activities for our employees such as sporting activities, teambuilding and company trips; and
   - Offers insurance coverage as part of the employment package.

4. Training and Education – PTTS invests in the training and continuing professional development of its employees.

5. Freedom of Association/Collective Bargaining – PTTS does not restrict or curtail any constitutional right of association or unionization permitted by the regulatory framework in Malaysia.

6. No child labour and forced labour.

Sustainability Statement For The Year Ended 30 June 2022 (Cont'd)

SOCIAL (CONT'D)

Occupational Health and Safety

Material Topic: Occupational Health and Safety

Definition of Material Topic

Defines the safety, health and welfare of the people within our organisation.

Why Is This Topic Material to Us?

Providing a safe and conducive work environment minimises the risk of workplace hazard and accidents, assuring employees that their health and safety are protected and preserved by the organisation.

Risk/Challenges

- Business operations may include high risk and labour-intensive activities which can lead to unforeseen circumstances such as work accidents.
- Weak occupational health and safety controls and policies endangers employees' well-being, thus increases staff turnover due to poor working conditions, causing disruptions in business operations.

Opportunities

- Investing into employees' insurance schemes provides additional assurances to employees that their well-being and safety are protected by our organisation and in the event of an accident, their financial capacity are protected.
- Increasing workplace training to further educate the employees on actions to be taken to mitigate workplace hazard/ accidents, and steps to take in the event of an accident.

Management Approach

1. Health and Safety Framework – PTTS maintains a safe and comfortable workplace for its employees and oversees a health and safety framework for the employees and responds promptly to any issues or complaints by all employees.

2. Health and Safety Training – PTTS provides the necessary training and safety and health programs to ensure the workers are safe and well-trained in handling incident/accident matters.

Sustainability Statement For The Year Ended 30 June 2022 (Cont'd)

SOCIAL (CONT'D)

Corporate Social Responsibility

Material Topic: Corporate Social Responsibility

Definition of Material Topic

Defines PTTS's Corporate Social Responsibility ("**CSR**") projects.

Why Is This Topic Material to Us?

To inculcate an ongoing sense of awareness that it is the responsibility of both the management and the employees in their individual capacities, to ensure that our organisation's business, services and practices at all times reflect and fulfill our obligations to the community, environment and society as a whole.

Risk/Challenges	Opportunities
• Involvement of all individuals within the organisation when procuring CSR initiatives due to ongoing business operations which attention and care are required. • Identifying the right group of community to provide additional care and aide. • Unclear end goal / outcome of CSR initiatives and determent from the Company's policies.	• CSR initiatives enhances our organisation's good brand name thus generating positive impacts from investors and their perspective towards PTTS's worth. • CSR-related values strengthen the relationship with employees, thus maintaining employee retention and improves employee's well-being.

Management Approach

1. CSR Selection – PTTS is committed to ensuring that its CSR initiatives are carefully selected based on a pre-determined set of applicable criteria and is centered around a worthy cause in genuine need of assistance / contribution / participation.

2. CSR Program – Some of the CSR projects taken during the financial year include sponsorship of face mask and donation to schools.

Food contribution for flood victims

Donation to SMK Chung Hwa Wei Sin

Sustainability Statement For The Year Ended 30 June 2022 (Cont'd)

GOVERNANCE

Corporate Governance

Material Topic: Corporate Governance	
Definition of Material Topic Information about the Corporate Governance of our business and how our implemented policies ensure high standards of Corporate Governance practices are observed.	
Why Is This Topic Material to Us? Corporate Governance projects the systems, rules and policies implemented within the Company which provides assurance that the stakeholders' interests are protected and prevents the Company's business objectivity from being breached.	
Risk/Challenges Low Corporate Governance standards indicates high risks of misconducts and unethical behaviour amongst the management, thus reducing the investors' confidence and customers' trust.	**Opportunities** High Corporate Governance provides assurance that the stakeholders' interest is in line with the Company's interest, enhancing the investors' confidence towards the management in steering the Company ahead.

Management Approach

1. Board Independence – Four (4) out of eight (8) of the Directors of PTTS are independent directors.

2. Policy Advocacy – Promotes the importance of a good corporate culture and adopted policies such as Code of Conduct and Ethics, Whistleblowing Policy, Anti-Corruption and Bribery Policy in the Group's operations.

3. Whistleblowing Policy – Whistleblowing Policy is in place as well as grievance procedures to enable the employees to highlight their grievances as well as any suspected wrongdoing on the part of any person in PTTS.

4. Anti-Corruption and Bribery Policy – PTTS practices openness and transparency in all its business dealings with the suppliers, contractors, regulators, external advisors and other stakeholders. It has in place frameworks including Anti-Bribery and Anti-Corruption Manual to pre-empt situations of conflict arising at the Board level and a robust framework is in place to manage the Related Party Transactions.

5. Regulatory Compliance – PTTS is committed to conducting our business ethically and in compliance with all applicable laws and regulations in Malaysia.

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards:

GRI-Code	Description	Reference (Page No.)
3 Material Topics		
3-1	Process to determine material topics	Material Topics, Pg 27
3-2	List of material topics	Material Topics, Pg 27
3-3	Management of material topics	Stakeholder Engagement, Pg 25-26
201 Economic Performance		
201-1	Direct economic value generated and distributed	Economics Performance, Pg 27
201-2	Financial implications and other risks and opportunities due to climate change	Economics Performance, Pg 27
201-4	Financial assistance received from government	Please refer to our Financial Statements
204 Procurement Practices		
204-1	Proportion of spending on local suppliers	Supply Chain Management, Pg 28
205 Anti-Corruption		
205-1	Operations assessed for risks related to corruption	Corporate Governance, Pg 34
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance, Pg 34
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance, Pg 34
206 Anti-Competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In FY2022, there were no legal actions for anti-competitive behavior, anti-trust, and monopoly practices
301 Materials		
301-1	Materials used by weight or volume	Natural Resource Management, Pg 29-30
301-2	Recycled input materials used	Natural Resource Management, Pg 29-30
301-3	Reclaimed products and their packaging materials	Natural Resource Management, Pg 29-30
302 Energy		
302-1	Energy consumption within the organisation	Natural Resource Management, Pg 29-30
302-2	Energy consumption outside of the organisation	Natural Resource Management, Pg 29-30
302-3	Energy intensity	Natural Resource Management, Pg 29-30
302-4	Reduction of energy consumption	Natural Resource Management, Pg 29-30
302-5	Reductions in energy requirements of products and services	Natural Resource Management, Pg 29-30
303 Water and Effluents		
303-1	Interactions with water as a shared resource	Natural Resource Management, Pg 29-30
303-3	Water withdrawal	Natural Resource Management, Pg 29-30
303-4	Water discharge	Natural Resource Management, Pg 29-30
303-5	Water consumption	Natural Resource Management, Pg 29-30

GRI Content Index (Cont'd)

This report has been prepared in accordance with the GRI Standards: (Cont'd)

GRI-Code	Description	Reference (Page No.)
304 Biodiversity		
304-2	Significant impacts of activities, products and services on biodiversity	Natural Resource Management, Pg 29-30
306 Waste		
306-1	Waste generation and significant waste-related impacts	Natural Resource Management, Pg 29-30
306-2	Management of significant waste-related impacts	Natural Resource Management, Pg 29-30
306-3	Waste generated	Natural Resource Management, Pg 29-30
306-4	Waste diverted from disposal	Natural Resource Management, Pg 29-30
306-5	Waste directed to disposal	Natural Resource Management, Pg 29-30
308 Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management, Pg 28
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management, Pg 28
401 Employment		
401-1	New employee hires and employee turnover	Employee Well-Being, Pg 31
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Well-Being, Pg 31
401-3	Parental leave	Employee Well-Being, Pg 31
403 Occupational Health and Safety		
403-1	Occupational health and safety management system	Occupational Health and Safety, Pg 32
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Pg 32
403-3	Occupational health services	Occupational Health and Safety, Pg 32
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, Pg 32
403-5	Worker training on occupational health and safety	Occupational Health and Safety, Pg 32

GRI Content Index (Cont'd)

This report has been prepared in accordance with the GRI Standards: (Cont'd)

GRI-Code	Description	Reference (Page No.)
403 Occupational Health and Safety (Cont'd)		
403-6	Promotion of worker health	Occupational Health and Safety, Pg 32
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, Pg 32
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety, Pg 32
403-9	Work-related injuries	Occupational Health and Safety, Pg 32
403-10	Work-related ill health	Occupational Health and Safety, Pg 32
404 Training and Education		
404-1	Average hours of training per year per employee	Employee Well-Being, Pg 31
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Well-Being, Pg 31
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Well-Being, Pg 31
405 Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Employee Well-Being, Pg 31
406 Non-Discrimination		
406-1	Incidents of discrimination and corrective actions taken	In FY2022, there were no incidents of discrimination
407 Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Well-Being, Pg 31
408 Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Well-Being, Pg 31
409 Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Well-Being, Pg 31

GRI Content Index (Cont'd)

This report has been prepared in accordance with the GRI Standards: (Cont'd)

GRI-Code	Description	Reference (Page No.)
411 Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	In FY2022, there were no incidents of violations involving rights of indigenous peoples
413 Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility, Pg 33
413-2	Operations with significant actual and potential negative impacts on local communities	Corporate Social Responsibility, Pg 33
414 Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Supply Chain Management, Pg 28
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management, Pg 28
416 Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In FY2022, there were no incidents of non-compliance concerning the health and safety impacts of products and services

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) ("**the Company**") is pleased to present this Corporate Governance Overview Statement ("**Statement**") to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 30 June 2022 ("**FYE 2022**"). This Statement takes guidance from the three (3) key corporate governance principles and the practices as set out in the Malaysian Code on Corporate Governance ("**MCCG**"), which are:-

(a) Principle A : Board Leadership and Effectiveness

(b) Principle B : Effective Audit and Risk Management

(c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This Statement is prepared in compliance with the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**"), and it is to be read together with the Company's Corporate Governance Report ("**CG Report**"), which is accessible at the Company's corporate website at https://pttgroup.com.my/.

Save for limited exceptions as explained within this Statement and the CG Report, the Board is satisfied that the practices set out in the MCCG have, in all material aspects, been applied to achieve the intended outcomes, which are found to be suitable and appropriate to the Company and its subsidiaries ("**Group**").

A summary of the Company's corporate governance practices with reference to the MCCG is described below:-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Roles and Responsibilities

The Board is responsible for the stewardship and oversight on management and operations of the Group by providing leadership and setting strategic aims of the Group that will ensure the necessary resources are in place for the Group to meet its objective and achieve long-term sustainability.

To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the Audit Committee ("**AC**"), Nomination Committee ("**NC**"), and Remuneration Committee ("**RC**"). Each of the Board Committees is entrusted with specific responsibilities to oversee the Company's affairs according to their respective written Terms of Reference. The Chairman of the respective Board Committees shall report the outcome of their meetings to the Board. In addition, the minutes of all Board Committee meetings are circulated to the Board members so that they are kept abreast of proceedings and matters discussed at Board Committee meetings.

The Board is primarily entrusted with the responsibility of charting the direction of the Group and focuses mainly on strategies, financial performance, and critical business issues.

Roles of the Chairman and Managing Director

The roles of the Chairman and Managing Director are held by different individuals, and the division of their responsibilities is clearly established and defined in the Board Charter, with each having distinct and clearly defined authority and responsibilities. This is to ensure an appropriate balance of roles, responsibilities, and accountability at the Board level.

The Board is helmed by the Executive Chairman, Dato' Abd Rahim Bin Jaafar who strives to instil good corporate governance practices, demonstrates strong leadership and oversees the effectiveness of the Board whilst Mr. Teo Swee Phin, the Managing Director together with the Executive Directors, oversees the day-to-day management and operations of the Group and implementation of the Board's decisions, business strategies and policies.

In addition, the Executive Chairman, Dato' Abd Rahim Bin Jaafar is not a member of the Board Committees.

Corporate Governance Overview Statement (Cont'd)

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

Company Secretary

The Board is supported by a qualified Company Secretary in carrying out their roles and responsibilities. In addition, the Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, Board policies and procedures, and compliance with the relevant regulatory requirements, code of guidance, and legislations.

The Company Secretary attends and ensures the Board and the Board Committee meetings are properly convened, and all deliberations and decisions are properly minuted and kept. The Company Secretary also responsible for ensuring that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the Company's registered office.

Access to Information and Advice

To ensure effective conduct of Board and/or Board Committee meetings, a structured formal agenda and Board meeting papers relating to the agenda are circulated to the Directors prior to each meeting. The Directors are thus given sufficient time to peruse the matters that will be tabled at the Board and/or Board Committee meetings to enable them to participate in the deliberations of the issues to be raised and make informed decisions.

Upon conclusion of the meetings, the minutes will be circulated to the Board and Board Committee to ensure that the deliberations and decisions are accurately recorded, including the abstention of the Director from voting or deliberating on a particular matter, if any.

In exercising their duties, the Directors have full and unrestricted access to the Management and Company Secretary for all information pertaining to the businesses and corporate affairs of the Group. If the need arises, the Directors may also obtain independent professional advice from the Company's External Auditors, Internal Auditors and/or any other professional parties at the Company's expense in furtherance of their duties.

Board Charter

The Company has adopted a Board Charter and subsequently revised on 12 October 2022 that clearly defines the Board's and Board Committees' roles and responsibilities, composition, authority, matters reserved for the Board and guidance on the Board's conduct.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available at the Company's corporate website at https://pttgroup.com.my/.

Code of Conduct and Ethics

The Board has formalised a Code of Conduct and Ethics and subsequently revised on 12 October 2022 for the Directors, Management, and employees of the Group, which governs the underlying core ethical values and commitment to lay standards of integrity, transparency, accountability, and corporate social responsibility in their behaviour and business dealings.

The Code of Conduct and Ethics is available at the Company's corporate website at https://pttgroup.com.my/.

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

Whistleblowing Policy

The Group has established a Whistleblowing Policy and subsequently revised on 12 October 2022 provides a channel to enable stakeholders to report concerns on any breach of laws and regulations, misconduct, wrongdoings, corruption, fraud, waste and/or abuse in the Group. Any concerns raised will be investigated, and the outcome of such investigation will be reported to the Board with an appropriate recommendation and will take necessary action to resolve the issue.

As at the date of this Statement, the Group has not received any reports or concerns via the communication and feedback channels stipulated in the Whistleblowing Policy.

The Whistleblowing Policy is available at the Company's corporate website at https://pttgroup.com.my/.

Anti-Bribery and Anti-Corruption Policy

The Company has in place an Anti-Bribery and Anti-Corruption Policy in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) to prohibit bribery and corruption in the business conduct within the Group.

The Anti-Bribery and Anti-Corruption Policy was last reviewed on 12 October 2022 and is available at the Company's corporate website at https://pttgroup.com.my/.

Sustainability

The Board takes into account sustainability considerations when overseeing the Group's planning, performance and long-term strategy. The Board has adopted a Sustainability Policy and subsequent revised on 12 October 2022. The Company is committed to adopting and applying responsible practices from environmental, social and governance perspective, to minimise the risk and to enhance the long-term development impact of its corporate activities.

The Group has also established a Sustainability Framework which has adopted the Global Reporting Initiative, a globally recognised sustainability reporting.

In addition, the sustainability governance at the Group is anchored upon the structure of the Sustainable Working Committee, which is headed by Mr. Teo Swee Phin, the Managing Director, to ensure accountability across all identified initiatives.

The Company has addressed the following sustainability segments to the stakeholders on an annual basis in its Sustainability Statement of the Annual Report:-

- Governance;
- Community and Environment;
- Marketplace; and
- Workplace.

The Group takes cognisant that the stakeholders are always the focal point of the Group's business. Therefore, the Group has engaged with the stakeholders through various methods in different frequencies during the FYE 2022. The details of the stakeholders' engagement are set out in the Sustainability Statement in this Annual Report.

The Board members will keep themselves appraised with contemporaneous and relevant sustainability developments including climate-related risks and opportunities by way of formal training including webinars, structured reading and discussions.

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

Sustainability (Cont'd)

The Board recognises the importance of sustainability in all its operation of the Company and had included sustainability as one of the criteria in the performance evaluations of all the employees including its Board members.

The Board members and Senior Management are encouraged to assess and give feedbacks on how sustainability risks and opportunities are being managed within the Company. Based on annual performance carried out, the Board and Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.

The Sustainability Policy is available at the Company's corporate website at https://pttgroup.com.my/.

Board Composition

The Board currently consists of eight (8) Directors, comprising four (4) Independent Non-Executive Directors and four (4) Executive Directors. Premised on the above, the Board composition complies with Paragraph 15.02(1) of the Main LR of Bursa Malaysia Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent, and Practice 5.2 of the MCCG to have at least half of the Board comprises independent directors.

The Board is composed of qualified individuals with a diverse range of skills set, experiences and backgrounds, and its composition enables the Board to make informed and critical decisions for the Group. In addition, the Executive Directors have direct responsibilities on the day-to-day business operations and frequently attend management meetings wherein operational details and other issues are discussed and considered.

The presence of Independent Non-Executive Directors provides guidance, independent views, advice and judgement in ensuring that the strategies proposed are discussed and examined. This provides a balance in the Board to safeguard the interest of stakeholders and minority shareholders and to ensure that high standards of conduct and integrity are maintained by the Group.

The profile of each Director is set out in the Profile of Directors in this Annual Report.

Tenure of Independent Directors

The Board takes cognisance that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completing nine (9) years, an Independent Director may continue to serve on the Board subject to the said Director's re-designation as a Non-Independent Director.

The Board Charter has stipulated that the tenure for an Independent Director is capped at nine (9) years and the said Director shall be re-designated as a Non-Independent Director thereafter.

Based on the assessment carried out during the financial year, the Board is satisfied with the level demonstrated by all the Independent Directors and their ability to act in the Company's best interests.

As of the date of this Statement, none of the Independent Directors has served more than nine (9) years on the Board.

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

Board Appointment

The NC is responsible for making recommendations relating to any new appointment of Director to the Board and key senior management. The NC is guided by the following procedure of recruitment/ selection for directorship:-

1. Draw up specifications;
2. Search of candidates – with the assistance of external consultants, if necessary;
3. Meet with candidates;
4. Make the recruitment/selection;
5. Issue Letter of Appointment upon selection and approval from the Board.

The NC will not limit themselves by solely rely on the recommendations from the existing Board members, management or major shareholders, but also will utilise independent sources to identify suitably qualified candidates.

The NC assesses the suitability of the candidates by taking into consideration the mix of skills, knowledge, expertise and experience, competencies, time commitment and professionalism required by the Board.

During the FYE 2022, there was no new Director appointed to the Board of the Company.

Board Diversity

The Board acknowledges the importance of boardroom diversity and supports the recommendation of the MCCG on the establishment of a gender diversity policy. The Board recognises the need for enhancing boardroom diversity, not only in terms of gender but also in terms of age, ethnicity, and social background. The Board will strive to encourage a dynamic and diverse composition of the Board by nurturing suitable and potential candidates equipped with the competency, skills, experience, character, time commitment, integrity, and other qualities in meeting the Company's future needs. Through the NC, the Board is actively scouting for female director(s) as a step to meet Paragraph 15.02(1)(b) of the Main LR of Bursa Malaysia Securities and Practice 5.9 of the MCCG.

Currently, the Board does have any gender or ethnicity diversity policy.

As of the date of this Statement, the diversity of the existing Directors is as follows:-

	Male	Female
Age Group		
41-50	2	–
51-60	3	–
61-70	3	–
Ethnicity		
Malay	4	–
Chinese	4	–
Nationality		
Malaysian	8	–
Foreigner	–	–

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

Board Meetings

The Board meets at least once every quarter, and additional meetings are convened as and when necessary. A total of seven (7) Board meetings were held during the financial year.

In the interval between Board meetings, any matter requiring urgent Board decisions and/or approvals will be sought via circular resolutions, which are supported with all the relevant information and explanations required for an informed decision to be made.

The record of attendance of each Director for FYE 2022 are as follows:-

Name of Directors	Attendance
Dato' Abd Rahim bin Jaafar	7/7
Teo Swee Leng	7/7
Teo Swee Phin	7/7
Tuan Sr. Hj. Mohd Farid bin Naim	7/7
Dato' Mahamed bin Hussain	6/7
Datuk Ir. Ruslan bin Abdul Aziz	7/7
Dato' Paul Lim Tau Ern	7/7
Toh Seng Thong	7/7

All Directors have complied with the minimum requirement of 50% attendance at Board meetings as stipulated in the Main LR of Bursa Malaysia Securities.

Directors' Training

The Board acknowledges that continuous education is vital in keeping them abreast with corporate developments. Accordingly, the Directors have constantly been updated with relevant reading materials and technical updates, enhancing their knowledge and equipping themselves with the necessary skills to discharge their duties as Directors of the Company effectively.

All Directors have attended the Mandatory Accreditation Programme (MAP) prescribed by Bursa Malaysia Securities. During the FYE 2022, the Directors have attended the following seminars, conferences, and programmes:-

- Strategic Management
- Corporate Growth Strategy & Market Opportunity
- Marketing Management & Branding
- Road Engineering Association of Asia and Australasia (REAAA) Governing Council Presentation and Meeting
- Effective Media Communication
- Doctor of Business Administration
- Malaysian Budget 2022
- AOB Conversation with Audit Committees
- Corporate Tax Planning
- Hasil-CTIM Tax Forum 2022

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

NC

As of the date of this Statement, the NC comprises four (4) members, all of whom are Independent Non-Executive Directors and the composition of the NC is as follows: -

Chairman	:	**Dato' Mahamed bin Hussain** (Independent Non-Executive Director)
Members	:	**Datuk Ir. Ruslan bin Abdul Aziz** (Independent Non-Executive Director)
		Dato' Paul Lim Tau Ern (Independent Non-Executive Director)
		Toh Seng Thong (Independent Non-Executive Director)

The summary of the NC's activities are as follows:-

- Reviewed the performance evaluation forms and recommended the same to the Board of Directors for adoption;
- Recommended the re-election of Directors who are due to retire pursuant to the Company's Constitution;
- Assessed the independence of the Independent Non-Executive Directors pursuant to the MCCG;
- Assessed the performance and effectiveness of the Board and Board Committees and each of its members;
- Reviewed the Board's size and composition and the required mix of skills, knowledge, expertise, and experience;
- Reviewed the terms of office and performance of the AC and each of its members;
- Reviewed the Directors' Fit and Proper Policy and recommended the same to the Board for adoption; and
- Reviewed the Terms of Reference of NC and recommended the same to the Board for adoption.

The NC conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Director. The Directors are provided with questionnaires to carry out the assessments and are based on their competencies, capabilities, time commitments, integrities, participation, and contributions to the Board and Board Committees. The results are then tabulated and presented to the NC for review and recommendation to the Board for notation.

Based on the assessment carried out during FYE 2022, the NC concluded the following:-

- The Board's current size and composition are appropriate and well-balanced with the right mix of skills. The Board composition comprises individuals with the necessary skills, qualifications and experiences to enable the Board to discharge its duties and responsibilities effectively.
- All the Directors have discharged their duties and responsibilities according to the Board Charter and respective Terms of Reference of the Board Committees.

In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) of the Directors shall retire from office and be eligible for re-election provided that all Directors including the Managing Director shall retire from office at least once every three (3) years but shall be eligible for re-election. The Board via the NC's annual assessment, is satisfied with the performance of the Directors who are standing for re-election and has recommended to the shareholders their proposed re-election in accordance with the Constitution.

Corporate Governance Overview Statement (Cont'd)

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

NC (Cont'd)

The profiles of the Directors who are due to retire are set out in the Profile of Directors in this Annual Report.

The number of directorships held by the Directors is stated in the Profile of Directors of this Annual Report.

The Terms of Reference of NC was last reviewed on 12 October 2022 and is available at the Company's corporate website at https://pttgroup.com.my/.

The NC shall meet at least once a year. Two (2) NC meetings were held during the FYE 2022. The details of attendance of each member are as follows:-

NC	Meeting Date		
	15.09.2021	25.05.2022	Total
Dato' Mahamed bin Hussain	✓	✓	2/2
Datuk Ir. Ruslan bin Abdul Aziz	✓	✓	2/2
Dato' Paul Lim Tau Ern	✓	✓	2/2
Toh Seng Thong	✓	✓	2/2

RC

As of the date of this Statement, the RC comprises four (4) members, all of whom are Independent Non-Executive Directors and the composition of the RC is as follows:-

Chairman : **Dato' Mahamed bin Hussain**
(Independent Non-Executive Director)

Members : **Datuk Ir. Ruslan bin Abdul Aziz**
(Independent Non-Executive Director)

Dato' Paul Lim Tau Ern
(Independent Non-Executive Director)

Toh Seng Thong
(Independent Non-Executive Director)

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

RC (Cont'd)

The RC shall meet at least once a year. Two (2) RC meetings were held during the FYE 2022. The details of attendance of each member are as follows:-

	Meeting Date		
RC	**15.09.2021**	**25.05.2022**	**Total**
Dato' Mahamed bin Hussain	✓	✓	2/2
Datuk Ir. Ruslan bin Abdul Aziz	✓	✓	2/2
Dato' Paul Lim Tau Ern	✓	✓	2/2
Toh Seng Thong	✓	✓	2/2

Remuneration Policy

The Board has adopted Remuneration Policies for both Executive Directors and Non-Executive Directors. For Executive Directors, the remuneration packages have been structured to link rewards to corporate and their individual performance. For Non-Executive Directors, the remuneration packages are based on their experience and level of responsibilities undertaken.

The Remuneration Policies for the Executive Directors and Non-Executive Directors are available at the Company's corporate website at https://pttgroup.com.my/.

The RC is established to assist the Board to review the matters relating to the remuneration of the Directors and Senior Management.

The summary of the RC's activities are as follows:-

- Reviewed the payment of Directors' fees for the financial year ended 30 June 2021 and recommended the same to the Board for consideration;
- Reviewed the remuneration packages of the Executive Directors and Senior Management for the FYE 2022 and financial year ending 30 June 2023 ("**FYE 2023**"), and recommended the same to the Board for consideration;
- Reviewed the payment of Directors' fees and benefits for the period from 1 July 2021 until the next annual general meeting of the Company to be held in the year 2022 and recommended the same to the Board for consideration;
- Reviewed the payment of Directors' fees and benefits from a day after the Fifty-First Annual General Meeting until the next annual general meeting of the Company to be held in the year 2023 and recommended the same to the Board for consideration; and
- Reviewed the Terms of Reference of RC and recommended the same to the Board for adoption.

The Terms of Reference of RC was last reviewed on 12 October 2022 and is available at the Company's corporate website at https://pttgroup.com.my/.

Corporate Governance Overview Statement (Cont'd)

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

Remuneration Policy (Cont'd)

The remuneration of the Directors of the Company and Group who served during FYE 2022 are as follows:-

Company

Name	Salaries & Other Emoluments (RM'000)	Directors' Fees (RM'000)	Benefits-in-kind (RM'000)	Statutory Contribution (RM'000)	Meeting Allowance (RM'000)	Total (RM'000)
Executive Directors						
Dato' Abd Rahim bin Jaafar	–	–	–	–	–	–
Teo Swee Leng	–	–	–	–	–	–
Teo Swee Phin	–	–	–	–	–	–
Tuan Sr. Hj. Mohd Farid bin Naim	–	–	–	–	–	–
Non-Executive Directors						
Dato' Mahamed bin Hussain	–	48,000.00	–	–	2,400.00	50,400.00
Datuk Ir. Ruslan bin Abdul Aziz	–	48,000.00	–	–	2,400.00	50,400.00
Dato' Paul Lim Tau Ern	–	48,000.00	–	–	2,400.00	50,400.00
Toh Seng Thong	–	48,000.00	–	–	2,100.00	50,100.00

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

Remuneration Policy (Cont'd)

The remuneration of the Directors of the Company and Group who served during FYE 2022 are as follows:- (Cont'd)

Group

Name	Salaries & Other Emoluments (RM'000)	Directors' Fees (RM'000)	Benefits-in-kind (RM'000)	Statutory Contribution (RM'000)	Meeting Allowance (RM'000)	Total (RM'000)
Executive Directors						
Dato' Abd Rahim bin Jaafar	300,000.00	–	–	37,385.10	–	337,385.10
Teo Swee Leng	225,000.00	–	–	27,692.55	–	252,692.55
Teo Swee Phin	600,000.00	–	4,667.00	73,385.10	–	678,052.10
Tuan Sr. Hj. Mohd Farid bin Naim	63,000.00	–	–	8,252.55	–	71,252.55
Non-Executive Directors						
Dato' Mahamed bin Hussain	–	48,000.00	–	–	2,400.00	50,400.00
Datuk Ir. Ruslan bin Abdul Aziz	–	48,000.00	–	–	2,400.00	50,400.00
Dato' Paul Lim Tau Ern	–	48,000.00	–	–	2,400.00	50,400.00
Toh Seng Thong	–	48,000.00	–	–	2,100.00	50,100.00

During the FYE 2022, the Company only has four (4) key senior management. Therefore, the top four (4) key senior management remuneration in band of RM50,000 are as follows:-

Range of remuneration	Number of Key Senior Management
RM100,000 and below	–
RM100,001-RM150,000	2
RM150,001-RM200,000	–
RM200,001-RM250,000	–
RM250,001-RM300,000	1
RM300,001-RM350,000	–
RM350,001-RM400,000	1

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AC

The AC comprises exclusively of Independent Non-Executive Directors and is chaired by Dato' Mahamed bin Hussain, who is distinct from the Board Chairman. As such, the AC composition complies with Paragraphs 15.09 and 15.10 of the Main LR of Bursa Malaysia Securities. In addition, none of the Directors has appointed Alternate Directors.

None of the AC members were former key audit partners. Nevertheless, in order to maintain the highest level of independence, the Board has no intention of appointing any former key audit partner to the AC. In line with the MCCG, the Board has adopted the Terms of Reference of AC that no former key audit partner could be appointed as a member of the AC before observing a cooling-off period of at least three (3) years.

The Board regards the members of the AC collectively possess the accounting and related financial management expertise and experience required for AC to discharge its responsibilities and assist the Board in its oversight over the financial reporting process.

The AC is responsible for overseeing the financial statements reporting, risk management, internal control system, related party transactions, financial assistance support, internal audit function, and the Company's relationship with Internal Auditors and External Auditors in relation to their scope of work and audit performance.

In presenting the annual financial statements and quarterly financial results announcements to shareholders, the Board aims to present a balanced assessment of the Group's financial position and prospects to ensure that the financial results are released to Bursa Malaysia Securities within the stipulated timeframe and that the financial statements comply with the regulatory reporting requirements. In this regard, the Board is assisted by the AC in overseeing and governing the Group's financial reporting processes and the quality of its financial reporting.

The financial statements are prepared on a going concern basis and give a true and fair view of the financial position of the Group as of 30 June 2022.

The AC's membership, responsibilities, and works done in the FYE 2022 are set out in the AC Report in this Annual Report.

External Auditors

The AC maintains a transparent and professional relationship with the Group's External Auditors. The AC has evaluated the External Auditors' independence, performance, suitability and objectivity based on the criteria of competence, adequacy of experience, quality of services, sufficiency of resources, audit planning, and communication and interaction.

Having regard to the outcome of the External Auditors' annual assessment, the Board had approved the recommendation of the AC and tabled the re-appointment of Messrs. Moore Stephens Associates PLT as the Company's External Auditors to the shareholders for approval at the forthcoming Fifty-First Annual General Meeting.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control Framework

The AC acknowledges its responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system involves the business and key management of each business, including the AC, and is formulated to meet the Group's particular needs and to manage the risks to which it is exposed. The system, by its nature, can only provide reasonable but not absolute assurance against material misstatements, losses, and fraud.

The Group has outsourced its internal audit function to an independent professional services firm, PKF Risk Management Sdn. Bhd., which reports directly to the AC. During the FYE 2022, the AC is satisfied with the Internal Auditors' competencies, experience, and adequate resources to carry out their function effectively and independently.

The details of the Company's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

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

Engagement with Stakeholders

The Board recognises the importance of timely and high-quality disclosure as a key component to uphold the principles and best practices of corporate governance for the Group. In addition, it is critical to maintaining an effective communication policy between the Company and its public members to build trust and understanding between the Company and its various stakeholders.

The various channels of communication with the shareholders are as follows:-

- Annual Report;
- Annual General Meeting;
- Quarterly announcements on financial results to Bursa Malaysia Securities;
- Various corporate disclosures, circulars, and announcements made to Bursa Malaysia Securities; and
- Corporate website at https://pttgroup.com.my/.

Corporate Disclosure Policy

The Group has established a Corporate Disclosure Policy and subsequently revised on 12 October 2022 to ensure the communications to the investing public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Corporate Disclosure Policy applies to all Directors, officers and employees of the Company and its subsidiaries and those authorised to speak on their behalf.

The Corporate Disclosure Policy is available at the Company's corporate website at https://pttgroup.com.my/.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The Annual General Meeting is the principal forum for dialogue and interaction with all shareholders for which due notice is given. In addition, the Annual General Meeting provides an opportunity to the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance.

The notice of the Annual General Meeting together with the Annual Report are despatched to the shareholders at least twenty-eight (28) days prior to the meeting date. In addition, to ensure effective participation and engagement, the Board encourages the shareholders to participate in the question-and-answer session in the Company's Annual General Meeting, whereby the Directors, Chair of the AC, NC and RC, Management, and External Auditors in attendance will respond to the shareholders' queries.

In line with Paragraph 8.29A of the Main LR of Bursa Malaysia Securities, all resolutions set out in the notice of general meetings will be carried out by poll voting. An independent scrutineer is also appointed to scrutinise the polling process.

The Minutes of the Fiftieth Annual General Meeting was made available to the shareholders within thirty (30) business days after the Fiftieth Annual General Meeting at the Company's website at https://pttgroup.com.my/.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is fully committed to ensuring good governance practices and compliance with regulatory requirements under the MCCG and relevant rules and regulations.

The Board has identified environmental, social, and governance as a key focus area for the future. Accordingly, the Board will provide the appropriate guidance and oversight to the Senior Management team to develop a more robust sustainability agenda for the Group.

Apart from the above, the Board will continue to operationalise and improve the Company's corporate governance practices and instill a risk and governance awareness culture and mindset throughout the organisation in the best interests of all stakeholders.

This Statement and the Corporate Governance Report were approved by the resolution passed at the Board of Directors' Meeting held on 12 October 2022.

AUDIT COMMITTEE REPORT

The Board of Directors of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) is pleased to present the Audit Committee Report for the financial year ended 30 June 2022 ("**FYE 2022**") in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**").

A. COMPOSITION

The Audit Committee ("**AC**") is appointed by the Board amongst its members, which comprise solely of Independent Directors. The AC members have elected a Chairman from among themselves, who is an Independent Non-Executive Director. In respect of this, the Company has fulfilled the requirements under Paragraph 15.09(1)(a) and (b) of the MMLR of Bursa Malaysia Securities and the Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance 2021.

The AC members comprises:-

Chairman : **Dato' Mahamed bin Hussain**
(Independent Non-Executive Director)

Members : **Datuk Ir. Ruslan bin Abdul Aziz**
(Independent Non-Executive Director)

Dato' Paul Lim Tau Ern
(Independent Non-Executive Director)

Toh Seng Thong
(Independent Non-Executive Director)

Mr. Toh Seng Thong is a member of the Malaysian Institute of Accountants (MIA). Accordingly, the Company complied with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Malaysia Securities, which requires at least one (1) member of the AC must be a member of the MIA.

B. TERMS OF REFERENCE

The Terms of Reference of the AC, which sets out the composition, proceedings of the meeting, authority, roles, and responsibilities of the AC, is available on the Company's corporate website at: https://pttgroup.com.my/.

C. AC MEETINGS

A total of five (5) AC meetings were held during the FYE 2022. The details of attendance of each member are as follows:-

Name of Members	Meeting Dates					
	15.09.2021	13.10.2021	23.11.2021	22.02.2022	25.05.2022	Total
Dato' Mahamed bin Hussain	✓	✓	✓	✓	✓	5/5
Datuk Ir. Ruslan bin Abdul Aziz	✓	✓	✓	✓	✓	5/5
Dato' Paul Lim Tau Ern	✓	✓	✓	✓	✓	5/5
Toh Seng Thong	✓	✓	✓	✓	✓	5/5

Audit Committee Report (Cont'd)

C. AC MEETINGS (CONT'D)

The Executive Chairman, Deputy Chairman, Managing Director, and Executive Director were invited to attend all AC meetings to facilitate direct communications and to provide clarification on the financial reports. Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board of Directors for notation.

D. SUMMARY OF THE WORKS OF THE AC

The works undertaken by the AC in the discharge of its functions and duties for the FYE 2022 are summarised as follows:-

Financial Reporting

The AC reviewed and discussed the quarterly results and annual audited financial statements of the Company and the Group prior to recommendations to the Board of Directors for consideration and approval.

The dates on which the AC meetings were convened during the financial year to deliberate on financial reporting matters are detailed below:-

Date of Meetings	Activities
15 September 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the fourth quarter ended 30 June 2021.
13 October 2021	• Audited financial statements of the Company and Group for the financial year ended 30 June 2021.
23 November 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the first quarter ended 30 September 2021.
22 February 2022	• Unaudited quarterly report on consolidated results of the Company and Group for the second quarter ended 31 December 2021.
25 May 2022	• Unaudited quarterly report on consolidated results of the Company and Group for the third quarter ended 31 March 2022.

The AC carried out the review of the quarterly results and annual audited financial statements to ensure that they were prepared in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016, and the MMLR of Bursa Malaysia Securities.

External Audit

(i) Evaluated the suitability, objectivity, independence and performance of the External Auditors, and recommended to the Board of Directors on the re-appointment of the External Auditors and their audit fees thereof.

(ii) Reviewed the Audit Planning Memorandum for the FYE 2022, outlining the scope of works, key areas of audit emphasis, audit approach, fraud considerations, audit timeline, audit fees, and the new and revised auditors reporting standards.

D. SUMMARY OF THE WORKS OF THE AC (CONT'D)

External Audit (Cont'd)

(iii) Reviewed the Audit Findings for the financial year ended 30 June 2021, which included the External Auditors' significant audit findings and observations, the status of the audit, independence of the External Auditors, and summary of adjusted audit differences.

(iv) Conducted three (3) private sessions with the External Auditors, without the presence of the Executive Board members and Management staff, to discuss their observations and areas for improvements.

Internal Audit

(i) Reviewed the internal audit reports, audit recommendations made, and management response to those recommendations and reviewed the follow-up audits to ensure that appropriate actions were taken and recommendations of the Internal Auditors were implemented.

(ii) Reviewed and recommended to the Board of Directors on the appointment of PKF Risk Management Sdn. Bhd. as the Company's new Internal Auditors in replacement of Messrs. Sam & Co.

(iii) Reviewed the Internal Audit Plan tabled by the Internal Auditors and agreed on the timing and frequency of the proposed audit areas.

(iv) Reviewed the adequacy of the scope, functions, competency, and resources of the internal audit functions and that it has the necessary authority to carry out its work.

(v) Conducted two (2) private sessions with the Internal Auditors, without the presence of the Executive Board members and Management staff, to discuss their observations and areas for improvements.

Related Party Transactions

(i) Reviewed the quarterly report on recurrent related party transactions for compliance with both in-house procedures and the MMLR of Bursa Malaysia Securities.

(ii) Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature prior to its approval by the Board of Directors.

Other Matters

(i) Reviewed and confirmed the minutes of the AC Meetings.

(ii) Reviewed the quarterly updates on the financial assistance status presented by the Management.

(iii) Reviewed the AC Report and Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the MMLR of Bursa Malaysia Securities prior to submission to the Board of Directors for consideration and approval and inclusion in the Annual Report of the Company.

(iv) Reviewed the revaluation of non-current assets of the Group as of 30 June 2022.

E. INTERNAL AUDIT FUNCTIONS

The Group has outsourced its internal audit function to an independent professional services firm, PKF Risk Management Sdn. Bhd., which reports directly to the AC.

The AC has full access to the outsourced Internal Auditors and reports on all internal audits performed. The main role of the internal audit function is to carry out independent assessments of the adequacy and effectiveness of the Group's internal control systems in anticipation of any potential risk areas within key business processes of the Group.

The engagement team from PKF Risk Management Sdn. Bhd. is headed by Dr. Wong Ka Fee, who has over fifteen (15) years of experience in internal audit, risk management, compliance review and business advisory. Dr. Wong Ka Fee has a Doctoral Degree in Behavioral Finance from Universiti Utara Malaysia and double Master degrees from two different prestigious Universities from United Kingdom, i.e., Master of Science in Management Consultancy from Liverpool John Moores University and Master of Business Administration from University of Wales. The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

The AC had evaluated and reviewed the internal audit function in terms of scope, competency, resources, and independence. The AC was also satisfied that the Internal Auditors performed their work in accordance with the principles of the international internal auditing standards covering the conduct of the audit planning, execution, documentation, communication of findings, and consultation with key stakeholders on the audit concerns.

The AC and Board of Directors were satisfied with the performance of the outsourced Internal Auditors and had, in the interest of greater independence and continuity in the internal audit function, decided to continue to outsource the internal audit function.

The Internal Auditors assisted the AC in discharging their duties and responsibilities by executing independent reviews, objective assurance, and consulting activities within the Group's operations through audits of the Group's key operations and also to ensure consistency in the control environment and compliance with established policies and procedures, rules, regulations, guidelines, directives, and relevant laws. The activities performed by the outsourced Internal Auditors include:-

(i) Performed reviews of the key processes to examine and evaluate the adequacy and efficiency of the operations' internal controls and highlighted any significant risks and non-compliance matters that have an impact on the Group;

(ii) Conducted follow-up review on the status of the Management's implementation based on the agreed recommendations, which were previously reported in the preceding cycles of internal audit.

(iii) Developed Internal Audit Plan for the FYE 2022, setting out the implementation of the internal audit scope for the Group based on agreed communication, timelines, and reporting protocols;

(iv) Conducted internal audit which has covered the Project Management process of PTT Infra Sdn. Bhd. (formerly known as Pembinaan ATT Sdn. Bhd.).

The total cost incurred for the internal audit function of the Group for the FYE 2022 amounted to RM15,000/-.

BOARD'S CONCLUSION

For the FYE 2022, terms of office and performance of the AC and each of its members were reviewed by the Nomination Committee. Having reviewed the results of the AC's and individual AC members' performance, the Board is satisfied that the AC and its members have carried out their functions, duties, and responsibilities according to the Terms of Reference of the AC. There were no material misstatements, frauds, and deficiencies in the internal control systems not addressed by the Management.

The Audit Committee Report was approved by the resolution passed at the Board of Directors' Meeting held on 12 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**"), the Board of listed issuers is required to include in their Annual Report a "statement on the state of its risk management and internal controls". Accordingly, this Statement on Risk Management and Internal Control ("**Statement**") has been prepared in accordance with Paragraph 15.26(b) of the Main LR of Bursa Malaysia Securities and as guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia Securities.

2. BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility to establish a sound system of internal control and risk management in order for the Company and its subsidiaries ("**the Group**") to safeguard shareholders' investment and the Group's assets. Notwithstanding that, in view of the inherent limitations in any system of internal control, the Board recognises that reviewing the Group's system of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement of management, loss or fraud and failure to achieve business objectives.

During the financial year ended 30 June 2022 ("**FYE 2022**"), the Board reviewed the adequacy and effectiveness of the risk management and internal control systems and concluded that the Group's risk management and internal control systems have been operating adequately and effectively. The Board has also received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the FYE 2022 and up to the date of this Statement.

The Board has extended the responsibilities of the Audit Committee ("**AC**") to include the role of reviewing and monitoring the effectiveness of the Group's internal control system. The AC reviews and deliberates reports from the Internal Auditors on findings from audits carried out at operating subsidiaries, and the External Auditors on areas for improvement identified during the course of the statutory audit.

The AC Report is set out on pages 53 to 57 of the Annual Report for the FYE 2022.

3. INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

The Board confirms that there are reasonable sound internal control frameworks and an on-going process for identifying, evaluating, monitoring and managing the significant risks faced by the Group in achieving its objectives. The Board regularly reviews the regulatory and business environment to ensure reasonable, adequate and effective systems of risk management and internal control.

The Board recognises that the systems of internal control and risk management are designed to identify, manage and minimise the risks of failure rather than eliminate the risks involved. Therefore, the Board is aware that the system has been implemented to provide only reasonable and not absolute assurance against the occurrence of any material misstatement and loss. The Board recognises that there should be a balance of reasonable cost and benefit in implementing the internal control and risk management systems.

3. INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK (CONT'D)

In addition, the Group's internal control system includes the following key elements:-

- The Group has a defined delegation of authority with clear lines of responsibility. It sets out the appropriate approving authority at various levels of Management for decisions to be taken including matters that require Board approvals. The relevant policies are reviewed regularly and updated when necessary.
- The Group has ensured that the financial and operational policies and procedures are in place, such as the Standard Operating Procedure Manual ("**Manual**") for the property and construction division which sets out standard procedures for its major divisions, for example, Contract and Project Division and Purchasing Division. The Manual is subject to review and update from time to time.
- The internal control mechanism is embedded in various work processes at appropriate levels of the Group, such as credit control and aging review of debtors and creditors.
- Regular performance reports provide the Management and the Board with comprehensive financial information on the Group's performance.
- The Group has implemented budgetary controls for its projects.

4. MONITORING AND REVIEW

The Board recognises that the Managing Director and Chief Financial Officer oversee the Group's strategies and business direction, including the Group's operation, development, finance and treasury functions.

The Board places importance on risk management and internal control to safeguard the stakeholders' interest in order to ensure the Group's internal control functions effectively. Accordingly, the internal audit function has been outsourced to an independent professional services firm, PKF Risk Management Sdn. Bhd., who will review the internal controls of the selected activities of the Group's business units based on an internal audit plan presented to the AC for approval.

The Internal Auditors will present their findings in internal audit reports to the AC for review. The AC Chairman will then report to the Board on the matter. The Board places the reliance on the internal audit function to identify the state of internal control system of the Group.

The engagement team from PKF Risk Management Sdn. Bhd. is headed by Dr. Wong Ka Fee, who has over fifteen (15) years of experience in internal audit, risk management, compliance review and business advisory. Dr. Wong Ka Fee has a Doctoral Degree in Behavioral Finance from Universiti Utara Malaysia and double Master degrees from two different prestigious Universities from United Kingdom, i.e., Master of Science in Management Consultancy from Liverpool John Moores University and Master of Business Administration from University of Wales. The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. Upon conduct a review on the Internal Audit Function, the AC concluded that the internal audit function is independent and PKF Risk Management Sdn. Bhd. has performed their audit assignments with impartiality, proficiency and due professional care for the FYE 2022.

Statement on Risk Management and Internal Control (Cont'd)

4. MONITORING AND REVIEW (CONT'D)

During the FYE 2022, the AC, with the assistance of the external professional consulting firm, PKF Risk Management Sdn. Bhd., has conducted an internal audit on the Project Management process of PTT Infra Sdn. Bhd. (formerly known as Pembinaan ATT Sdn. Bhd.).

The Group paid the Internal Auditors a professional fee of RM15,000.00 to carry out the internal audit functions of the Group for the FYE 2022.

5. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for the inclusion in the Annual Report for the FYE 2022 in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Controls. Their work performed is restricted to the requirements by Paragraph 15.23 of the Main LR of Bursa Malaysia Securities.

Based on their review, the External Auditors have reported that nothing has come to their attention that cause them to believe that this Statement intended to be included in the Annual Report of the Company is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

6. CONCLUSION

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives, and this process has operated during the FYE 2022 and up to the date of approval of the Annual Report for the FYE 2022. As a result, no control deficiencies were noted during the FYE 2022, which has a material impact on the Group's performance or operations.

This Statement was approved by the resolution passed at the Board of Directors' Meeting held on 12 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**"):-

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no corporate proposals undertaken by the Company to raise any funds during the financial year ended 30 June 2022.

2. Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred and payable to the External Auditors and/or its affiliates by the Company and the Group for the financial year ended 30 June 2022 are as follows:-

	Company RM	Group RM
Audit Fees	45,000	154,500
Non-Audit Fees	7,500	10,500

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors, chief executive (who is not a Director) and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

The Company intends to seek its shareholders' approval for the new shareholders' mandate and to renew the existing shareholders' mandate for the Company and its subsidiaries to enter into RRPTs with the related parties which are in the ordinary course of business of the Company and its subsidiaries at the Fifty-First Annual General Meeting of the Company.

The New and Renewal of Shareholders' Mandate, details as disclosed in the Circular to Shareholders dated 31 October 2022 will be sent together with this 2022 Annual Report.

The details of the RRPTs occurred during the financial year ended 30 June 2022 are disclosed in Note 28 to the Financial Statements set out on pages 137 and 138 of this 2022 Annual Report.

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Accordingly, the annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company to give a true and fair view of their financial position and cash flows for the financial year then ended.

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

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Assessed the Group and the Company's ability to continue as going concern and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and the Company, as well as to prevent and detect fraud and any other irregularities.

The Statement on Directors' Responsibility is made in accordance with a resolution passed at the Board of Directors' Meeting held on 12 October 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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

CHANGE OF NAME

On 7 January 2022, the Company changed its name from Grand Hoover Berhad to PTT Synergy Group Berhad.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment and property holding. The principal activities of its subsidiaries are set out in Note 12 to the financial statements.

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

RESULTS

	Group RM	Company RM
Net profit/(loss) for the financial year	9,405,364	(1,121,151)
Attributable to:		
Owners of the Company	8,415,867	
Non-controlling interests	989,497	
	9,405,364	

RESERVES AND PROVISIONS

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

DIVIDENDS

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

ISSUANCE OF SHARES OR DEBENTURES

During the financial year, the Company has increased its issued ordinary shares from RM44,186,166 to RM73,704,998 by way of the issuance of 50,000,000 new ordinary shares through renounceable right issue at an issue price of RM0.60 per right share on the basis of five (5) rights shares for every four (4) existing ordinary shares held by the entitled shareholders as at 5.00 p.m. on 5 August 2021, for working capital purpose and net off with incurred placement fee of RM481,168.

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

The Company has not issued any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS OF THE COMPANY

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

Dato' Abd Rahim Bin Jaafar *
Datuk Ir. Ruslan Bin Abdul Aziz
Dato' Mahamed Bin Hussain
Dato' Paul Lim Tau Ern
Teo Swee Leng *
Teo Swee Phin *
Tuan Sr. Hj. Mohd Farid Bin Naim *
Toh Seng Thong

* *These Directors are also Directors of subsidiaries included in the financial statements of the Group for the financial year.*

DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the financial year to the date of this report are as follows:-

Lum Pek Yoke
Syed Mohammad Zaki Bin Baain

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares of the Company and its related corporations during the financial year were as follows:-

	Number of ordinary shares			
	At 01.07.2021 Unit	**Bought Unit**	**Sold Unit**	**At 30.06.2022 Unit**
Name of Director				
Ordinary shares in the Company				
Direct Interest:				
- Teo Swee Phin	50,000	62,500	–	112,500
Indirect Interest:				
- Dato' Abd Rahim Bin Jaafar *	20,400,396	31,717,004	–	52,117,400
- Teo Swee Leng *	20,400,396	31,717,004	–	52,117,400
- Teo Swee Phin *	20,400,396	31,717,004	–	52,117,400

* *Indirect interest pursuant to Section 8 of the Companies Act 2016 via Aim Tetap Teguh Group Sdn. Bhd.*

DIRECTORS' INTERESTS (CONT'D)

Dato' Abd Rahim Bin Jaafar, Teo Swee Leng and Teo Swee Phin are deemed to have interest in the shares held by the Company and its subsidiaries by virtue of their substantial interest in shares via Aim Tetap Teguh Group Sdn. Bhd.

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

DIRECTORS' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:-

	Company RM	Subsidiaries RM
Fee	192,000	–
Salaries, bonus and other emoluments	9,300	1,188,000
Contributions to defined contribution plan	–	142,560
Social security contribution	–	4,156
Total fees and other benefits	201,300	1,334,716

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in Note 6(a) to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those as disclosed in Note 28 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

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

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

(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 and of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable, or 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 as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

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

(e) The fees paid to or receivables by the auditors of the Company and its subsidiaries as remuneration for their services as auditor as set out in Note 6 to the financial statements.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Group and of the Company.

Directors' Report (Cont'd)

HOLDING COMPANY

The Directors regard Aim Tetap Teguh Group Sdn. Bhd., a private limited company incorporated in Malaysia as the holding company.

EVENT SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of event subsequent to the end of financial year are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 12 October 2022.

DATO' ABD RAHIM BIN JAAFAR **TEO SWEE PHIN**

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PTT SYNERGY GROUP BERHAD
(Formerly known as Grand Hoover Berhad)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad), which comprise the statements of financial position as at 30 June 2022 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 160.

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

Basis for Opinion

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

Independence and Other Ethical Requirements

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 IESBA Code.

Key Audit Matters

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

Recoverability Assessment of Trade Receivables

As at 30 June 2022, as shown in Note 14 to the financial statements, the Group has net trade receivables balance of RM27,479,142, representing approximately 17% of the Group's total assets. As at the end of the financial year, the Group has recognised an accumulated impairment loss of RM7,737,054 on gross trade receivables.

The impairment losses have been determined in accordance with the Expected Credit Loss (''ECL'') model which requires significant judgement and estimation to determine the recoverability of the trade receivables. The management applied assumptions in assessing the allowance for impairment losses on trade receivables based on the following:-

- customers' payment profiles of past sales and corresponding historical credit losses;
- specific known facts or circumstances on customers' ability to repay; and
- by reference to past default experience.

Independent Auditors' Report (Cont'd)

Key Audit Matters (Cont'd)

Recoverability Assessment of Trade Receivables (Cont'd)

We have identified recoverability on trade receivables as a key audit matter because of the significance of trade receivables in the financial statements both in amount and the inherent subjectivity that is involved in making judgement in relation to the recoverability of trade receivables as mentioned above.

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to evaluate management's assessment about the recoverability assessment of trade receivables:

- Obtained an understanding of:-
  - the Group's control over the receivable collection process;
  - how the Group identifies and assess the impairment of trade receivable; and
  - how the Group makes the accounting estimates for impairment;
- Reviewed the ageing analysis of receivables and testing the reliability thereof;
- Made inquiries of management regarding the action plans to recover overdue amounts;
- Examined other evidence including customers' correspondences, proposed or existing settlement plans, repayment schedules, etc;
- Reviewed subsequent settlement of trade receivables after the financial year end on a sample basis and for those trade receivables with proposed settlement plans, and evaluated management's explanation on recoverability with significant past due balances; and
- Reviewed management's assessment on the recoverability of past due debts to assess the sufficiency of allowance for impairment through specific and collective provisions with reference to historical payment pattern of the respective customers and/or customer profiles, historical trend of bad debts or impairment provided for and forward-looking information as well as its correlation with macroeconomic factors and the recoverability impact arising from the COVID-19 pandemic.

Construction revenue recognition

Revenue from construction activity recognised during the financial year as disclosed in Note 4 to the financial statements amounted to RM76,051,438.

Construction contract revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e.: by reference to the construction costs incurred to date as a percentage of the estimated total costs of construction of the project).

Judgement is required in determining the progress of construction towards the complete satisfaction of the performance obligation, which include relying on past experience and continuous monitoring of the budgeting process. The management's estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year.

We focused on this area because of the magnitude of the revenue recognised by the Group from these activities, which are based on significant estimates and judgements.

Key Audit Matters (Cont'd)

Construction revenue recognition (Cont'd)

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to assess the construction contract revenue recognition:-

- Tested the operating effectiveness of the key controls in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the extent of costs incurred to date;
- Verified the costs incurred to supporting documentation such as the sub-contractors' claim certificates and invoices from vendors;
- Checked reasonableness of the stage of completion based on actual costs incurred to date over the estimated total construction costs with project progress report which being verified by the customers;
- Performed reasonableness test on accrued contractor costs to be incurred by the Group of which invoice/progress claim has yet to be received;
- Performed re-computation of percentage of completion; and
- Examined material non-standard journal entries and other adjustments posted to revenue of sales accounts.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Annual Report 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 Annual Report, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (Cont'd)

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are also 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) 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.

Other Matter

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.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

STEPHEN WAN YENG LEONG
02963/07/2023 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 12 October 2022

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	4	125,555,348	62,238,618	350,000	105,000
Cost of sales	5	(100,898,519)	(51,140,151)	–	–
Gross profit		24,656,829	11,098,467	350,000	105,000
Other income	6(i)	6,315,288	2,092,638	–	1,252,745
Administrative expenses		(12,011,167)	(6,798,898)	(1,060,669)	(1,472,524)
Selling and distribution expenses		(485,299)	(411,530)	–	–
Other expenses		(6,217,686)	(7,458,231)	(208,790)	(925,438)
Profit/(Loss) from operations		12,257,965	(1,477,554)	(919,459)	(1,040,217)
Finance costs	6(ii)	(556,894)	(660,744)	(201,692)	(410,033)
Profit/(Loss) before tax	6	11,701,071	(2,138,298)	(1,121,151)	(1,450,250)
Income tax (expense)/credit	7	(2,295,707)	958,025	–	413,548
Profit/(Loss) for the financial year, net of tax		9,405,364	(1,180,273)	(1,121,151)	(1,036,702)
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Revaluation deficit, net of tax		–	(1,511,843)	–	–
Total comprehensive income for the financial year		9,405,364	(2,692,116)	(1,121,151)	(1,036,702)
Profit/(Loss) for the financial year, net of tax attributable to:					
Owners of the Company		8,415,867	(1,094,199)	(1,121,151)	(1,036,702)
Non-controlling interests		989,497	(86,074)	–	–
		9,405,364	(1,180,273)	(1,121,151)	(1,036,702)
Total comprehensive income attributable to:					
Owners of the Company		8,415,867	(2,152,489)	(1,121,151)	(1,036,702)
Non-controlling interests		989,497	(539,627)	–	–
		9,405,364	(2,692,116)	(1,121,151)	(1,036,702)
Basic earnings/(loss) per ordinary share attributable to Owners of the Company (cent):	8	10.43	(2.74)		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	9	23,136,909	12,395,879	114,599	8,055
Investment properties	10	19,408,000	19,518,000	10,890,000	10,890,000
Inventories	11	13,184,380	9,160,976	9,152,606	9,160,976
Investments in subsidiaries	12	–	–	15,850,054	3,795,256
Goodwill	13	1,132,770	1,151,202	–	–
		56,862,059	42,226,057	36,007,259	23,854,287
Current Assets					
Inventories	11	19,567,369	17,734,842	–	–
Trade receivables	14	27,479,142	23,878,580	–	–
Other receivables	15	5,502,873	354,231	160,293	16,038
Contract assets	16	42,290,344	–	–	–
Amounts due from subsidiaries	17	–	–	27,640,676	13,514,857
Tax recoverable		735,934	973,139	23,205	20,800
Fixed deposits with licensed banks	18	1,570,983	1,406,625	–	–
Cash and bank balances	19	3,594,913	1,575,279	6,970	11,042
		100,741,558	45,922,696	27,831,144	13,562,737
TOTAL ASSETS		157,603,617	88,148,753	63,838,403	37,417,024
EQUITY AND LIABILITIES					
Equity					
Share capital	20	73,704,998	44,186,166	73,704,998	44,186,166
Accumulated losses		(3,866,691)	(12,282,558)	(20,450,854)	(19,329,703)
Assets revaluation reserve	21	8,634,764	8,634,764	–	–
		78,473,071	40,538,372	53,254,144	24,856,463
Non-controlling interests	12	12,178,976	11,339,479	–	–
Total Equity		90,652,047	51,877,851	53,254,144	24,856,463
Non-current Liabilities					
Borrowings	22	6,257,305	4,082,083	2,550,966	–
Lease liabilities	23	3,333,636	1,095,282	44,046	–
Deferred tax liabilities	24	1,991,312	1,890,289	757,452	757,452
		11,582,253	7,067,654	3,352,464	757,452
Current Liabilities					
Trade payables	25	40,704,501	11,709,631	–	–
Other payables	26	6,617,190	9,708,229	4,989,807	5,969,233
Borrowings	22	6,727,527	7,340,190	2,200,686	5,833,876
Lease liabilities	23	1,320,099	445,198	41,302	–
		55,369,317	29,203,248	7,231,795	11,803,109
Total Liabilities		66,951,570	36,270,902	10,584,259	12,560,561
TOTAL EQUITY AND LIABILITIES		157,603,617	88,148,753	63,838,403	37,417,024

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

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

		[------ Attributable to Owners of the Company ------]					
		[---- Non-distributable ----]					
	Note	**Share Capital RM**	**Assets Revaluation Reserve RM**	**Accumulated Losses RM**	**Total RM**	**Non-controlling Interests RM**	**Total Equity RM**
Group							
2022							
At 1 July 2021		44,186,166	8,634,764	(12,282,558)	40,538,372	11,339,479	51,877,851
Profit for the year, representing total comprehensive income for the financial year		–	–	8,415,867	8,415,867	989,497	9,405,364
Transactions with Owners of the Company:							
Issuance of shares pursuant to:-							
- right issue	20	29,518,832	–	–	29,518,832	–	29,518,832
Dividend paid to non-controlling interests by a subsidiary	27	–	–	–	–	(150,000)	(150,000)
Total transactions with Owners of the Company		29,518,832	–	–	29,518,832	(150,000)	29,368,832
At 30 June 2022		73,704,998	8,634,764	(3,866,691)	78,473,071	12,178,976	90,652,047

Statements of Changes In Equity (Cont'd)

	Note	[------ Attributable to Owners of the Company ------] [---- Non-distributable ----] Share Capital RM	Assets Revaluation Reserve RM	Accumulated Losses RM	Total RM	Non-controlling Interests RM	Total Equity RM
Group (Cont'd)							
2021							
At 1 July 2020		44,186,166	9,693,054	(11,188,359)	42,690,861	11,924,106	54,614,967
Loss for the financial year		–	–	(1,094,199)	(1,094,199)	(86,074)	(1,180,273)
Other comprehensive income							
Revaluation deficit, net of tax		–	(1,058,290)	–	(1,058,290)	(453,553)	(1,511,843)
Total comprehensive income for the financial year		–	(1,058,290)	(1,094,199)	(2,152,489)	(539,627)	(2,692,116)
Transactions with Owners of the Company:							
Dividend paid to non-controlling interests by a subsidiary	27	–	–	–	–	(45,000)	(45,000)
At 30 June 2021		44,186,166	8,634,764	(12,282,558)	40,538,372	11,339,479	51,877,851

Statements of Changes In Equity (Cont'd)

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
Company				
2022				
At 1 July 2021		44,186,166	(19,329,703)	24,856,463
Loss net of tax, representing total comprehensive income for the financial year		–	(1,121,151)	(1,121,151)
Transactions with Owners of the Company:				
Issuance of shares pursuant to:-				
- right issue	20	29,518,832	–	29,518,832
At 30 June 2022		73,704,998	(20,450,854)	53,254,144
2021				
At 1 July 2020		44,186,166	(18,293,001)	25,893,165
Loss net of tax, representing total comprehensive income for the financial year		–	(1,036,702)	(1,036,702)
At 30 June 2021		44,186,166	(19,329,703)	24,856,463

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

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

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash Flows from Operating Activities					
Profit/(Loss) before tax		11,701,071	(2,138,298)	(1,121,151)	(1,450,250)
Adjustments for:-					
Bad debt recovered		(22,488)	(34,000)	–	–
Depreciation of property, plant and equipment		2,017,454	775,700	44,832	2,285
Fair value adjustment on investment properties		–	(573,000)	–	(790,000)
Gain on disposal of property, plant and equipment		–	(125,000)	–	–
Impairment loss on trade receivables		4,808,445	6,452,435	–	–
Impairment loss on goodwill		18,432	–	–	–
Impairment loss on investments in subsidiaries		–	–	145,202	–
Interest expense		556,894	660,744	201,692	410,033
Interest income		(34,813)	(38,696)	–	(462,094)
Reversal of impairment loss on trade receivables		(5,805,894)	(1,051,529)	–	–
Written off on:					
- amount due from a subsidiary		–	–	18,756	923,153
- inventories		–	207,085	–	–
- property, plant and equipment		–	9,460	–	–
- trade receivables		–	10,610	–	–
Operating profit/(loss) before changes in working capital		13,239,101	4,155,511	(710,669)	(1,366,873)
Changes in working capital:					
Inventories		(5,855,931)	(2,903,601)	8,370	(390,688)
Receivables		(7,729,267)	(3,834,708)	(163,011)	(356)
Contract assets		(42,290,344)	–	–	–
Payables		26,403,715	4,587,009	(90,042)	2,425,382
		(29,471,827)	(2,151,300)	(244,683)	2,034,338
Cash (used in)/generated from operations		(16,232,726)	2,004,211	(955,352)	667,465
Interest received		34,813	38,696	–	–
Interest paid		(556,894)	(660,744)	(201,692)	(410,033)
Tax paid		(1,957,899)	(663,953)	(2,405)	(7,800)
Tax refund		420	–	–	–
Net cash (used in)/from operating activities		(18,712,286)	718,210	(1,159,449)	249,632

Statements of Cash Flows (Cont'd)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash Flows from Investing Activities					
Net advances to subsidiaries		–	–	(14,125,819)	(1,083,810)
Additional investments in subsidiaries		–	–	(12,200,000)	–
(Placement)/Withdrawal of pledged deposits		(164,358)	65,518	–	–
Proceeds from disposal of investment properties		360,000	–	–	–
Acquisition of an investment property		(250,000)	–	–	–
Proceeds from disposal of property, plant and equipment		–	125,000	–	–
Purchase of property, plant and equipment	9(a)	(8,337,018)	(198,956)	(27,299)	–
Net cash used in investing activities		(8,391,376)	(8,438)	(26,353,118)	(1,083,810)
Cash Flows from Financing Activities					
Dividend paid to non-controlling interests by a subsidiary	27	(150,000)	(45,000)	–	–
Repayment to a subsidiary	(iii)	–	–	–	(118,232)
(Repayment to)/Advances from holding company	(iii)	(889,384)	889,384	(889,384)	889,384
Drawdown of borrowings	(iii)	5,884,000	1,894,000	5,500,000	–
Proceeds from banker's acceptance	(iii)	853,000	749,000	–	–
Proceeds from domestic recourse factoring	(iii)	7,154,276	–	–	–
Repayment of banker's acceptance	(iii)	(749,000)	(1,498,698)	–	–
Repayment of domestic recourse factoring	(iii)	(3,835,845)	–	–	–
Repayment of borrowings	(iii)	(3,670,443)	(1,358,041)	(2,508,795)	–
Payment for the principal portion of lease liabilities	(ii)(iii)	(918,711)	(498,588)	(38,729)	–
Proceeds from rights issued shares	20	29,518,832	–	29,518,832	–
Net cash from financing activities		33,196,725	132,057	31,581,924	771,152

Statements of Cash Flows (Cont'd)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Net increase/(decrease) in cash and cash equivalents		6,093,063	841,829	4,069,357	(63,026)
Cash and cash equivalents at the beginning of the financial year		(4,258,597)	(5,100,426)	(5,822,834)	(5,759,808)
Cash and cash equivalents at the end of the financial year	(i)	1,834,466	(4,258,597)	(1,753,477)	(5,822,834)

Note:

(i) Cash and cash equivalents comprise of the following:-

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Fixed deposits placed with licensed banks	18	1,570,983	1,406,625	–	–
Cash and bank balances	19	3,594,913	1,575,279	6,970	11,042
		5,165,896	2,981,904	6,970	11,042
Less: Fixed deposit pledged	18	(1,570,983)	(1,406,625)	–	–
Bank overdrafts	22	(1,760,447)	(5,833,876)	(1,760,447)	(5,833,876)
		1,834,466	(4,258,597)	(1,753,477)	(5,822,834)

(ii) Cash outflows for leases as a lessee

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Included in net cash from operating activities:				
Interest paid in relation to lease liabilities	160,958	68,544	6,871	–
Payment related to short term lease rental and low value assets	9,192,540	–	550	–
Included in net cash from financing activities:				
Payment for the principal portion of lease liabilities	918,711	498,588	38,729	–
	10,272,209	567,132	46,150	–

Statements of Cash Flows (Cont'd)

Note: (Cont'd)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities:-

	At beginning of the financial year RM	Drawdown/ Advances from RM	Repayment RM	Net changes from financing cash flows RM	Acquisition of new lease assets RM	At end of the financial year RM
Group						
2022						
Borrowings: *						
- Bankers' acceptance	749,000	853,000	(749,000)	104,000	–	853,000
- Domestic recourse factoring	–	7,154,276	(3,835,845)	3,318,431	–	3,318,431
- Islamic bank financing	4,839,397	384,000	(1,161,648)	(777,648)	–	4,061,749
- Term loan	–	5,500,000	(2,508,795)	2,991,205	–	2,991,205
Lease liabilities	1,540,480	–	(918,711)	(918,711)	4,031,966	4,653,735
Amount due to holding company	889,384	–	(889,384)	(889,384)	–	–
Total liabilities from financing activities	8,018,261	13,891,276	(10,063,383)	3,827,893	4,031,966	15,878,120
2021						
Borrowings: *						
- Bankers' acceptance	1,498,698	749,000	(1,498,698)	(749,698)	–	749,000
- Islamic bank financing	4,303,438	1,894,000	(1,358,041)	535,959	–	4,839,397
Lease liabilities	1,811,068	–	(498,588)	(498,588)	228,000	1,540,480
Amount due to holding company	–	889,384	–	889,384	–	889,384
Total liabilities from financing activities	7,613,204	3,532,384	(3,355,327)	177,057	228,000	8,018,261

* For reconciliation of liabilities arising from financing activities purpose, the bank overdraft has been excluded from the borrowings as it is part of the cash and cash equivalents.

Statements of Cash Flows (Cont'd)

Note: (Cont'd)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities: (Cont'd)

	Term loans RM	Lease liabilities RM	Amount due to holding company RM	Amount due to/(from) a subsidiary RM
Company				
2022				
At beginning of the financial year	–	–	889,384	–
Payment for the principal portion of lease liabilities	–	(38,729)	–	–
Drawdown	5,500,000	–	–	–
Repayment to	(2,508,795)	–	(889,384)	–
Net changes in cash flows from financing activities	2,991,205	(38,729)	(889,384)	–
Acquisition of new lease	–	124,077	–	–
At end of the financial year	2,991,205	85,348	–	–
2021				
At beginning of the financial year	–	–	–	118,232
Advances from	–	–	889,384	–
Repayment to	–	–	–	(118,232)
Net changes in cash flows from financing activities	–	–	889,384	(118,232)
Advances to	–	–	–	(269,162)
Management fee charged	–	–	–	8,400
At end of the financial year	–	–	889,384	(260,762)

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 30 JUNE 2022

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur Wilayah Persekutuan.

The principal place of business of the Company is located at 2A-1-1(B), Space U8, No.6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan.

The Company is principally engaged in investment and property holding. The principal activities of its subsidiaries are set out in Note 12. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The Directors regard Aim Tetap Teguh Group Sdn. Bhd., a private limited company incorporated in Malaysia as the holding company.

The financial statements were authorised for issue in accordance with Board of Directors' resolution dated 12 October 2022.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial year

The Group and the Company have adopted the following new accounting pronouncements that are mandatory for the current financial year:

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

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and for the Company:

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 - 2020	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

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

(i) Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information (if any). If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 14.

For other receivables, the Group and the Company apply the approach permitted by MFRS 9, which requires the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

For amounts due from subsidiaries, the Company determines the recoverability of its amount due from subsidiaries based on the future discounted cash flows of the respective subsidiaries, for which significant judgment is required in the estimation of the present value of future cash flows generated by respective subsidiaries' operations. This involves uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The net carrying amount of amount due from subsidiaries as at the reporting date is disclosed in Note 17.

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

(ii) Construction contracts revenue

The Group measured the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total costs to complete. In making estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:-

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Consolidation (Cont'd)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to Owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the Group's statements of comprehensive income and within equity in the Group's statements of financial position, separately from equity attributable to Owners of the Company. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition after and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency translations and balances

Transactions in foreign currencies are converted into the functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into the functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rates as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Revenue and other income recognition

(i) Revenue from contracts with customers

The Group is in the business of property development, building and civil contractors and trading and distribution of building materials and hardware.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Revenue and other income recognition (Cont'd)

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

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 transfers control of a good or service at a point in time unless one of the following over time criteria is met: -

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

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has identified its Performance Obligation ("**PO**") toward its customers as follows:

Construction contracts revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("**input method**"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Work done is measured based on actual and expected cost incurred for project activities.

There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally within the normal business operating cycle. Payment is generally due 60 days from date when PO is satisfied.

Sale of completed properties

Sales of completed units is satisfied upon delivery of properties when the control of the properties had been transferred to purchasers. Payment is generally due 90 days after Sales and Purchase Agreement signed. Revenue is recognised at point in time when the customer takes vacant possession of the properties.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Revenue and other income recognition (Cont'd)

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

Sale of land

Revenue from the sale of land is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised upon signing of the sales and purchase agreement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the land.

Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

When 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.

Sales of building materials and hardware

Sales of building materials and hardware is satisfied upon delivery of goods where the control of the goods has been transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, net of indirect taxes and discounts. Payment is generally due within 60 to 90 days from the date when PO is satisfied. Revenue is recognised at point in time when customers have acknowledged the receipt of goods sold.

(ii) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on asset.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year 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 is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when 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 plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (**"EPF"**). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(e) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions, they are then recognised in profit or loss as other income on a systematic basis over the useful life of the assets.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

The Group had received government grants relating to costs from wages subsidy programme introduced by the Malaysian Government due to the COVID-19 pandemic.

(f) Borrowing costs

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

Interest incurred on borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset related to property development activities or construction of assets are capitalised as part of the cost of the asset during the period of time required to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs ceased when the assets are ready for their intended use or sale whereby the assets are no longer qualifying asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in relation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(h) Leases

As a lessee

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

The right-of-use assets are presented within property, plant and equipment and lease liabilities are presented as a separate line in the statements of financial position.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leases (Cont'd)

As a lessee (Cont'd)

In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies MFRS 136 to determine whether right-of-use assets are impaired and accounts for any identified impairment loss as described in Note 3(p)(ii).

The lease liabilities are initially measured at the present value of the future lease payments at the commencement date, discounted using the Group's 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.

The lease liabilities are measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, 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. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying assets. If this is the case, then the lease is a finance lease; if not then it is an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(i) Earnings per share

Basic earnings per share ("**EPS**") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year, adjusted for the effects of all dilutive potential ordinary shares, which comprise free warrants granted to shareholders, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property, plant and equipment

Property, plant and equipment are measured at cost/valuation less accumulated depreciation and accumulated impairment losses.

(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.

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.

The Group revalues its properties comprising lands and buildings every 5 years and at a shorter interval whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Surplus arising from valuation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(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 to 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.

(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 the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Depreciation (Cont'd)

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

Leasehold lands and buildings	Over remaining leasehold period
Office equipment, furniture and fittings and renovation	5 to 10 years
Plant and machineries, tools and equipment	5 to 10 years
Motor vehicles	5 years
Leased properties	2 to 8 years

Freehold lands have an indefinite useful life and therefore is not depreciated.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(k) Investment properties

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

Investment properties are measured initially at its cost. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment properties to a working condition for their intended use.

Investment properties are subsequently measured at fair value with any change therein recognised in profit or loss for the period in which they arise.

Fair value gain or loss arising from the reclassification from property, plant and equipment to investment property is recognised in profit or loss.

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

Capital work-in-progress

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of construction.

Capital work-in-progress are tested for impairment annually and whenever there is an indication that they may be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Intangible assets

Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the profit or loss.

(m) Inventories

(i) Land held for property development

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

Land held for property development is reclassified as property development costs (classified within current assets) when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Land held for property development comprises costs associated with the acquisition of land and all costs incurred subsequent to the acquisition but prior to the transfer to property development costs on activities necessary to prepare the land for its intended use.

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

(ii) Lands held for sale

The cost of lands held for sale is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Inventories (Cont'd)

(iii) Unsold completed units

The cost of unsold completed properties is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

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

(iv) Finished goods

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

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

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

(n) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank (including housing development account) and on hand, fixed deposits placed with a licensed bank that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(o) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets.

All financial assets are subject to impairment assessment under Note 3(p)(i).

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (Cont'd)

(iv) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

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

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

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

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial assets are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("**ECLs**") on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowance of the Group and of the Company are measured on either of the following basis:

(a) 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(b) Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach - trade receivables and contract assets

The Group applies the simplified approach to provide ECLs for all trade receivables and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

General approach - other financial instruments and financial guarantee contracts

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-months ECLs at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Impairment (Cont'd)

(i) Financial assets (Cont'd)

General approach - other financial instruments and financial guarantee contracts (Cont'd)

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors in full, without recourse by the Group and the Company to action such as realizing security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event (e.g., being more than the range from 210 to 300 days past due);
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g., the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Impairment (Cont'd)

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately 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. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. 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.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

(q) Equity instruments

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

Ordinary shares

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Operating segments

Operating segments are defined as components of the Group that:

(a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

(b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount of:

  (i) the combined reported profit of all operating segments that did not report a loss; and
  (ii) the combined reported loss of all operating segments that reported a loss.

(c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75% of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

(s) Fair value measurements

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Fair value measurements (Cont'd)

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

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

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

Level 3 : Unobservable inputs for the asset or liability.

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

4. REVENUE

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue from contracts with customers					
Sale of completed properties		–	1,350,000	–	–
Sale of lands		2,350,000	–	–	–
Construction contract	(i)	76,051,438	–	–	–
Sales of building materials and hardware		47,153,910	60,888,618	–	–
Dividend income		–	–	350,000	105,000
		125,555,348	62,238,618	350,000	105,000
Timing of revenue recognition:					
Point in time		49,503,910	62,238,618	350,000	105,000
Over time		76,051,438	–	–	–
		125,555,348	62,238,618	350,000	105,000

The accounting policy for the Group's and the Company's revenue is disclosed in Note 3(c).

Notes to the Financial Statements (Cont'd)

4. REVENUE (CONT'D)

Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from construction revenue.

(i) Construction contract revenue

	Group 2022 RM	2021 RM
Total contracted revenue	501,077,881	–
Less: Construction revenue recognised, net	(76,051,438)	–
Aggregate amount of the transaction price allocated to construction revenue that are partially or fully unsatisfied as at 30 June, net	425,026,443	–

The remaining unsatisfied performance obligations are expected to be recognised as below:

(i) Construction contract revenue

	Group 2022 RM	2021 RM
Within 1 year	277,992,206	–
Between 1 to 3 years	147,034,237	–
	425,026,443	–

5. COST OF SALES

	Group 2022 RM	2021 RM
Cost of sale of completed properties	–	987,611
Cost of sale of lands	937,485	–
Construction costs	60,414,832	–
Costs of building materials and hardware	39,546,202	50,152,540
	100,898,519	51,140,151

6. PROFIT/(LOSS)BEFORE TAX

Profit/(Loss) before tax is derived after charging/(crediting):-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration				
- statutory audit	154,500	117,500	45,000	43,000
- Over provision in prior year	–	(318)	–	–
- non statutory audit	10,500	13,500	7,500	13,500
Depreciation of property, plant and equipment	2,017,454	775,700	44,832	2,285
Directors' remuneration [Note (a)]	2,007,026	759,266	201,300	376,130
Employee benefits expense [Note (b)]	7,000,075	3,725,871	–	–
Impairment loss on trade receivables	4,808,445	6,452,435	–	–
Impairment loss on goodwill	18,432	–	–	–
Impairment loss on investments in subsidiaries	–	–	145,202	–
Management fee	–	–	–	8,400
Short term lease	9,192,540	–	550	–
Written off:				
- amount due from a subsidiary	–	–	18,756	923,153
- inventories	–	207,085	–	–
- property, plant and equipment	–	9,460	–	–
- trade receivables	–	10,610	–	–

Notes to the Financial Statements (Cont'd)

6. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax is derived after charging/(crediting): (Cont'd)

(a) Directors' remuneration:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Directors of the Company:				
Executive Directors:				
Salaries, bonus and other emoluments	1,197,300	256,952	9,300	256,952
Contributions to defined contribution plan	142,560	32,940	–	32,940
Social security contribution	4,156	1,155	–	1,155
Non-executive Directors:				
Fees	192,000	85,083	192,000	85,083
	1,536,016	376,130	201,300	376,130
Estimated money value of benefits-in-kind ("**BIK**")	4,666	27,956	–	–
Total including estimated money value of BIK	1,540,682	404,086	201,300	376,130
Directors of the subsidiaries:				
Director's fee	33,000	–	–	–
Salaries, bonus and other emoluments	398,242	347,723	–	–
Contributions to defined contribution plan	37,920	33,720	–	–
Social security contribution	1,848	1,693	–	–
	471,010	383,136	–	–
Estimated money value of BIK	8,800	3,975	–	–
Total including estimated money value of BIK	479,810	387,111	–	–
Total Directors' remuneration of the Group excluding estimated money value of BIK	2,007,026	759,266	201,300	376,130

6. PROFIT/(LOSS) BEFORE TAX (CONT'D)

(b) Employee benefits expense:

	Group	
	2022 RM	2021 RM
Salaries, allowances and bonus	6,115,949	3,215,348
Contributions to defined contribution plan	651,155	351,509
Social security contribution	61,493	42,617
Other benefits	171,478	116,397
	7,000,075	3,725,871

(i) Other income:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bad debt recovered	22,488	34,000	–	–
Fair value adjustments on investment properties	–	573,000	–	790,000
Gain on disposal of property, plant and equipment	–	125,000	–	–
Interest income:				
- fixed deposits with licensed banks	29,350	37,541	–	–
- Housing Development Account	1,561	1,155	–	–
- amount due from a subsidiary	–	–	–	462,094
- other interest income	3,902	–	–	–
Reversal of impairment loss on trade receivables	5,805,894	1,051,529	–	–
Rental income	75,000	51,500	–	–
Wages subsidy	175,800	85,800	–	–
Other income	201,293	133,113	–	651
	6,315,288	2,092,638	–	1,252,745

Notes to the Financial Statements (Cont'd)

6. PROFIT/(LOSS) BEFORE TAX (CONT'D)

(ii) Finance costs:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
- bank overdrafts	94,031	419,154	90,928	410,033
- banker's acceptance	29,223	45,377	–	–
- islamic bank financing	120,515	127,669	–	–
- domestic recourse factoring	48,274	–	–	
- term loans	103,893	–	103,893	–
- lease liabilities	160,958	68,544	6,871	–
	556,894	660,744	201,692	410,033

7. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax:				
- Current year	2,235,949	114,008	–	–
- (Over)/Under provision in prior year	(41,265)	241,678	–	–
	2,194,684	355,686	–	–
Deferred tax (Note 24):				
Relating to origination of temporary differences				
- Current year	216,111	(702,770)	–	78,702
- Under/(Over) provision in prior year	11,790	(610,941)	–	(492,250)
Realisation of deferred tax liability arising from depreciable revaluation reserve	(126,878)	–	–	–
	101,023	(1,313,711)	–	(413,548)
Total income tax expense /(credit) for the financial year	2,295,707	(958,025)	–	(413,548)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

7. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before tax	11,701,071	(2,138,298)	(1,121,151)	(1,450,250)
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	2,808,257	(513,192)	(269,076)	(348,060)
Expenses not deductible for tax purposes	487,633	459,472	353,076	562,562
Income not subject to tax	(42,192)	(141,507)	(84,000)	(135,800)
(Utilisation of previously unrecognised deferred tax assets)/Deferred tax assets not recognised	(801,638)	356,865	–	–
Effect of derecognition of deferred tax on previously recognised temporary differences	–	(750,400)	–	–
Realisation of deferred tax liability arising from depreciable revaluation reserve	(126,878)	–	–	–
(Over)/underprovision in prior year:				
- Income tax expense	(41,265)	241,678	–	–
- Deferred tax	11,790	(610,941)	–	(492,250)
Income tax expense/(credit) for the financial year	2,295,707	(958,025)	–	(413,548)

The Group has the following estimated unutilised tax losses and unabsorbed capital allowances respectively, available for set-off against future taxable profit as follows:

	Group	
	2022 RM	Restated 2021 RM
Unutilised tax losses	16,192,231	19,510,375
Unabsorbed capital allowances	385,365	382,743
	16,577,596	19,893,118

The comparative figures have been restated to reflect the actual tax losses and capital allowances carried forward. The availability of the tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

In the announcement of Malaysia 2022 Budget, the unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") (previously 7 YAs) deemed to be effective from YA 2019.

8. EARNINGS/(LOSS) PER ORDINARY SHARE

(a) Basic

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing profit/(loss) after tax attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2022	**2021**
Basic earnings/(loss) per share:		
Profit/(Loss) after tax attributable to the Owners of the Company (RM)	8,415,867	(1,094,199)
Weighted average number of ordinary shares:		
Number of ordinary shares at beginning of the financial year	40,000,000	40,000,000
Effect of weighted average number of ordinary shares issued during the financial year	40,684,932	–
	80,684,932	40,000,000
Basic earnings/(loss) per share (cent)	10.43	(2.74)

(b) Diluted

Diluted loss per share is not presented as there were no potential dilutive ordinary shares outstanding as at 30 June 2022 and 30 June 2021.

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	[------ At valuation ------]		[---------- At cost ----------]				
	Leasehold lands RM	Buildings RM	Office equipment, furniture and fittings, and renovation RM	Plant, machinery, tools and equipment RM	Motor vehicles RM	Leased properties RM	Total RM
Group (Cont'd)							
2022							
Cost/Valuation							
At 1 July 2021	6,964,654	4,084,499	1,620,526	2,720	1,918,045	1,636,943	16,227,387
Additions	383,662	–	509,403	8,085,000	2,539,653	1,240,766	12,758,484
At 30 June 2022	7,348,316	4,084,499	2,129,929	8,087,720	4,457,698	2,877,709	28,985,871
Accumulated depreciation							
At 1 July 2021	233,191	75,962	1,433,420	2,719	1,585,717	500,499	3,831,508
Charge for the financial year	128,450	80,098	103,382	644,167	315,731	745,626	2,017,454
At 30 June 2022	361,641	156,060	1,536,802	646,886	1,901,448	1,246,125	5,848,962
Net carrying amount							
At 30 June 2022	6,986,675	3,928,439	593,127	7,440,834	2,556,250	1,631,584	23,136,909

Notes to the Financial Statements (Cont'd)

9. PROPERTY, PLANT AND EQUIPMENT

	At valuation			At cost				
	Freehold lands RM	Leasehold lands RM	Buildings RM	Office equipment, furniture and fittings, and renovation RM	Plant, machinery, tools and equipment RM	Motor vehicles RM	Leased properties RM	Total RM
Group (cont'd)								
2021								
Cost/Valuation								
At 1 July 2020	3,400,000	9,413,396	10,525,000	1,867,565	29,272	2,009,808	1,766,052	29,011,093
Additions	–	–	–	154,831	–	272,125	–	426,956
Disposal	–	–	–	–	–	(363,888)	–	(363,888)
Transfer to investment properties	(3,400,000)	–	(6,900,000)	–	–	–	–	(10,300,000)
Written off/ termination	–	–	–	(401,870)	(26,552)	–	(129,109)	(557,531)
Revaluation surplus /(deficit)	–	(2,448,742)	459,499	–	–	–	–	(1,989,243)
At 30 June 2021	–	6,964,654	4,084,499	1,620,526	2,720	1,918,045	1,636,943	16,227,387
Accumulated depreciation								
At 1 July 2020	–	84,646	–	1,763,251	19,952	1,802,346	297,572	3,967,767
Charge for the financial year	–	148,545	75,962	70,447	1,451	147,259	332,036	775,700
Disposal	–	–	–	–	–	(363,888)	–	(363,888)
Written off/termination	–	–	–	(400,278)	(18,684)	–	(129,109)	(548,071)
At 30 June 2021	–	233,191	75,962	1,433,420	2,719	1,585,717	500,499	3,831,508
Net carrying amount								
At 30 June 2021	–	6,731,463	4,008,537	187,106	1	332,328	1,136,444	12,395,879

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, furniture and fittings and renovation RM	Leased property RM	Total RM
Company			
2022			
Cost			
At 1 July 2021	675,279	–	675,279
Additions	27,299	124,077	151,376
At 30 June 2022	702,578	124,077	826,655
Accumulated depreciation			
At 1 July 2021	667,224	–	667,224
Charge for the financial year	3,473	41,359	44,832
At 30 June 2022	670,697	41,359	712,056
Net carrying amount			
At 30 June 2022	31,881	82,718	114,599
2021			
Cost			
At 1 July 2020/30 June 2021	675,279	–	675,279
Accumulated depreciation			
At 1 July 2020	664,939	–	664,939
Charge for the financial year	2,285	–	2,285
At 30 June 2021	667,224	–	667,224
Net carrying amount			
At 30 June 2021	8,055	–	8,055

(a) Acquisition of property, plant and equipment

	Group 2022 RM	2021 RM
Cash purchase	8,337,018	198,956
Financed through finance lease arrangement	4,031,966	228,000
Financed through third parties	389,500	–
Total acquisition of property, plant and equipment	12,758,484	426,956

Notes to the Financial Statements (Cont'd)

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Acquisition of property, plant and equipment (Cont'd)

	Company	
	2022 RM	2021 RM
Cash purchase	27,299	–
Financed through finance lease arrangement	124,077	–
Total acquisition of property, plant and equipment	151,376	–

(b) Remaining leasehold period

The leasehold lands and buildings have remaining unexpired lease period range from 63 to 99 years (2021: 12 to 65 years).

(c) Assets pledged as security

The net carrying amount of properties of the Group pledged to financial institutions as securities for borrowings (Note 22) granted to the Group as at reporting date is as follows:

	Group	
	2022 RM	2021 RM
Leasehold lands	6,346,097	6,446,963
Buildings	3,694,231	3,753,037
	10,040,328	10,200,000

(d) Assets classified as right-of-use assets

The net carrying amount of right-of-use assets recognised by the Group are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Leasehold lands	6,986,676	6,731,463	–	–
Buildings	3,928,439	4,008,537	–	–
Machinery	987,500	–	–	–
Motor vehicles	2,495,948	329,153	–	–
Leased properties	1,631,584	1,136,444	82,718	–

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Assets classified as right-of-use assets (Cont'd)

The expenses charged to profit or loss during the financial year are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation of right-of-use assets	1,262,180	702,342	41,359	–
Interest expenses of lease liabilities	160,958	68,544	6,871	–
	1,423,138	770,886	48,230	–

(e) Revaluation of freehold lands, leasehold lands and buildings

Their values were arrived at by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Freehold lands, leasehold lands and buildings were revalued on 31 December 2020 and 30 June 2020 respectively by different independent valuers.

The valuation of the freehold lands, leasehold lands and buildings were determined based on comparison method with similar lands and buildings that have been sold recently and those that are currently being offered for sale in the vicinity with appropriate adjustments made to reflect improvements and other dissimilarities and to arrive at the value of the subject lands and buildings.

If the freehold lands, leasehold lands and buildings currently carried at valuation were measured using the cost model, the carrying amounts would have been as follows:

	Group Net carrying amount	
	2022 RM	2021 RM
At historical cost:		
Leasehold lands	3,605,115	3,661,475
Buildings	2,548,037	2,591,176
	6,153,152	6,252,651

10. INVESTMENT PROPERTIES

	Freehold lands RM	Leasehold lands RM	Buildings RM	Capital work-in-progress RM	Total RM
Group					
2022					
At fair value					
At 1 July 2021	9,678,000	145,000	9,695,000	–	19,518,000
Additions	–	–	–	250,000	250,000
Disposal	–	–	(360,000)	–	(360,000)
At 30 June 2022	9,678,000	145,000	9,335,000	250,000	19,408,000
2021					
At fair value					
At 1 July 2020	5,790,000	145,000	2,710,000	–	8,645,000
Fair value adjustment	488,000	–	85,000	–	573,000
Transfer from property, plant and equipment	3,400,000	–	6,900,000	–	10,300,000
At 30 June 2021	9,678,000	145,000	9,695,000	–	19,518,000

	Freehold land RM	Buildings RM	Total RM
Company			
2022			
At fair value			
At 1 July 2021/30 June 2022	4,700,000	6,190,000	10,890,000
2021			
At fair value			
At 1 July 2020	4,000,000	6,100,000	10,100,000
Fair value adjustment	700,000	90,000	790,000
At 30 June 2021	4,700,000	6,190,000	10,890,000

Investment properties comprise several commercial properties that are leased to third parties. In prior years, certain investment properties of the Company and a subsidiary were leased to companies within the Group for their respective own use, and accordingly, classified as property, plant and equipment in the consolidated statement of financial position. Since financial year ended 30 June 2021, the Directors intends to sell or lease the properties to third parties, and accordingly, those properties have classified as investment properties.

10. INVESTMENT PROPERTIES (CONT'D)

The fair values were arrived by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Fair values were determined based on comparison method with similar lands and buildings that have been sold recently and those that are currently being offered for sale in the vicinity with appropriate adjustments made to reflect improvements and other dissimilarities and to arrive at the value. Changes in fair value are recognised in the profit or loss during the period in which they are reviewed.

The fair value of the freehold landsand buildings are categorised at Level 3 of the fair value hierarchy as certain inputs for the properties were unobservable, of which the most significant inputs into this valuation approach are location, size, age and condition of tenure and title restriction.

Group

The long-term leasehold lands and buildings of the Group have unexpired lease periods range from 54 to 82 years (2021: 55 to 83 years).

Rental income earned by the Group amounted to RM75,000 (2021: RM51,500) is recognised in profit or loss in respect of the investment properties.

The titles of the lands and buildings of the Group at fair values of RM1,185,000 (2021: RM1,185,000) are in the process of being registered in the name of a subsidiary.

Investment properties of the Group at carrying amount of RM11,140,000 (2021: RM11,140,000) are charged to a licensed bank as security for borrowings as disclosed in Note 22.

Company

Investment properties of the Company at carrying amount of RM6,190,000 (2021: RM6,190,000) are charged to a licensed bank as security for borrowings granted to the Company as disclosed in Note 22.

11. INVENTORIES

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-current assets:					
At costs:					
Land held for property development	(i)	13,184,380	9,160,976	9,152,606	9,160,976
Current assets:					
At costs:					
Property development costs	(i)	–	–	–	–
Land held for sale		–	937,485	–	–
Unsold completed units		1,274,116	1,274,116	–	–
Building materials and hardware		18,293,253	15,523,241	–	–
		19,567,369	17,734,842	–	–

Notes to the Financial Statements (Cont'd)

11. INVENTORIES (CONT'D)

	Group 2022 RM	Group 2021 RM
Recognised in profit or loss:		
- Inventories recognised as cost of sales	39,138,869	50,933,066
- Inventories written off	–	207,085

(i) Land held for property development/property development costs

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
At beginning of the financial year	9,160,976	9,702,746	9,160,976	8,770,288
Addition:				
- Land cost	4,031,774	390,688	–	390,688
- Development cost	(8,370)	5,027	(8,370)	–
	4,023,404	395,715	(8,370)	390,688
Less:				
Transfer to lands held for sale				
- Land cost	–	(900,000)	–	–
- Development cost	–	(37,485)	–	–
	–	(937,485)	–	–
At end of the financial year	13,184,380	9,160,976	9,152,606	9,160,976

Lands held for property development of the Group with the net carrying amount of RM4,031,774 represent partial payment of the ten individual land plots, of which the full amount is to be paid based on the milestones over 3 years, and the remaining capital commitments have been disclosed in Note 29.

All the land titles have been transferred and registered in the name of the Company, except for the freehold land of the Group amounting to RM4,031,774 were in the midst of being transferred to the Group.

12. INVESTMENTS IN SUBSIDIARIES

	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost		
At beginning/end of the financial year	17,933,085	17,933,085
Capital contribution to subsidiaries		
At beginning of the financial year	–	–
Addition	12,200,000	–
At end of the financial year	12,200,000	–
	30,133,085	17,933,085
Less: Allowance for impairment losses	(14,283,031)	(14,137,829)
Net carrying amount		
At end of the financial year	15,850,054	3,795,256

Capital contribution to subsidiaries represents amount due from subsidiaries which is non-trade in nature, unsecured and interest-free and the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is in substance, representing additional investments in the subsidiaries, it is stated at cost less accumulated impairment losses.

Impairment loss on investment in subsidiaries

As at 30 June 2022, the Company carried out a review of the recoverable amount of one of its subsidiaries as the subsidiary has ceased operation and remained dormant which resulted in the recoverable amount being deemed as nil. An impairment loss of RM145,202 was recognised as "other expenses" line item of the statements of comprehensive income for the financial year ended 30 June 2022.

Movement in allowance for impairment losses in respect of investments in subsidiaries is as follows:

	Company 2022 RM	Company 2021 RM
At beginning of the financial year	14,137,829	14,137,829
Addition	145,202	–
At end of the financial year	14,283,031	14,137,829

Notes to the Financial Statements (Cont'd)

12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
PTT Property Sdn. Bhd. *(formerly known as Grand Hoover Property Sdn. Bhd.)* ("PTTP")	Malaysia	Property development and investment holding	100	100
PTT Development Sdn. Bhd. *(formerly known as Hoover Builders Sdn. Bhd.)* ("PTTD")	Malaysia	Property development, building and civil contractors	100	100
Hoover Management Sdn. Bhd. ("HMSB")	Malaysia	Provision of management services	100	100
Hoover Tiling Trading Sdn. Bhd. ("HTT")	Malaysia	Sales of ceramic tiles, marble and parquet flooring materials and sanitary wares. Ceased operations as at 1 June 2021	100	100
PTT Infra Sdn. Bhd. *(formerly known as Pembinaan ATT Sdn. Bhd.)* ("PTTI")	Malaysia	Building, earthworks and civil contractors	100	100
Heap Wah Barakah Sdn. Bhd. *(formerly known as Heap Wah Enterprise Sdn Bhd.)* ("HWB")	Malaysia	Manufacturing, trading and supply of sanitary wares, tapwares and related products	70	70
Held through PTT Infra Sdn. Bhd.				
PTT Assets Sdn. Bhd. ("PTTA")	Malaysia	Intended engaged in asset management and property investment holding	100	–
Held through Heap Wah Barakah Sdn. Bhd.				
Anggun Tegas Merak Sdn. Bhd. ("ATM")	Malaysia	Intended engaged in trading of building building materials	70	70
Held through Anggun Tegas Merak Sdn. Bhd.				
PTS Dura Marketing Sdn. Bhd. ("PTS")	Malaysia	Trading of building materials	70	70

12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (Cont'd)

Acquisition of a subsidiary

On 27 January 2022, the Company via PTTI subscribed for 2 ordinary shares representing an equity interest of 100% in PTTA for a cash consideration of RM2.

Non-controlling interests in subsidiary

The non-controlling interests ("**NCI**") of the Group is as follows:

	Heap Wah Barakah Sdn. Bhd. and subsidiaries ("Heap Wah Group") 2022	2021
NCI percentage of ownership and voting interest (%)	30%	30%
Carrying amount of NCI (RM)	12,178,976	11,339,479
Profit/(Loss) allocated to NCI (RM)	989,497	(86,074)
Total comprehensive income allocated to NCI (RM)	989,497	(539,627)

The summarised financial information before intra-group elimination of Heap Wah Group that has NCI as at the end of each reporting period is as follows:-

	2022 RM	2021 RM
Assets and liabilities:		
Non-current assets	16,394,395	16,911,603
Current assets	41,138,591	43,232,356
Non-current liabilities	(5,454,287)	(6,169,320)
Current liabilities	(11,482,111)	(16,176,373)
Net assets	40,596,588	37,798,266
Results:		
Revenue	48,498,728	60,498,181
Profit/(Loss) for the financial year	3,298,322	(286,916)
Total comprehensive income	3,298,322	(1,798,758)
Cash flows:		
Net cash from operating activities	1,911,467	1,683,472
Net cash used in investing activities	(332,052)	(365,093)
Net cash used in financing activities	(1,569,313)	(508,849)
Net increase in cash and cash equivalents	10,102	809,530
Dividend paid to non-controlling interests	(150,000)	(45,000)

Notes to the Financial Statements (Cont'd)

13. GOODWILL

	Group 2022 RM	2021 RM
At beginning of the financial year	1,151,202	1,435,803
Accumulated impairment loss	–	(284,601)
Written off	(18,432)	–
At end of the financial year	1,132,770	1,151,202

Movement in allowance for impairment losses in respect of goodwill is as follows:

	Group 2022 RM	2021 RM
At beginning of the financial year	284,601	284,601
Written off	(284,601)	–
At end of the financial year	–	284,601

The Group has written off the allowance of impairment loss of RM303,033 arising from PTTD and HMSB of which it does not derive any further recoverable value.

Impairment testing for goodwill

Goodwill arising from business combination has been allocated to one individual cash-generating units ("**CGUs**") for impairment testing as follows:

(i) Heap Wah Barakah Sdn. Bhd. *(formerly known as Heap Wah Enterprise Sdn. Bhd.)*

The carrying amounts of goodwill allocated to each CGUs are as follows:-

	Group 2022 RM	2021 RM
Heap Wah Barakah Sdn. Bhd. *(f.k.a Heap Wah Enterprise Sdn. Bhd.) #*	1,132,770	1,132,770
Hoover Management Sdn. Bhd.	–	18,432
	1,132,770	1,151,202

\# The recoverable amounts were determined based on value-in-use calculations using cash flow projections from financial forecasts and projections approved by Board of Directors covering a five-year period.

13. GOODWILL (CONT'D)

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:-

(i) Revenue

Revenue was determined after taking into consideration performance trends of the industries in which the CGU are exposed to, and the values assigned were consistent with the external sources of information.

(ii) Growth rate

Projected growth rate of 5% per annum based on historical experience and management's assessment of future trends and market development in the segment with terminal value without growth rate.

(iii) Pre-tax discount rate

Pre-tax discount rate of 8% was applied in determining the recoverable amounts of the CGU. The discount rate used is based on the comparable trading segment.

The sensitivity analysis is presented as follows:-

- A decrease of 5 percentage point in the revenue growth rate would have reduced the value in use by approximately RM5.68 million.
- A decrease of 1 percentage point in the budgeted gross margin would have reduced the value in use by approximately RM7.17 million.
- An increase of 1 percentage point in the discount rate would have reduced the value in use by approximately RM6.44 million.

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGU to materiality exceed its recoverable amounts.

14. TRADE RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM
Trade receivables, gross			
- third parties		25,718,521	32,613,083
- Directors' related company		4,106,566	–
		29,825,087	32,613,083
Retention sum	(i)		
- third parties		985,975	–
- Directors' related company		2,290,134	–
		3,276,109	–
Stakeholder sum	(ii)	2,115,000	–
Less: Allowance for impairment loss		(7,737,054)	(8,734,503)
Trade receivables, net		27,479,142	23,878,580

The normal credit terms extended to customers ranges from 30 to 90 days (2021: 60 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements (Cont'd)

14. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses on trade receivables during the financial year are as follows:-

	Group 2022 RM	Group 2021 RM
Balance at beginning of the financial year	8,734,503	3,526,894
Additions	4,808,445	6,452,435
Reversal	(5,805,894)	(1,051,529)
Written off	–	(193,297)
Balance at end of the financial year	7,737,054	8,734,503

(i) Retention sum held by contract customers are due upon expiry of retention periods of 24 months after issuance of Certificate of Making Good Defect.

(ii) This amount represents the stakeholder sum held by solicitors, which is due upon transfer of title to the purchaser.

15. OTHER RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other receivables	(i)	3,907,603	78,002	–	–
Deposits	(ii)	1,474,404	125,707	160,293	15,293
Prepayments		120,866	150,522	–	745
		5,502,873	354,231	160,293	16,038

(i) Included in the other receivables is an advance of RM3,285,187 (2021: RM Nil) to a third-party contract customer, which resulted from a back-to-back arrangement on the construction contract with the customer and financier and is collectible upon completion of construction project.

(ii) Included in the deposits is an amount of RM476,634 (2021: RM Nil) paid to third-party suppliers for acquisition of motor vehicles and machineries.

16. CONTRACT ASSETS

Contract assets represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to trade receivables when the rights to economic benefit become unconditional. This usually occurs when the Group issues billing to the customer.

16. CONTRACT ASSETS (CONT'D)

	Group	
	2022 RM	2021 RM
Construction contracts:		
At beginning of the financial year	–	–
Revenue recognised during the financial year (Note 4)	76,051,438	–
Less: Progress billing during the financial year	(33,761,094)	–
At end of the financial year	42,290,344	–

17. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2022 RM	2021 RM
Amounts due from subsidiaries	27,640,676	13,514,857

Included in the amounts due from subsidiaries is an unsecured loan of RM27,640,676 (2021: RM12,233,299) due from a subsidiary with interest bearing at Nil (2021: 1.60% and 6.40%) per annum which is collectible on demand. During the financial year, the Company has capitalised RM12,200,000 due from two (2) subsidiaries to investments in subsidiaries of the Company as disclosed in Note 12.

The remaining amounts are non-trade in nature, unsecured, interest free advances which are collectible on demand.

18. FIXED DEPOSITS WITH LICENSED BANKS

Included in deposits with licensed banks of the Group are as follows:

(i) an amount of RM1,352,598 (2021: RM1,288,241) pledged as security for bank credit facilities granted to a subsidiary as disclosed in Note 22;

(ii) an amount of RM218,385 (2021: RM118,384) pledged to a licensed bank as security for performance bank guarantee issued in favour of a third party; and

The effective interest rates of the fixed deposits placed with licensed banks ranges from 1.50% to 1.75% (2021: 1.50% to 1.95%) per annum. The deposits have maturity periods ranging from 1 month to 12 months (2021: 1 month to 12 months).

19. CASH AND BANK BALANCES

Included in the bank balances is an amount of RM229,008 (2021: RM227,858) placed in Housing Development Accounts ("**HDA**") in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966 (Amended 2002). These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Company in accordance with the provisions of the Act.

Notes to the Financial Statements (Cont'd)

20. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid:				
At beginning of the financial year	40,000,000	40,000,000	44,186,166	44,186,166
Issuance pursuant to right issue and related expenses	50,000,000	–	29,518,832	–
At end of the financial year	90,000,000	40,000,000	73,704,998	44,186,166

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

During the financial year, the Company has increased its issued ordinary shares from RM44,186,166 to RM73,704,998 by way of the issuance of 50,000,000 new ordinary shares through renounceable right issue at an issue price of RM0.60 per right share on the basis of five (5) rights shares for every four (4) existing ordinary shares held by the existing shareholders as at 5.00 p.m. on 5 August 2021, for working capital purpose and net off with incurred placement fee of RM481,168.

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

21. ASSETS REVALUATION RESERVE

The assets revaluation reserve represents upward/downward in fair value of freehold land and leasehold lands and buildings, net of deferred tax.

22. BORROWINGS (SECURED)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-current:					
Islamic banking financing	(a)	3,706,339	4,082,083	–	–
Term loans	(b)	2,550,966	–	2,550,966	–
		6,257,305	4,082,083	2,550,966	–

22. BORROWINGS (SECURED) (CONT'D)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Current:					
Bank overdrafts		1,760,447	5,833,876	1,760,447	5,833,876
Banker's acceptance		853,000	749,000	–	–
Domestic recourse factoring		3,318,431	–	–	–
Islamic banking financing	(a)	355,410	757,314	–	–
Term loans	(b)	440,239	–	440,239	–
		6,727,527	7,340,190	2,200,686	5,833,876
Total borrowings:					
Bank overdrafts		1,760,447	5,833,876	1,760,447	5,833,876
Banker's acceptance		853,000	749,000	–	–
Domestic recourse factoring		3,318,431	–	–	–
Islamic banking financing	(a)	4,061,749	4,839,397	–	–
Term loans	(b)	2,991,205	–	2,991,205	–
		12,984,832	11,422,273	4,751,652	5,833,876

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

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Bank overdrafts	6.95	7.20	6.95	7.20
Banker's acceptance	3.50 - 3.62	2.54 - 2.65	–	–
Domestic recourse factoring	7.20	–	–	–
Islamic banking financing	3.67 - 3.97	3.17 - 3.67	–	–
Term loans	6.70	–	6.70	–

22. BORROWINGS (SECURED) (CONT'D)

(a) Islamic banking financing

	Group 2022 RM	Group 2021 RM
Repayable:		
Within one year (current)	355,410	757,314
Between 1 to 2 years	752,033	374,484
Between 2 to 5 years	810,541	1,199,336
More than 5 years	2,143,765	2,508,263
After one year (non-current)	3,706,339	4,082,083
	4,061,749	4,839,397

(b) Term loans

	Group and Company 2022 RM	Group and Company 2021 RM
Repayable:		
Within one year (current)	440,239	–
Between 1 to 2 years	453,200	–
Between 2 to 5 years	2,097,766	–
After one year (non-current)	2,550,966	–
	2,991,205	–

The banking facilities of the Group and of the Company are secured by the following:

Bank overdrafts

The Group's bank overdrafts are secured by the following:

(i) First party first legal charge over a leasehold land and buildings as disclosed in Notes 9 and 10; and

(ii) Third party first legal charge over a freehold land and building as disclosed in Note 10.

The Company's bank overdrafts are secured by the following:

(i) First party first legal charge over a building of the Company as disclosed in Note 10; and

(ii) Third party first legal charge over a freehold land and building of a subsidiary as disclosed in Note 10.

22. BORROWINGS (SECURED) (CONT'D)

The banking facilities of the Group and of the Company are secured by the following: (Cont'd)

Banker's acceptance

The Group's banker's acceptance is secured by the following:

(i) First party first legal charge over a leasehold land and buildings as disclosed in Note 9; and

(ii) Short term deposits pledged as disclosed in Note 18.

Islamic bank financing

The Group's borrowings are secured by:

(i) First party first legal charge over a leasehold land and buildings as disclosed in Notes 9 and 10;

(ii) Debenture of RM6,750,000 on fixed and floating assets of a subsidiary; and

(iii) Short term deposits pledged as disclosed in Note 18.

Term loans

The Group's and the Company's term loans are secured by:

(i) First party fourth legal charge over a building as disclosed in Note 10; and

(ii) First party fourth legal charge over a freehold land and building as disclosed in Note 10.

Domestic recourse factoring

The Group's domestic recourse factoring is secured by:

(i) Short term deposits pledged as disclosed in Note 18.

Notes to the Financial Statements (Cont'd)

23. LEASE LIABILITIES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Minimum lease payments:				
Repayable within one year	1,529,068	502,178	45,600	–
Repayable between one and two years	1,521,513	443,045	45,600	–
Repayable between two and five years	1,625,915	418,888	–	–
Repayable more than five years	487,574	357,000	–	–
	5,164,070	1,721,111	91,200	–
Less: Future finance charges	(510,335)	(180,631)	(5,852)	–
Present value of minimum lease payments	4,653,735	1,540,480	85,348	–
Present value of lease payables:				
Repayable within one year	1,320,099	445,198	41,302	–
Repayable between one and two years	1,365,023	404,209	44,046	–
Repayable between two and five years	1,500,994	356,822	–	–
Repayable more than five years	467,619	334,251	–	–
	4,653,735	1,540,480	85,348	–
Representing:				
Current portion	1,320,099	445,198	41,302	–
Non-current portion	3,333,636	1,095,282	44,046	–
	4,653,735	1,540,480	85,348	–

The effective interest rates of the lease liabilities ranging from 3.72% to 8.73% per annum (2021: 3.72% to 8.73%).

24. DEFERRED TAX LIABILITIES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of the financial year	1,890,289	3,681,400	757,452	1,171,000
Recognised in profit or loss (Note 7)	101,023	(1,313,711)	–	(413,548)
Recognised in equity	–	(477,400)	–	–
At end of the financial year	1,991,312	1,890,289	757,452	757,452

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets	(290,781)	(491,890)	–	–
Deferred tax liabilities	2,282,093	2,382,179	757,452	757,452
	1,991,312	1,890,289	757,452	757,452

24. DEFERRED TAX LIABILITIES (CONT'D)

The recognised deferred tax (assets)/liabilities before offsetting are as follows:

	Accelerated capital allowances RM	Unabsorbed capital allowances RM	Unutilised tax losses RM	Other temporary differences RM	Assets revaluation reserve RM	Investment properties RM	Total RM
Group							
Deferred tax (assets) /liabilities:							
2022							
At 1 July 2021	(213,614)	(26,067)	(252,209)	–	1,178,600	1,203,579	1,890,289
Recognised in profit or loss	297,312	237	(11,588)	(1,154)	(126,878)	(56,906)	101,023
At 30 June 2022	83,698	(25,830)	(263,797)	(1,154)	1,051,722	1,146,673	1,991,312
2021							
At 1 July 2020	(187,993)	(31,907)	(227,000)	–	3,476,400	651,900	3,681,400
Recognised in profit or loss	(25,621)	5,840	(25,209)	–	(1,820,400)	551,679	(1,313,711)
Recognised in equity	–	–	–	–	(477,400)	–	(477,400)
At 30 June 2021	(213,614)	(26,067)	(252,209)	–	1,178,600	1,203,579	1,890,289

24. DEFERRED TAX LIABILITIES (CONT'D)

The recognised deferred tax (assets)/liabilities before offsetting are as follows:

	Accelerated capital allowances RM	Investment properties RM	Total RM
Company			
Deferred tax (assets)/liabilities:			
2022			
At 1 July 2021	1,150	756,302	757,452
Recognised in profit or loss	–	–	–
At 30 June 2022	1,150	756,302	757,452
2021			
At 1 July 2020	2,000	1,169,000	1,171,000
Recognised in profit or loss	(850)	(412,698)	(413,548)
At 30 June 2021	1,150	756,302	757,452

The estimated amount of temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows (stated at gross):

	Group 2022 RM	Restated 2021 RM
Unabsorbed capital allowances	277,740	274,131
Unutilised tax losses	15,093,077	18,437,294
Other non deductible temporary differences	450	–
	15,371,267	18,711,425

The comparative figure has been restated to reflected actual tax losses carried forward available to the Group.

25. TRADE PAYABLES

	Note	Group 2022 RM	2021 RM
Trade payables:			
- third parties		13,533,282	11,709,631
- retention sum on contracts	(i)	204,639	–
- accrued contractor works	(ii)	26,966,580	–
		40,704,501	11,709,631

Notes to the Financial Statements (Cont'd)

25. TRADE PAYABLES (CONT'D)

The normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

(i) Retention sums held by the Group are due upon expiry of retention periods of 24 months after issuance of Certificate of Making Good Defects.

(ii) These amounts represent accrued construction costs for on-going construction works which pending billings from its sub-contractors.

26. OTHER PAYABLES

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Other payables	(i)	1,561,842	3,317,816	130,307	85,192
Accruals		300,348	746,029	104,500	239,657
Amount due to a former Director	(ii)	4,755,000	4,755,000	4,755,000	4,755,000
Amount due to holding company	(ii)	–	889,384	–	889,384
		6,617,190	9,708,229	4,989,807	5,969,233

(i) Included in other payables of the Group is an amount of RM900,000 (2021: RM900,000) relating to amount owing to a company in which one of the former Director has an interest.

(ii) These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

27. DIVIDENDS

	Dividend per ordinary share cent	Amount of dividend RM	Date of payment
2022			
Interim and final single tier dividend for the financial year 30 June 2022 to non-controlling interests by a subsidiary	50	150,000	28 February 2022
2021			
Interim and final single tier dividend for the financial year 30 June 2021 to non-controlling interests by a subsidiary	15	45,000	25 February 2021

28. RELATED PARTY DISCLOSURES

(a) Identity related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have 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 and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with Directors' related companies and key management personnel. The Company has related party relationship with its subsidiaries and its holding company. Directors' related companies refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.The related party balances of the Company are disclosed in Notes 14, 17 and 26. The related party transactions of the Group and of the Company are shown below.

(b) Related party transactions

The related party transactions between the Group and the Company and their related parties during the financial year are as follows:-

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Transaction with holding company:				
- (Repayment to)/ Advances from	(889,384)	889,384	(889,384)	889,384
Transactions with subsidiaries:				
- Advances to	–	–	(14,881,137)	(983,900)
- Capital contribution	–	–	(12,200,000)	–
- Repayment from/(to)	–	–	755,318	(218,142)
- Interest income	–	–	–	(462,094)
- Management fee	–	–	–	8,400
- Dividend received	–	–	(350,000)	(105,000)

Notes to the Financial Statements (Cont'd)

28. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related party transactions (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Transactions with Directors' related companies:				
Operating activities				
- Construction contract progress billing	(22,901,344)	–	–	–
- Repayment from	8,761,518	–	–	–
- Sales of materials	(589,643)	–	–	–
- Purchase of machinery	7,040,000	–	–	–
- Lease deposits	660,500	–	–	–
- Lease of machinery	7,728,968	–	–	–
- Lease of premise	456,000	–	45,600	–
- Advances from	429,757	–	–	–
- Repayment to	(7,712,468)	–	–	–
Transactions with a former Director:				
- Sales	–	1,350,000	–	–
- Advances from	–	2,390,354	–	–
Transactions with persons connected to a director of subsidiary:				
- Lease rental	(15,600)	(15,600)	–	–
- Employee benefit expenses	(210,449)	(250,067)	–	–

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly, including any Directors of the Company and its subsidiaries.

The remunerations paid by the Group and the Company to key management personnel during the financial year have been disclosed in Note 6(a).

29. CAPITAL COMMITMENT

The future capital commitment payable for the acquisition of freehold lands for future development, freehold double storey detached factory, motor vehicles and machineries at the reporting date but not recognised as payable is as follows:-

	Group	
	2022 **RM**	**2021** **RM**
Approved and contracted for:-		
Acquisition of building		
- One unit of double storey detached factory (Note 10)	9,814,498	–
Acquisition of lands		
- Ten individual land plots (Note 11)	39,207,920	–
Acquisition of property, plant and equipment		
- Motor vehicles (Note 15)	267,600	–
- Machineries (Note 15)	3,958,900	–
	53,248,918	–

30. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

For management purposes, the Group is organised into the following three (3) operating segments:

(i) Trading	-	Trading and supply of hardware and all related products
(ii) Property development/construction	-	Property development, building and civil contractors
(iii) Others	-	Investment, management services and dormant company

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3(r). Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

30. SEGMENTAL INFORMATION (CONT'D)

(a) Reporting format

Segment assetsand segment liabilities

The total of segment assets and segment liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker ("**CODM**").

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(c) Geographical information

No other segmental information such as geographical segment is presented as the Group is principally involved in the investment holding, property development, construction and trading of building materials and hardware activities and operate from Malaysia only.

(d) Major customer information

The Group has 8 customers which contributed approximately RM83.64 million or 67% (2021: 5 customers, RM10.54 million) of the Group revenue during the financial year.

30. SEGMENTAL INFORMATION (CONT'D)

Information regarding the Group's total reportable segments are presented below:-

	Trading RM	Property development/ construction RM	Others RM	Total reportable segments RM	Adjustments and Elimination RM	Group RM
2022						
Revenue						
Sales to external customers	47,153,910	78,401,438	–	125,555,348		125,555,348
Inter-segment sales	1,414,904	–	477,000	1,891,904	(1,891,904)	–
Total revenue	48,568,814	78,401,438	477,000	127,447,252		125,555,348
Segment profit/(loss) before tax	4,157,212	8,960,078	(1,192,936)	11,924,354	(223,283)	11,701,071
Included in the measure of segment (loss)/profit are:						
Cost of sales	(39,616,288)	(62,697,135)	–	(102,313,423)	1,414,904	(100,898,519)
Depreciation of property, plant and equipment	726,416	1,245,600	45,438	2,017,454		2,017,454
Impairment loss on trade receivables	4,808,445	–	–	4,808,445		4,808,445
Interest income	(19,940)	(14,746)	(127)	(34,813)		(34,813)
Interest expenses	205,210	145,670	206,014	556,894		556,894
Reversal of impairment losses on trade receivables	(5,805,894)	–	–	(5,805,894)		(5,805,894)
Impairment loss on goodwill	–	–	–	–	18,432	18,432
Waiver of amount due to immediate holding co.	(18,333)	–	–	(18,333)	18,333	–
Bad debts written off on amount due from subsidiary	–	–	18,756	18,756	(18,756)	–
Tax (expenses)/credit	(849,266)	(1,456,916)	10,475	(2,295,707)		(2,295,707)

30. SEGMENTAL INFORMATION (CONT'D)

Information regarding the Group's total reportable segments are presented below:- (Cont'd)

	Trading RM	Property development/ construction RM	Others RM	Total reportable segments RM	Adjustments and Elimination RM	Group RM
2022						
Segment assets	57,564,947	71,860,804	72,997,049	202,422,800	(44,819,183)	157,603,617
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	569,208	12,037,900	4,433,150	17,040,258		17,040,258
Segment liabilities	16,973,173	63,539,380	16,290,856	96,803,409	(29,851,839)	66,951,570

30. SEGMENTAL INFORMATION (CONT'D)

Information regarding the Group's total reportable segments are presented below:- (Cont'd)

	Trading RM	Property development/ construction RM	Others RM	Total reportable segments RM	Adjustments and Elimination RM	Group RM
2021						
Revenue						
Sales to external customers	60,888,618	1,350,000	–	62,238,618	–	62,238,618
Inter-segment sales	1,300,595	–	257,040	1,557,635	(1,557,635)	–
Total revenue	62,189,213	1,350,000	257,040	63,796,253		62,238,618
Segment profit/(loss) before tax	770,120	(908,143)	(1,890,492)	(2,028,515)	(109,783)	(2,138,298)
Included in the measure of segment (loss)/profit are:						
Cost of sales	(51,453,135)	(987,611)	–	(52,440,746)	1,300,595	(51,140,151)
Depreciation of property, plant and equipment	769,165	371	71,772	841,308	(65,608)	775,700
Fair value adjustment on investment properties	117,000	–	(690,000)	(573,000)		(573,000)
Gain on disposal of plant and equipment	–	(125,000)	–	(125,000)		(125,000)
Impairment loss on trade receivables	6,452,435	–	–	6,452,435		6,452,435
Interest income	(37,541)	(1,155)	(462,094)	(500,790)	462,094	(38,696)
Interest expenses	251,914	469,763	410,033	1,131,710	(470,966)	660,744
Reversal of impairment losses on trade receivables	(1,051,529)	–	–	(1,051,529)		(1,051,529)
Waiver of amount due from fellow subsidiary	(207,619)	–	(3,045)	(210,664)	210,664	–
Waiver of amount due to immediate holding co.	(923,153)	–	–	(923,153)	923,153	–
Bad debts written off on amount due from subsidiary	3,045	150,000	980,772	1,133,817	(1,133,817)	–
Tax (expenses)/credit	(295,606)	–	503,231	207,625	750,400	958,025

30. SEGMENTAL INFORMATION (CONT'D)

Information regarding the Group's total reportable segments are presented below:- (Cont'd)

	Trading RM	Property development/ construction RM	Others RM	Total reportable segments RM	Adjustments and Elimination RM	Group RM
2021						
Segment assets	60,168,945	11,614,484	33,021,810	104,805,239	(16,656,486)	88,148,753
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	426,956	390,688	–	817,644		817,644
Segment liabilities	22,385,122	13,686,053	14,212,159	50,283,334	(14,012,432)	36,270,902

30. SEGMENTAL INFORMATION (CONT'D)

Reconciliations of Group's reportable profit or loss are presented as below:

	Group	
	2022 RM	2021 RM
Segment profit/(loss)	11,924,354	(2,028,515)
Inter-segment profit	(223,283)	(118,655)
Interest income	–	(462,094)
Interest expenses	–	470,966
Profit/(Loss) before tax	11,701,071	(2,138,298)

31. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised as amortised costs respectively.

Financial Risk Management Objectives and Policies

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

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

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade and other receivables) and contract assets. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. For other financial assets (including bank balances), the Group and the Company minimise credit risk by dealing cohesively with high credit rating counterparties. There are no significant changes as compared to prior year.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets

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. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount. Normally financial guarantees given by shareholders or Directors of customers are obtained, and credit valuations are performed on customers requiring credit over a certain amount.

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

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

The Group receives personal guarantees from shareholders or Directors of customers in managing the exposure to credit risk. At the end of the reporting period, personal guarantees received by the Group amounted to RM3,170,000 (2021: RM RM56,100,000) in respect of RM564,011 (2021: RM RM22,830,368) trade receivables. As at the reporting date, a debtor with net outstanding amount of RM524,697 (2021: RM3,367,846) is partially secured by a residential real estate as collateral to mitigate credit risk. The remaining balance of trade receivables are not secured by any collateral or supported by any other credit enhancement.

Concentration of credit risk

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

As at 30 June 2022, total amount due from the top ten trade debtors represents approximately 64% (2021: 56%) of the total net trade receivables of the Group.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss

Trade receivables and contract assets from property development segment ("collateralised receivables")

The Group recognises a loss allowance for expected credit losses on a financial asset that is measured as receivable and a contract asset if the credit risk on that financial instrument has increased significantly since initial recognition. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition as the trade receivable and contract assets are determined to have low credit risk at the reporting date.

For the purposes of measuring expected credit losses, the estimate of expected cash shortfalls shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable (i.e., the estimate of expected cash flows considers the probability of a foreclosure and the cash flows that would result from it).

As at year end, there were no indications of impairment loss in respect of the trade receivables.

Stakeholder sum

The Group considers the stakeholder sum has low credit risk as those payments made by the purchaser are held by the solicitors and the stakeholder sum will be released to the Group upon transfer of title to the purchaser.

Trade receivables and contract assets from construction contract segment ("non-collateralised receivables")

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Any receivables having significant balances past due more than 180 days, which are deemed to have higher credit risk, are monitored individually.

In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. Receivables are monitored on a going concern basis via Group's management reporting procedures and action will be taken for long outstanding debt.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

Trade receivables and contract assets from construction contract segment ("non-collateralised receivables") (Cont'd)

The Group is exposed to significant concentration of credit risk to a customer, a Directors' related company of the Group. The expected credit loss rate on the amounts outstanding from the customer is considered low as it has low risk of default and strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the said customer to fulfil its contractual cash flow obligations.The Group has reasonable and supportable information available to assess the impairment risk individually. The Group determines the probability of default for these trade receivables and contract assets individually using internal information available.

Trade receivables from trading segment ("non-collateralised receivables")

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

The Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses as disclosed in Note 3(p)(i). The Group assesses impairment of trade receivables on individual and collective basis.

For individual assessment, it is due to different credit risk characteristics and these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment individually.

For collective assessment, the Group determines the expected credit losses by using a provision matrix for collective assessed receivables which are grouped together based on shared credit risk characteristics and similar types of contracts which have similar risk characteristics.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years and are adjusted to reflect the alternative forward-looking information. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

Trade receivables from trading segment ("non-collateralised receivables") (Cont'd)

Any receivables having significant balances past due more than 300 days from different customer profiles are deemed to have higher credit risk. The Company has subsequently recognised a loss allowance of 100% against all receivables after 300 days (credit-impaired) because historical experience has indicated that these receivables are generally not recoverable.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the management team. Where necessary, the Group will also commence legal proceeding against the customers.

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross RM	Loss Allowances RM	Net RM
2022			
Collateralised receivables			
Stakeholder sums	2,115,000	–	2,115,000
Non-collateralised receivables			
Trade receivables			
Not past due	6,543,120	–	6,543,120
Past due but not impaired:			
Less than 30 days	3,804,054	–	3,804,054
31 to 60 days	3,489,826	–	3,489,826
61 to 90 days	2,834,563	(36,655)	2,797,908
91 to 120 days	1,467,341	(34,792)	1,432,549
More than 120 days	4,210,882	(190,306)	4,020,576
	15,806,666	(261,753)	15,544,913
Credit impaired:			
More than 120 days	7,475,301	(7,475,301)	–
Trade receivables, net	29,825,087	(7,737,054)	22,088,033

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Impairment losses (Cont'd)

	Gross RM	Loss Allowances RM	Net RM
2022 (Cont'd)			
Non-collateralised receivables (Cont'd)			
Retention sum held by contract customers	3,276,109	–	3,276,109
Contract assets	42,290,344	–	42,290,344
	75,391,540	(7,737,054)	67,654,486
	77,506,540	(7,737,054)	69,769,486
2021			
Non-collateralised receivables			
Trade receivables			
Not past due	4,795,994	–	4,795,994
Past due but not impaired:			
Less than 30 days	3,941,402	–	3,941,402
31 to 60 days	4,024,673	–	4,024,673
61 to 90 days	2,045,418	(85,884)	1,959,534
91 to 120 days	2,705,577	(71,173)	2,634,404
More than 120 days	7,159,584	(637,011)	6,522,573
	19,876,654	(794,068)	19,082,586
Credit impaired:			
More than 120 days	7,940,435	(7,940,435)	–
Trade receivables, net	32,613,083	(8,734,503)	23,878,580

Credit impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments subsequent to the 300 days past due, depending on the risk profiles of the respective debtors. These receivables are not secured by any collateral or credit enhancements.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit impaired (Cont'd)

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

As at 30 June 2022, there are seven debtors of the Group with credit impaired risk on total debt outstanding amounted to RM4,719,664 (2021: RM7,650,344) have been renegotiated with the Group by way of 3 to 12-month repayment plan respectively, within the next financial year end. The Group has assessed five debtors individually and recognised a loss allowance of RM2,614,789 (2021: RM3,686,836) or 50% (2021: 50%) against its total outstanding of RM4,564,882 (2021: RM7,373,669), whilst the remaining two debtors are assessed collectively and recognised a loss allowance of RM154,782 (2021: RM39,771) or 100% (2021: 14%) against its total outstanding of RM154,782 (2021: RM276,675).

Receivables that are not past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Receivables that are past due but not impaired

These trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default. The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

Other receivables and deposits

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses which reflects the low credit risk of the exposures. As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to financial institutions and third-party suppliers in respect of banking facilities and credit limit granted. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries to financial institution and suppliers.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounted to RM9,655,363 (2021: RM6,208,449) representing the outstanding banking facilities of the subsidiaries and suppliers' balances as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiaries are unlikely to repay its credit obligations to the bank in full; or
- The subsidiaries are continuously loss making and is having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, there was no indication that the subsidiaries which were granted the loan facilities (Note 22) would default on repayment. Hence, the financial guarantee granted by the Company has not been recognised since the fair value on initial recognition was not material.

Amounts due from subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

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.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Amounts due from subsidiaries (Cont'd)

Recognition and measurement of impairment loss

Intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loans is demanded at the reporting date.

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when subsidiaries' financial positions deteriorate significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers subsidiaries loans or advances to be credit impaired when the subsidiaries are unlikely to repay the loans or advances to the Company in full given insufficient highly liquid resources when the loans are demanded.

The Company determines the probability of default for these loans and advances individually using internal information available. The Company has assessed a subsidiary which had ceased operations as at 30 June 2021 as credit impaired. As such, the Company has written off the debt from a subsidiary as there was no expectation of recovering additional cash.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial liabilities.

In respect of interest-earning financial liabilities, the effective interest rates at the reporting date, in which they reprice or mature, whichever is earlier are disclosed in Note 22.

The interest rate profile of the Group's and the Company significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Floating rate instruments:				
Financial liabilities:				
Bank overdrafts	(1,760,447)	(5,833,876)	(1,760,447)	(5,833,876)
Banker's acceptance	(853,000)	(749,000)	–	–
Domestic recourse factoring	(3,318,431)	–	–	–
Islamic banking financing	(4,061,749)	(4,839,397)	–	–
Term loans	(2,991,205)	–	(2,991,205)	–
	(12,984,832)	(11,422,273)	(4,751,652)	(5,833,876)

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Interest rate risk (Cont'd)

The Group and the Company are exposed to interest rate risk through the impact of rate changes in floating rate instruments. The changes in interest rates would not have material impact on the profit or loss and equity of the Group and of the Company.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than functional currency of the Group. The currency giving rise to this risk is primarily Renminbi ("**RMB**"). However, the Group does not have significant exposure to foreign currency (a currency which is other than functional currency of the Group) risk.

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(d) Liquidity risk (Cont'd)

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

			[Contractual Cash Flows]			
	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	Between 1 to 2 years RM	Between 2 to 5 years RM	More than 5 years RM
Group						
2022						
Trade payables	40,704,501	40,704,501	40,704,501	–	–	–
Other payables	6,617,190	6,617,190	6,617,190	–	–	–
Borrowings:						
- Bank overdrafts	1,760,447	1,760,447	1,760,447	–	–	–
- Banker's acceptance	853,000	883,879	883,879	–	–	–
- Domestic recourse factoring	3,318,431	3,549,062	3,549,062	–	–	–
- Islamic banking financing	4,061,749	4,921,209	503,952	1,007,904	1,007,904	2,401,449
- Term loans	2,991,205	3,611,174	610,344	1,220,688	1,780,142	–
Lease liabilities	4,653,735	5,164,070	1,529,068	1,521,513	1,625,915	487,574
	64,960,258	67,211,532	56,158,443	3,750,105	4,413,961	2,889,023

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(d) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:- (Cont'd)

	Carrying amount RM	Contractual cash flows RM	[---- Contractual Cash Flows ----] On demand or within 1 year RM	Between 1 to 2 years RM	Between 2 to 5 years RM	More than 5 years RM
Group 2021						
Trade payables	11,709,631	11,709,631	11,709,631	–	–	–
Other payables	9,708,229	9,708,229	9,708,229	–	–	–
Borrowings:						
- Bank overdrafts	5,833,876	5,833,876	5,833,876	–	–	–
- Banker's acceptance	749,000	768,474	768,474	–	–	–
- Islamic banking financing	4,839,397	5,347,819	503,952	503,952	1,511,856	2,828,059
Lease liabilities	1,540,480	1,721,111	502,178	443,045	418,888	357,000
	34,380,613	35,089,140	29,026,340	946,997	1,930,744	3,185,059

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(d) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:- (Cont'd)

	Carrying amount RM	Contractual cash flows RM	[Contractual Cash Flows] On demand or within 1 year RM	Between 1 to 2 years RM	Between 2 to 5 years RM	More than 5 years RM
Company						
2022						
Other payables	4,989,807	4,989,807	4,989,807	–	–	–
Borrowings:						
- Bank overdrafts	1,760,447	1,760,447	1,760,447	–	–	–
- Term loans	2,991,205	3,611,174	610,344	1,220,688	1,780,142	–
Lease liabilities	85,348	91,200	45,600	45,600	–	–
Financial guarantee *	9,655,363	9,655,363	9,655,363	–	–	–
	19,482,170	20,107,991	17,061,561	1,266,288	1,780,142	–
2021						
Other payables	5,969,233	5,969,233	5,969,233	–	–	–
Borrowings:						
- Bank overdrafts	5,833,876	5,833,876	5,833,876	–	–	–
Financial guarantee *	6,208,449	6,208,449	6,208,449	–	–	–
	18,011,558	18,011,558	18,011,558	–	–	–

* This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystallised.

Notes to the Financial Statements (Cont'd)

32. FAIR VALUE INFORMATION

Assets and liabilities carried at fair value

The fair value measurement hierarchies used to measure non-financial assets at fair values in the statements of financial position are disclosed in Note 10.

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities approximate their fair values due to relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loans approximates its fair value as the loans will be repriced to market interest rate on or near reporting date.

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure to safeguard its ability to continue as a going concern in order to maintain investor, creditors and market confidence and to sustain future business development. The Group's overall strategy remains unchanged from the previous financial year.

The Group and the Company monitor capital using net debt-to-equity ratio which is the net debt divided by total equity. Net debt includes borrowings and lease liabilities, less cash and cash equivalents whilst total equity is equity attributable to Owners of the Company.

The Group and the Company are in compliance with all externally imposed capital requirements.

33. CAPITAL MANAGEMENT (CONT'D)

The net debt-to-equity ratio as at the end of the reporting period was as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Borrowings (Note 22)	12,984,832	11,422,273	4,751,652	5,833,876
Lease liabilities (Note 23)	4,653,735	1,540,480	85,348	–
	17,638,567	12,962,753	4,837,000	5,833,876
Less:				
- Fixed deposits with licensed banks	(1,570,983)	(1,406,625)	–	–
- Cash and bank balances	(3,594,913)	(1,575,279)	(6,970)	(11,042)
	(5,165,896)	(2,981,904)	(6,970)	(11,042)
Net debts	12,472,671	9,980,849	4,830,030	5,822,834
Equity attributable to the Owners of the Company, representing total capital	78,473,071	40,538,372	53,254,144	24,856,463
Debt-to-equity ratio (%)	16%	25%	9%	23%

34. COMPARATIVE FIGURES

The following are changes in comparative figures due to changes in reclassifications.

(a) Reclassification

Certain comparative figures are reclassified to conform with the current year's presentation.

(b) Reconciliation

	As previously reported RM	As reclassified RM
Group		
Statements of Financial Position		
Current Assets		
Tax recoverable	973,846	973,139
Current Liabilities		
Tax payable	707	–

Notes to the Financial Statements (Cont'd)

34. COMPARATIVE FIGURES (CONT'D)

(b) Reconciliation (Cont'd)

	As previously reported RM	As reclassified RM
Group (Cont'd)		
Statements of Cash Flows		
Cash Flows from Operating Activities		
Changes in working capital:		
Payables	5,476,393	4,587,009
Cash Flows from Financing Activities		
Advances from holding company	–	889,384
Company		
Statements of Cash Flows		
Cash Flows from Operating Activities		
Changes in working capital:		
Payables	3,314,766	2,425,382
Cash Flows from Financing Activities		
Advances from holding company	–	889,384

35. EVENT SUBSEQUENT TO THE END OF FINANCIAL YEAR

Acceptance of Letter of Award

On 12 July 2022, the Company via PTTI accepted the letter of award ("**LOA**") from Tropicana Development (Johor Bahru) Sdn. Bhd. for the common infrastructure works in respect of Phase 1 for Cadangan Susun atur Industri dan Kemudahan di atas PTD 14020, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim amounting to RM53,800,000. Pursuant to the LOA, the works shall commence on 15 July 2022 and is to be completed by 14 January 2024.

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 accompanying financial statements as set out on pages 74 to 160 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 2022 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 October 2022.

DATO' ABD RAHIM BIN JAAFAR **TEO SWEE PHIN**

STATUTORY DECLARATION

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

I, TEO SWEE PHIN,being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that that the financial statements as set out on pages 74 to 160 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
above named
at Kuala Lumpur in the Federal Territory
on 12 October 2022

TEO SWEE PHIN

Before me,

Tan Kim Chooi (W661)
Commissioner for Oaths

GROUP'S MATERIAL PROPERTIES
AS AT 30 JUNE 2022

Title/Location	Description	Tenure	Age of Building (years)	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
INVESTMENT PROPERTIES							
PTT SYNERGY GROUP BERHAD (FORMERLY KNOWN AS GRAND HOOVER BERHAD)							
No. 63-1A, 1B & 1C Jalan Anggerik Vanilla T31/T Kota Kemuning Section 31 40460 Shah Alam Selangor Darul Ehsan	1st Floor of a Six Storey Shop-office	Freehold	22	6,287 sq ft	2,190	Corporate office	Revalued on 31-12-2020 Updated valuation on 30-06-2022
No. 63-G, Jalan Anggerik Vanilla T31/T Kota Kemuning Section 31 40460 Shah Alam Selangor Darul Ehsan	Ground Floor of a Six Storey Shop-office	Freehold	21	6,358 sq ft	4,000	Corporate office	Revalued on 31-12-2020 Updated valuation on 30-06-2022
C.T. Nos. 25445 & 25446 Lot Nos. 1696 & 1926 Mukim of Beranang District of Ulu Langat Selangor Darul Ehsan	Two Adjoining Parcels of Agricultural Land	Freehold	–	11.4 Acres	4,700	Vacant	Revalued on 31-12-2020 Updated valuation on 30-06-2022
PTT PROPERTY SDN. BHD. (FORMERLY KNOWN AS GRAND HOOVER PROPERTY SDN. BHD.)							
No. 51, Jalan 17/45 46400 Petaling Jaya Selangor Darul Ehsan	Four Storey Corner Shop-office	Freehold	37	2,997 sq ft/ 6,600 sq ft	4,100	Showroom & office	Revalued on 31-12-2020 Updated valuation on 30-06-2022
HEAP WAH BARAKAH SDN. BHD.							
No. A1-1-5, Type A Storey No. 1 Building No. A1 Cheras Heights Condominium Taman Bukit Cheras	Condo-minium	Freehold	8	1,586 sq ft	620	Vacant	Revalued on 31-12-2020 Updated valuation on 30-06-2022
7 pieces of land for Lot Nos. 15274 to 15280, Title Nos. GM5534 to GM5536, GM5561, GM5564, GM5567 & GM5553, Mukim of Simpang, Kiri District of Batu Pahat, Johor	Vacant Industrial Lands	Freehold	–	3,003 sq ft each	483	Vacant	Revalued on 31-12-2020 Updated valuation on 30-06-2022

Group's Material Properties as at 30 June 2022 (Cont'd)

Title/Location	Description	Tenure	Age of Building (years)	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
INVESTMENT PROPERTIES (CONT'D)							
HEAP WAH BARAKAH SDN. BHD. (Cont'd)							
2 Pieces of land for Lot Nos. 14966 & 14967, Title Nos. GM5365 & GM5366, Mukim of Simpang Kiri, District of Batu Pahat, Johor	Vacant Industrial Lands	Freehold	–	16,609 sq ft & 11,248 sq ft	500	Vacant	Revalued on 31-12-2020 Updated valuation on 30-06-2022
No. 60, Jalan Sengaring Taman Tenaga 56000 Kuala Lumpur PN14452, Lot 33637	Double Storey Terrace House	Leasehold 54 years (expired on 18-04 -2076)	5	1,862 sq ft	850	Vacant	Revalued on 31-12-2020 Updated valuation on 30-06-2022
PROPERTY, PLANT AND EQUIPMENT - LEASEHOLD LAND AND BUILDING							
HEAP WAH BARAKAH SDN. BHD.							
5, Jalan P/1, Peringkat 1 Kaw Perusahaan Bandar Baru Bangi, 43650 Bandar Baru Bangi Selangor	A Single Storey Detached Industrial Building cum Warehouse	Leasehold 64 years (expired on 29-09-2086)	11	5,591 sq m	8,859	Warehouse	Revalued on 31-12-2020 Updated valuation on 30-06-2022
No. 46, Jalan 18/2 Section 18 46000 Petaling Jaya, Selangor Darul Ehsan * The new extension land title is in the process being registered in the name of company.	A Renovated Double Storey End Shophouse	Leasehold *99 years (expired in year 2121)	29	1,875 sq ft/ 6,720 sq ft	875	Showroom	Revalued on 31-12-2020 Updated valuation 30-06-2022
No. 10, Jalan Petaling Utama 9, Petaling Utama 46400 Petaling Jaya Selangor Darul Ehsan	Four Storey Intermediate Shop-office	Leasehold 63 years (expired on 04-03-2085)	31	1,680 sq ft/ 6,720 sq ft	1,181	Store	Revalued on 31-12-2020 Updated valuation on 30-06-2022

Group's Material Properties as at 30 June 2022 (Cont'd)

Title/Location	Description	Tenure	Age of Building (years)	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
NON-CURRENT ASSET - LAND HELD FOR DEVELOPMENT							
PTT SYNERGY GROUP BERHAD (FORMERLY KNOWN AS GRAND HOOVER BERHAD)							
Geran 202693 to Geran 202870 (inclusive), Geran 202928 to Geran 202945 (inclusive), Geran 203002 to Geran 203176 (inclusive), Geran 203205 to Geran 203851 (inclusive), and Geran 203955 to Geran 203967 (inclusive), Lot 1777 to Lot 1954 (inclusive), Lot 211 to Lot 2028 (inclusive), Lot 2085 to Lot 2258 (inclusive), Lot 2287 to Lot 2933 (inclusive), and Lot 3037 to Lot 3049 (inclusive), respectively town of Kulim District of Kulim Kedah As at 30 June 2022, the updated valuation by Laurelcap Sdn. Bhd. of this freehold land is RM16.6 million.	Converted Vacant Land	Freehold	–	125 Acres	9,153	Vacant	Acquired on 07-05-2003

Group's Material Properties as at 30 June 2022 (Cont'd)

Title/Location	Description	Tenure	Age of Building (years)	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
NON-CURRENT ASSET - LAND HELD FOR DEVELOPMENT (CONT'D)							
PTT PROPERTY SDN. BHD. (FORMERLY KNOWN AS GRAND HOOVER PROPERTY SDN. BHD.)							
Ten (10) individual plots comprised in a freehold land held under H.S(D) 13683, PTD 14020, Mukim Jeram Batu, Daerah Pontian, Johor * The land acquisition price was RM43.6 million, of which the developer's obligation has yet to be satisfied as at 30 June 2022.	Converted Vacant Land	Freehold	–	20.2 Acres	4,032	Vacant	Acquired on 29-10-2021

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2022

Class of Securities	:	Ordinary Shares
Total Number of Holders	:	1,447
Voting Rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	388	26.81	15,247	0.02
100 – 1,000	141	9.74	73,778	0.08
1,001 – 10,000	698	48.24	2,108,849	2.34
10,001 – 100,000	162	11.20	6,247,173	6.94
100,001 – 4,499,999 (*)	56	3.87	29,437,553	32.71
4,500,000 and above (**)	2	0.14	52,117,400	57.91
TOTAL	**1,447**	**100.00**	**90,000,000**	**100.00**

Remarks: * Less than 5% of Issued Shares
** 5% and above of Issued Shares

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) based on the Register of Directors' Shareholdings of the Company as at 30 September 2022 are as follows:

Directors	Direct Interest No. of Shares Held	%	Deemed Interest No. of Shares Held	%
Teo Swee Phin	112,500	0.13	52,117,400 [(1)]	57.91
Dato' Abd Rahim Bin Jaafar	–	–	52,117,400 [(1)]	57.91
Teo Swee Leng	–	–	52,117,400 [(1)]	57.91
Dato' Mahamed Bin Hussain	–	–	–	–
Datuk Ir. Ruslan Bin Abdul Aziz	–	–	–	–
Dato' Paul Lim Tau Ern	–	–	–	–
Tuan Sr. Hj. Mohd Farid Bin Naim	–	–	–	–
Toh Seng Thong	–	–	–	–

Note:

(1) Deemed interested by virtue of his interest in Aim Tetap Teguh Group Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The names of the substantial shareholders of PTT Synergy Group Berhad (formerly known as Grand Hoover Berhad) and their respective shareholdings based on the Register of Substantial Shareholders of the Company as at 30 September 2022 are as follows:

Substantial Shareholders	Direct Interest No. of Shares Held	%	Deemed Interest No. of Shares Held	%
Aim Tetap Teguh Group Sdn. Bhd.	52,117,400	57.91	–	–
Teo Swee Phin	112,500	0.13	52,117,400 [1]	57.91
Dato' Abd Rahim Bin Jaafar	–	–	52,117,400 [1]	57.91
Teo Swee Leng	–	–	52,117,400 [1]	57.91

Note:

[1] Deemed interested by virtue of his interest in Aim Tetap Teguh Group Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

Analysis of Shareholdings (Cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name of Shareholders	No. of Shares	(%)
1.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR AIM TETAP TEGUH GROUP SDN. BHD.	46,533,730	51.70
2.	AIM TETAP TEGUH GROUP SDN. BHD.	5,583,670	6.20
3.	NG CHIN HOE	4,490,414	4.99
4.	NG HUEY HIAN	4,121,733	4.58
5.	NG HUEY KUN	2,153,800	2.39
6.	SIM CHEE HUA	1,412,700	1.57
7.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIANG TIAN KIAT	1,031,100	1.15
8.	JUSTIN LIM TAU YIK	1,013,600	1.13
9.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TEO LE YI	993,325	1.10
10.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIANG TIAN KIAT	990,200	1.10
11.	TAN HAN LAY	805,000	0.89
12.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIANG TIAN KIAT	799,800	0.89
13.	LEAN CHEE KEONG	682,900	0.76
14.	NG YEE	600,000	0.67
15.	TYE SOK CIN	600,000	0.67
16.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR JUSTIN LIM TAU YIK	552,700	0.61
17.	TAN SAN YEW	500,000	0.56
18.	ONG WEI FUNG	462,600	0.51
19.	CHANG YEW KWONG	459,300	0.51
20.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR TAN KIT WAI	411,900	0.46
21.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR NG HUEY HIAN	376,300	0.42
22.	LAGENDA PERDANA SDN. BHD.	364,250	0.40
23.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PEE LU YING	360,100	0.40
24.	OOI CHIENG SIM	326,000	0.36

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	(%)
25.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR LINDA YEE CHIENG AI	310,500	0.35
26.	WONG SHIAU WEI	283,200	0.31
27.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE CHIAH CHEANG	267,200	0.30
28.	HLS PROPERTIES SDN. BHD.	250,000	0.28
29.	YONG KHAI WENG	240,000	0.27
30.	LEONG YUET MAY	225,000	0.25
	TOTAL	**77,201,022**	**85.78**

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PTT SYNERGY GROUP BERHAD
(FORMERLY KNOWN AS GRAND HOOVER BERHAD)
[Registration No. 197101000134 (10493-P)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.:	
Contact No.:	
No. of Shares Held:	

*I/We, (full name in capital letters) ____

NRIC No./ Passport No./ Registration No. ____________________ of (full address) ____________________

____

being a *member/members of **PTT SYNERGY GROUP BERHAD (FORMERLY KNOWN AS GRAND HOOVER BERHAD)** ("**the Company**"), hereby appoint:-

Full Name and Address (in Block Letters) (First Proxy)		NRIC /Passport No.	No. of Shares	% of Shareholding
Email:	Contact No.:			

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC /Passport No.	No. of Shares	% of Shareholding
Email:	Contact No.:			

to put on a separate sheet where there are more than two (2) proxies

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Fifty-First Annual General Meeting of the Company ("**AGM**") to be held at Courtyard, Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 28 December 2022 at 9:00 a.m. and any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction for voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits payable to the Directors up to an aggregate amount of RM309,600/- for the period from 29 December 2022 until the next AGM of the Company to be held in year 2023.		
2.	To re-elect Datuk Ir. Ruslan Bin Abdul Aziz, who retires pursuant to Clause 88 of the Company's Constitution.		
3.	To re-elect Dato' Paul Lim Tau Ern, who retires pursuant to Clause 88 of the Company's Constitution.		
4.	To re-elect Tuan Sr. Hj. Mohd Farid Bin Naim, who retires pursuant to Clause 88 of the Company's Constitution.		
5.	To re-appoint Messrs. Moore Stephens Associates PLT as the Company's Auditors for the ensuing year, and to authorise the Directors to fix their remuneration.		
6.	Waiver of Pre-Emptive Rights under Section 85 of the Companies Act 2016.		
7.	Authority to Issue Shares pursuant to the Companies Act 2016.		
8.	Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

* Strike out whichever is not applicable

As witness my/our hand(s) this ____________ day of _______, 2022

____

* Signature/Common Seal of Member

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 December 2022 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.

NOTES: (CONT'D)

2. A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.

3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. All resolutions set out in this notice of Meeting are to be voted by poll.

   Please refer to the Administrative Guide on the Conduct of a Physical General Meeting available for download at https://pttgroup.com.my/investor-relations/ for further details.

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AFFIX
STAMP

Registered Office

PTT Synergy Group Berhad
(Formerly known as Grand Hoover Berhad)

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan

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Fold This Flap For Sealing

PTT SYNERGY GROUP BERHAD
(Formerly known as Grand Hoover Berhad)
197101000134 (10493-P)

2A-1-1(B), Space U8,
No.6, Persiaran Pasak Bumi
Taman Bukit Jelutong Seksyen U8
40150 Shah Alam, Selangor Darul Ehsan

Tel : 03-5037 2822 | **Fax** : 03-5037 2823

www.pttgroup.com.my