GRAND HOOVER BERHAD

50th ANNIVERSARY

ANNUAL REPORT

2021

50th
ANNUAL GENERAL MEETING

DATE & TIME :-
28 December 2021
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.

CONTENTS

02 Notice of Annual General Meeting
05 Statement Accompanying Notice of Annual General Meeting
06 Administrative Guide
10 Corporate Information
11 Corporate Structure
12 Profile of Directors
16 Profile of Key Senior Management
17 Management Discussion & Analysis
20 Sustainability Statement
21 Corporate Governance Overview Statement
32 Audit Committee Report
36 Statement on Risk Management and Internal Controls
38 Additional Compliance Information
39 Statement of Directors' Responsibility
40 Financial Statements
113 Properties held by the Group
117 Analysis of Shareholdings
Form of Proxy

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting ("**AGM**") of Grand Hoover Berhad ("**GHB**" 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 Tuesday, 28 December 2021 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 2021 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 payable to the Directors up to an aggregate amount of RM86,000 for the financial year ended 30 June 2021. ***(Ordinary Resolution 1)***

3. To approve the payment of Directors' fees and benefits payable to the Directors up to an aggregate amount of RM198,000 for the period from 1 July 2021 until the next AGM of the Company to be paid quarterly in arrears. ***(Ordinary Resolution 2)***

4. To re-elect the following Directors, who are due to retire in accordance with Clause 95 of the Company's Constitution and being eligible, have offered themselves for re-election:

   (a) Dato' Abd Rahim Bin Jaafar; ***(Ordinary Resolution 3)***
   (b) Mr. Teo Swee Phin; ***(Ordinary Resolution 4)***
   (c) Dato' Mahamed Bin Hussain; ***(Ordinary Resolution 5)***
   (d) Datuk Ir. Ruslan Bin Abdul Aziz; ***(Ordinary Resolution 6)***
   (e) Dato' Paul Lim Tau Ern; ***(Ordinary Resolution 7)***
   (f) Mr. Teo Swee Leng; ***(Ordinary Resolution 8)***
   (g) Tuan Sr. Hj. Mohd Farid Bin Naim; and ***(Ordinary Resolution 9)***
   (h) Mr. Toh Seng Thong. ***(Ordinary Resolution 10)***

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. ***(Ordinary Resolution 11)***

AS SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION**
   AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 ***(Ordinary Resolution 12)***

   "**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa 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 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."

Notice of Annual General Meeting

7. **ORDINARY RESOLUTION** ***(Ordinary Resolution 13)***
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** subject to Bursa Securities Main Market Listing Requirements, 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 29 October 2021, 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**");

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 (MAICSA 0777689/ SSM PC NO.: 201908002648)
Company Secretary

29 October 2021

Notice of Annual General Meeting

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 December 2021 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. 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 http://www.hoover.com.my/investor.html for further details.

Explanatory Notes to Ordinary and Special Business

(i) Audited Financial Statements for the financial year ended 30 June 2021

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act, 2016 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) Payment of Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 provides, amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

The Board wishes to seek shareholders' approval at the Fiftieth AGM on the two (2) separate resolutions as below:

- Ordinary Resolution 1 on payment of Directors' fees payable to the Directors of the Company for the financial year ended 30 June 2021; and

- Ordinary Resolution 2 on payment of Directors' fees and benefits, which comprise of meeting allowance payable for attendance of Directors at Board and/or Board Committees' meetings from 1 July 2021 until the next AGM of the Company to be held in the year 2022.

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 12 - Authority to Issue Shares

The Company had been granted a general mandate by its shareholders at the Forty-Ninth AGM held on 24 December 2020 ("**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 Companies Act 2016 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 12, 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.

(iv) Ordinary Resolution 13 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 13, 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 29 October 2021.

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 29 October 2021.

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 Directors are standing for election as Director of the Company at the Fiftieth Annual General Meeting.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS AND/OR PROXIES ATTENDING THE FIFTIETH ("50TH") ANNUAL GENERAL MEETING ("AGM")

INFORMATION ON AGM

1. Date, Time, and Venue of AGM

Day and Date	:	**Tuesday, 28 December 2021**
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 2021 shall be entitled to attend, participate, speak and vote at the 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 AGM

(a) If you are unable to attend the 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 Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan in accordance with the notes and instructions printed therein, not later than forty-eight (48) hours before the AGM, i.e., **latest by Sunday, 26 December 2021 at 9:00 a.m.**

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

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

4. Corporate Member

Any corporate member who wishes to appoint a representative instead of a proxy to attend the meeting should submit the original certificate of appointment under the corporation's seal to the Company's Registered Office at Securities Services (Holdings) Sdn. Bhd., 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 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

There will be door gifts or food vouchers.

Administrative Guide

GUIDANCE FOR ATTENDANCE OF AGM

In light of the current COVID-19 pandemic, the Company would be most obliged if all attendees were to take all necessary precautions and preventive measures as issued or directed from time to time by the Malaysian Government and/or relevant authorities while attending the AGM.

As the COVID-19 situation continues to evolve, the Company will monitor the status closely. Accordingly, the Company reserves the right to take any precautionary measures as may be required or recommended by the relevant authorities from time to time and may also be required to change its AGM arrangements at short notice.

As such, prior to attending the AGM, you are to keep abreast with the latest news and updates on the AGM from the posting on the Company's website at www.hoover.com.my/investor.html or all announcements as well as all health and safety measures as released by the relevant authorities to the media from time to time.

Attendees are required to read and adhere to the Administrative Guide issued and published on the Company's website at www.hoover.com.my/investor.html.

1. Pre-Registration of Attendance

In order to assist the Company in managing the turnout for the AGM and to ensure compliance with the directives or guidelines on public gathering/event issued by the Malaysian Government and/or relevant authorities, Shareholders/Proxies/Corporate Representatives who wish to attend the AGM in person are required to register ahead of the AGM to allow the Company to facilitate arrangements in relation to the AGM.

Shareholders/Proxies/Corporate Representatives who wish to attend the AGM in person, please provide the following details by email to info@sshsb.com.my, **latest by Sunday, 26 December 2021** before the AGM:-

(a) Company name
(b) Full name
(c) Identity card no./ Passport no.
(d) CDS account number
(e) Mobile phone number

After verification of your registration against the General Meeting Record of Depositors as of 21 December 2021, the Company's Share Registrar will send you an e-mail on or after 26 December 2021 to approve or reject your registration to attend physically at the AGM venue. The decision of the Share Registrar shall be final, and no appeal will be entertained.

Attendees without pre-registration will not be allowed to enter the AGM venue for their own safety and the safety of other attendees.

Administrative Guide

2. Registration for the 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) Registration will take place at the registration booths located at the entrance to the Courtyard. Therefore, you are required to queue accordingly.
(c) Please present your original National Registration Identification Card ("**NRIC**") or Passport for verification by the Share Registrar against the pre-registration attendance list. 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 hall 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.

3. Safety Measures Due to COVID-19 Pandemic

(a) All attendees are required to adhere to the following SOPs of the Company: -

(i) to show their fully vaccinated status through their MySejahtera App:

(Fully vaccinated individuals are defined as someone who has received:

- Two (2) doses of Pfizer, AstraZeneca, Sinovac, Moderna or Sinopharm vaccine for more than 14 days; and
- Single-dose of Johnson & Johnson or CanSino vaccine for more than 28 days.)

(ii) 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;

(iii) to sanitise their hands before entering the meeting venue;

(iv) to maintain social distancing of at least one (1) meter at all times throughout the Meeting;

(v) to wear a face mask before entering the meeting venue and throughout the meeting.

Attendees are advised to arrive early at the meeting venue given that the above measures may cause a delay in the registration process;

(b) Shareholders are encouraged to appoint the Chairman of the Meeting of your proxy to attend and vote on your behalf at the AGM. You may submit your proxy forms with pre-determined voting instructions for the Chairman to vote for and on your behalf.

(c) The Company reserves the right to limit the total number of physical attendees at the AGM in adherence to the SOPs and the requirements by the relevant authorities. Hence, entry to the meeting venue will be based on a first-come-first-serve basis, and again, the health and safety of all attendees are non-negotiable priorities for the Company.

Administrative Guide

4. Submission of Questions prior to AGM

Shareholders are encouraged to submit questions ahead of the AGM and email your questions to corporate@hoover.com.my, **latest by Sunday, 26 December 2021**.

The Company will endeavour to answer your question(s) at the AGM if time permits or by email after the AGM. A written record of the questions and answers would be published in the key summary matters of the AGM (to be uploaded by the Company on its corporate website in due course).

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

Annual Report 2021 and Circular to Shareholders

1. The Company's Annual Report 2021, Circular to Shareholders, Notice of the 50th AGM, Proxy Form, and Administrative Guide are available on the Company's website at www.hoover.com.my/investor.html and also on Bursa Securities' website at www.bursamalaysia.com under "Company Announcements".

2. If you wish to request a printed copy of the Annual Report 2021 and/or Circular to Shareholders, please forward your request by completing the Requisition Form provided. A copy of the Annual Report 2021 and/or Circular to Shareholders will be sent to you by ordinary post within four (4) market days from the date of receipt of the written request. You may also collect the same at the AGM.

ENQUIRY

Should you have any enquiries, please do not hesitate to get in touch with the Share Registrar at Tel: +603-2084 9000 and/or Fax: +603-2094 9940 / 2095 0292 during office hours:

For Pre-Registration:

(1) Mr. Wong Piang Yoong (email: piang.yoong.wong@sshsb.com.my)
(2) Ms. Martini Mat Som (email: martini@sshsb.com.my)

Alternatively, you may contact Ms. Celine from Grand Hoover Berhad at Tel: +603 5037 2822 or email: corporate@hoover.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 : www.hoover.com.my
Email : corporate@hoover.com.my

COMPANY SECRETARY

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

AUDITORS

Messrs. Moore Stephens Associates PLT
(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 the Bursa Malaysia Securities Berhad
Stock Name : HOOVER
Stock Code : 7010

CORPORATE STRUCTURE

GRAND HOOVER BERHAD
Registration No. 197101000134 (10493-P)

ABOUT US

GRAND HOOVER BERHAD ("**GHB**") was incorporated in Malaysia on 12 March 1971 as a private limited company under the Companies Act 1965 as Hoover Tiling Sdn. Bhd. The Company changed its name to Grand Hoover Sdn. Bhd. and was subsequently converted to a public company as Grand Hoover Berhad on 30 November 1995.

The Company was successfully listed on the Second Board of Kuala Lumpur Stock Exchange on 22 August 1997, now known as the Main Market of Bursa Malaysia Securities Berhad. GHB principally is an investment holding company with subsidiaries engaged in property development, contractor for building construction, trading and distribution of sanitary wares, fitting for pipes and ceramic tiles.

PROPERTY DEVELOPMENT & CONSTRUCTION

100% **PEMBINAAN ATT SDN. BHD.**
(Formerly known as Hoover Property Development Sdn. Bhd.)
REG NO.:198201001934 (81680-M)

100% **HOOVER BUILDERS SDN. BHD.**
REG NO.:198201001372 (81116-T)

100% **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.**
(Formerly known as Heap Wah Enterprise 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

Age 54 **Gender** Male **Nationality** Malaysian

Dato' Abd Rahim bin Jaafar was appointed to the Board of Grand Hoover Berhad ("**GHB**" or "**Company**") as the Executive Chairman on 18 March 2021. He attended one (1) Board meeting held in the financial year as he was only appointed on 18 March 2021.

Dato' Abd Rahim holds a Bachelor of Engineering (Hons) in Civil Engineering from Southbank Polytechnic (now known as London South Bank University). 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 build 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.

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

TEO SWEE LENG

Deputy Chairman

Age 57 **Gender** Male **Nationality** Malaysian

Mr. Teo Swee Leng was appointed to the Board of the Company as the Executive Deputy Chairman on 18 March 2021. He attended one (1) Board meeting held in the financial year as he was only appointed on 18 March 2021.

Mr. Teo Swee Leng holds a Diploma in Civil Engineering from the Federal Institute of Technology, Kuala Lumpur, and has accumulated over thirty-five (35) years of experience in the construction sector and twelve (12) years of experience in the 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 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. 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 a major shareholder of GHB.

Mr. Teo Swee Leng is also a major shareholder of the Company by virtue of his indirect equity interest in the Company via Aim Tetap Teguh Group Sdn. Bhd.

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

He also does not have any conflict of interest with the Company.

Profile of Directors

TEO SWEE PHIN
Managing Director

Age 43 **Gender** Male **Nationality** Malaysian

Mr. Teo Swee Phin was appointed to the Board of the Company as the Managing Director on 18 March 2021. He attended one (1) Board meeting held in the financial year as he was only appointed on 18 March 2021.

Mr. Teo Swee Phin holds a Diploma in Technology (Building) from Tunku Abdul Rahman College, Kuala Lumpur. In addition, he has accumulated over twenty (20) years and thirteen (13) 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 Executive Deputy Chairman and a major shareholder of GHB.

Mr. Teo Swee Phin is also a major shareholder of the Company by virtue of his indirect equity interest in the Company via Aim Tetap Teguh Group Sdn. Bhd.

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

He also does not have any conflict of interest with the Company.

TUAN SR. HJ. MOHD FARID BIN NAIM
Executive Director

Age 54 **Gender** Male **Nationality** Malaysian

Tuan Sr. Hj. Mohd Farid Bin Naim was appointed as the Executive Director on 18 March 2021. He attended one (1) Board meeting held in the financial year as he was only appointed on 18 March 2021.

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

He 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 (30) years of experience in quantity surveying works for property development and construction project. He is currently the Managing Director of Pakatan Ukur Bahan Sdn. Bhd.

Tuan Sr. Hj. Mohd Farid does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company.

Tuan Sr. Hj. Mohd Farid does not hold any other directorship in other public companies and public listed companies.

Profile of Directors

DATO' MAHAMED BIN HUSSAIN

Independent Non-Executive Director

Age 66 **Gender** Male **Nationality** Malaysian

Dato' Mahamed Bin Hussain was appointed as the Independent Non-Executive Director on 18 March 2021. He is the Chairman of the Audit Committee, Remuneration Committee, and Nomination Committee. He attended one (1) Board meeting held in the financial year as he was only appointed on 18 March 2021.

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 has held various positions in the government sector before his retirement in December 2015. He 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. He 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 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' Mahamed does not hold any other directorship in other public companies and public listed companies.

DATUK IR. RUSLAN BIN ABDUL AZIZ

Independent Non-Executive Director

Age 60 **Gender** Male **Nationality** Malaysian

Datuk Ir. Ruslan Bin Abdul Aziz was appointed as the Independent Non-Executive Director on 18 March 2021. He is a member of the Audit Committee, Remuneration Committee, and Nomination Committee. He attended one (1) Board meeting held in the financial year as he was only appointed on 18 March 2021.

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 has 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 his retirement on 6 February 2021. He has extensive experience with over thirty-six (36) years in implementaion of building and infrastructure projects locally and internationally. He 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 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.

Datuk Ir. Ruslan does not hold any other directorship in other public companies and public listed companies.

Profile of Directors

TOH SENG THONG, JP
Independent Non-Executive Director

Age 63 **Gender** Male **Nationality** Malaysian

Mr. Toh Seng Thong was appointed as the Independent Non-Executive Director on 28 April 2021. He is a member of the Audit Committee, Remuneration Committee, and Nomination Committee. He attended one (1) Board meeting held in the financial year as he was only appointed on 28 April 2021.

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, corporate and financial advisory. He is also a practicing Chartered Accountant of Malaysia.

Currently, Mr. Toh's directorships in other public companies and public listed companies include Latitude Tree Holdings Berhad and Adventa Berhad.

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

Age 43 **Gender** Male **Nationality** Malaysian

Dato' Paul Lim Tau Ern was appointed as the Independent Non-Executive Director on 18 March 2021. He is a member of the Audit Committee, Remuneration Committee, and Nomination Committee. He attended one (1) Board meeting held in the financial year as he was only appointed on 18 March 2021.

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 Holdings 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 Vice President of the Malaysia Mobile and Communication Association.

Dato' Paul 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 does not hold any other directorship in other public companies and public listed companies.

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

Age 49 **Gender** Female **Nationality** Malaysian

Chief Financial Officer

Ms. Tang Choi Peng, Tracy was appointed as the Chief Financial Officer of Grand Hoover Berhad ("**GHB**" or "**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-five (25) 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 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 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.

Ms. Tracy does not hold any directorship in other public companies or public listed companies.

LUM PEK YOKE

Age 57 **Gender** Female **Nationality** Malaysian

Managing Director of Heap Wah Barakah Sdn. Bhd. (formerly known as Heap Wah Enterprise Sdn. Bhd.)
Director of Anggun Tegas Merak Sdn. Bhd. and PTS Dura Marketing Sdn. Bhd.

Ms. Lum Pek Yoke was appointed as a Director of Heap Wah Barakah Sdn. Bhd. *(formerly known as Heap Wah Enterprise Sdn. Bhd.)* on 1 October 1984. She was appointed as the Managing Director of Heap Wah Barakah Sdn. Bhd. *(formerly known as Heap Wah Enterprise Sdn. Bhd.)* on 1 September 2017. She was then appointed as the Director of two (2) subsidiaries, 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 GHB. She has more than thirty (30) years of experience in trading construction materials.

Ms. Lum has direct shareholdings of 1,333 ordinary shares in GHB. In addition, she holds 136,500 ordinary shares in Heap Wah Barakah Sdn. Bhd. *(formerly known as Heap Wah Enterprise Sdn. Bhd.)*, a 70%-owned subsidiary of GHB.

Ms. Lum has no family relationship with any other Director and/or major shareholder of the Company nor any conflict of interest.

Ms. Lum does not hold any directorship in other public companies or public listed companies.

SYED MOHAMMAD ZAKI BIN BAAIN

Age 38 **Gender** Male **Nationality** Malaysian

Director of Pembinaan ATT Sdn. Bhd. (formerly known as Hoover Property Development Sdn. Bhd.)

Encik Syed Mohammad Zaki Bin Baain was appointed as a Director of Pembinaan ATT Sdn. Bhd. *(formerly known as Hoover Property Development 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 sixteen (16) years of experience in the construction industry, having been involved in earthworks, general infrastructure, and civil building projects. He is currently the Project Director for the Group's construction operation.

He 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.

He does not hold any other directorship in other public companies or public listed companies.

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

FINANCIAL PERFORMANCE REVIEW

The financial year ended ("**FYE**") 30 June 2021 has proven to be the most challenging period indeed. The pandemic that started in the year 2020 continues to unfold and even into 2021. During the Movement Control Order ("**MCO**") period, the pandemic lockdowns have resulted in work disruptions and movement restrictions; all property development, construction works, and businesses have virtually stopped. However, the realignment of corporate strategies and speed in implementation by the New Controlling Shareholders and Management towards the last quarter of FYE 30 June 2021 had managed to soften the adverse impact on the financial performance of the Group for the current year under review.

For FYE 30 June 2021, the Group registered higher revenue of RM62.24 million (FYE 30 June 2020: RM48.17 million). The Group's revenue was led by the Trading Division of RM60.89 million (FYE 30 June 2020: RM46.35 million), followed by the Property Division of RM1.35 million (FYE 30 June 2020: RM1.82 million).

Reported loss before taxation ("**LBT**") stood at RM2.14 million for FYE 30 June 2021 (FYE 30 June 2020: RM 3.33 million). The lower LBT was mainly due to the higher gross profit margin achieved in the Trading Division, albeit a one-off impairment adjustment on receivables and inventories. As a result, the loss per share for FYE 30 June 2021 stood at 2.74 sen (FYE 30 June 2020: 7.59 sen).

BUSINESS OPERATIONS OVERVIEW

Trading in Building Materials

The building materials of the Trading Division are mainly carried out by the 70%-owned subsidiary, Heap Wah Barakah Sdn. Bhd. *(formerly known as Heap Wah Enterprise Sdn. Bhd.)* and its related subsidiaries ("**Heap Wah Group**"), which have been involved in this business for more than thirty (30) years. Heap Wah Group mainly supplies products to local contractors involved in the construction of various types of properties developed by property developers in our country.

While monitoring the building material market in relation to the property market sentiment, we are cautiously expanding our customer base and selecting new customers for our Trading Division to expand our business in this sector.

The MCO and subsequently strict adherence to Standard Operating Procedures ("**SOP**") at half capacity work imposed by the Government has restricted the construction sector to operate on full capacity. During the financial year, the Management has taken prudent steps to focus on the collection, reviewing our customers' profile vis-à-vis the aging of the trade receivables. It is the intention of the Group to maintain customers with a good credit profile and continue to reassess customers with long-overdue payments. The Group has made certain one-off adjustments in the year, such as impairments to receivables and inventories.

The Management continues to explore a more efficient supply chain strategy, especially in securing lower prices from suppliers and creating value-added products to achieve better margins.

Property Development

The Group's has a total landbanks of more than 135 acres in Beranang, Selangor; Mantin, Negeri Sembilan; Batu Pahat, Johor; and Kulim, Kedah. Some of those lands have been converted for development and are in the planning stages.

The pandemic COVID-19 outbreak has contributed considerably to the lackluster property market performance in FYE 30 June 2021. However, due to sporadic spikes of infections, strict adherence to SOP imposed by the Government, and restriction on half capacity work on the property market continues to be challenging as the pandemic has yet to be brought under control. As a result, full recovery may be delayed to the year 2022.

In light of the above, the Group has put on hold major new launchings. Furthermore, the Management is closely monitoring the market sentiment and will launch new property development projects once the property market is more encouraging.

Management Discussion & Analysis

ANTICIPATED OR KNOWN RISKS

Trading in Building Materials

The primary risk for our trading division is credit risk, where credit term is being granted to some of our customers. Therefore, the Group has constantly reviewed and implemented a stringent policy to credit customers in mitigating the risk.

The Group anticipated that the soft property market and stiff competition among the building material players would indirectly affect our trading division's business and profit margin. Hence, the Group is progressively embarking on a series of plans, including collaboration with suppliers as well as increasing our business sales.

Property Development

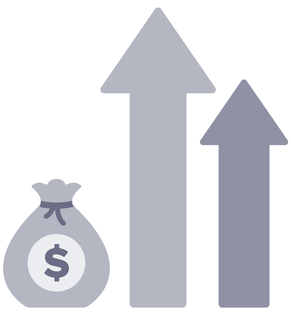
Currently, the main risk of the property division is to continue to identify strategic lands for acquisitions or to explore potential joint ventures with landowners in order to increase the landbanks. This will enhance shareholders' value in the long run and sustain the Group's involvement in property development. In mitigating the potential risks, the Group has embarked on a series of discussions with potential landowners to develop affordable housing to cater to the ever-growing demand of house-buyers in this particular sector.

Due to the current soft market, the property division faces demand risk to off-load its property inventory and any new launching property. In mitigating the risk, the Company is monitoring the market sentiment and will launch new property development projects when the property market is more encouraging.

Our group also anticipated that the year ahead would continue to be challenging for local property market due to the continued softening of the economic momentum, cautious bank lending practices, and intensified competition among the property developers.

FORWARD-LOOKING STATEMENT

In view of the challenges faced by existing trading business, along with the New Controlling Shareholders and Management on board by 18 March 2021, the Group intends to revive the Construction Business and Property Development Business by leveraging on the experience, track record, and industry know-how of the New Controlling Shareholders and Management, which is expected to expand the revenue stream and earnings base of the Group, which in turn should improve the Group's financial performance and value creation moving forward.



The Group had on 5 July 2021 obtained shareholders' approval to strengthen the Group's financials with RM30.0 million raised from the rights issue, which will be used substantially towards the Construction and Construction related activities as well as Development activities leveraging on the experience and expertise of the New Controlling Shareholders and Management for the coming year.

The Group intends to increase and strengthen its construction order book by securing potential construction contracts from both related parties and third parties. To this end, the Recurrent Related Party Transactions ("**RRPT**") construction contracts expected to be awarded to the Group of up to RM180.0 million are expected to provide earnings visibility to our Group for the next two and a half years. As of this reporting date, the Group has been awarded RRPT construction contracts of RM55.97 million. In addition, the Group has also bid/tendered almost RM1.0 billion for other construction projects from external/third parties. As a result, as of this reporting date, the Group has secured construction contracts of RM69.88 million from third party, of which the details have been duly announced. We are expected to secure more projects in near future.

Management Discussion & Analysis

The Group is also exploring potential Joint Ventures with Industrial landowner for built-to-suit industrial projects. The industrial property sector has mainly remained resilient despite the current COVID-19 outlook in Malaysia. The logistic and warehousing sectors experienced a spike in demand due to the e-commerce boom generated by the online shopping trend during the pandemic. Several industrial sub-sectors benefited greatly from the pandemic: logistics, pharmaceuticals, medical supplies, and equipment players.

With a lack of supply of large industrial warehousing spaces, some occupiers are exploring built-to-suit and built-to-lease spaces in locations all over Malaysia. Hence, the Group is exploring the opportunity on a Joint Venture or acquisition basis.

DIVIDEND

The Board of Directors did not recommend any dividend for the financial year ended 30 June 2021.

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, 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
Group Managing Director

13 October 2021

SUSTAINABILITY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

The Board of Directors of Grand Hoover Berhad and its subsidiaries ("Group") recognises the importance of developing its business sustainably and responsibly by maintaining a balance between economic performance for shareholders, and social responsibilities towards other stakeholders, while not compromising the environment.

This Sustainability Statement covers the Group's activities consisting of property development, related construction activities, and building materials trading. The Statement is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. ECONOMIC

- **Local hiring**. The Group emphasises prioritising employment opportunities for Malaysians in our business operations sector. As a result, the number of foreign workers employed is minimal, and we outsource certain property development activities to contractors. Currently, ninety-five (95) percent of our workforce consists of Malaysians.

- **Human capital development and retention**. The Group believes that employees are essential assets of the Company as they are drivers of the long-term success of the organisation and the ability to contribute to the national economy. Hence, the Group is committed and acknowledges providing employees with an equal opportunity environment while promoting diversity in the workforce.

  - Better facilities and equipment are being used to promote a healthy working environment for employees.

  - Employees were sent to various training and safety & health programmes necessary for their current job and prepared them for career progression.

  - The Group has a workforce of sixty-nine (69) employees as of 30 June 2021. The workforce consists of 94% Malaysian, and 35% are female.

- **Local suppliers**. Although there are no written policies, our Group's priority is to support local businesses by sourcing procurements requirements through the use of locally manufactured products.

2. ENVIRONMENT

- Compliances with rules. Property development strictly complies with the rules and directives set by the authorities, including environmental safety and protection.

- 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.

- Landscape and green building. Throughout the property life cycle, the Group will make every effort to be as environmentally responsible and resource-efficient as possible in its building development.

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

- Energy Saving. The Group made an effort to encourage employees to play their part in energy saving when using electricity and water in the workplace. As a result, the Management is progressively working to replace LED energy-saving bulbs for every replacement of light bulbs.

- 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.

3. SOCIAL

- The Group prohibits discrimination and harassment of any type, regardless of race, color, age, gender, nationality, and disability status. Hence, the Group gives employment opportunities equally to all applicants due to the diversity of skill, experience, age, and ethics in the workplace.

  Currently, the Group's pool of employees includes the following:

  - The Group has retirees employed in the workplace; and
  - The Group has disabled persons employed in the workplace;

- The Group is committed to fulfilling its social responsibility as a corporate citizen and to providing people with affordable, high-quality residential housing.

The Statement is made in accordance with a resolution of the Board dated 13 October 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Grand Hoover Berhad ("**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 2021 ("**FYE 2021**"). 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; and

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

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

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 Group.

A summary of the Company's corporate governance practices with reference to 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 Company and its subsidiaries ("**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, Nomination Committee, and Remuneration Committee. 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.

The details of the Board's duties and responsibilities are stipulated in the Board Charter, which is available at the Company's corporate website at www.hoover.com.my.

Roles of the Chairman and Group Managing Director

The roles of the Chairman and Group Managing Director are separately held by different individuals, and the division of their responsibilities is clearly established, 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.

On 18 March 2021, the Company had a change in its Board leadership with the appointment of Dato' Abd Rahim bin Jaafar as the new Chairman of the Board, following the resignation of Tuan Hj Basar bin Juraimi. A handover meeting was held on 18 March 2021 between the new and former Chairman of the Company to ensure a smooth transition.

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

Roles of the Chairman and Group Managing Director (cont'd)

Following the resignation of Mr. Sim Cheng Young as the Group Managing Director on 18 March 2021, Mr. Teo Swee Leng and Mr. Teo Swee Phin have been appointed as the Deputy Chairman and Group Managing Director of the Company respectively, to assist the Chairman.

The roles and responsibilities of the Chairman and Group Managing Director are stipulated in the Board Charter, which is available at the Company's corporate website at www.hoover.com.my.

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. They are 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.

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 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 that clearly defines the Board's respective roles, responsibilities, and authorities as a whole and the individual Directors.

The Board Charter is available at the Company's corporate website at www.hoover.com.my.

Code of Ethics and Conduct

The Board has formalised a Code of Ethics and Conduct 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 Ethics and Conduct is available at the Company's corporate website at www.hoover.com.my.

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

Whistleblowing Policy

The Group has established a Whistleblowing Policy that provides a channel to enable stakeholders to report any breach of laws and regulations 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.

The Whistleblowing Policy is available at the Company's corporate website at www.hoover.com.my.

Anti-Corruption and Bribery Policy

The Company has adopted an Anti-Corruption and Bribery Policy in line with the enforcement of 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-Corruption and Bribery Policy is available at the Company's corporate website at www.hoover.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 of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent and the recommendation 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 profiles of the Directors are 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 the 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. In the event such a Director is to be retained as an Independent Director, the Board must first justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) year, annual shareholders' approval must be sought through a two-tier voting process to retain the said Director as an Independent Director.

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 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.

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	4	-
61-70	2	-
Ethnicity		
Malay	4	-
Chinese	4	-
Nationality		
Malaysian	8	-
Foreigner	-	-

Board Meetings

The Board meets at least once every quarter, and additional meetings are convened as and when necessary. During the financial year, eight (8) Board meetings were held.

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 2021 are as follows: -

Name	Attendance
Dato' Abd Rahim bin Jaafar *(Appointed on 18 March 2021)*	1/1
Teo Swee Leng *(Appointed on 18 March 2021)*	1/1
Teo Swee Phin *(Appointed on 18 March 2021)*	1/1
Tuan Sr. Hj. Mohd Farid bin Naim *(Appointed on 18 March 2021)*	1/1
Dato' Mahamed bin Hussain *(Appointed on 18 March 2021)*	1/1
Datuk Ir. Ruslan bin Abdul Aziz *(Appointed on 18 March 2021)*	1/1
Dato' Paul Lim Tau Ern *(Appointed on 18 March 2021)*	1/1
Toh Seng Thong *(Appointed on 28 April 2021)*	1/1
Tuan Hj. Basar bin Juraimi *(Resigned on 18 March 2021)*	6/7
Sim Cheng Young *(Resigned on 18 March 2021)*	6/7
Yap Chi Keong *(Resigned on 18 March 2021)*	7/7
Chai Moi Kim *(Resigned on 18 March 2021)*	6/7
Tan Teck Khong *(Resigned on 18 March 2021)*	7/7

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

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

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 them 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 Securities. During FYE 2021, the Directors have attended the following seminars, conferences, and programmes: -

Name of Directors	Training/Courses Attended
Teo Swee Phin	- The Healthy Board
Toh Seng Thong	- Reforming Yearly Matters under the Companies Act 2016
	- National Tax Conference 2020
	- Sharing The Nation's Prosperity
	- Transfer Pricing Documentation
Dato' Paul Lim Tau Ern	- Doctor of Business Administration

Nomination Committee

As of the date of this Statement, the Nomination Committee comprises four (4) members, all of whom are Independent Non-Executive Directors. The Nomination Committee meets at least once a year or as and when deemed fit and necessary. The members of the Nomination Committee are as follows: -

Chairman : **Dato' Mahamed bin Hussain**
(Independent Non-Executive Director)
(Appointed on 18 March 2021)

Tuan Hj. Basar bin Juraimi
(Independent Non-Executive Chairman)
(Resigned on 18 March 2021)

Members : **Datuk Ir. Ruslan bin Abdul Aziz**
(Independent Non-Executive Director)
(Appointed on 18 March 2021)

Dato' Paul Lim Tau Ern
(Independent Non-Executive Director)
(Appointed on 18 March 2021)

Toh Seng Thong
(Independent Non-Executive Director)
(Appointed on 28 April 2021)

Yap Chi Keong
(Independent Non-Executive Director)
(Resigned on 18 March 2021)

Chai Moi Kim
(Independent Non-Executive Director)
(Resigned on 18 March 2021)

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

Nomination Committee (cont'd)

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

- Reviewed and recommended the re-designation from a member to the Chairman of Board Committees;
- Reviewed the effectiveness and composition of the Board;
- Reviewed the performance of the Board and Board Committees and each of its members;
- Reviewed the Board's representation and the required mix of skills and experience and assessing the effectiveness of the Board as a whole;
- Reviewed the terms of office and performance of the Audit Committee and each of its members;
- Determined the independence of the Independent Non-Executive Directors pursuant to the MCCG;
- Recommended the re-election of Directors who are due to retire pursuant to the Company's Constitution;
- Adopted the performance evaluation questionnaires, which are aligned with the Corporate Governance Guide: Towards Boardroom Excellence; and
- Reviewed and recommended the appointment of Independent Non-Executive Directors.

The Nomination Committee 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 Nomination Committee for review and recommendation to the Board for notation.

Based on the assessment carried out during FYE 2021, the Nomination Committee 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 of high calibre, credibility, and necessary skills and qualifications to enable the Board to discharge its responsibility effectively.
- all Board Committees members have discharged their duties with care and diligence according to the respective Terms of Reference.

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.

Given that all the Directors are newly appointed on 18 March 2021 and 28 April 2021, all the Directors will retire pursuant to the Company's Constitution at the forthcoming Fiftieth Annual General Meeting.

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

The Terms of Reference of Nomination Committee are available at the Company's corporate website at www.hoover.com.my.

One (1) Nomination Committee meeting was held during the financial year ended 30 June 2021. The details of attendance of each member are as follows: -

	Meeting Date	
Name of Members	**18.03.2021**	**Total**
Tuan Hj. Basar bin Juraimi *(Resigned on 18 March 2021)*	√	1/1
Yap Chi Keong *(Resigned on 18 March 2021)*	√	1/1
Chai Moi Kim *(Resigned on 18 March 2021)*	√	1/1

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

Remuneration Committee

As of the date of this Statement, the Remuneration Committee comprises four (4) members, all of whom are Independent Non-Executive Directors. The Remuneration Committee meets at least once a year or as and when deemed fit and necessary. The members of the Remuneration Committee are as follows: -

Chairman	:	**Dato' Mahamed bin Hussain** (Independent Non-Executive Director) *(Appointed on 18 March 2021)*
		Yap Chi Keong (Independent Non-Executive Director) *(Resigned on 18 March 2021)*
Members	:	**Datuk Ir. Ruslan bin Abdul Aziz** (Independent Non-Executive Director) *(Appointed on 18 March 2021)*
		Dato' Paul Lim Tau Ern (Independent Non-Executive Director) *(Appointed on 18 March 2021)*
		Toh Seng Thong (Independent Non-Executive Director) *(Appointed on 28 April 2021)*
		Tuan Hj. Basar bin Juraimi (Independent Non-Executive Chairman) *(Resigned on 18 March 2021)*
		Chai Moi Kim (Independent Non-Executive Director) *(Resigned on 18 March 2021)*

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

- Recommended the payment of Directors' fees;
- Recommended the payment of Directors' benefits to the Non-Executive Directors; and
- Recommended the payment of remuneration package to the Executive Directors and Senior Management, which includes but is not limited to salaries, allowances, bonuses, and benefits-in-kind.

The Terms of Reference of Remuneration Committee are available at the Company's corporate website at www.hoover.com.my.

One (1) Remuneration Committee meeting was held during the financial year ended 30 June 2021. The details of attendance of each member are as follows:-

	Meeting Date	
Name of Members	**24.02.2021**	**Total**
Yap Chi Keong *(Resigned on 18 March 2021)*	√	1/1
Tuan Hj. Basar *bin Juraimi (Resigned on 18 March 2021)*	√	1/1
Chai Moi Kim *(Resigned on 18 March 2021)*	√	1/1

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

Remuneration Committee (cont'd)

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company and Group who served during FYE 2021 are as follows: -

Company

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salaries and other emoluments	256,952	-	256,952
Benefits payables	34,095	-	34,095
Fees	-	85,083	85,083
Total	**291,047**	**85,083**	**376,130**

Group

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salaries and other emoluments	604,675	-	604,675
Benefits payables	101,439	-	101,439
Fees	-	85,083	85,083
Total	**706,114**	**85,083**	**791,197**

The remuneration of the Directors of the Company and Group in each remuneration band for FYE 2021 are as follows:-

Company

Range of remuneration	Number of Executive Directors	Number of Non-Executive Directors
RM50,000 and below	-	7
RM100,001-RM150,000	1	-
RM150,001-RM200,000	1	-
Total	**2**	**7**

Group

Range of remuneration	Number of Executive Directors	Number of Non-Executive Directors
RM50,000 and below	1	7
RM100,001-RM150,000	2	-
RM150,001-RM200,000	1	-
RM200,001-RM250,000	1	-
Total	**5**	**7**

The Company is unable to disclose the Senior Management's remuneration as there was no Senior Management employed for the financial year ended 30 June 2021.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee 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 Audit Committee composition complies with Paragraphs 15.09 and 15.10 of the MMLR of Bursa Securities. In addition, none of the Independent Directors has appointed Alternate Directors.

None of the Audit Committee 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 Audit Committee.

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

The Audit Committee 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 Securities within the stipulated time frame and that the financial statements comply with the regulatory reporting requirements. In this regard, the Board is assisted by the Audit Committee 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 2021.

The Audit Committee's membership, responsibilities, and works done in FYE 2021 are set out in the Audit Committee Report in this Annual Report.

External Auditors

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

Having regard to the outcome of the External Auditors' annual assessment and their provision of non-audit services, the Board had approved the Audit Committee's recommendation for the shareholders' approval during the Annual General Meeting for the re-appointment of Messrs. Kreston John & Gan as the Company's External Auditors, where the shareholders' approval has been sought in the Forty-Ninth Annual General Meeting.

However, following the resignation of Messrs. Kreston John & Gan as the Company's External Auditors on 12 May 2021, the Company had on 19 May 2021 appointed Messrs. Moore Stephens Associates PLT as its External Auditors in replacement of Messrs. Kreston John & Gan.

Additional disclosures on non-statutory audit fees and the detailed work carried out by the Audit Committee for FYE 2021 are set out separately in the Audit Committee Report of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

Risk Management and Internal Control Framework

The Audit Committee 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 Audit Committee, 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, Messrs. Sam & Co., which reports directly to the Audit Committee. During the FYE 2021, the Audit Committee 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

Communication 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 Securities;
- Various corporate disclosures, circulars, and announcements made to Bursa Securities; and
- Corporate website at www.hoover.com.my, which includes dedicated sections on Corporate Governance and Investor Relations.

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, Management, and External Auditors in attendance will respond to the shareholders' queries.

In line with Paragraph 8.29A of the MMLR of Bursa 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.

Corporate Governance Overview Statement

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 Board of Directors on 13 October 2021.

AUDIT COMMITTEE REPORT

The Board of Directors of Grand Hoover Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2021 in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

A. COMPOSITION

The Audit Committee ("**AC**") is appointed by the Board amongst its members, with a majority of them being independent directors. All members are financially literate and fulfil requisite qualifications as prescribed under Paragraph 15.09 (1)(c) of the MMLR of Bursa Securities. The AC members have elected a Chairman from among themselves, who is an Independent Non-Executive Director.

The current AC members comprised:

Chairman : **Dato' Mahamed bin Hussain**
(Independent Non-Executive Director)
(Appointed on 18 March 2021)

Yap Chi Keong
(Independent Non-Executive Director)
(Resigned on 18 March 2021)

Members : **Datuk Ir. Ruslan bin Abdul Aziz**
(Independent Non-Executive Director)
(Appointed on 18 March 2021)

Dato' Paul Lim Tau Ern
(Independent Non-Executive Director)
(Appointed on 18 March 2021)

Toh Seng Thong
(Independent Non-Executive Director)
(Appointed on 28 April 2021)

Tuan Hj. Basar bin Juraimi
(Independent Non-Executive Chairman)
(Resigned on 18 March 2021)

Chai Moi Kim
(Independent Non-Executive Director)
(Resigned on 18 March 2021)

In the event of any vacancy in the AC (including the Chairman), the vacancy must be filled within three (3) months of that event, and no alternate director shall be appointed as a member of the AC.

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: http://www.hoover.com.my/.

C. AUDIT COMMITTEE MEETINGS

Five (5) AC meetings were held during the financial year ended 30 June 2021. The details of attendance of each member are as follows:-

	Meeting Dates					
Name of Members	**26.08. 2020**	**15.10. 2020**	**25.11. 2020**	**24.02. 2021**	**19.05. 2021**	**Total**
Dato' Mahamed bin Hussain *(Appointed on 18 March 2021)*	N/A	N/A	N/A	N/A	√	1/1
Datuk Ir. Ruslan bin Abdul Aziz *(Appointed on 18 March 2021)*	N/A	N/A	N/A	N/A	√	1/1
Dato' Paul Lim Tau Ern *(Appointed on 18 March 2021)*	N/A	N/A	N/A	N/A	√	1/1
Toh Seng Thong *(Appointed on 28 April 2021)*	N/A	N/A	N/A	N/A	√	1/1
Yap Chi Keong *(Resigned on 18 March 2021)*	√	√	√	√	N/A	4/4
Tuan Hj. Basar bin Juraimi *(Resigned on 18 March 2021)*	√	√	X	√	N/A	3/4
Chai Moi Kim *(Resigned on 18 March 2021)*	X	√	√	√	N/A	3/4

The Chairman, Deputy Chairman, Managing Director, and Executive Directors 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 AUDIT COMMITTEE

The works undertaken by the AC in the discharge of its functions and duties for the financial year ended ("**FYE**") 30 June 2021 and up to the date of this report 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 meetings of the AC were convened during the financial year to deliberate on financial reporting matters are detailed below:

Date of Meetings	Activities
26 August 2020	• Unaudited quarterly report on consolidated results of the Company and Group for the fourth quarter ended 30 June 2020.
15 October 2020	• Audited financial statements of the Company and Group for the FYE 30 June 2020.
25 November 2020	• Unaudited quarterly report on consolidated results of the Company and Group for the first quarter ended 30 September 2020.
24 February 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the second quarter ended 31 December 2020.
19 May 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the third quarter ended 31 March 2021.

D. SUMMARY OF THE WORKS OF THE AUDIT COMMITTEE (cont'd)

Financial Reporting (cont'd)

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 in Malaysia, and the MMLR of Bursa Securities.

External Audit

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

(ii) Reviewed and approved the provision of non-audit services by the External Auditors.

(iii) Reviewed the Audit Plan for FYE 30 June 2021 presented by the External Auditors, outlining the scope of works, key areas of audit emphasis, audit approach, fraud considerations, timetable, audit fees, and the new and revised auditors reporting standards.

(iv) Reviewed the Report on Audit Findings for the FYE 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.

(v) Conducted private session 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 the Internal Audit Plan Memorandum tabled by the Internal Auditors and agreed on the timing and frequency of the proposed audit areas.

(iii) 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.

(iv) Reviewed and recommended to the Board of Directors on the re-appointment of Messrs. Sam & Co. as the Company's Internal Auditors.

(v) Conducted private session 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 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

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

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

(c) Reviewed the revaluation of non-current assets of the Group as of 30 June 2021.

Audit Committee Report

D. SUMMARY OF THE WORKS OF THE AUDIT COMMITTEE (cont'd)

Internal Audit Function

The Group has outsourced its internal audit function to an independent professional services firm, Messrs. Sam & Co., 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 Messrs. Sam & Co. is headed by Ms. Sam Yop Pong, a Fellow Member of the Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants, the Institute of Internal Auditors Malaysia, and the Chartered Tax Institute of Malaysia.

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) Developed Internal Audit Plan for the FYE 30 June 2021, setting out the implementation of the internal audit scope for the Group based on agreed communication, timelines, and reporting protocols;

(ii) 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;

(iii) Conducted internal audit which has covered the following areas:-

- Account receivables and credit control;
- Inventory management; and
- Specific review on computer workstations and servers.

(iv) 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.

The total cost incurred for the internal audit function of the Group for the FYE 30 June 2021 amounted to RM16,000.

BOARD'S CONCLUSION

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 Board of Directors on 13 October 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROLS

1. INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirement ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa 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 has also been prepared in accordance with Paragraph 15.26(b) of the MMLR of Bursa Securities and 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 Securities.

2. BOARD RESPONSIBILITY

The Board of Directors ("**Board**") acknowledges its overall responsibility to establish a sound system of internal control and risk management in order for 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 systems 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, the Board has reviewed the adequacy and effectiveness of the risk management and internal control system 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 Group Financial Controller that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review 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 statutory audit.

The Audit Committee Report is set out on pages 32 to 35 of the Annual Report for the financial year ended 30 June 2021.

3. INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

The Board confirms that there are reasonable sound internal control frameworks and 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 system of risk management and internal control.

The Board recognizes that the systems of internal control and risk management are designed to identify, manage and minimize 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 recognizes that there should be a balance of reasonable cost and benefit in implementation of the internal control and risk management.

In addition, the Group's internal control systems include the following key elements: -

- The Group has 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. These policies are reviewed regularly and updated when necessary.
- The Group has ensured that 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.

Statement on Risk Management and Internal Controls

4. MONITORING AND REVIEW

The Board recognizes that the Managing Director and Group Financial Controller oversees 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 external consultant, Messrs. Sam & Co., Chartered Accountants, 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.

During the financial year, the Audit Committee, with the assistance of the external professional consulting firm, Messrs. Sam & Co, has conducted an internal audit on the following areas :-

(i) Account receivables and credit control;

(ii) Inventory management: and

(iii) Specific review on computer workstation and servers.

Nevertheless, they have also conducted a follow-up review on the status of the Management's implementation based on the agreed recommendations, which were previously reported in the preceding cycles. The Group paid the Internal Auditors RM16,000.00 to carry out the internal audit functions of the Group for the financial year ended 30 June 2021.

5. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Controls for the inclusion in the Annual Report for the financial year ended 30 June 2021 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 MMLR of Bursa Securities. Based on their review, the External Auditors have reported that nothing has come to their attention that cause them to believe that the Statement on Risk Management and Internal Controls 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

In accordance with the Guidance, 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 financial year and up to the date of approval of the Annual Report for the financial year ended 30 June 2021. As a result, no control deficiencies were noted during the financial year, which has a material impact on the Group's performance or operations.

This Statement on Risk Management and Internal Controls was approved by the Board of Directors on 13 October 2021.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds Raised from Corporate Proposals

(a) Rights Issue

On 5 July 2021, the Company had obtained shareholders' approval on the issuance of 50,000,000 new ordinary shares ("**Rights Share(s)**") at an issue price of RM0.60 per Rights Share on the basis of five (5) Rights Shares for every four (4) existing shares.

The Rights Issue has been completed on 7 September 2021 following the listing of and quotation for 50,000,000 new ordinary shares on the Main Market of Bursa Securities.

The gross proceeds raised from the Rights Issue was RM30.0 million and the utilisation status as at 30 September 2021 is set out as below:-

Purpose	Proposed Utilisation RM	Amount Utilised as at 30 September 2021 RM	Amount Unutilised as at 30 September 2021 RM
Working Capital for Construction Business	10,800,000	4,500,836	6,299,164
Acquisition of Machineries for Construction Business	7,000,000	-	7,000,000
Repayment of Borrowings	9,500,000	-	9,500,000
General Working Capital	2,000,000	1,583,302	416,698
Estimated Expenses in relation to the Rights Issue	700,000	169,565	530,435
TOTAL	**30,000,000**	6,253,703	23,746,297

2. Audit and Non-Audit Fees

During the financial year, 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 are as follows:-

	Company RM	Group RM
Audit Fees	43,000	117,500
Non-Audit Fees	13,500	13,500

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

There were no recurrent related party transactions of revenue or trading nature ("**RRPT**") entered into by the Company and its subsidiaries during the financial year.

However, the Company had obtained a general mandate from its shareholders at its Extraordinary General Meeting held on 5 July 2021 for RRPTs.

The details of the RRPTs are disclosed in the Circular to Shareholders dated 29 October 2021.

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 (MFRS), International Financial Reporting Standards (IFRS), 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's 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 13 October 2021.

FINANCIAL STATEMENTS

41 Directors' Report

45 Independent Auditors' Report

49 Statements of Comprehensive Income

50 Statements of Financial Position

51 Statements of Changes in Equity

53 Statements of Cash Flows

56 Notes to the Financial Statements

112 Statement by Directors

112 Statutory Declaration

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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

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 loss for the financial year	(1,180,273)	(1,036,702)
Attributable to:		
Owners of the Company	(1,094,199)	
Non-controlling interests	(86,074)	
	(1,180,273)	

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 Company is not in a position to pay or declare dividends for the current financial year.

ISSUANCE OF SHARES OR DEBENTURES

The Company has not issued any shares or 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*	(Appointed on 18 March 2021)
Datuk Ir. Ruslan Bin Abdul Aziz	(Appointed on 18 March 2021)
Dato' Mahamed Bin Hussain	(Appointed on 18 March 2021)
Dato' Paul Lim Tau Ern	(Appointed on 18 March 2021)
Teo Swee Leng	(Appointed on 18 March 2021)
Teo Swee Phin*	(Appointed on 18 March 2021)
Tuan Sr. Hj. Mohd Farid Bin Naim	(Appointed on 18 March 2021)
Toh Seng Thong	(Appointed on 28 April 2021)
Hj Basar Bin Juraimi	(Resigned on 18 March 2021)
Chai Moi Kim	(Resigned on 18 March 2021)
Sim Cheng Young	(Resigned on 18 March 2021)
Tan Teck Khong	(Resigned on 18 March 2021)
Yap Chi Keong	(Resigned on 18 March 2021)

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

Directors' Report

For the Financial year ended 30 June 2021

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	(Appointed on 18 March 2021)
Lee Chai Tiong	(Resigned on 18 March 2021)

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 01.07.2020 Unit	Bought Unit	Sold Unit	At 30.06.2021 Unit
Name of Director				
Ordinary shares in the Company				
Direct Interest:				
- Teo Swee Phin	36,900	13,100	-	50,000
Indirect Interest:				
- Dato' Abd Rahim Bin Jaafar *	-	20,400,396	-	20,400,396
- Teo Swee Leng *	-	20,400,396	-	20,400,396
- Teo Swee Phin *	-	20,400,396	-	20,400,396

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

Dato' Abd Rahim Bin Jaafar, Teo Swee Leng and Teo Swee Phin are deemed to have interest in the shares held by the Company in 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 subsidiary for their services to the Company were as follows:

	Company RM	Subsidiary RM
Fee	85,083	-
Salaries, bonus and other emoluments	256,952	-
Contributions to defined contribution plan	32,940	-
Social security contributions	1,155	-
Estimated money value of benefits-in-kind	-	27,956
Total fees and other benefits	376,130	27,956

DIRECTORS' REMUNERATION AND BENEFITS (Cont'd)

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 27 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.

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

  (i) which would render the amount written off of 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.

Directors' Report

For the Financial year ended 30 June 2021

OTHER STATUTORY INFORMATION (Cont'd)

(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.

HOLDING COMPANY

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of the significant events during the financial year are disclosed in Note 33 to the financial statements.

EVENT SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of the event subsequent to the end of financial year are disclosed in Note 34 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 15 October 2021.

DATO' ABD RAHIM BIN JAAFAR

TEO SWEE PHIN

INDEPENDENT AUDITORS' REPORT

TO MEMBERS OF GRAND HOOVER BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Grand Hoover Berhad, which comprise the statements of financial position as at 30 June 2021 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 111.

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

Basis for Opinion

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

Independence and Other Ethical 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 2021, as shown in Note 14 to the financial statements, the Group has net trade receivables balance of RM23,878,580, representing approximately 27% of the Group's total assets. During the financial year, the Group has recognised an impairment loss of RM6,452,435 and had written off RM10,610 of gross trade receivables.

The impairment losses have been determined in accordance with Expected Credit Losses (''ECLs'') 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
- by reference to past default experience

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.

Independent Auditors' Report

to members of Grand Hoover Berhad

Key Audit Matters (Cont'd)

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;

- Obtained the confirmation from legal advisors for the updates of on-going litigation with long past due trade receivables;

- 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.

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.

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.

(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.

Independent Auditors' Report

to members of Grand Hoover Berhad

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

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 Matters

(i) 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.

(ii) The comparative figures were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements on 15 October 2020.

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

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

Petaling Jaya, Selangor
Date: 15 October 2021

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
			Restated		
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Revenue	4	62,238,618	48,170,579	105,000	-
Cost of sales	5	(51,140,151)	(39,699,938)	-	-
Gross profit		11,098,467	8,470,641	105,000	-
Other income		2,092,638	360,483	1,252,745	580,848
Administrative expenses		(6,798,898)	(6,482,204)	(1,472,524)	(1,068,482)
Selling and distribution expenses		(411,530)	(464,804)	-	-
Other expenses		(7,458,231)	(4,456,455)	(925,438)	(208,390)
Loss from operations		(1,477,554)	(2,572,339)	(1,040,217)	(696,024)
Finance costs	6	(660,744)	(760,459)	(410,033)	(491,923)
Loss before tax	6	(2,138,298)	(3,332,798)	(1,450,250)	(1,187,947)
Income tax credit	7	958,025	112,798	413,548	49,000
Loss for the year, net of tax		(1,180,273)	(3,220,000)	(1,036,702)	(1,138,947)
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Revaluation (deficit)/surplus,net of tax		(1,511,843)	2,104,556	-	-
Total comprehensive income for the financial year		(2,692,116)	(1,115,444)	(1,036,702)	(1,138,947)
Loss for the year, net of tax attributable to:					
Owners of the Company		(1,094,199)	(3,036,024)	(1,036,702)	(1,138,947)
Non-controlling interests		(86,074)	(183,976)	-	-
		(1,180,273)	(3,220,000)	(1,036,702)	(1,138,947)
Total comprehensive income attributable to:					
Owners of the Company		(2,152,489)	(1,608,435)	(1,036,702)	(1,138,947)
Non-controlling interests		(539,627)	492,991	-	-
		(2,692,116)	(1,115,444)	(1,036,702)	(1,138,947)
Basic loss per ordinary share attributable to Owners of the Company (sen):	8	(2.74)	(7.59)		

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 2021

	Note	Group 30.06.2021 RM	Group Restated 30.06.2020 RM	Group Restated 01.07.2019 RM	Company 30.06.2021 RM	Company 30.06.2020 RM
ASSETS						
Non-current Assets						
Property, plant and equipment	9	12,395,879	25,043,326	21,275,860	8,055	10,340
Investment properties	10	19,518,000	8,645,000	9,093,000	10,890,000	10,100,000
Inventories	11	9,160,976	8,770,288	8,770,288	9,160,976	8,770,288
Investment in subsidiaries	12	-	-	-	3,795,256	3,795,256
Goodwill	13	1,151,202	1,151,202	1,151,202	-	-
		42,226,057	43,609,816	40,290,350	23,854,287	22,675,884
Current Assets						
Inventories	11	17,734,842	15,429,014	15,682,486	-	-
Trade receivables	14	23,878,580	25,530,001	29,746,852	-	-
Other receivables	15	354,231	245,618	399,539	16,038	15,682
Amounts due from subsidiaries	16	-	-	-	13,514,857	12,900,506
Tax recoverable		973,846	669,633	185,385	20,800	13,000
Fixed deposits with licensed banks	17	1,406,625	1,472,143	1,336,072	-	-
Cash and bank balances	18	1,575,279	940,780	475,382	11,042	6,982
		45,923,403	44,287,189	47,825,716	13,562,737	12,936,170
TOTAL ASSETS		88,149,460	87,897,005	88,116,066	37,417,024	35,612,054
EQUITY AND LIABILITIES						
Equity						
Share capital	19	44,186,166	44,186,166	44,186,166	44,186,166	44,186,166
Reserves	20	(3,647,794)	(1,495,305)	113,130	(19,329,703)	(18,293,001)
Total equity attributable to Owners of the Company		40,538,372	42,690,861	44,299,296	24,856,463	25,893,165
Non-controlling interests	12	11,339,479	11,924,106	11,431,115	-	-
Total Equity		51,877,851	54,614,967	55,730,411	24,856,463	25,893,165
Non-current Liabilities						
Borrowings	21	4,082,083	2,868,145	2,973,486	-	-
Lease liabilities	22	1,095,282	1,354,224	318,295	-	-
Deferred tax liabilities	23	1,890,289	3,681,400	3,169,400	757,452	1,171,000
		7,067,654	7,903,769	6,461,181	757,452	1,171,000
Current Liabilities						
Trade payables	24	11,709,631	9,336,965	14,659,622	-	-
Other payables	25	9,708,229	6,604,502	2,125,568	5,969,233	2,662,867
Amount due to a subsidiary	16	-	-	-	-	118,232
Borrowings	21	7,340,190	8,975,197	8,987,566	5,833,876	5,766,790
Lease liabilities	22	445,198	456,844	147,694	-	-
Tax payable		707	4,761	4,024	-	-
		29,203,955	25,378,269	25,924,474	11,803,109	8,547,889
Total Liabilities		36,271,609	33,282,038	32,385,655	12,560,561	9,718,889
TOTAL EQUITY AND LIABILITIES		88,149,460	87,897,005	88,116,066	37,417,024	35,612,054

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 2021

		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							
2020							
At 1 July 2019, as previously reported		44,186,166	8,265,465	(8,737,198)	43,714,433	11,431,115	55,145,548
Prior year adjustments	32(ii)	-	-	584,863	584,863	-	584,863
At 1 July 2019, as restated		44,186,166	8,265,465	(8,152,335)	44,299,296	11,431,115	55,730,411
Loss for the financial year, as previously reported		-	-	(3,264,506)	(3,264,506)	(183,976)	(3,448,482)
Prior year adjustments	32(ii)	-	-	228,482	228,482	-	228,482
Loss for the financial year, as restated		-	-	(3,036,024)	(3,036,024)	(183,976)	(3,220,000)
Other comprehensive income							
Revaluation surplus, net of tax		-	1,427,589	-	1,427,589	676,967	2,104,556
Total comprehensive income for the financial year		-	1,427,589	(3,036,024)	(1,608,435)	492,991	(1,115,444)
At 30 June 2020, as restated		44,186,166	9,693,054	(11,188,359)	42,690,861	11,924,106	54,614,967
2021							
At 1 July 2020, as previously reported		44,186,166	9,693,054	(12,001,704)	41,877,516	11,924,106	53,801,622
Prior year adjustments	32(ii)	-	-	813,345	813,345	-	813,345
At 1 July 2020, as restated		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	26	-	-	-	-	(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

For The Financial Year Ended 30 June 2021

	Share Capital RM	Accumulated Losses RM	Total Equity RM
Company			
2020			
At 1 July 2019	44,186,166	(17,154,054)	27,032,112
Loss net of tax, representing total comprehensive income for the financial year	-	(1,138,947)	(1,138,947)
At 30 June 2020	44,186,166	(18,293,001)	25,893,165
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 30 JUNE 2021

		Group		Company	
			Restated		
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Cash Flows from Operating Activities					
Loss before tax		(2,138,298)	(3,332,798)	(1,450,250)	(1,187,947)
Adjustments for:-					
Bad debt recovered		(34,000)	(98,788)	-	-
Depreciation of property, plant and equipment		775,700	786,651	2,285	8,390
Fair value adjustment on investment properties		(573,000)	255,000	(790,000)	200,000
Gain on disposal of property, plant and equipment		(125,000)	(22,999)	-	-
Impairment loss on trade receivables		6,452,435	2,641,844	-	-
Interest expense		660,744	760,459	410,033	491,923
Interest income		(38,696)	(38,579)	(462,094)	(580,848)
Reversal of impairment on trade receivables		(1,051,529)	(4,003)	-	-
Written off on:					
- amount due from a subsidiary		-	-	923,153	-
- inventories		207,085	769,342	-	-
- property, plant and equipment		9,460	-	-	-
- trade receivables		10,610	-	-	-
Operating profit/(loss) before changes in working capital		4,155,511	1,716,129	(1,366,873)	(1,068,482)
Changes in working capital:					
Inventories		(2,903,601)	(515,870)	(390,688)	-
Receivables		(3,834,708)	1,831,719	(356)	(265)
Payables		5,476,393	(843,723)	3,314,766	2,323,224
		(1,261,916)	472,126	2,923,722	2,322,959
Cash generated from operations		2,893,595	2,188,255	1,556,849	1,254,477
Interest received		38,696	38,579	-	-
Interest paid		(660,744)	(760,459)	(410,033)	(491,923)
Tax paid		(663,953)	(707,586)	(7,800)	(12,000)
Tax refund		-	184,873	-	20,623
Net cash from operating activities		1,607,594	943,662	1,139,016	771,177
Cash Flows from Investing Activities					
Advances to subsidiaries		-	-	(1,083,810)	(212,697)
Withdrawal/(placement) of pledged deposits		65,518	(136,071)	-	-
Proceeds from disposal of investment properties		-	193,000	-	-
Proceeds from disposal of property, plant and equipment		125,000	23,000	-	-
Purchase of property, plant and equipment	9(a)	(198,956)	(19,510)	-	-
Net cash (used in)/from investing activities		(8,438)	60,419	(1,083,810)	(212,697)

Statements of Cash Flows

For The Financial Year Ended 30 June 2021

	Note	Group 2021 RM	Group Restated 2020 RM	Company 2021 RM	Company 2020 RM
Cash Flows from Financing Activities					
Dividend paid to non-controlling interests by a subsidiary		(45,000)	-	-	-
Advances from a subsidiary	(iii)	-	-	-	26,444
Repayment to a subsidiary	(iii)	-	-	(118,232)	-
Drawdown of Islamic bank financing	(iii)	1,894,000	1,157,000	-	-
Proceeds from banker's acceptance	(iii)	749,000	1,498,698	-	-
Repayment of banker's acceptance	(iii)	(1,498,698)	(1,888,000)	-	-
Repayment of Islamic bank financing	(iii)	(1,358,041)	(202,480)	-	-
Payment for the principal portion of lease liabilities	(ii)(iii)	(498,588)	(420,973)	-	-
Net cash (used in)/from financing activities		(757,327)	144,245	(118,232)	26,444
Net increase/(decrease) in cash and cash equivalents		841,829	1,148,326	(63,026)	584,924
Cash and cash equivalents at the beginning of the financial year		(5,100,426)	(6,248,752)	(5,759,808)	(6,344,732)
Cash and cash equivalents at the end of the financial year	(i)	(4,258,597)	(5,100,426)	(5,822,834)	(5,759,808)

Note:

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

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Fixed deposits placed with licensed bank	17	1,406,625	1,472,143	-	-
Cash and bank balances	18	1,575,279	940,780	11,042	6,982
		2,981,904	2,412,923	11,042	6,982
Less: Fixed deposit pledged		(1,406,625)	(1,472,143)	-	-
Bank overdrafts	21	(5,833,876)	(6,041,206)	(5,833,876)	(5,766,790)
		(4,258,597)	(5,100,426)	(5,822,834)	(5,759,808)

(ii) Cash outflows for leases as a lessee

	Group 2021 RM	Group 2020 RM
Included in net cash from operating activities:		
Interest paid in relation to lease liabilities	68,544	51,318
Payment related to short term lease of premises	-	8,000
Included in net cash from financing activities:		
Payment for the principal portion of lease liabilities	498,588	420,973
	567,132	480,291

Statements of Cash Flows

For The Financial Year Ended 30 June 2021

Note: (cont'd)

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

	At beginning of the financial year RM	Drawdown RM	Repayment RM	Net changes from financing cash flows RM	Acquisition of new lease assets RM	At end of the financial year RM
Group						
2020						
Borrowings:						
- Bankers' acceptance	1,888,000	1,498,698	(1,888,000)	(389,302)	-	1,498,698
- Islamic bank financing	3,348,918	1,157,000	(202,480)	954,520	-	4,303,438
Lease liabilities	465,989	-	(420,973)	(420,973)	1,766,052	1,811,068
Total liabilities from financing activities	5,702,907	2,655,698	(2,511,453)	144,245	1,766,052	7,613,204
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
Total liabilities from financing activities	7,613,204	2,643,000	(3,355,327)	(712,327)	228,000	7,128,877

	Company 2021 RM	Company 2020 RM
Amount due to/(from) a subsidiary:		
At beginning of the financial year	118,232	88,188
Advances from	-	26,444
Repayment to	(118,232)	-
Net changes in cash flows (used in)/from financing activities	(118,232)	26,444
Advances to	(269,162)	-
Management fee charged	8,400	3,600
At end of the financial year	(260,762)	118,232

NOTES TO THE FINANCIAL STATEMENTS

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 15 October 2021.

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 3	Definition of Business
Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 16	Covid-19 Related Rent Concessions
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRSs	

<u>Agenda Decision on MFRS 123 Borrowing Costs relating to over time transfer of constructed good</u>

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

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company except those described in note 32(ii)(a).

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 2021

Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

Effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021

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
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
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.

2. BASIS OF PREPARATION (cont'd)

(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.

(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 permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

For other receivables and amounts due from subsidiaries, the Company applies the approach permitted by MFRS 9, which requires 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.

(ii) Valuation of non-current assets

There are complexities in determining the valuation of the property, plant and equipment and investment properties, which involved significant estimates and judgements in determining the appropriate valuation methodologies and the estimations used in the application of the underlying assumptions in the valuation models used.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Business combination (cont'd)

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, investment 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.

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 then 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

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:

(a) Sales of completed units

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.

(b) 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) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

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.

During the financial year, the Group had received government grants relating to costs from wage 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Income taxes (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Leases (cont'd)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(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.

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.

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) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Inventories (cont'd)

(iii) 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.

(iv) 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.

(v) 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.

Notes to the Financial Statements
30 June 2021

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.

(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 debtor 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial instruments (cont'd)

(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 marketplace 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.

(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

The Group applies the simplified approach to provide ECLs for all trade receivables 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment (cont'd)

(i) Financial assets (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment (cont'd)

(i) Financial assets (cont'd)

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.

(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.

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.

Notes to the Financial Statements
30 June 2021

4. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Recognised at point in time:				
Sales of completed units	1,350,000	1,820,000	-	-
Sales of building materials and hardware	60,888,618	46,350,579	-	-
Dividend income	-	-	105,000	-
	62,238,618	48,170,579	105,000	-

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

5. COST OF SALES

	Group		Company	
	2021 RM	Restated 2020 RM	2021 RM	2020 RM
Costs of completed units	987,611	1,506,373	-	-
Costs of building materials and hardware	50,152,540	38,193,565	-	-
	51,140,151	39,699,938	-	-

6. LOSS BEFORE TAX

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
- statutory audit	117,500	80,200	43,000	22,000
- Overprovision in prior year	(318)	-	-	-
- non statutory audit	13,500	5,800	13,500	5,000
Bad debt recovered	(34,000)	(98,788)	-	-
Depreciation of property, plant and equipment	775,700	786,651	2,285	8,390
Directors' remuneration (Note (a))	759,266	928,363	376,130	557,491
Employee benefits expense (Note (b))	3,725,871	3,789,289	-	-
Fair value adjustments on investment properties	(573,000)	255,000	(790,000)	200,000
Gain on disposal of property, plant and equipment	(125,000)	(22,999)	-	-
Impairment loss on trade receivables	6,452,435	2,641,844	-	-
Interest income:				
- fixed deposits with licensed bank	(37,541)	(34,893)	-	-
- Housing Development Account	(1,155)	(3,686)	-	-
- amount due from a subsidiary	-	-	(462,094)	(580,848)
Interest expense:				
- bank overdrafts	419,154	506,907	410,033	491,923
- banker's acceptance	45,377	100,072	-	-
- islamic bank financing	127,669	102,162	-	-
- lease liabilities	68,544	51,318	-	-
Management fee	-	-	8,400	3,600

6. LOSS BEFORE TAX (cont'd)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Reversal of impairment on trade receivables	(1,051,529)	(4,003)	-	-
Rental income	(51,500)	(37,300)	-	-
Short term lease of premises	-	8,000	-	-
Wages subsidy	(85,800)	(118,800)	-	-
Written off:				
- amount due from a subsidiary	-	-	923,153	-
- inventories	207,085	769,342	-	-
- property, plant and equipment	9,460	-	-	-
- trade receivables	10,610	-	-	-

(a) Directors' remuneration:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors of the Company:				
Executive Directors:				
Salaries, bonus and other emoluments	256,952	424,492	256,952	424,492
Contributions to defined contribution plan	32,940	55,152	32,940	55,152
Social security contributions	1,155	1,847	1,155	1,847
Non-executive Directors:				
Fees	85,083	76,000	85,083	76,000
	376,130	557,491	376,130	557,491
Estimated money value of benefits-in-kind ("BIK")	27,956	37,275	-	-
Total including estimated money value of BIK	404,086	594,766	376,130	557,491
Directors of the subsidiaries:				
Salaries, bonus and other emoluments	347,723	333,853	-	-
Contributions to defined contribution plan	33,720	35,172	-	-
Social security contributions	1,693	1,847	-	-
	383,136	370,872	-	-
Estimated money value of BIK	3,975	8,800	-	-
Total including estimated money value of BIK	387,111	379,672	-	-
Total Directors' remuneration of the Group excluding estimated money value of BIK	759,266	928,363	376,130	557,491

6. LOSS BEFORE TAX (cont'd)

(b) Employee benefits expense:

	Group	
	2021	**2020**
	RM	**RM**
Salaries, allowances and bonus	3,215,348	3,250,806
Contributions to defined contribution plan	351,509	359,492
Social security contributions	42,617	42,077
Other benefits	116,397	136,914
	3,725,871	3,789,289

7. INCOME TAX CREDIT

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Income tax:				
- Current year	114,008	13,900	-	-
- Underprovision in prior year	241,678	25,302	-	-
	355,686	39,202	-	-
Deferred tax (Note 23):				
Relating to origination of temporary differences				
- Current year	(702,770)	(200,000)	78,702	(49,000)
- (Over)/underprovision in prior year	(610,941)	48,000	(492,250)	-
	(1,313,711)	(152,000)	(413,548)	(49,000)
Total income tax credit for the financial year	(958,025)	(112,798)	(413,548)	(49,000)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

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	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Loss before tax	(2,138,298)	(3,332,798)	(1,450,250)	(1,187,947)
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(513,192)	(799,872)	(348,060)	(285,107)
Expenses not deductible for tax purposes	459,472	260,612	562,562	236,107
Income not subject to tax	(141,507)	(284)	(135,800)	-
Deferred tax assets not recognised	356,865	353,444	-	-
Effect of derecognition of deferred tax on previously recognised temporary differences	(750,400)	-	-	-
(Over)/underprovision in prior year:				
- Income tax expense	241,678	25,302	-	-
- Deferred tax	(610,941)	48,000	(492,250)	-
Income tax credit for the financial year	(958,025)	(112,798)	(413,548)	(49,000)

7. INCOME TAX CREDIT (cont'd)

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	
		Restated
	2021	2020
	RM	RM
Unutilised tax losses	19,698,200	18,140,227
Unabsorbed capital allowances	376,691	393,867
	20,074,891	18,534,094

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.

With effect from Year of Assessment ("YA") 2019, the unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive YAs to be utilised against income from any business source.

8. LOSS PER ORDINARY SHARE

(a) Basic

Basic loss per ordinary share for the financial year is calculated by dividing loss after tax attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2021	2020
Basic loss per share:		
Loss after tax attributable to the Owners of the Company (RM)	(1,094,199)	(3,036,024)
Number of ordinary shares at beginning/end of the financial year	40,000,000	40,000,000
Basic loss per share (sen)	(2.74)	(7.59)

(b) Diluted

Diluted loss per share is not presented as there were no potential dilutive ordinary shares outstanding as at 30 June 2021 and 30 June 2020.

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								
2021								
Cost/Valuation								
At 1 July 2020	3,400,000	9,616,240	10,665,712	1,867,565	29,272	2,009,808	1,766,052	29,354,649
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	-	7,167,498	4,225,211	1,620,526	2,720	1,918,045	1,636,943	16,570,943
Accumulated depreciation								
At 1 July 2020	-	287,490	140,712	1,763,251	19,952	1,802,346	297,572	4,311,323
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	-	436,035	216,674	1,433,420	2,719	1,585,717	500,499	4,175,064
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

	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								
2020								
Cost/Valuation								
At 1 July 2019	3,400,000	6,896,396	10,617,000	1,848,055	29,272	2,083,647	-	24,874,370
Additions	-	-	-	19,510	-	-	1,766,052	1,785,562
Disposal	-	-	-	-	-	(73,839)	-	(73,839)
Revaluation surplus	-	2,719,844	48,712	-	-	-	-	2,768,556
At 30 June 2020	3,400,000	9,616,240	10,665,712	1,867,565	29,272	2,009,808	1,766,052	29,354,649
Accumulated depreciation								
At 1 July 2019	-	179,246	69,230	1,671,659	18,501	1,659,874	-	3,598,510
Charge for the financial year	-	108,244	71,482	91,592	1,451	216,310	297,572	786,651
Disposal	-	-	-	-	-	(73,838)	-	(73,838)
At 30 June 2020	-	287,490	140,712	1,763,251	19,952	1,802,346	297,572	4,311,323
Net carrying amount								
At 30 June 2020	3,400,000	9,328,750	10,525,000	104,314	9,320	207,462	1,468,480	25,043,326
At 1 July 2019	3,400,000	6,717,150	10,547,770	176,396	10,771	423,773	-	21,275,860

Notes to the Financial Statements

30 June 2021

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

	Office equipment, furniture and fittings and renovation RM
Company	
2021	
Cost	
At 1 July 2020/30 June 2021	675,279
Accumulated depreciation	
At 1 July 2020	664,939
Charge for the financial year	2,285
At 30 June 2021	667,224
Net carrying amount	
At 30 June 2021	8,055
2020	
Cost	
At 1 July 2019/30 June 2020	675,279
Accumulated depreciation	
At 1 July 2019	656,549
Charge for the financial year	8,390
At 30 June 2020	664,939
Net carrying amount	
At 30 June 2020	10,340

(a) Acquisition of property, plant and equipment

	Group	
	2021 **RM**	**2020** **RM**
Cash purchase	198,956	19,510
Financed through finance lease arrangement	228,000	-
Acquisition of new leases	-	1,766,052
Total acquisition of property, plant and equipment	426,956	1,785,562

(b) Remaining leasehold period

The leasehold lands and buildings have remaining unexpired lease period range from 12 to 65 years (30.06.2020: 13 to 66 years; 01.07.2019: 14 to 67 years).

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

(c) Assets pledged as security

The net carrying amount of properties of the Group and of the Company pledged to financial institutions as securities for borrowings (Note 21) granted to the Group and the Company as at reporting date is as follows:

	Group		
	30.06.2021	**30.06.2020**	**01.07.2019**
	RM	**RM**	**RM**
Freehold land	-	3,400,000	3,400,000
Leasehold lands	6,446,963	9,250,000	6,632,342
Buildings	3,753,037	10,200,000	10,249,103
	10,200,000	22,850,000	20,281,445

	Company	
	30.06.2021	**30.06.2020**
	RM	**RM**
Freehold land	-	3,400,000
Buildings	-	6,900,000
	-	10,300,000

(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		
	30.06.2021	**30.06.2020**	**01.07.2019**
	RM	**RM**	**RM**
Leasehold lands	6,731,463	9,328,750	6,717,150
Buildings	4,008,537	3,625,000	3,447,770
Motor vehicles	329,153	202,828	399,980
Leased properties	1,136,444	1,468,480	-

The expenses charged to profit or loss during the financial year are as follows:

	Group	
	2021	**2020**
	RM	**RM**
Depreciation of right-of-use assets	702,342	656,736
Interest expenses of lease liabilities	68,544	51,318
	770,886	708,054

(e) Revaluation of freehold lands, leasehold lands and buildings

Their fair 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 fair values 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.

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

(e) Revaluation of freehold lands, leasehold lands and buildings (cont'd)

The fair value of the freehold lands, leasehold lands and building 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.

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		
	30.06.2021 RM	**30.06.2020 RM**	**01.07.2019 RM**
At historical cost:			
Freehold lands	-	215,000	215,000
Leasehold lands	3,661,475	3,717,835	3,774,195
Buildings	2,591,176	4,525,245	4,628,010
	6,252,651	8,458,080	8,617,205

10. INVESTMENT PROPERTIES

	Freehold lands RM	**Leasehold land RM**	**Buildings RM**	**Total RM**
Group				
2021				
At fair value				
At 1 July 2020	5,790,000	145,000	2,710,000	8,645,000
Fair value adjustment	588,000	-	(15,000)	573,000
Transfer from property, plant and equipment	3,400,000	-	6,900,000	10,300,000
At 30 June 2021	9,778,000	145,000	9,595,000	19,518,000
2020				
At fair value				
At 1 July 2019	5,865,000	195,000	3,033,000	9,093,000
Disposal	-	-	(193,000)	(193,000)
Fair value adjustment	(75,000)	(50,000)	(130,000)	(255,000)
At 30 June 2020	5,790,000	145,000	2,710,000	8,645,000

	Freehold land RM	**Buildings RM**	**Total RM**
Company			
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

10. INVESTMENT PROPERTIES (cont'd)

	Freehold land RM	Buildings RM	Total RM
Company			
2020			
At fair value			
At 1 July 2019	4,000,000	6,300,000	10,300,000
Fair value adjustment	-	(200,000)	(200,000)
At 30 June 2020	4,000,000	6,100,000	10,100,000

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. As at 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.

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 lands and 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 55 to 83 years (30.06.2020: 56 to 84 years; 01.07.2019: 57 to 85 years).

Rental income earned by the Group amounted to RM51,500 (30.06.2020: RM37,300; 01.07.2019: 42,600) 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 (30.06.2020: RM1,885,000; 01.07.2019: RM2,325,000) are in the process of being registered in the name of a subsidiary.

Investment properties of the Group at carrying amount of RM11,110,000 (30.06.2020: RM810,000; 01.07.20219: RM810,000) are charged to a licensed bank as security for borrowings as disclosed in Note 21.

On 4 June 2020, a subsidiary had entered into sale and purchase agreement to dispose of a building for total consideration of RM360,000. The transaction has not completed, and the ownership of the said properties was not transferred to the purchaser as at 30 June 2021.

Company

Investment properties of the Company at carrying amount of RM6,190,000 (30.06.2020: RM6,100,000; 01.07.2019: RM6,300,000) are charged to a licensed bank as security for borrowings granted to the Company as disclosed in Note 21.

Notes to the Financial Statements

30 June 2021

11. INVENTORIES

	Note	Group 30.06.2021 RM	Restated 30.06.2020 RM	Restated 01.07.2019 RM
Non-current assets:				
At costs:				
Land held for property development	(i)	9,160,976	8,770,288	8,770,288
Current assets:				
At costs:				
Property development costs	(i)	-	932,458	-
Land held for sale		937,485	-	-
Unsold completed units		1,274,116	2,261,727	3,768,100
Building materials and hardware		15,523,241	12,234,829	11,914,386
		17,734,842	15,429,014	15,682,486

	Note	Company 30.06.2021 RM	30.06.2020 RM
Non-current asset:			
At costs:			
Land held for property development	(i)	9,160,976	8,770,288

	Group 2021 RM	2020 RM
Recognised in profit or loss:		
- Inventories recognised as cost of sales	50,933,066	38,930,596
- Inventories written off	207,085	769,342

(i) Land held for property development/property development costs

	Group 30.06.2021 RM	30.06.2020 RM
At beginning of the financial year	9,702,746	8,770,288
Addition:		
Land cost	390,688	900,000
Development cost	5,027	32,458
	395,715	932,458
Less: Transfer to lands held for sale		
Land cost	(900,000)	-
Development cost	(37,485)	-
	(937,485)	-
At end of the financial year	9,160,976	9,702,746

11. INVENTORIES (cont'd)

(i) Land held for property development/property development costs (cont'd)

	Company	
	30.06.2021	**30.06.2020**
	RM	**RM**
At beginning of the financial year	8,770,288	8,770,288
Addition: Land cost	390,688	-
At end of the financial year	9,160,976	8,770,288

In prior year, the titles of the freehold land of the Company amounting to RM4,735,950 were in the midst of being transferred to the Company. During the financial year, all the land titles have been transferred and registered in the name of the Company.

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	30.06.2021	**30.06.2020**
	RM	**RM**
Unquoted shares, at cost		
At beginning/end of the financial year	17,933,085	17,933,085
Accumulated impairment losses		
At beginning/end of the financial year	14,137,829	14,137,829
Net carrying amount		
At end of the financial year	3,795,256	3,795,256

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal activities	Effective Equity Interest	
			30.06.2021	**30.06.2020**
			%	**%**
Grand Hoover Property Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Hoover Builders Sdn. Bhd.	Malaysia	Property development, building and civil contractors	100	100
Hoover Management Sdn. Bhd.	Malaysia	Provision of management services	100	100
Hoover Tiling Trading Sdn. Bhd.	Malaysia	Sales of ceramic tiles, marble and parquet flooring materials and sanitary wares. Ceased operation as at 1 June 2021	100	100
Pembinaan ATT Sdn. Bhd. (f.k.a Hoover Property Development Sdn. Bhd.)	Malaysia	Property development, building and civil contractors	100	100
Heap Wah Barakah Sdn. Bhd. (f.k.a Heap Wah Enterprise Sdn. Bhd.)	Malaysia	Trading and supply of sanitary wares, tapwares and related products	70	70

Notes to the Financial Statements

30 June 2021

12. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows: (cont'd)

Name of Subsidiaries	Country of Incorporation	Principal activities	Effective Equity Interest 30.06.2021 %	30.06.2020 %
Held through Heap Wah Barakah Sdn. Bhd.				
Anggun Tegas Merak Sdn. Bhd.	Malaysia	Intended engaged in trading of building materials	70	70
Held through Anggun Tegas Merak Sdn. Bhd.				
PTS Dura Marketing Sdn. Bhd.	Malaysia	Trading of building materials	70	70

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") 2021	2020
NCI percentage of ownership and voting interest (%)	30%	30%
Carrying amount of NCI (RM)	11,339,479	11,924,106
Loss allocated to NCI (RM)	(86,074)	(183,976)
Total comprehensive income allocated to NCI (RM)	(539,627)	492,991

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:

	2021 RM	2020 RM
Assets and liabilities:		
Non-current assets	16,911,603	19,273,937
Current assets	43,232,356	40,471,993
Non-current liabilities	(6,169,320)	(5,680,040)
Current liabilities	(16,176,373)	(14,318,863)
Net assets	37,798,266	39,747,027
Results:		
Revenue	60,498,181	45,913,145
Loss for the financial year	(286,916)	(613,252)
Total comprehensive income	(1,798,758)	1,643,304
Cash flows:		
Net cash from operating activities	1,683,472	360,811
Net cash (used in)/from investing activities	(365,093)	60,034
Net cash (used in)/from financing activities	(508,849)	239,702
Net increase in cash and cash equivalents	809,530	660,547
Dividend paid to non-controlling interests	(45,000)	-

13. GOODWILL

	Group		
	30.06.2021	30.06.2020	01.07.2019
	RM	RM	RM
At beginning of the financial year	1,435,803	1,435,803	1,435,803
Accumulated impairment loss	(284,601)	(284,601)	(284,601)
At end of the financial year	1,151,202	1,151,202	1,151,202

Impairment testing for goodwill

Goodwill arising from business combination has been allocated to two individual cash-generating units ("CGUs") for impairment testing as follows:

(i) Heap Wah Barakah Sdn. Bhd. (f.k.a Heap Wah Enterprise Sdn. Bhd.)
(ii) Hoover Management Sdn. Bhd.

The carrying amounts of goodwill allocated to each CGUs are as follows:-

	Group		
	30.06.2021	30.06.2020	01.07.2019
	RM	RM	RM
Heap Wah Barakah Sdn. Bhd. *(f.k.a Heap Wah Enterprise Sdn. Bhd.)* #	1,132,770	1,132,770	1,132,770
Hoover Management Sdn. Bhd.	18,432	18,432	18,432
	1,151,202	1,151,202	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 four to five-year period.

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

(i) Revenue

Revenue was determined after taking into consideration performance trends of the industries in which the CGUs are exposed to and the values assigned were consistent with the external sources of information.

(ii) Growth rate

Projected growth rate of 5% (30.06.2020: 2%) 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% (30.06.2020: 8%) was applied in determining the recoverable amounts of the CGUs. The discount rate used is based on the weighted average cost of capital of the Group.

An increase of 1 percentage point in the discount rate would have reduced the value in use by approximately RM6 million. Management believes that no reasonably possible change in any of the above key assumptions (apart from discount rate) would cause the carrying values of the CGUs to materiality exceed its recoverable amounts.

Notes to the Financial Statements

30 June 2021

14. TRADE RECEIVABLES

	Group		
	30.06.2021	**30.06.2020**	**01.07.2019**
	RM	**RM**	**RM**
Trade receivables, gross	32,613,083	29,056,895	32,512,561
Less: Allowance for impairment loss	(8,734,503)	(3,526,894)	(2,765,709)
Trade receivables, net	23,878,580	25,530,001	29,746,852

The normal credit terms extended to customers ranges from 60 to 90 days (30.06.2020: 60 to 90 days; 01.07.2019: 60 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

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

	Group	
	2021	**2020**
	RM	**RM**
Balance at beginning of the financial year	3,526,894	2,765,709
Additions	6,452,435	2,641,844
Reversal	(1,051,529)	(4,003)
Written off	(193,297)	(1,876,656)
Balance at end of the financial year	8,734,503	3,526,894

15. OTHER RECEIVABLES

	Group		
	30.06.2021	**30.06.2020**	**01.07.2019**
	RM	**RM**	**RM**
Other receivables	78,002	90,228	247,893
Deposits	125,707	129,503	110,637
Prepayments	150,522	25,887	41,009
	354,231	245,618	399,539

	Company	
	30.06.2021	**30.06.2020**
	RM	**RM**
Deposits	15,293	14,293
Prepayments	745	1,389
	16,038	15,682

16. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	30.06.2021	**30.06.2020**
	RM	**RM**
Amounts due from subsidiaries	13,514,857	12,900,506
Amounts due to a subsidiary	-	(118,232)

Included in the amount due from subsidiaries is an unsecured loan of RM12,233,299 (30.06.2020: RM11,249,205) due from a subsidiary with interest bearing at 1.60% and 6.40% (30.06.2020: 1.85% and 6.65%) per annum which is collectible on demand.

The remaining amounts are non-trade in nature, unsecured, interest free advances which are collectible/(repayable) on demand.

Notes to the Financial Statements
30 June 2021

17. FIXED DEPOSITS WITH LICENSED BANKS

Included in deposits with licensed banks of the Group are as follows:

(i) an amount of RM1,288,241 (30.06.2020: RM1,267,143; 01.07.2019: RM1,232,872) pledged as security for bank credit facilities granted to a subsidiary as disclosed in Note 21;

(ii) an amount of RM118,384 (30.06.2020: RM103,200; 01.07.2019: RM103,200) pledged to a licensed bank as security for performance bank guarantee issued in favour of a third party; and

(iii) an amount of RM Nil (30.06.2020: RM101,800; 01.07.2019: RM Nil) pledged to a licensed bank as marginal deposit of 10% to be placed upon utilisation of banker's acceptance.

The effective interest rates of the fixed deposits placed with licensed banks ranges from 1.50% to 1.95% (30.06.2020: 1.95% to 3.20%; 01.07.2019: 2.95% to 3.20%) per annum. The deposits have maturity periods ranging from 1 month to 12 months (30.06.2020: 1 month to 12 months; 01.07.2019: 1 month to 12 months).

18. CASH AND BANK BALANCES

Included in the bank balances is an amount of RM227,533 (30.06.2020: RM226,780; 01.07.2019: RM223,130) 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.

19. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2021 Units	2020 Units	2021 RM	2020 RM
Issued and fully paid:				
At beginning/end of the financial year	40,000,000	40,000,000	44,186,166	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.

20. RESERVES

		Group		
	Note	30.06.2021 RM	Restated 30.06.2020 RM	Restated 01.07.2019 RM
Non-distributable:				
Assets revaluation reserve	(a)	8,634,764	9,693,054	8,265,465
Distributable:				
Accumulated losses	32(ii)	(12,282,558)	(11,188,359)	(8,152,335)
		(3,647,794)	(1,495,305)	113,130

20. RESERVES (cont'd)

	Company 30.06.2021 RM	Company 30.06.2020 RM
Distributable:		
Accumulated losses	(19,329,703)	(18,293,001)

(a) Assets revaluation reverse

The assets revaluation reserve represents increase in fair value of freehold land and leasehold lands and buildings, net of deferred tax.

21. BORROWINGS (SECURED)

	Note	Group 30.06.2021 RM	Group 30.06.2020 RM	Group 01.07.2019 RM
Non-current:				
Islamic banking financing	(a)	4,082,083	2,868,145	2,973,486
Current:				
Bank overdrafts		5,833,876	6,041,206	6,724,134
Banker's acceptance		749,000	1,498,698	1,888,000
Islamic banking financing	(a)	757,314	1,435,293	375,432
		7,340,190	8,975,197	8,987,566
Total borrowings:				
Bank overdrafts		5,833,876	6,041,206	6,724,134
Banker's acceptance		749,000	1,498,698	1,888,000
Islamic banking financing	(a)	4,839,397	4,303,438	3,348,918
		11,422,273	11,843,342	11,961,052

	Company 30.06.2021 RM	Company 30.06.2020 RM
Bank overdrafts	5,833,876	5,766,790

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

	Group 30.06.2021 %	Group 30.06.2020 %	Group 01.07.2019 %
Bank overdrafts	7.20	5.77 - 7.45	6.77 - 8.65
Banker's acceptance	2.54 - 2.65	2.85 - 3.79	3.77 - 4.09
Islamic banking financing	3.17 - 3.67	3.17 - 3.67	4.42 - 4.72

	Company 30.06.2021 %	Company 30.06.2020 %
Bank overdrafts	7.20	7.45

21. BORROWINGS (SECURED)

(a) Islamic banking financing

	Group 30.06.2021 RM	30.06.2020 RM	01.07.2019 RM
Repayable:			
Within one year (current)	757,314	1,435,293	375,432
Between 1 to 2 years	374,484	287,317	375,432
Between 2 to 5 years	1,199,336	919,063	1,126,296
More than 5 years	2,508,263	1,661,765	1,471,758
After one year (non-current)	4,082,083	2,868,145	2,973,486
	4,839,397	4,303,438	3,348,918

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 Notes 9 and 10;

The Company's bank overdraft is 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 as disclosed in Note 10;

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 building as disclosed in Note 9; and
(ii) Short term deposits pledged as disclosed in Note 17.

Islamic bank financing

The Group's borrowings are secured by:

(i) First party first legal charge over leasehold land and buildings as disclosed in Notes 9 and 10; and
(ii) Debenture of RM6,750,000 on fixed and floating assets of a subsidiary; and
(iii) Short term deposits pledged in Mudharabah General Investment Account-i.

22. LEASE LIABILITIES

	Group 30.06.2021 RM	30.06.2020 RM	01.07.2019 RM
Minimum lease payments:			
Repayable within one year	502,178	520,263	167,447
Repayable between one to two years	443,045	494,049	152,508
Repayable between two to five years	418,888	547,216	184,866
Repayable more than five years	357,000	459,000	-
	1,721,111	2,020,528	504,821
Less: Future finance charges	(180,631)	(209,460)	(38,832)
Present value of minimum lease payments	1,540,480	1,811,068	465,989

Notes to the Financial Statements
30 June 2021

22. LEASE LIABILITIES (cont'd)

	Group		
	30.06.2021	**30.06.2020**	**01.07.2019**
	RM	**RM**	**RM**
Present value of lease payables:			
Repayable within one year	445,198	456,844	147,694
Repayable between one to two years	404,209	450,241	140,049
Repayable between two to five years	356,822	481,945	178,246
Repayable more than five years	334,251	422,038	-
	1,540,480	1,811,068	465,989
Representing:			
Current portion	445,198	456,844	147,694
Non-current portion	1,095,282	1,354,224	318,295
	1,540,480	1,811,068	465,989

The effective interest rates of the lease liabilities ranging from 3.72% to 8.73% per annum (30.06.2020: 3.72% to 6.40%; 01.07.2019: 4.65% to 6.20%).

23. DEFERRED TAX LIABILITIES

	Group		Company	
	30.06.2021	**30.06.2020**	**30.06.2021**	**30.06.2020**
	RM	**RM**	**RM**	**RM**
At beginning of the financial year	3,681,400	3,169,400	1,171,000	1,220,000
Recognised in profit or loss (Note 7)	(1,313,711)	(152,000)	(413,548)	(49,000)
Recognised in equity	(477,400)	664,000	-	-
At end of the financial year	1,890,289	3,681,400	757,452	1,171,000

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

	Group		
	30.06.2021	**30.06.2020**	**01.07.2019**
	RM	**RM**	**RM**
Deferred tax assets	(491,890)	(446,900)	(361,000)
Deferred tax liabilities	2,382,179	4,128,300	3,530,400
	1,890,289	3,681,400	3,169,400

	Company	
	30.06.2021	**30.06.2020**
	RM	**RM**
Deferred tax liabilities	757,452	1,171,000

23. 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 business losses RM	Assets revaluation reserve RM	Investment properties RM	Total RM
Group						
Deferred tax (assets)/ liabilities:						
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
2020						
At 1 July 2019	(104,951)	(29,049)	(227,000)	2,764,400	766,000	3,169,400
Recognised in profit or loss	(83,042)	(2,858)	-	48,000	(114,100)	(152,000)
Recognised in equity	-	-	-	664,000	-	664,000
At 30 June 2020	(187,993)	(31,907)	(227,000)	3,476,400	651,900	3,681,400

	Accelerated capital allowances RM	Investment properties RM	Total RM
Company			
Deferred tax (assets)/liabilities:			
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
2020			
At 1 July 2019	3,000	1,217,000	1,220,000
Recognised in profit or loss	(1,000)	(48,000)	(49,000)
At 30 June 2020	2,000	1,169,000	1,171,000

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 2021 RM	Group Restated 2020 RM
Unabsorbed capital allowances	268,078	274,333
Unutilised tax losses	18,647,328	17,193,908
Other non deductible temporary differences	39,771	-
	18,955,177	17,468,241

The comparative figure has been restated to reflected actual tax losses carried forward available to the Group.

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (30.06.2020: 30 to 90 days; 01.07.2019: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

25. OTHER PAYABLES

			Group	
		30.06.2021	**30.06.2020**	**01.07.2019**
	Note	**RM**	**RM**	**RM**
Other payables	(i)	3,308,716	2,556,126	481,708
Deposits	(ii)	9,100	1,214,600	1,224,600
Accruals		746,029	469,130	419,260
Amount due to a former Director	(iii)	4,755,000	2,364,646	-
Amount due to holding company	(iii)	889,384	-	-
		9,708,229	6,604,502	2,125,568

		Company	
		30.06.2021	**30.06.2020**
	Note	**RM**	**RM**
Other payables		85,192	47,260
Accruals		239,657	255,607
Amount due to a former Director	(iii)	4,755,000	2,360,000
Amount due to holding company	(iii)	889,384	-
		5,969,233	2,662,867

(i) Included in other payables of the Group is an amount of RM900,000 (30.06.2020: RM900,000; 01.07.2019: RM Nil) relating to amount owing to a company in which one of the former Director has an interest.

(ii) Included in deposits of the Group is an amount of RM Nil (30.06.2020: RM1,205,000; 01.07.2019: RM1,205,000) relating to sale of properties to one of the former Director.

(iii) These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

26. DIVIDENDS

	Dividend per ordinary share cent	Amount of dividend RM	Date of payment
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

27. 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.

Notes to the Financial Statements
30 June 2021

27. RELATED PARTY DISCLOSURES (cont'd)

(a) Identity related parties (cont'd)

The Group has a related party relationship with key management personnel. The Company has related party relationship with its subsidiaries and its holding company. The related party balances of the Company are disclosed in Notes 16 and 25. The related party transactions of the Group and of the Company are shown below.

(b) Related party transactions

Other than disclosed elsewhere in the financial statements, the significant related party transactions between the Group and the Company and their related parties during the financial year are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Transaction with holding company:				
- Advances from	889,384	-	889,384	-
Transactions with subsidiaries:				
- Advances to	-	-	(983,900)	(212,697)
- (Repayment to)/ advances from	-	-	(218,142)	26,444
- Interest income	-	-	462,094	580,848
- Management fee	-	-	(8,400)	(3,600)
- Dividend received	-	-	105,000	-
Transactions with a former Director:				
- Sales	1,350,000	-	-	-
- Advances from	2,390,354	4,646	-	-
Transactions with persons connected to a director of subsidiary:				
- Lease rental	(15,600)	(15,600)	-	-
- Employee benefit expenses	(250,067)	(248,418)	-	-

(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).

28. 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.

28. SEGMENTAL INFORMATION (cont'd)

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.

(a) Reporting format

Segment assets and 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.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

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
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)

Notes to the Financial Statements

30 June 2021

28. 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						
Included in the measure of segment (loss)/ profit are: (cont'd)						
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	462,094	414,475	1,128,483	(470,966)	657,517
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
Segment assets	60,168,945	11,614,484	33,022,517	104,805,946	(16,656,486)	88,149,460
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	14,212,866	50,284,041	(14,012,432)	36,271,609

Notes to the Financial Statements

30 June 2021

28. 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
2020						
Revenue						
Sales to external customers	46,350,579	1,820,000	-	48,170,579		48,170,579
Inter-segment sales	561	-	121,800	122,361	(122,361)	-
Total revenue	46,351,140	1,820,000	121,800	48,292,940		48,170,579
Segment loss before tax	(908,782)	(1,381,408)	(1,247,389)	(3,537,579)	204,781	(3,332,798)
Included in the measure of segment loss are:						
Cost of sales	(38,193,565)	(1,506,373)	-	(39,699,938)	-	(39,699,938)
Depreciation of property, plant and equipment	701,084	53,991	97,184	852,259	(65,608)	786,651
Fair value adjustment on investment properties	255,000	-	200,000	455,000	(200,000)	255,000
Gain on disposal of plant and equipment	(22,999)	-	-	(22,999)		(22,999)
Impairment loss on trade receivables	2,641,844	-	-	2,641,844		2,641,844
Interest income	(34,893)	(3,686)	(580,848)	(619,427)	580,848	(38,579)
Interest expenses	266,966	593,591	491,923	1,352,480	(592,021)	760,459
Reversal of impairment losses on trade receivables	(4,003)	-	-	(4,003)		(4,003)
Inventories written off	769,342	-	-	769,342	-	769,342
Tax credit/ (expenses)	117,110	(2,323)	46,011	160,798	(48,000)	112,798

28. SEGMENTAL INFORMATION (cont'd)

Information regarding the Group's total reportable segments are presented below: (cont'd)

	Trading RM	Property development/ construction RM	Investment and services RM	Total reportable segments RM	Adjustments and Elimination RM	Group RM
2020						
Segment assets	60,296,391	11,868,476	32,004,106	104,168,973	(16,271,968)	87,897,005
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	2,113,602	-	-	2,113,602	(328,040)	1,785,562
Segment liabilities	(21,325,237)	(13,798,674)	(11,040,422)	(46,164,333)	12,882,295	(33,282,038)

Reconciliations of Group's reportable profit or loss are presented as below:

	Group 30.06.2021 RM	Group 1.7.2020 RM
Segment loss	(2,028,515)	(3,537,579)
Inter-segment profit	(118,655)	193,608
Interest income	(462,094)	(580,848)
Interest expenses	470,966	592,021
Loss before tax	(2,138,298)	(3,332,798)

Geographical information

All of the segments are operated within Malaysia.

Major customer information

The Group has 5 customers which contributed approximately RM10.5 million or 17% (2020: 5 customers, RM8.8 million) of the Group revenue during the financial year.

29. 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 risk and 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 abovementioned 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). 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. There are no significant changes as compared to prior year.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally 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 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 trade 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 RM56,100,000 (30.06.2020: RM41,960,000; 01.07.2019: RM40,890,000) in respect of RM22,830,368 (30.06.2020: RM18,403,942; 01.07.2019: RM23,205,135) trade receivables. As at the reporting date, a debtor with net outstanding amount of RM3,367,846 (30.06.2020: RM1,672,420; 01.07.2019: RM Nil) 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 2021, total amount due from the top ten trade debtors represents approximately 56% (30.06.2020: 50%; 01.07.2019: 42%) of the total net trade receivables of the Group.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss

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 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.

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 as at the reporting date:

	Gross RM	Loss allowances RM	Net RM
Group			
30.06.2021			
Not past due	4,795,994	-	4,795,994
Past due:			
Less than 30 days	3,941,402	-	3,941,402
31 days to 60 days	4,024,673	-	4,024,673
61 days to 90 days	2,045,418	(85,884)	1,959,534
91 days 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
Trade receivables, gross	24,672,648	(794,068)	23,878,580
Less: Loss allowances			
- Individually impaired	7,940,435	(7,940,435)	-
Trade receivables, net	32,613,083	(8,734,503)	23,878,580

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

Impairment losses (cont'd)

	Gross RM	Loss allowances RM	Net RM
30.06.2020			
Not past due	4,776,502	-	4,776,502
Past due:			
Less than 30 days	428,129	-	428,129
31 days to 60 days	2,064,991	(923)	2,064,068
61 days to 90 days	3,200,349	(41,693)	3,158,656
91 days to 120 days	2,479,398	(104,709)	2,374,689
More than 120 days	13,529,832	(801,875)	12,727,957
	21,702,699	(949,200)	20,753,499
Trade receivables, gross	26,479,201	(949,200)	25,530,001
Less: Loss allowances			
- Individually impaired	2,577,694	(2,577,694)	-
Trade receivables, net	29,056,895	(3,526,894)	25,530,001
01.07.2019			
Group			
Not past due	6,925,952	-	6,925,952
Past due:			
Less than 30 days	5,170,828	-	5,170,828
31 days to 60 days	4,461,293	(47,718)	4,413,575
61 days to 90 days	2,607,000	(89,621)	2,517,379
91 days to 120 days	2,237,439	(118,362)	2,119,077
More than 120 days	8,993,540	(393,499)	8,600,041
	23,470,100	(649,200)	22,820,900
Trade receivables, gross	30,396,052	(649,200)	29,746,852
Less: Loss allowances			
- Individually impaired	2,116,509	(2,116,509)	-
Trade receivables, net	32,512,561	(2,765,709)	29,746,852

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 210 days and 330 days past due, depending on the risk profiles of the respective debtors. These receivables are not secured by any collateral or credit enhancements.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

Credit impaired (cont'd)

There are seven debtors of the Group with credit impaired risk on total debt outstanding amounted to RM7,650,344 as at 30 June 2021 have been renegotiated with the Group by way of 3- to 12-months repayment plan respectively, within the next financial year end. The Group has assessed five debtors individually and recognised a loss allowance of RM3,686,836 or 50% against its total outstanding of RM7,373,669, whilst the remaining two debtors are assessed collectively and recognised a loss allowance of RM39,771 or 14% against its total outstanding of RM276,675.

Receivables that are not past due

Trade receivables that are not past due 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

Expected credit loss of other receivable is determined individually after considering the financial strength of the other receivables. 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.

As at the end of the reporting period, the Group and the Company did not recognised any allowance for impairment losses.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounted to RM473,485 (30.06.2020: RM482,718; 01.07.2019: RM409,304) representing the outstanding banking facility of the subsidiary as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiary's secured loans.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Financial guarantees (cont'd)

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 subsidiary is unlikely to repay its credit obligations to the bank in full; or
- The subsidiary is 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 subsidiary which was granted the loan facility (Note 21) 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.

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.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(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 21.

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		
	30.06.2021 RM	**30.06.2020 RM**	**01.07.2019 RM**
Floating rate instruments:			
Financial liabilities:			
- Bank overdrafts	(5,833,876)	(6,041,206)	(6,724,134)
- Banker's acceptance	(749,000)	(1,498,698)	(1,888,000)
- Islamic bank financing	(4,839,397)	(4,303,438)	(3,348,918)
	(11,422,273)	(11,843,342)	(11,961,052)

	Company	
	30.06.2021 RM	**30.06.2020 RM**
Financial liabilities:		
- Bank overdrafts	5,833,876	5,766,790

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 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.

All of the Company's liabilities at the reporting date mature within one year or repayable on demand.

Notes to the Financial Statements

30 June 2021

29. 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 financial liabilities at the reporting date based on contractual undiscounted repayment of obligations:

	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						
30.06.2021						
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
30.06.2020						
Trade payables	9,336,965	9,336,965	9,336,965	-	-	-
Other payables	6,604,502	6,604,502	6,604,502	-	-	-
Borrowings:						
- Bank overdrafts	6,041,206	6,041,206	6,041,206	-	-	-
- Banker's acceptance	1,498,698	1,548,455	1,548,455	-	-	-
- Islamic banking financing	4,303,438	4,820,016	375,432	375,432	1,126,296	2,942,856
Lease liabilities	1,811,068	2,020,528	520,263	494,049	547,216	459,000
	29,595,877	30,371,672	24,426,823	869,481	1,673,512	3,401,856
01.07.2019						
Trade payables	14,659,622	14,659,622	14,659,622	-	-	-
Other payables	2,125,568	2,125,568	2,125,568	-	-	-
Borrowings:						
- Bank overdrafts	6,724,134	6,724,134	6,724,134	-	-	-
- Banker's acceptance	1,888,000	1,962,198	1,962,198	-	-	-
- Islamic banking financing	3,348,918	5,129,576	375,432	375,432	1,126,296	3,252,416
Lease liabilities	465,989	504,821	167,447	152,508	184,866	-
	29,212,231	31,105,919	26,014,401	527,940	1,311,162	3,252,416

Notes to the Financial Statements

30 June 2021

30. 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 Notes 9 and 10.

There were no material transfer 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.

31. 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.

The net debt-to-equity ratio as at the end of the reporting period was as follows:

		Group	
	30.06.2021	**30.06.2020**	**01.07.2019**
	RM	**RM**	**RM**
Borrowings (Note 21)	11,422,273	11,843,342	11,961,052
Lease liabilities (Note 22)	1,540,480	1,811,068	465,989
	12,962,753	13,654,410	12,427,041
Less:			
- Fixed deposits with licensed banks	(1,406,625)	(1,472,143)	(1,336,072)
- Cash and bank balances	(1,575,279)	(940,780)	(475,382)
	(2,981,904)	(2,412,923)	(1,811,454)
Net debts	9,980,849	11,241,487	10,615,587
Equity attributable to the Owners of the Company, representing total capital	40,538,372	42,690,861	44,299,296
Debt-to-equity ratio (%)	25%	26%	24%

31. CAPITAL MANAGEMENT (cont'd)

	Company	
	30.06.2021	**30.06.2020**
	RM	**RM**
Borrowings (Note 21)	5,833,876	5,766,790
Less: Cash and bank balances	(11,042)	(6,982)
Total net debts	5,822,834	5,759,808
Total equity	24,856,463	25,893,165
Debt-to-equity ratio (%)	23%	22%

32. COMPARATIVE FIGURES

(i) The financial statements of the Group and of the Company for the financial year ended 30 June 2020 were audited by a firm of chartered accountants other than Moore Stephens Associates PLT who expressed an unmodified opinion on those financial statements on 15 October 2020.

(ii) The following are changes in comparative figures due to changes in prior year adjustments and reclassifications.

(a) Prior year adjustments

Changes in accounting standards

Borrowing costs incurred for property development projects were previously capitalised until project completion. During the financial year, the Directors have reassessed and considered the capitalisation of borrowing costs based on Agenda Decision on MFRS 123 Borrowing Costs published by IFRIC. Consequently, the Director adjusted retrospectively the capitalised borrowing costs that do not meet the definition of qualifying assets.

Prior period errors

Certain errors affecting the financial position and results of the prior year have been adjusted retrospectively in accordance with the requirements of MFRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors.

The prior period errors are in relation to the cost of inventories of completed properties was incorrectly accounted for.

(b) Reclassification

Certain comparative figures are reclassified to conform with the current year's presentation.

Notes to the Financial Statements

30 June 2021

32. COMPARATIVE FIGURES (cont'd)

(ii) The following are changes in comparative figures due to changes in prior year adjustments and reclassifications. (cont'd)

(c) Reconciliation

	As previously reported RM	Prior year adjustments RM	Reclassification RM	As restated RM
Group				
1 July 2019				
Statements of Financial Position				
Non-current assets				
Property, plant and equipment	21,191,052	-	84,808	21,275,860
Prepaid lease payments	84,808	-	(84,808)	-
Investment properties	8,998,000	-	95,000	9,093,000
Current asset				
Inventories	15,097,623	584,863	-	15,682,486
Assets classified as held for sale	95,000	-	(95,000)	-
Equity				
Reserves	(471,733)	584,863	-	113,130
Non-current liabilities				
Borrowings	3,291,781	-	(318,295)	2,973,486
Lease liabilities	-	-	318,295	318,295
Current liabilities				
Borrowings	9,135,260	-	(147,694)	8,987,566
Lease liabilities	-	-	147,694	147,694
Statements of Changes in Equity				
Accumulated losses	(8,737,198)	584,863	-	(8,152,335)
30 June 2020				
Statements of Comprehensive Income				
Cost of sales	(39,928,420)	228,482	-	(39,699,938)
Administrative expenses	(6,462,633)	-	(19,571)	(6,482,204)
Direct expenses	(29,680)	-	29,680	-
Selling and distribution expenses	(554,767)	-	89,963	(464,804)
Finance costs	(660,387)	-	(100,072)	(760,459)
Statements of Financial Position				
Non-current assets				
Property, plant and equipment	23,293,268	-	1,750,058	25,043,326
Right-of use assets	1,750,058	-	(1,750,058)	-
Investment properties	8,285,000	-	360,000	8,645,000
Inventories	9,702,746	-	(932,458)	8,770,288

32. COMPARATIVE FIGURES (cont'd)

(ii) The following are changes in comparative figures due to changes in prior year adjustments and reclassifications. (cont'd)

(c) Reconciliation (cont'd)

	As previously reported RM	Prior year adjustments RM	Reclassification RM	As restated RM
Statements of Financial Position				
Current asset				
Inventories	13,683,211	813,345	932,458	15,429,014
Assets classified as held for sale	360,000	-	(360,000)	-
Current liabilities				
Other payables	4,239,856	-	2,364,646	6,604,502
Amount due to a director	2,364,646	-	(2,364,646)	-
Equity				
Reserves	(2,308,650)	813,345	-	(1,495,305)
Statements of Changes in Equity				
Accumulated losses	(12,001,704)	813,345	-	(11,188,359)
Statements of Cash Flows				
Cash flows from operating activities				
Loss before tax	(3,561,280)	228,482	-	(3,332,798)
Adjustments for:-				
Depreciation of property, plant and equipment	314,409	-	472,242	786,651
Depreciation of right-of-use assets	472,242	-	(472,242)	-
Dividend earned from Al-Mudharabah Investment	(34,893)	-	34,893	-
Interest income	(3,686)	-	(34,893)	(38,579)
Interest expense	558,225	-	202,234	760,459
Islamic bank financing expense	102,162	-	(102,162)	-
Changes in working capital:				
Inventories	(287,388)	(228,482)	-	(515,870)
Trade receivables	1,677,798	-	(1,677,798)	-
Other receivables	153,921	-	(153,921)	-
Receivables	-	-	1,831,719	1,831,719
Trade payables	(5,322,657)	-	5,322,657	-
Other payables and accruals	2,114,288	-	(2,114,288)	-
Payables	-	-	(843,723)	(843,723)

Notes to the Financial Statements
30 June 2021

32. COMPARATIVE FIGURES (cont'd)

(ii) The following are changes in comparative figures due to changes in prior year adjustments and reclassifications. (cont'd)

(c) Reconciliation (cont'd)

	As previously reported RM	Prior year adjustments RM	Reclassification RM	As restated RM
Group				
30 June 2020				
Statements of Cash Flows				
Cash flows from operating activities				
Interest received	-	-	38,579	38,579
Interest paid	(558,225)	-	(202,234)	(760,459)
Islamic bank financing expense paid	(102,162)	-	102,162	-
Cash flows from investing activities				
Dividend received from Al-Mudharabah Investment	34,893	-	(34,893)	-
Interest received	3,686	-	(3,686)	-
Cash flows from financing activity				
Advances from a Director	2,364,646	-	(2,364,646)	-
Company				
30 June 2020				
Statement of Comprehensive Income				
Revenue	580,848	-	(580,848)	-
Other income	-	-	580,848	580,848
Statement of Financial Position				
Current liabilities				
Other payables	302,867	-	2,360,000	2,662,867
Amount due to a director	2,360,000	-	(2,360,000)	-
Statement of Cash Flows				
Cash flows from operating activities				
Changes in working capital:				
Other payables and accruals	(40,376)	-	40,376	-
Payables	-	-	2,323,224	2,323,224
Cash flows from investing activities				
Advances to subsidiaries	(793,545)	-	580,848	(212,697)
Interest received	580,848	-	(580,848)	-
Cash flows from financing activities				
Advances from a Director	2,360,000	-	(2,360,000)	-
Advances from a subsidiary	30,044	-	(3,600)	26,444

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Multiple proposals

On 19 May 2021, the Company proposes to undertake the following: -

(i) diversification of the existing core business of the Group to include construction and construction related activities as well as property development activities ("**Proposed Diversification**");

(ii) a renounceable rights issue of 50,000,000 new ordinary shares at an issue price of RM0.60 per Rights Share, on the basis of 5 Rights Shares for every 4 existing shares held by the entitled shareholders of the Company on an entitlement date to be determined later ("**Proposed Rights Issue of Shares**"); and

(iii) new recurrent related party transactions ("**RRPT**") of a revenue or trading nature expected to be entered between the Group with certain related parties following the Proposed Diversification ("**Proposed RRPT Mandate**").

On 10 June 2021, Bursa Malaysia Securities Berhad, vide its letter dated 10 June 2021, had approved the above Proposed Rights Issue of Shares as set forth above.

Coronavirus (Covid-19) outbreak

Due to the ongoing COVID-19 pandemic, the Government of Malaysia had implemented various and differing forms of lockdowns and standard operating procedures to be complied with over the course of the past financial year and up to the date of this report. The Group had initially obtained approval from the MITI to continue its operations at 60% capacity and subsequently obtained approval to operate full capacity from August 2021 onwards. Despite various other intermittent restrictions, the business activities of the Group have not been adversely affected.

In response to the COVID-19 pandemic, the Group has and will continue to implement various precautionary measures at its offices and warehouses to minimise the risk of COVID-19 infections and to ensure compliance with the standard operating procedures imposed by the Government. Whilst the Group has no specific plans that are required to be implemented to ensure continuity and sustainability of its business or to address the impact of the COVID-19 pandemic, nonetheless, the Board will continue to monitor the developments arising from the COVID-19 pandemic and will adopt the necessary strategies to mitigate any potential risks and/or seize the opportunities arising therefrom.

34. EVENT SUBSEQUENT TO THE END OF FINANCIAL YEAR

Rights Issue of Shares

On 7 September 2021, the Rights Issue of Shares has been completed following the listing and quotation for 50,000,000 Rights Shares. With that, the issued and paid up share capital of the Company increased from RM44,186,166 to RM74,186,166.

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 49 to 111 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 15 October 2021.

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 49 to 111 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
abovenamed
at Kuala Lumpur in the Federal Territory
on 15 October 2021

TEO SWEE PHIN

Before me,

Tan Kim Chooi (W661)
Commissioner for Oaths

PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2021

Title/Location	Description	Tenure	Age of Building	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
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	21	6,287 sq ft	2,190	Corporate office	Revalued on 31-12-2020
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	20	6,358 sq ft	4,000	Corporate office	Revalued on 31-12-2020
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	Converted Vacant Land	Freehold	-	125 Acres	9,161	Vacant	Acquired on 7-05-2003
As at 31 December 2020, the freehold land was revalued by Laurelcap Sdn. Bhd. with value of RM16.6 million							
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

Properties Held by the Group

As at 30 June 2021

Title/Location	Description	Tenure	Age of Building	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
GRAND HOOVER PROPERTY SDN. BHD.							
No. 51, Jalan 17/45 46400 Petaling Jaya Selangor Darul Ehsan	Four Storey Corner Shop-office	Freehold	36	2,997 sq ft/ 6,600 sq ft	4,100	Showroom & office	Revalued on 31-12-2020
HOOVER BUILDERS SDN. BHD.							
Lot Nos. PT 33079 to PT33118 & Lot No. PT33120 Mukim of Sentul District of Seremban Negeri Sembilan	Vacant converted Residential Land	Freehold	-	53,471.25 sq ft	938	Vacant	Acquired on 3-09-2012
As at 31 December 2020, the freehold land was revalued by Laurelcap Sdn. Bhd. with value of RM2.35 million							
HEAP WAH BARAKAH SDN. BHD. (FORMERLY KNOWN AS HEAP WAH ENTERPRISE SDN. BHD.)							
No. 46, Jalan 18/2 Section 18 46000 Petaling Jaya Selangor Darul Ehsan	A Renovated Double Storey End Shophouse	Leasehold 12 years (24-6-2033)	28	1,875 sq ft/ 6,720 sq ft	540	Showroom	Revalued on 31-12-2020
No. 10, Jalan Petaling Utama 9, Petaling Utama 46400 Petaling Jaya Selangor Darul Ehsan	Four Storey Intermediate Shop-office	Leasehold 64 years (4-3-2085)	30	1,680 sq ft/ 6,720 sq ft	1,200	Store	Revalued on 31-12-2020
No.16 Jalan Kesuma 6/10 Bandar Tasik Kesuma 43700 Beranang Selangor Darul Ehsan	Vacant Land for Bungalow Lot	Freehold	-	11,709 sq ft	310	Vacant	Revalued on 31-12-2020
C-OG-02 Perdana Selatan Taman Serdang Perdana (Seksyen 1) 43300 Seri Kembangan Selangor Darul Ehsan	Service Condominium	Leasehold 72 years (9-11-2093)	22	1,046 sq ft	240	Tenanted	Revalued on 31-12-2020
Unit No. 2-3-08 Block P2, Pangsapuri Pinewood Court Pinggiran Lembah Hijau 8 Bandar Tasik Puteri 48020 Rawang Selangor Darul Ehsan	5 Storey Low Medium Cost Apartment	Leasehold 83 years (17-3-2104)	11	720 sq ft	100	Vacant	Revalued on 31-12-2020

Properties Held by the Group

As at 30 June 2021

Title/Location	Description	Tenure	Age of Building	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
HEAP WAH BARAKAH SDN. BHD. (FORMERLY KNOWN AS HEAP WAH ENTERPRISE SDN. BHD.)(CONT'D)							
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 65 years (29-9-2086)	10	5,591 sq m	9,000	Warehouse	Revalued on 31-12-2020
Lot 1389 HS(D)7702, PT2621 No.1, Jalan Orkid 2B/1 Seksyen BB1 Bandar Bukit Beruntung 48300 Rawang Selangor Darul Ehsan	Bungalow Lot	Freehold	-	9,260 sq ft	140	Vacant	Revalued on 31-12-2020
Lot 1734 HS(D)7702, PT2621 No. 34, Jalan Ros 2 Seksyen BB1 Bandar Bukit Beruntung 48300 Rawang Selangor Darul Ehsan	Bungalow Lot	Freehold	-	8,232 sq ft	130	Vacant	Revalued on 31-12-2020
Lot 1733 HS(D)7702, PT2621 No.36, Jalan Orkid 2 Seksyen BB1 Bandar Bukit Beruntung 48300 Rawang Selangor Darul Ehsan	Bungalow Lot	Freehold	-	7,174 sq ft	115	Vacant	Revalued on 31-12-2020
D-01-04, Pangsapuri Servis Springvilla Jalan UP1/1B Taman Ukay Perdana 68000 Ampang Selangor Darul Ehsan	Service Apartment	Freehold	9	757 sq ft	150	Vacant	Revalued on 31-12-2020
G-2-49A Jalan PJU 10/10A Saujana Damansara PJU 10 47830 Petaling Jaya Selangor Darul Ehsan	Apartment	Freehold	9	1,063 sq ft	170	Vacant	Revalued on 31-12-2020

Properties Held by the Group

As at 30 June 2021

Title/Location	Description	Tenure	Age of Building	Land Area/ Built Up Area	Net Book/ Fair Value (RM'000)	Existing Use	Date of Revaluation/ Acquisition
HEAP WAH BARAKAH SDN. BHD. (FORMERLY KNOWN AS HEAP WAH ENTERPRISE SDN. BHD.)(CONT'D)							
No.B-3A-12A, Block B Jalan Kota/KS 1 Pusat Perniagaan Prima Klang 41000 Klang Selangor Darul Ehsan	Commercial Office	Leasehold 82 years (17-8-2103)	8	834 sq ft	140	Vacant	Revalued on 31-12-2020
No. A1-1-5, Type A Storey No. 1 Building No. A1 Cheras Heights Condominium Taman Bukit Cheras	Condominium	Freehold	7	1,586 sq ft	620	Vacant	Revalued on 31-12-2020
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
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
H.S.(D).72071 Lot P.T.48 Pekan Batu 23 Sg. Larang No.48, Jln Villaraya ½ Selangor Darul Ehsan	Industrial Building	Leasehold 72 years (28-12-2093)	4	1,604 sq ft	220	Vacant	Revalued on 31-12-2020
No. 60, Jalan Sengaring Taman Tenaga 56000 Kuala Lumpur PN14452, Lot 33637	Double Storey Terrace House	Leasehold 55 years (18-4-2076)	4	1,862 sq ft	850	Vacant	Revalued on 31-12-2020
B-12-8, Block B, Casa Magna, Jalan Prima 10 Kepong	Apartment	Freehold	9	945 sqft	360	Vacant	Revalued on 30-06-2019

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2021

Class of Securities : Ordinary Shares
Total Number of Holders : 1700
Voting Rights : One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	368	21.65	14,320	0.02
100 - 1,000	153	9.00	86,745	0.10
1,001 - 10,000	855	50.29	2,811,809	3.12
10,001 - 100,000	257	15.12	9,361,548	10.40
100,001 - 4,499,999 (*)	66	3.88	25,608,178	28.45
4,500,000 and above (**)	1	0.06	52,117,400	57.91
TOTAL	**1,700**	**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 Grand Hoover Berhad based on the Register of Directors' Shareholdings of the Company as at 30 September 2021 are as follows:

	Direct Interest		Deemed Interest	
Directors	No. of Shares Held	%	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	-	-	-	-

Notes:
[(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 Grand Hoover Berhad and their respective shareholdings based on the Register of Substantial Shareholders of the Company as at 30 September 2021 are as follows:

	Direct Interest		Deemed Interest	
Substantial Shareholders	No. of Shares Held	%	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

Notes:
[(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

As at 30 September 2021

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.	52,117,400	57.91
2.	NG CHIN HOE	4,396,114	4.88
3.	DYNAMIC MERCHANT LIMITED	2,333,333	2.59
4.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIANG TIAN KIAT	1,346,800	1.50
5.	SIM CHEE HUA	1,344,500	1.49
6.	TAN HAN LAY	855,000	0.95
7.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIANG TIAN KIAT (MF00001)	800,000	0.89
8.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TEO LE YI	684,225	0.76
9.	TYE SOK CIN	666,300	0.74
10.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIM KAY HUAN (010)	570,000	0.63
11.	NG THO KIAT	534,200	0.59
12.	PROGEREX SDN. BHD.	500,000	0.56
13.	CHANG YEW KWONG	459,300	0.51
14.	NG YEE	453,500	0.50
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN SUN PING	393,000	0.44
16.	PANG CHUNG TAT	390,225	0.43
17.	LAGENDA PERDANA SDN. BHD.	364,250	0.40
18.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PEE LU YING	360,100	0.40
19.	OOI CHIENG SIM	326,00	0.36
20.	NG HUEY HIAN	325,400	0.36
21.	PANG CHUNG TAT	321,000	0.36
22.	VINCENT TAN SEI KEONG	306,000	0.34
23.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR TAN KIT WAI	300,000	0.33
24.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR JOANNE TEH YIT CHOO	288,000	0.32
25.	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIANG TIAN KIAT (MARGIN)	276,900	0.31
26.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SZE CHIEN	267,000	0.30
27.	LEE HAN MING	257,625	0.29
28.	HLS PROPERTIES SDN. BHD.	250,000	0.28
29.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM GUAT KEE (MM0666)	225,000	0.25
30.	LEONG YUET MAY	225,000	0.25
	TOTAL	**71,936,172**	**79.93**

CDS Account No.	
Contact No.	
No. of Shares Held:	

GRAND HOOVER BERHAD
Registration No. 197101000134 (10493-P)

PROXY FORM

*I/We, (full name in capital letters) ______________________________

NRIC No./ Passport No./ Company No. ____________________ of (full address) ____________________

____

being a *member/members of **GRAND HOOVER BERHAD** ("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 Fiftieth 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 Tuesday, 28 December 2021 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 payable to the Directors up to an aggregate amount of RM86,000 for the financial year ended 30 June 2021.		
2.	To approve the payment of Directors' fees and benefits payable to the Directors up to an aggregate amount of RM198,000 for the period from 1 July 2021 until the next AGM of the Company to be paid quarterly in arrears.		
3.	To re-elect Dato' Abd Rahim Bin Jaafar, who retires pursuant to Clause 95 of the Company's Constitution.		
4.	To re-elect Mr. Teo Swee Phin, who retires pursuant to Clause 95 of the Company's Constitution.		
5.	To re-elect Dato' Mahamed Bin Hussain, who retires pursuant to Clause 95 of the Company's Constitution.		
6.	To re-elect Datuk Ir. Ruslan Bin Abdul Aziz, who retires pursuant to Clause 95 of the Company's Constitution.		
7.	To re-elect Dato' Paul Lim Tau Ern, who retires pursuant to Clause 95 of the Company's Constitution.		
8.	To re-elect Mr. Teo Swee Leng, who retires pursuant to Clause 95 of the Company's Constitution.		
9.	To re-elect Tuan Sr. Hj. Mohd Farid Bin Naim, who retires pursuant to Clause 95 of the Company's Constitution.		
10.	To re-elect Mr. Toh Seng Thong, who retires pursuant to Clause 95 of the Company's Constitution.		
11.	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.		
12.	Authority to Issue Shares pursuant to the Companies Act 2016.		
13.	Proposed 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 ______________ , 2021

____
* 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 2021 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. 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 http://www.hoover.com.my/investor.html for further details.

Fold this flap for sealing

Then fold here

Affix
Stamp

Registered Office

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.

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GRAND HOOVER BERHAD

Registration No. 197101000134 (10493-P)

www.hoover.com.my

Grand Hoover Berhad
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