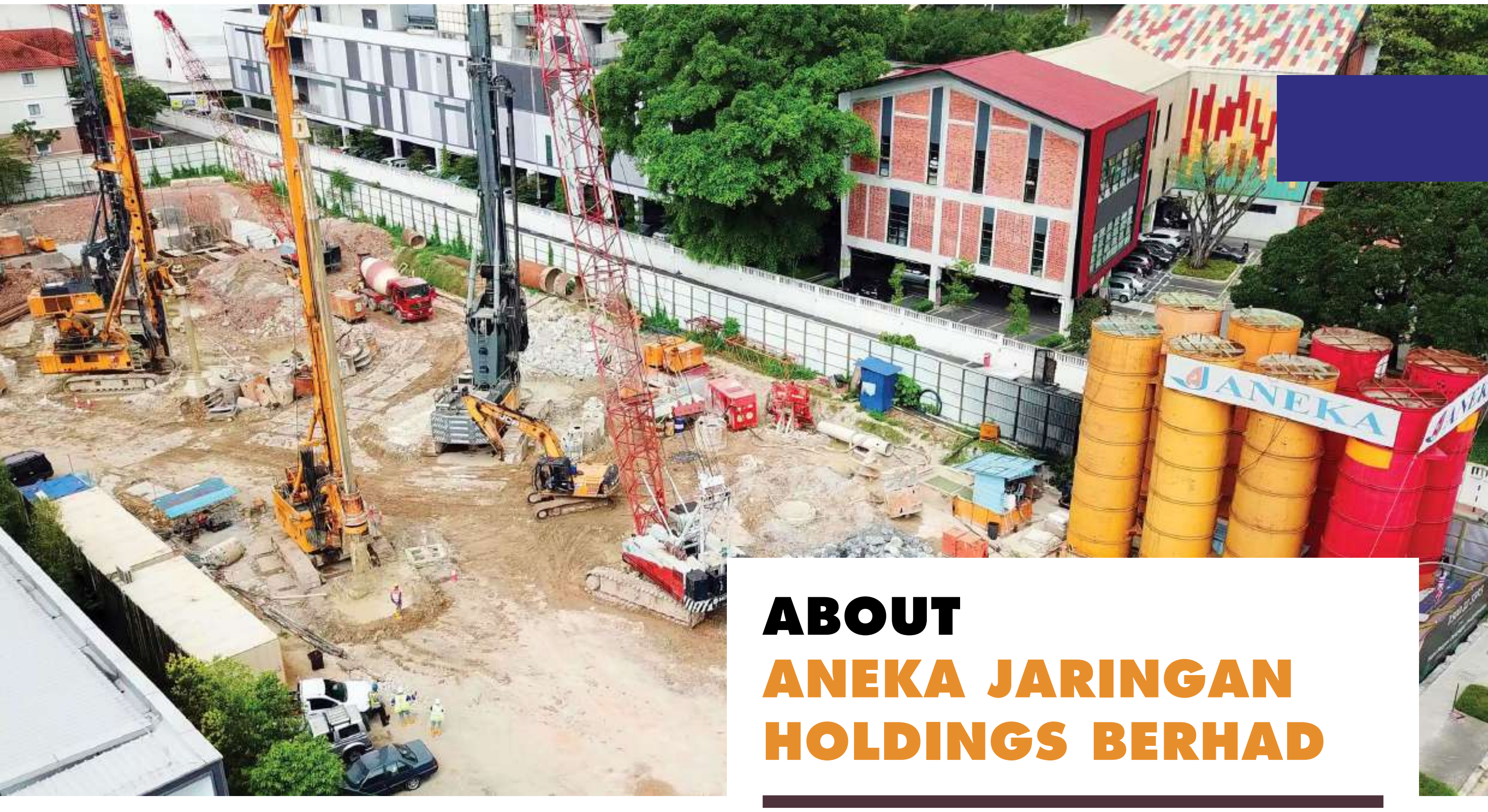
EMBRACING CHALLENGES. SHAPING THE NEW NORM.

ANNUAL REPORT **2021**

Aneka Jaringan Holdings Berhad

(Registration No. 201801030681 (1292707-D))

ANEKA JARINGAN
HOLDINGS BERHAD



ABOUT
ANEKA JARINGAN HOLDINGS BERHAD

ANEKA JARINGAN IS A GROUP OF CONSTRUCTION COMPANIES SPECIALISED IN BASEMENT AND FOUNDATION CONSTRUCTION. COMBINING VALUABLE WORK EXPERIENCES AND TECHNICAL KNOWLEDGE, ANEKA JARINGAN IS FULLY COMMITTED TO PROVIDING A TOTAL INNOVATIVE SOLUTION TO OUR CLIENT'S NEEDS, PROVEN WITH OUR 20-YEAR TRACK RECORD.

Basement Construction

Considered specialised works, basement constructions are carried out deep below the ground in adverse conditions such as high ground water, mud and limited working space.

Foundation Construction

Bored Piling

One of our core specialties is bored piling, which is the preferred foundation works method for high-rise buildings and large structures. It produces minimal noise, vibration, and disturbances to adjacent structures during construction.

Foundation Construction

Retaining Wall Construction

Our expertise in retaining wall construction includes diaphragm walls, contiguous bored pile (CBP) walls, secant pile walls and other types of support systems for deep excavations, such as construction of multilevel basement car parks and underground tunnels.

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INSIDE THIS REPORT

CORPORATE INFORMATION

Board of Directors

Name	Designation
Dato' Ir. Tan Gim Foo	Independent Non-Executive Chairman
Pang Tse Fui	Managing Director
Chong Ngit Sooi	Executive Director
Loke Kien Tuck	Executive Director
Dato' Noraini binti Abdul Rahman	Independent Non-Executive Director
Wee Kee Hong	Independent Non-Executive Director

Audit and Risk Management Committee

Name	Designation
Wee Kee Hong	Chairman
Dato' Ir. Tan Gim Foo	Member
Dato' Noraini binti Abdul Rahman	Member

Remuneration Committee

Name	Designation
Dato' Ir. Tan Gim Foo	Chairman
Dato' Noraini binti Abdul Rahman	Member
Wee Kee Hong	Member

Nomination Committee

Name	Designation
Dato' Noraini binti Abdul Rahman	Chairman
Dato' Ir. Tan Gim Foo	Member
Wee Kee Hong	Member

Company Secretaries

Name	Membership No.
Tan Fong Shian @ Lim Fong Shian	MAICSA 7023187
Liew Chak Hooi	MAICSA 7055965

CORPORATE INFORMATION

REGISTERED OFFICE

Suite 11.1A, Level 11
Menara Weld
76, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) 2031 1988
Facsimile No. : (03) 2031 9788

HEAD OFFICE

K-2-1, Pusat Perdagangan
Bandar Bukit Jalil
Persiaran Jalil 2
57000 Kuala Lumpur
Telephone No. : (03) 8657 5150
Facsimile No. : (03) 2771 3827
Email : info@ajgroup.my
Website : www.anekajaringan.com

AUDITORS

Baker Tilly Monteiro Heng PLT (201906000600)
(LLP0019411-LCA & AF 0117)
Baker Tilly Tower, Level 10
Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Telephone No. : (03) 2297 1000
Facsimile No. : (03) 2282 9980

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Telephone No. : (03) 7890 4700
Facsimile No. : (03) 7890 4670

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
11, Jalan Kenari 5
Bandar Puchong Jaya
47100 Puchong, Selangor
Telephone No. : (03) 8075 9185
Facsimile No. : (03) 8075 9200

CIMB Bank Berhad
1st Floor,
12 & 13 Jalan Kenari 1
Bandar Puchong Jaya
47100 Puchong
Selangor
Telephone No. : (03) 5891 6838
Facsimile No. : (03) 5891 6843

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : ANEKA
Stock Code : 0226

SPONSOR

Alliance Investment Bank Berhad
Level 3, Menara Multi Purpose
Capital Square
8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : (03) 2604 3333
Facsimile No. : (03) 2691 9028

CORPORATE STRUCTURE

Aneka Jaringan Holdings Berhad
(201801030681 (1292707-D))

100%
Aneka Jaringan Sdn Bhd
(200101005876 (541632-M))

100%
Aneka Geotechnics Sdn Bhd
(200401004974 (643477-P))

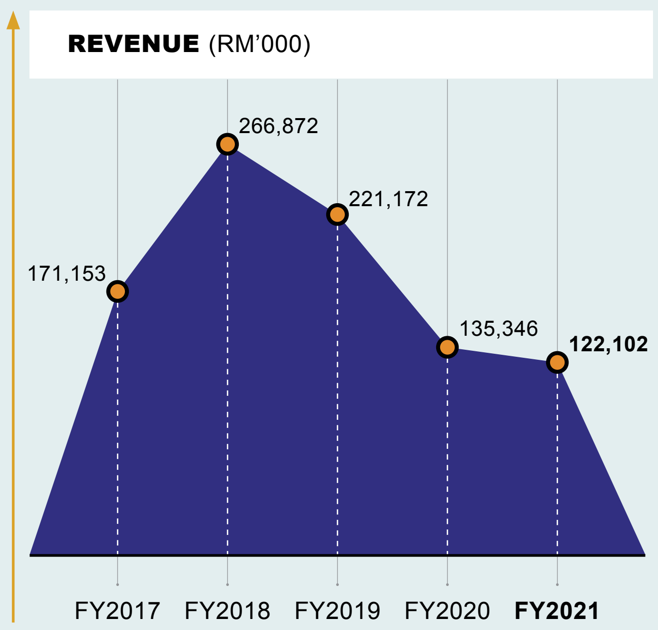
55% **PT Aneka Jaringan Indonesia** (NIB 8120001741315)

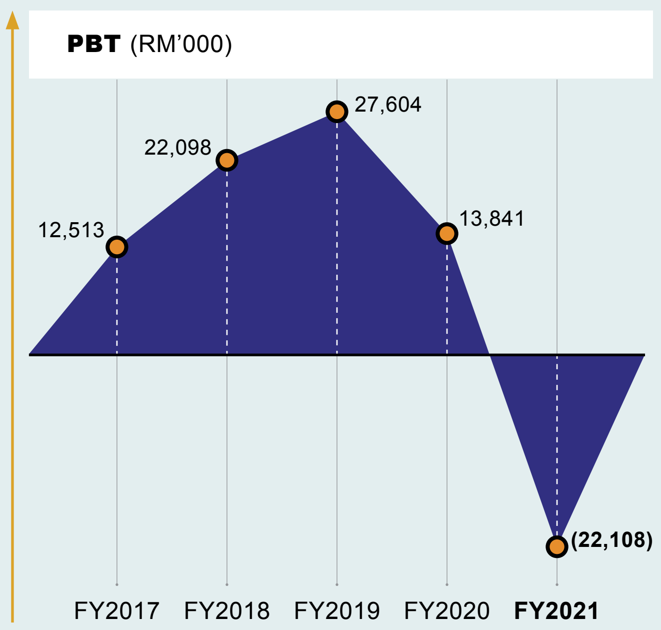
55% **Aneka Jaringan & Persis Waja JV Sdn Bhd** (201501021213 (1146549-A))

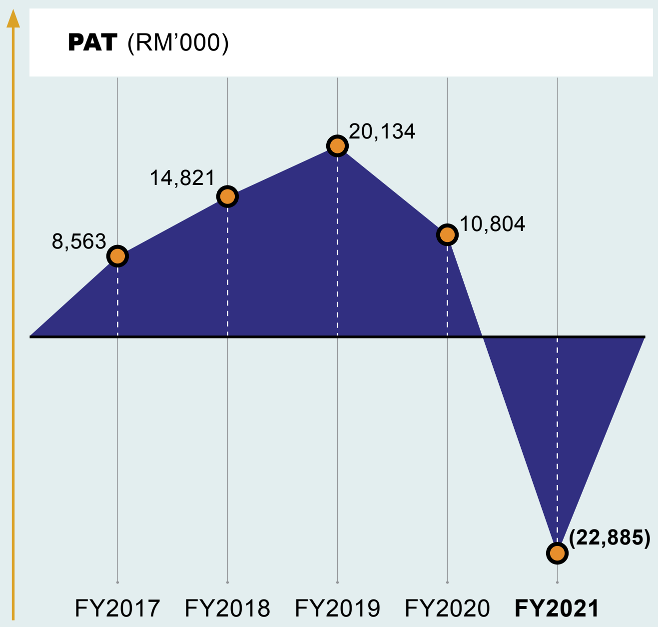
42% **Sunway Aneka Pertama Geotechnics (PH) Inc.** (2020110003734-08)

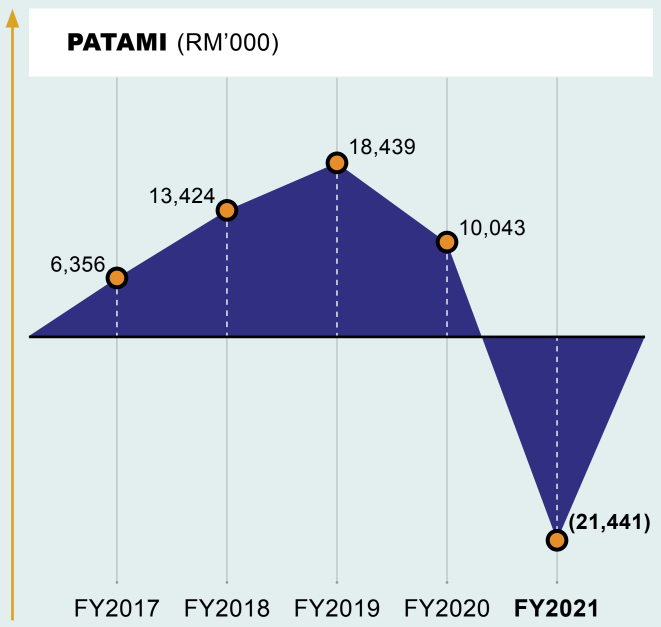
FINANCIAL HIGHLIGHTS

	FY2017 RM'000	FY2018 RM'000	FY2019 RM'000	FY2020 RM'000	FY2021 RM'000
Revenue	171,153	266,872	221,172	135,346	**122,102**
(Loss)/Profit Before Tax (PBT)	12,513	22,098	27,604	13,841	**(22,108)**
(Loss)/Profit After Tax (PAT)	8,563	14,821	20,134	10,804	**(22,885)**
(Loss)/Profit After Tax and Minority Interest (PATAMI)	6,356	13,424	18,439	10,043	**(21,441)**









BOARD OF DIRECTORS

Top from left to right:

LOKE KIEN TUCK
Executive Director

PANG TSE FUI
Managing Director

CHONG NGIT SOOI
Executive Director

Bottom from left to right:

DATO' NORAINI BINTI ABDUL RAHMAN
Independent Non-Executive Director

DATO' IR. TAN GIM FOO
Independent Non-Executive Chairman

WEE KEE HONG
Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILES

DATO' IR. TAN GIM FOO

Independent Non-Executive Chairman

Age: 63

Gender: Male

Nationality: Malaysian

Dato' Ir. Tan Gim Foo, a Malaysian aged 63, Male, is our Independent Non-Executive Chairman. He was appointed to our Board on 15 January 2020. He serves as the Chairman of the Remuneration Committee and is a member of the Audit and Risk Management Committee and Nomination Committee.

He graduated with a Bachelor of Engineering (Civil) from University of Malaya in 1983, followed by a Master of Business Administration from the Charles Sturt University of New South Wales, Australia in 2005. He is a corporate member of the Institution of Engineers, Malaysia and a Professional Engineer registered with the Board of Engineers Malaysia.

He began his career as a Site Engineer in Mudajaya Construction Sdn Bhd in 1983. His responsibilities included assisting site supervisors in monitoring and managing site technical activities. In 1986, following the completion of acquisition of Mudajaya Construction Sdn Bhd by IJM Engineering & Construction Sdn Bhd (currently known as IJM Corporation Berhad) ("IJM Corporation"), he was redesignated as Planning & Design Engineer of IJM Corporation where he was primarily involved in monitoring on-site activities and ensuring project specifications are met. He assumed the role of Deputy Project Manager in IJM Construction Sdn Bhd, a wholly-owned subsidiary of IJM Corporation, in 1990 and was responsible for assisting the Project Manager in supervising the construction projects.

He was promoted to Project Manager in 1991. His responsibilities included managing day-to-day work of projects in construction phases. In 1994, he was promoted to Senior Manager and was responsible for supervising construction projects at all stages and liaising with other subcontractors and consultants for construction works. He was promoted to Project Director in 1998 and was responsible for the overall planning and implementation of construction projects. In 2005, he was appointed as Executive Director, and subsequently as Managing Director of IJM Construction Sdn Bhd in 2010 to head the Construction Division of the IJM Corporation group of companies. His responsibilities included setting targets and objectives for the company and managing daily operations of the company.

He was also the Vice President of Master Builders Association Malaysia ("MBAM") and the Chairman of the Contracts & Practices Committee of MBAM from 2008 to 2013.

Between 2011 and 2013, in addition to his role in IJM Construction Sdn Bhd, he concurrently held the positions of Deputy Chief Executive Officer and Deputy Managing Director of IJM Corporation. His responsibilities included assisting the Chief Executive Officer and Managing Director in implementing policies to achieve commercial objectives, short-term and long-term goals. In 2013, he retired from his positions in IJM Corporation group of companies. In end of March 2021, he resigned from his position as director of ICE Far East Sdn Bhd. He has been an Independent Non-Executive Director of Hume Industries Berhad (now known as Hume Cement Industries Berhad) from 2014 and an Independent Non-Executive Director of IJM Corporation Berhad since 23 November 2021.

BOARD OF DIRECTORS' PROFILES

PANG TSE FUI

Managing Director

Age: 56

Gender: Male

Nationality: Malaysian

Pang Tse Fui, a Malaysian aged 56, Male, is our Managing Director. He was appointed to our Board on 24 August 2018 and is responsible for overseeing the business growth direction, strategic business planning, business development and operations of our Group. He graduated with a Bachelor of Civil Engineering from Universiti Teknologi Malaysia in 1989.

He started his career as a Site Engineer in Pilecon Engineering Berhad group of companies in 1989 upon graduation. As a Site Engineer, he was responsible for assisting the site supervisor in monitoring and managing site technical activities. During his tenure with the group, he was involved in coordinating various foundation and substructure works including bored piling and diaphragm wall works for projects in Malaysia and Singapore.

Subsequently, he left Pilecon Engineering Berhad group to join Bachy Soletanche (M) Sdn Bhd as a Project Manager in 1991 whereby he was in charge of monitoring and facilitating the overall planning of on-site operations. In 1994, he was promoted to Senior Project Manager, responsible for managing the overall site technical and operational activities which included coordinating and supervising the progress of foundation and substructure work projects. In 1996, he left Bachy Soletanche (M) Sdn Bhd to join Geopancar Sdn Bhd as General Manager and was responsible for the overall operational matters of the company, overseeing the tender process for all the projects and negotiating with subcontractors in the tendering of projects.

In 2002, he joined Aneka Jaringan Sdn Bhd ("Aneka Jaringan") as a shareholder and Executive Director where he was responsible for the company's overall operational matters. He assumed his current position as Managing Director of Aneka Jaringan Holdings Berhad ("Aneka Holdings") in 2018. He brings with him more than 31 years of experience in the construction industry, with over 18 years of experience with our Group.

BOARD OF DIRECTORS' PROFILES

CHONG NGIT SOOI

Executive Director

Age: 56

Gender: Male

Nationality: Malaysian

Chong Ngit Sooi, a Malaysian aged 56, Male, is our Executive Director. He was appointed to our Board on 24 August 2018 and is responsible for overseeing our Group's overall construction operations in Malaysia and Indonesia. He graduated with a Bachelor of Engineering (Civil) from University of Malaya in 1990.

He started his career with Hume Industries (M) Berhad group of companies as a Sales Engineer in 1990 upon graduation where he was responsible for the sales and marketing of concrete products for the northern region of Peninsular Malaysia. In 1992, he assumed the position of Product Engineer where he was responsible for design calculations and liaising with factory, customers and local authorities for matters relating to the production of concrete products.

In 1994, he left Hume Industries (M) Berhad group to join Kien Sinar Sdn Bhd as a Project Manager where he was responsible for the daily execution and supervision of substructure projects including bored piling and basement construction works. In 1995, he joined Nuhito Sdn Bhd as a Project Manager where he was mainly involved in managing projects relating to construction works for upgrading of factory facilities and provision of project management services to property developer clients.

After leaving Nuhito Sdn Bhd in 1996, he founded Tepat Jaya Construction, an enterprise firm involved in the provision of reinforced concrete piling works. After the cessation of operations of Tepat Jaya Construction in 1997, he was the General Manager of Geomech (M) Sdn Bhd from 1997 to 2001 and was responsible for overseeing the day-to-day operations of the company. He was also involved in securing substructure work projects and supervising site operational matters pertaining to bored piling works for buildings and bridges.

In 2001, he joined Aneka Jaringan as General Manager where he was responsible for its overall operations as well as business development and planning. In 2003, he became a shareholder of Aneka Jaringan and was subsequently appointed as a Director of Aneka Jaringan in 2004. He assumed his current position as Executive Director of Aneka Holdings in 2018. He brings with him more than 30 years of experience in the construction industry, with over 19 years of experience with our Group.

BOARD OF DIRECTORS' PROFILES

LOKE KIEN TUCK

Executive Director

Age: 60

Gender: Male

Nationality: Malaysian

Loke Kien Tuck, a Malaysian aged 60, Male, is our Executive Director. He was appointed to our Board on 24 August 2018. He is responsible for the overall management of our construction machinery and equipment and he also advises on the organisation and planning of our on-site construction activities. He completed his Higher School Certificate Examination with Tunku Abdul Rahman College in 1980.

Upon completion of his studies, he joined Pilecon Engineering Berhad (then known as Pilecon Engineering Sdn Bhd) group of companies as a Site Clerk in 1981 where he was responsible for clerical and administrative support duties including preparation of piling records and invoice processing. He was promoted to Junior Site Supervisor in 1982 and Site Supervisor in 1983 and was responsible for assisting the Senior Site Supervisor in on-site operational matters including supervision and coordination of substructure works. Subsequently in 1991, he was promoted to Senior Site Supervisor with the responsibilities of overseeing and coordinating on-site construction activities and managing on-site administrative matters.

In 1991, he left Pilecon Engineering Berhad group of companies to join Bachy Soletanche (M) Sdn Bhd as an Executive Supervisor. During his tenure with the company, he was responsible for the daily on-site operational matters and organising site works to meet job targets which include site safety measurements and execution of on-site activities. In 1996, he left the company to join Geopancar Sdn Bhd as a Plant Manager and was tasked with supervising the Plant and Machinery Division. He was responsible for project procurement, maintenance and repairing services of plant, machinery and equipment as well as on-site coordination for site activities to ensure projects are completed within the stipulated timeframe and funding parameters.

In 2002, he joined Aneka Jaringan as a shareholder and Director where he was mainly responsible for the overall management of construction machinery and equipment including deployment planning and maintenance scheduling. He assumed his current position as Executive Director of Aneka Holdings in 2018. He brings with him more than 39 years of experience in the construction industry, with over 18 years of experience with our Group.

BOARD OF DIRECTORS' PROFILES

DATO' NORAINI BINTI ABDUL RAHMAN

Independent Non-Executive Director

Age: 70

Gender: Female

Nationality: Malaysian

Dato' Noraini binti Abdul Rahman, a Malaysian aged 70, Female, is our Independent Non-Executive Director. She was appointed to our Board on 15 January 2020. She serves as the Chairman of the Nomination Committee and is a member of the Audit and Risk Management Committee and Remuneration Committee.

She graduated with a Bachelor of Laws from the Queen Mary College, University of London, England in 1974. She has over 30 years of experience in the Judicial and Legal Service of Malaysia which she served from 1975 to 2008, and she was also a High Court Judge of Malaya from 2011 to 2017. Her scope of work throughout her judicial and legal career included supervising trial procedures and settling legal disputes.

In 1975, she started her career as a Legal Officer at the High Court Kuala Lumpur and she spent the subsequent 10 years from 1975 to 1985 serving in various judicial and legal capacities in government service including as President of Sessions Court, Departmental Solicitor in the Department of Public Trustee and Assistant Parliamentary Draftsman. From 1985 to 1990, she was a Senior Federal Counsel with the Attorney General's Chambers of Malaysia ("AGC") where her roles involved advising the Malaysian Government and representing the Malaysian Government in civil proceedings as well as representing the Attorney General in matters of public interest.

In 1990, she was appointed as the Deputy Head of Advisory and International Division of the AGC where her involvement included providing legal advice on all areas of law and drafting or vetting legal documents. She subsequently became the Deputy Head of Civil Division of the AGC in 1994 and the Commissioner of Law Revision and Law Reform Division of the AGC in 1995. In 1996, she was appointed as the Director General of the Judicial and Legal Training Institute (ILKAP) under Prime Minister's Department, overseeing the organisation tasked with enhancing the knowledge, expertise and quality of judicial, legal and law enforcement officers in public service, statutory bodies and local authorities through systematic and planned training. She subsequently served as the Deputy Head of Advisory and International Division of the AGC in 2001, later as Director, Certificate in Legal Practice ("CLP") Examination of the Legal Profession Qualifying Board from 2002 to 2007 heading the office entrusted with all matters pertaining to the CLP Examination. She served as Consultant of the Legal Profession Qualifying Board from 2007 to 2008.

In 2008, she was appointed as a Judicial Commissioner of the High Court of Malaya and 3 years later in 2011, she was appointed as a High Court Judge of Malaya. During her tenure as a High Court Judge of Malaya, she presided over civil and family cases. She retired from her position as High Court Judge of Malaya in 2017.

BOARD OF DIRECTORS' PROFILES

WEE KEE HONG

Independent Non-Executive Director

Age: 54

Gender: Male

Nationality: Malaysian

Wee Kee Hong, a Malaysian aged 54, Male, is our Independent Non-Executive Director. He was appointed to our Board on 15 January 2020. He serves as the Chairman of the Audit and Risk Management Committee and is a member in the Remuneration Committee and Nomination Committee.

He graduated with a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College in 1990. In 1993, he was admitted as an associate of the Chartered Institute of Management Accountants, United Kingdom, and subsequently was admitted as a Chartered Accountant with the Malaysian Institute of Accountants ("MIA") in 1995. He is currently a member of the MIA.

Upon graduation in 1990, he commenced his career as an audit executive with Boon & Co. In 1991, he joined IJM Corporation as Assistant Accountant cum Project Accountant where he was mainly responsible for assisting in preparing financial projections and project feasibility appraisals, as well as coordinating project accounting for construction projects and monthly consolidation of all project accounts. In 1993, he was promoted to the position of Accountant where he continued his involvement in the accounting functions of the company.

In 1996, he assumed the role of Assistant Finance Manager, and later as Finance Manager from 1999 to 2003, where he was mainly responsible for the finance and treasury functions including liquidity and funding management, fund raising and supporting the construction division in project tender, implementation and execution. He was also involved in the start-up of the company's water concession business in Vietnam and power plant operations in India.

In 2003, he was promoted to the position of Senior Manager (Accounts & Finance). While he continued to be in-charge of IJM Corporation group of companies' finance and treasury functions, his job responsibilities also included heading the accounting functions of the group's construction division and overseeing the group's overseas investments.

In May 2007, he left IJM Corporation to join Ireka Development Management Sdn Bhd as Chief Investment Officer where he was mainly responsible for managing the investment property portfolio of the company's client. He left the company in October 2007 for a career break.

Since 2009, he has been a director and shareholder of Esteemile Sdn Bhd, a company which is a commission agent for land acquisition transactions. In 2014, he was appointed as an Independent Non-Executive Director of Lysaght Galvanized Steel Berhad until 2015.

Family Relationships

None of the Directors has any family relationship with any Directors and/or major shareholders of the Company nor any conflict of interests with the Company.

Others

The Directors have no convictions for offences, other than traffic offences (if any), within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILES

OOI CHONG PING

General Manager

Age: 50 **Gender:** Male **Nationality:** Malaysian

Ooi Chong Ping, a Malaysian aged 50, is our General Manager. He oversees our Group's Operations Department, Technical Department and Contract Department and is responsible for the overall administration of our construction operations in Malaysia. He graduated with a Bachelor of Civil Engineering in 1995 from University of Technology Malaysia. He is a member of the Institution of Engineers, Malaysia and a Professional Engineer registered with the Board of Engineers Malaysia.

On 15 March 2007, he joined Aneka Jaringan as a Senior Project Manager and was responsible for the design and construction for ground engineering works. He assumed his current position as General Manager on 1 July 2012. He brings with him more than 25 years of experience in the construction industry, with over 13 years of experience with our Group.

STEVEN KOH

Chief Financial Officer

Age: 56 **Gender:** Male **Nationality:** Malaysian

Steven Koh, a Malaysian aged 56, is our CFO. He is responsible for overseeing our Group's Finance, Purchasing, and Human Resource Departments. He graduated with a Bachelor of Business (Accountancy) from Charles Sturt University, Australia in 1993. He has been a member of MIA since 1996 and a Chartered Accountant registered with MIA since 2008. His background in finance includes experiences in banking, manufacturing, oil & gas, trading, retail and fast-moving consumer goods industries.

On 1 June 2018, he joined Aneka Jaringan as our CFO. He is responsible for our Group's overall finance, purchasing and human resource related matters, and is tasked with overseeing and managing our Group's statutory reporting, internal management reporting and cash flow planning functions as well as corporate finance related matters. He brings with him more than 27 years of experience in finance, accounting and internal audit.

THAM KAI HOW

Contract Manager

Age: 45 **Gender:** Male **Nationality:** Malaysian

Tham Khai How, a Malaysian aged 45, is our Contract Manager. He is responsible for overseeing our Contract Department. He graduated with a Certificate in Technology (Architecture) in 1997 from Tunku Abdul Rahman College. He has experience as Site Supervisor and Quantity Surveyor within the construction industry.

He joined Aneka Jaringan as a Senior Quantity Surveyor in 2006, and was promoted to his current position as Contract Manager on 29 June 2011. He is responsible for overseeing our contract administration functions including tender preparation and submission, project cost management, and contract work evaluation for progress claim and payment purposes. He brings with him over 23 years of experience in the construction industry, with over 14 years of experience with our Group.

KEY SENIOR MANAGEMENT PROFILES

TUNG SIN THIAN

President Director - PT ANEKA

Age: 47 **Gender:** Male **Nationality:** Indonesian

Tung Sin Thian, an Indonesian aged 47, is our President Director – PT Aneka. He is responsible for the strategic business planning, business development activities and overall operations of PT Aneka in Indonesia. He graduated with a Bachelor of Civil Engineering in 1999 from Borobudur University, Jakarta, Indonesia. He is a member of the Indonesian Society for Geotechnical Engineering. He is also a registered geotechnical engineer (Ahli Geoteknik - Madya) under the Construction Services Development Board, Indonesia. He has experience in design and site supervision of geotechnical projects within the construction industry.

On 31 March 2008, he joined Aneka Jaringan as a Civil Engineer - Project Manager where he was responsible for project design and scheduling, preparation of construction documents, planning and procurement of resources, and liaising with customers and consultants for diaphragm wall and bored piling works. Subsequently on 29 March 2014, he co-founded PT Aneka as a shareholder and assumed his current position as President Director – PT Aneka where he oversees the company's operations in Indonesia. He brings with him over 21 years of experience in the construction industry, with over 12 years of experience with our Group.

NGOI TONG KING

Director - PT ANEKA

Age: 47 **Gender:** Male **Nationality:** Malaysian

Ngoi Tong King, a Malaysian aged 47, is our Director – PT Aneka. He is responsible for overseeing the construction operations of PT Aneka in Indonesia. He graduated with a Certificate in Technology (Building) from Tunku Abdul Rahman College in 1995. He has experience as Assistant Quantity Surveyor and Site Supervisor within the construction industry.

In 2008, he joined Aneka Jaringan as a Senior Site Supervisor and his responsibilities included day-to-day site management of geotechnical projects covering diaphragm walls, ground anchor works, earthworks and micro pile works. In 2012, he was promoted to Site Manager and was responsible for managing overall site operations.

Subsequently on 29 March 2014, he co-founded PT Aneka as a shareholder and assumed his current position as Director – PT Aneka where he is responsible for supervising all construction works of PT Aneka. He brings with him more than 25 years of experience in the construction industry, with over 12 years of experience with our Group.

Family Relationships

None of the Key Senior Management has any family relationship with any Directors and/or major shareholders of the Company nor any conflict of interests with the Company.

Others

The Key Senior Management have no convictions for offences, other than traffic offences (if any), within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dato' Ir. Tan Gim Foo
Independent
Non-Executive Chairman

Dear Shareholders

I am pleased to present to you Aneka Jaringan Holdings Berhad's ("Aneka Holdings" or "the Company") Annual Report for the financial year ended 31 August 2021 ("FY2021"). This is our second Annual Report following the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 20 October 2020.

EMERGING STRONGER

FY2021 proved to be a challenging year for the Group and the industry overall as the pandemic brought with it several waves of Movement Control Orders (MCO). Our business was not spared the effects, as projects were delayed, prices of raw materials rose and there was a shortage of workers, adding to the cost of ongoing projects. Given the unprecedented circumstances, the construction industry has become increasingly competitive in terms of pricing. The MCO not only hampered our ability to carry out works on our projects, but a number of our foreign workers who have been with us for long time opted to return home as they were worried about their families. Luckily, we were able to close this gap with additional outsourced workers. The Health Ministry's additional SOPs and guidelines for the construction industry in terms of quarantine, testing and transportation also added to our operating costs as we have to take additional precautions to ensure the safety of our workers.

Our margins and the Group's overall financial performance took a hit as we incurred higher project costs and this is eventually reflected in our share price.

CHAIRMAN'S STATEMENT

Since our initial public offering (IPO), when we debuted at 33 sen, our share price has hit a high of 38 sen and a low of 22 sen, and as at 31 August 2021, our share price settled at 25 sen.

During FY2021, the Group reported a net revenue of RM122.10 million, a decline of 9.79% compared to RM135.35 million in financial year ended 31 August 2020 ("FY2020"). Gross profit stood at RM0.43 million, or 0.35% of total revenue, which is a reduction from RM20.18 million, or 14.91% of total revenue, in FY2020. This is mainly due to the increase in costs arising from the MCO and increases in raw material prices as well as upward adjustments to budgeted costs due to extension of the project completions. We also suffered a one-off provision for defect liability claims arising from one of our projects during the financial year. The additional depreciation charges due to new machinery purchases during the year also contributed to the increase in costs.

For the current financial year, we also impaired and written off trade debts of RM1.80 million for trade debts which are long outstanding. In addition to that, the Group also impaired and written off RM7.83 million which arises from the difference between our final claims versus the final accounts for projects that were completed in prior years for which we just received the final accounts. The Group ended the FY2021 with a Loss Before Tax of RM22.11 million in FY2021, compared to a Profit Before Tax of RM13.84 million in FY2020.

In terms of tender book, the Group has an outstanding tender book of RM841.84 million as at 31 August 2021. Several projects that were tendered earlier were either postponed or retendered with different specifications, resulting in a lower project value. With the number of available projects decreasing, competition stiffened, leading to lower margins for all industry players. The government's strict MCO and EMCO measures led to an extension of the Group's projects and as a result, this increased costs and reduced revenue.

In line with our IPO plan, the Group purchased four (4) new boring machines and one (1) excavator. However, consecutive MCO and EMCO implementations led to incurrence of additional charges in the form of depreciation without corresponding revenue to offset the cost.

During the second half of FY2021, raw material prices increased quite significantly especially steel and diesel prices adding to our overall costs.

The construction industry as a whole is experiencing liquidity issues, causing some difficulty in revenue collection from a few smaller clients and the Group has impaired and written off long outstanding trade debts amounting to RM1.80 million.

IN OUR EFFORTS TO MINIMISE THE PANDEMIC'S IMPACT, THE GROUP CONTINUED TO CONTROL ITS COSTS THROUGHOUT THE FINANCIAL YEAR IN REVIEW. WE CARRIED OUT A THOROUGH REVIEW OF OUR OPERATIONS AND ARE COMMITTED TO IMPROVING OPERATIONAL EFFICIENCIES THROUGH STRINGENT COST CONTROL WHILE ENSURING THE SAFETY AND WELLBEING OF OUR EMPLOYEES.

CHAIRMAN'S STATEMENT

Even though the Group faced a slow collection due to the general illiquidity in the industry as a whole, the management decided against cutting employees' salary as they viewed that the Group's financial burden should not be transferred to the employees. Instead, the Group requested and our employees agreed to a 10% deferment in salary payment to ensure the Group's cash flows were not impeded. We pooled our strengths together and current employees multi-tasked while a freeze on new hires was enforced. The Group took on projects with minimal margins to maximise deployment while reducing costs for maximum efficiency.

To ensure we operate optimally, now and in the future, we have incorporated SOPs from the relevant authorities as part of our operational processes. Virtual meetings, e-leave applications and virtual training are some of the adaptations that have become standard practice, and we will continue to adapt our processes as deemed fit.

For FY2021, we have secured projects with contract sums of RM155.31 million and RM9.82 million for Malaysia and Indonesia, respectively. As at 31 August 2021, our Malaysia orderbook stands at RM144.09 million, while our Indonesia orderbook is RM4.33 million.

As mentioned in our IPO plan, with the thinning of projects in the private sector due to the pandemic, we shifted our focus on to infrastructure works, securing a few jobs in Malaysia - two (2) sections of the East Coast Rail Link (ECRL), and another section for the West Coast Expressway (WCE), amounting to RM88.31 million in value. For Indonesia, we secured a total of RM9.82 million in infrastructure projects. For the private sector, we secured a total of RM66.64 million worth of projects.

FY2021 was a challenging year, but it has allowed us to lay the foundation for future value-building. While we maintain a cautiously optimistic outlook for FY2022, the Group's plans to aggressively expand in Indonesia give us something to look forward to. With this, the Group aims to emerge stronger and more efficient.

CHAIRMAN'S STATEMENT

FUTURE-PROOFING THE BUSINESS

In addition to the Group's financial position, we have also instituted appropriate governance measures to ensure the sustainability of our business. During FY2020, we adopted our Anti Bribery and Corruption Policy, which sets out a zero tolerance policy for graft and unethical practices within the Group. The policy is in line with the enforcement of the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).

We are committed to upholding the highest standards of corporate governance, placing integrity at the core of our long-term sustainable value. We continuously evaluate our risks, addressing any shortcomings.

During FY2021, our staff underwent training for Anti Bribery and Corruption (ABAC) and ESG & Sustainability for the construction industry. Putting this into practice, our staff, together with our suppliers, have signed an anti-bribery and corruption declaration. In addition to compliance training, our staff has also been provided with COVID-19 retrenchment legal perspectives and Employment Insurance System information in full transparency.

To further our efforts in this area, the Group has engaged a well-established law firm to enhance our ABAC policies and processes, ensuring we remain compliant to the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).

LOOKING AHEAD

With 95.7% of Malaysia's adult population fully vaccinated, the country has begun its transition to recovery. The Group believes that the outlook for the construction sector will improve, bolstered by the expansionary Budget for 2022, which should boost spending and economic activities.

We remain vigilant in adhering to the strict SOPs currently in place to ensure a safe working environment for our valued employees and to minimise any potential disruptions to our operations. Our conservative approach and strong fundamentals will continue to serve the Group well as we continue to carry out process improvements and explore opportunities in cost-cutting.

We have earmarked Indonesia as an area of growth, as our business there is still in its entrepreneurial stages, which allows us plenty of space to expand. Our business in Indonesia is expected to grow in line with the country's economic expansion plans, further contributing to the Group's overall performance in the near future.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to express my sincerest gratitude to our Management team for their leadership during these trying times. My thanks and appreciation go to our staff for their continued trust in our company and perseverance in performing their duties to the best of their abilities. Not to forget, I am indebted to my colleagues on the Board of Directors for their stewardship and guidance. With our combined abilities and experience, I am confident that we can take Aneka Holdings even further.

I would also like to take this opportunity to thank the government and relevant authorities in Malaysia and Indonesia for their advice and guidance. To our vendors and suppliers, I wish to express my gratitude for their continued support in these challenging times.

And last but definitely not least, I would like to extend my appreciation to the shareholders of Aneka Holdings. In light of the unprecedented circumstances, your support has been unwavering and we hope to repay your faith in us by increasing shareholder value in the years to come.

MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders

Aneka Jaringan Holdings Berhad ("Aneka Holdings" or "the Company") is in its second year as a publicly-listed entity, having been listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 20 October 2020. Our listing marked a new chapter in our growth story, and from our humble beginnings as Aneka Jaringan Sdn Bhd in 2001, we've come a long way towards becoming an established construction company.

Pang Tse Fui
Managing Director

The COVID-19 pandemic caused an unprecedented disruption in industry activity, with the various phases of the Movement Control Order (MCO) delaying the completion of projects. Unavoidably, the Group's margins were affected.

FY2021 has been a challenging year for the industry as a whole. According to the Department of Statistics Malaysia (DOSM) as at 11 November 2021, the value of construction work done contracted -21% year-on-year to RM24.8 billion in the third quarter.

The private sector continued to drive construction activity, with 55.2% share, or RM13.7 billion of the total value of construction work done, compared to the public sector with 44.8 % (RM11.1 billion).

The Malaysian government has provided a glimmer of hope for the construction sector. Its recent approval of a RM332.1 billion budget for 2022, the largest in our nation's history, includes an allocation of 24.9% for development. The industry's growth over the forecast period will be supported by a recovery in economic conditions, coupled with investments in infrastructure, renewable energy, and residential, telecommunications and water infrastructure projects.

Despite the adverse conditions currently impacting the industry, the Group continued to demonstrate resilience throughout FY2021, with emphasis on increasing efficiency while reducing costs. Throughout this, we placed the safety and wellbeing of our employees above all else, both financially and in terms of their health. We believe we are still on track to deliver on our long-term goals and provide value for our shareholders.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL PERFORMANCE

The suspension and postponement of construction projects as a result of the multiple MCO phases weighed heavily on the Group's margins. For FY2021, Aneka Holdings reported a revenue of RM122.10 million, a decline of 9.79% from RM135.35 million in FY2020. The Group's gross profit declined to RM0.43 million, or 0.35% of total revenue, from RM20.18 million, or 14.91% of total revenue in FY2020. Loss/profit after tax and minority interests stood at -RM21.44 million, compared to RM10.04 million in FY2020.

The Group operates principally in Malaysia and Indonesia. By geographical presence, our Malaysian operations contributed revenue of RM113.27 million, with loss after tax of RM23.99 million for FY2021, compared to revenue of RM124.14 million and profit after tax ("PAT") of RM9.11 million in FY2020.

Our Indonesian operations contributed revenue of RM8.83 million and PAT of RM1.10 million for FY2021, compared to revenue of RM11.21 million and PAT of RM1.70 million.

Revenue
RM122.10
million
in FY2021

Malaysian operations revenue
RM113.27
million
in FY2021

Indonesian operations contributed
RM8.83
million
in FY2021

THE GROUP HAS ALSO HAD TO CONTEND WITH A SHORTAGE OF SITE WORKERS, AS MANY OPTED TO RETURN TO THEIR HOME COUNTRIES DUE TO THE COVID-19 PANDEMIC AFFECTING THEIR OWN HOME COUNTRIES.

MANAGEMENT DISCUSSION & ANALYSIS

The Group has had to manage additional costs brought on by the project delays due to the MCOs and lockdowns, and had made impairments and write-offs of contracts assets of RM7.83 million primarily due to the differences arising from our claims and the final accounts as certified by our customers. In anticipation of improving conditions for FY2021, the Group purchased new machinery in the form of four (4) new boring machines and one (1) excavator, but these have not been able to generate the extra revenue due to the extended delays whilst we incurred additional depreciation costs of RM2.56 million. Being in the construction business, the price of raw materials impacted our margins directly. Steel prices rose during the year, adding an additional cost of RM3.39 million to our ongoing projects.

With the absence of larger projects with bigger margins, we took on smaller projects to maximise deployment, while reducing costs. This has allowed us to retain our talent, albeit with certain cost reduction measures. The Group, with full cooperation of our employees, initiated a 10% deferment in salary to ensure cash flow was not interrupted. This was done instead of a pay cut, which would have been detrimental to their wellbeing and job satisfaction. We have revamped some of our processes to recognise redundancy, while implementing tighter cost controls. These measures included freezing new hires and reassessing current workflow processes to accommodate multitasking.

The Group has also had to contend with a shortage of site workers, as many opted to return to their home countries due to the COVID-19 pandemic affecting their own home countries. To mitigate the impact and allow us to take on projects, we engage outsourced workers, adding to our costs.

On a more positive note, finance charges decreased to RM3.03 million in FY2021 from RM3.16 million in FY2020.

As at 31 August 2021, the Group's total assets increased to RM237.80 million, from RM204.46 million in the previous year, attributed to an increase in trade receivables and contract assets from operations. Cash and cash equivalents stood at RM13.45 million, from RM15.89 million last year.

The Group's total liabilities increased to RM123.05 million, from RM110.40 million previously due to higher trade payables incurred to sustain the Group's operations, and a provision of RM4.30 million for defect liability claim. Total loans and borrowings increased to RM69.56 million, from RM67.08 million, previously.

ON THE OTHER HAND, TOTAL SHAREHOLDERS' EQUITY EXCLUDING MINORITY INTERESTS INCREASED TO RM111.41 MILLION FROM RM88.75 MILLION. THE GROUP'S NET GEARING RATIO IMPROVED TO A HEALTHIER LEVEL OF 0.61X, COMPARED TO 0.71X IN THE PREVIOUS FINANCIAL YEAR.

MANAGEMENT DISCUSSION & ANALYSIS

REVIEW OF OPERATIONS

Currently, we focus our business in Indonesia and Malaysia where we are predominantly involved in foundation and basement construction works. Despite the disruption brought on by the COVID-19 pandemic, both countries continue to show promising prospects.

Owing to the shrinkage in private sector construction works, the Group focused on infrastructure works in Malaysia. The Group secured projects for two (2) sections of the East Coast Rail Link (ECRL), and another section for the West Coast Expressway (WCE), totaling RM88.31 million in value. For Indonesia, we secured a total of RM9.82 million in infrastructure projects. For the private sector overall, we secured a total of RM66.64 million in project value.

For FY2021, we have secured projects with contract sums of RM155.31 million and RM9.82 million for Malaysia and Indonesia, respectively. As at 31 August 2021, our Malaysia orderbook stands at RM144.09 million, while our Indonesia orderbook is RM4.33 million. Our tender book stands at RM841.84 million as at 31 August 2021.

ADDRESSING RISKS

The Group faces various business and industry risks which we consistently monitor and assess to ensure the appropriate responses to protect our business. Our risk management activities are overseen by our Audit and Risk Management Committee, which is responsible for:

- Reviewing the adequacy and effectiveness of the Group's risk management framework, policy, process and procedures as well as risk management controls in safeguarding the interests of all stakeholders;
- Identifying, evaluating, managing and responding to risks to achieve the Group's objectives; and
- Reviewing the Group's registry of risks.

In addition to the business and industry risks faced in the Group's ordinary course of business, the prolonged MCO period to contain the spread of the virus further delayed the recovery of the private sector projects.

While vaccination rates in the country look promising, any potential unfavourable development with regards to the virus will delay recovery in the industry. Risks include mutations in the virus and variants of concern/interests that may lead to a reinstated MCO and subsequent halting of operations.

The lengthening of project timelines caused by the delay will lead to additional costs incurred, shrinkage of the margins which brings the risk of projects not becoming profitable. Postponement of new projects will cause a disruption in the planning of workforce and equipment utilisation. As our main customers are also impacted, the domino effect will also drain our cash flow. Another risk to the Group is the potential default of debtors, which will adversely impact our profit. As of FY2021, the Group has made impairments and write-offs for long-outstanding debts of RM1.80 million.

To mitigate the impact of a slowdown in private sector projects, we have increased our participation in tenders for public sector infrastructure projects, where we see stronger prospects due to the respective governments' economic expansion plans in both Malaysia and Indonesia.

Based on our current projects, tender books, and order books in Malaysia and Indonesia, we remain optimistic that we are prepared to address the current risks.

MANAGEMENT DISCUSSION & ANALYSIS

SUSTAINABLE LONG-TERM GROWTH

Prior to the Group's listing, we outlined clear business strategies in our core competencies in construction over a three-year period (2021-2023). We expect to incur capital expenditure of approximately RM31.24 million for both Malaysia and Indonesia operations to carry out these strategies. For the FY2021, the Group incurred a total of RM23.59 million in terms of new machinery purchased.

Despite the economic headwinds, the Group has maintained its business plans. Throughout the financial year in review, the Group focused on the following growth strategies: strengthening our facilities in Malaysia, expanding our operations in Indonesia, and exploring opportunities in other markets within the region.

To increase our operational capacity in Malaysia, the Group purchased new machinery in anticipation of a pending economic recovery within Malaysia's construction industry.

We've also made headway in our Indonesian operations. PT Aneka Jaringan Indonesia (PTAJI) has been remained a key performer in the Group's overall margins, and to expand on this, our Jakarta office is expected to be ready by 2022. PTAJI has also acquired new machinery to increase capacity, in anticipation of the Indonesian government's plan to restart infrastructure development and boost the economy.

In line with our IPO plan, the Group continued to expand our presence in other regional markets. Our JV company, SAPGEO Philippines, continues to bid for jobs within the Philippines. Our interest in the JV stands at 42%, with Sunway Geotechnics and Pertama Crane holding 43% and 15%, respectively. The JV company will undertake design and/or construction of foundation, retaining, substructure and ground improvement works in the Philippines. In the face of the adverse business environment, the JV company has already bid for jobs in the Philippines relating to the Clark Malolos Railway Project.

With the progress achieved in these areas, we are well-positioned to ride on the nation – and the region's - economic recovery, and we aim to come back in FY2022 as an even stronger entity.

THE WAY FORWARD

The Group remains cautiously optimistic in our outlook for the Malaysian construction industry. The industry is in the early stages of recovery, and we expect more new jobs to materialise as a result of the government's expansionary budget.

Our prospects in Indonesia remain bright, as the Indonesian government reactivates plans to shift the capital to Kalimantan in 2024. This should open up more job opportunities and infrastructure projects. In anticipation of this growth, the Group intends to purchase more machinery to increase our operational capacity.

We are positive in our outlook for SAPGEO Philippines, and hope to see results in the near future.

ACKNOWLEDGEMENTS

The Management team would like to express our gratitude to Aneka Holdings' Board of Directors for their stewardship and guidance, particularly as we navigated through these uncertain times.

To all our employees across all our operations, thank you for your dedication and perseverance. We've made it through one of the most challenging times in history, and together, we will continue to advance and take Aneka Holdings to greater heights.

We would also like to thank the governments of Malaysia and Indonesia for their guidance, and our customers, suppliers, business partners and valued shareholders for their continued trust in us.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY STATEMENT PROFILE

Sustainability is about balancing economic, social and environmental responsibility. Sustainability is one of four strategic priorities embedded in everything the Company does, from development and innovation, project and construction, customer support and human capital management.

Aneka Jaringan aims to provide transparent and meaningful disclosure of its sustainability performance. This Sustainability Statement provides a clear and transparent representation of the Company's performance in managing the economic, environmental and social aspects of operations. It also shares our sustainability journey, provides insight into strategies while highlighting the economic, environmental and social aspects of our business operations.

Reporting period	1 September 2020 to 31 August 2021
Reporting cycle	Annually
Reporting coverage	Aneka Jaringan and all entities as included in the Group's consolidated financial statements.
Reference and Guidelines	• Global Reporting Initiatives (GRI) Standards • Bursa Malaysia Sustainability Reporting Guide
Reliability of Information Disclosed	• We track our performance in a range of environmental and social indicators and target continuous improvement in these areas. • Our sustainability reporting follows several reporting guidelines and frameworks. We participate in the Environmental, Social and Governance (ESG) ratings most commonly used by our stakeholders.
Feedback	Any feedback and comments on this Sustainability Statement can be directed to: Aneka Jaringan Holdings Berhad K-2-1 Pusat Perdagangan Bandar Bukit Jalil Persiaran Jalil 2, 57000 Kuala Lumpur Phone: 03-8657 5150 Fax: 03-2771 3827 Email: info@ajgroup.my

SUSTAINABILITY STATEMENT

SUSTAINABILITY ACROSS OUR OPERATIONS

Sustainability has gradually been incorporated into the business to create value while addressing pressing issues such as climate change, talent acquisition, safety, innovation advancement and corporate transparency.

Overseeing our growth strategy at the highest level, the Board of Directors founded a model of innovating for a sustainable future. Representatives from each function of the Company are members of the Sustainability Working Group.

SUSTAINABILITY FOCUS AREAS

We strive to take our sustainability to the next level, placing a stronger focus on this area to meet the expectations of stakeholders.

Our sustainability framework underpins our strategy and helps us devise an action plan. We take an integrated approach while focusing on the areas where we believe we can make the most difference.

Our six established focus areas

- Linked to our values
- Anchor our sustainability initiatives
- Aligned with the 17 United Nations Sustainable Development Goals

Environmental compliance

Our Commitment:
Aneka Jaringan is committed to minimising the environmental impact of its operations through green practices and innovation. We strictly comply with all environmental laws, regulations and other guidelines concerning business activities.

UNSDGs: 6 Clean Water and Sanitation

Innovation and advancement

Our Commitment:
Aneka Jaringan invests in innovation, infrastructure and technology to optimise workflows and ensure projects run smoothly. We work with industry experts to share ideas on innovative solutions that advance the industry.

UNSDGs: 9 Industry, Innovation and Infrastructure; 17 Partnerships for the Goals

Health and safety

Our Commitment:
Maintaining a safe and healthy working environment is a top priority for Aneka Jaringan. Stringent safety procedures and policies help minimise risks and workplace incidents.

UNSDGs: 3 Good Health and Well-Being

Ethical and sustainable operations

Our Commitment:
Aneka Jaringan operates with the highest ethics and integrity. We strive to be 100% compliant with laws and conduct ourselves in a manner that is beyond reproach.

UNSDGs: 12 Responsible Consumption and Production; 17 Partnerships for the Goals

Empowered workforce

Our Commitment:
Aneka Jaringan strives to create a respectful, rewarding, diverse and inclusive work environment that brings out the best in all employees.

UNSDGs: 8 Decent Work and Economic Growth; 10 Reduced Inequalities

Engaged society

Our Commitment:
Aneka Jaringan is committed to creating a sustainable society by engaging with the local community and giving back to society whenever possible.

UNSDGs: 11 Sustainable Cities and Communities

STAKEHOLDERS AND MATERIALITY

We interact with a large number of stakeholder groups. Stakeholder engagement is crucial in helping us identify, prioritise and address material matters in our business. Regular stakeholder engagement is an integral component of business development as it influences stakeholder relationships and our overall commitment to sustainability. We provide forums for transparent engagement, creating an environment in which the stakeholders can have their say. We believe this approach helps us create long-term value for all stakeholders.

Stakeholder Group	Method of engagement
Government and Authorities	• Site inspections • Licensing renewals
Shareholders and Investors	• Investor relations meetings with analysts • Quarterly reports • Annual general meetings
Business Partners	• Progress reports and meetings • Tender meetings
Employees	• Employee engagement events • Dialogue with top management • Intranet and departmental meetings • Monthly management meetings
Contractors, Suppliers and Subcontractors	• Supplier relationship management • Joint events • Dialogue and engagement
Professional Bodies	• Consultation and negotiations • Dialogue and engagement • Site visits • Training

Identifying the ESG topics that matter most to the business and our stakeholders is extremely important. We reach out to key stakeholders to gather feedback through formal and informal methods. We will continue to foster an environment in which we consistently advocate for others and seek input from all stakeholders.

Aneka Jaringan recognises these issues may change over time, reflecting changes in our business, external operating environment and stakeholder expectations. The results of the materiality assessment help us refine our business strategy, sustainability framework and related targets.

SUSTAINABILITY STATEMENT

1 ECONOMIC VALUE CREATION

Engineering, construction and building materials play a vital role in the post-pandemic recovery of communities and economies. The construction sector is a significant major contributor to Malaysia's overall economic recovery from the COVID-19 pandemic.

We are optimistic about future sector growth. We have been awarded more local infrastructure projects from ECRL, West Coast Expressway (WCE) and Klang Valley Mass Rapid Transit 3 (MRT 3). We aim to come back stronger from the pandemic as construction is considered a key driver of economic growth. Daily infection rates are declining as adult vaccination populations have exceeded 95%. All our job sites are now fully operational.

According to GlobalData, a leading data and analytics company, the construction industry is expected to post an annual average growth rate of 6.5% in real terms from 2022 and 2025. This is driven by a recovery in economic condition and investment in infrastructure.

DIGITAL TRANSFORMATION IN CONSTRUCTION

The pandemic has forced us to adjust to the 'new normal' when conducting business and living our lives. This issue raises one remaining question: "What can the construction industry do to thrive after the pandemic?" The answer is to embrace and adopt technology so that the industry can immunise itself against unprecedented events in the future as it becomes more adaptable and agile.

The COVID-19 pandemic has expedited the digitalisation and virtual concept of the construction sector, specifically by using building information modelling as a key attribute of Construction 4.0.

WHAT IS CONSTRUCTION 4.0 AND HOW DOES IT RELATE TO US?

Construction Strategy Plan 4.0, a five-year plan by CIDB, aims to boost construction industry capabilities in the 4.0 industry revolution. Aneka Jaringan supports this initiative and adopting technology such as virtual communications and enhancing our IT functions to allow most processes such as leave applications, e-payment slips and approval of purchase orders to minimise contact.

TOGETHER WE ARE STRONGER

Aneka Jaringan continues to work with industry peers and relevant regulators on containing the spread of COVID-19. We work closely with MBAM in the vaccination programs for our foreign as well as outsourced workers and we adopt the relevant precautionary measures proposed.

SUSTAINABLE SUPPLY CHAIN

The construction industry is facing increasing pressure to place sustainability at the heart of its supply chain management. Supply chains can involve high-energy operations, use large quantities of materials and produce waste. We practice green supply chain management by integrating environmental thinking into all stages of a supply chain, including sourcing, design, logistics, operations and disposal.

Operating in the construction industry, Aneka Jaringan recognises the importance of incorporating aspects of safety, health and environment into its supply chain processes. Contractors must submit a Project Safety, Health and Environmental Compliance Plan (PSHECP) and Emergency Response Procedures (ERP). We also include environmental safety and health factors in contractual agreements with supply chain partners and contractors.

As well as demonstrating environmental responsibility, we also need to be socially responsible. We must ensure that supply chain workers are paid fairly and that their human rights are met, including providing a decent living wage and space. We ensure that our contractors' workers have the right to work and are neither forced to work nor made to work unreasonably long hours.

Our contractors, subcontractors, suppliers and consultants are evaluated annually to assess their responsibility and performance in support of future projects. Criteria include (but are not limited to) quality of materials/works/services, responsiveness, timely completion, ability to meet requirements and professionalism.

We are pleased to report that there were no incidences of non-compliance by our suppliers, contractors and consultants during the reporting period.

2 ENVIRONMENTAL VALUE CREATION

Piling and basement construction is one of the most complex activities in construction projects. Cost-effectiveness and sustainability are achieved by implementing good practices through adequate soil investigation, economic design and the efficient use of the plant, materials and resources.

ENVIRONMENTAL IMPACT FROM OPERATIONS

Piling works create vibrations in the ground. Piles may be pre-casted or cast on site. In both cases, pile construction processes consume significant energy and release emissions that affect the environment. Transportation used to complete the construction also consumes energy and releases emissions into the environment. Aneka Jaringan conducts environmental impact assessments to ensure that its activities have minimal impact on the environment.

SUSTAINABILITY STATEMENT

Common Issues	Relevant Environmental Control	Practical Solutions
Dust	• Environmental Quality Act 1974 • Environmental Quality (Clean Air) Regulations 2014	• Shielding the borehole to avoid spreading of slurry during boring • Scheduling dust suppression with a water bowser to reduce airborne dust at construction sites • Performing the compulsory washing of trucks' wheels at the exit to prevent mud, dust and dirt from being spread on public roads
Noise	• Factory and Machinery (Noise Exposure) Regulations 1989	• Providing hoardings and noise curtains to lower construction site noise • Prohibiting the use of noisy diesel engines for percussive piling • Performing piling works as per approved working hours • Notifying the neighbourhood on the schedule of noisy piling works
Water	• Environmental Quality (Industrial Effluents) Regulations 2009 • Environmental Quality (Sewage) Regulations 2009	• Providing channels, earth bunds or sandbag barriers around the piling area to prevent wastewater from discharging directly • Recirculating the wastewater used in boring as far as possible after sedimentation • Installing temporary protection for slopes to control soil erosion and any turbid surface runoff when it rains • Installing silt fences and silt ponds to avoid sediments being discharged into natural water bodies

MATERIALS MANAGEMENT

Materials management plays a significant role in Aneka Jaringan and the operational efficiency of its supply chain. Responsible resource use is important as large amounts of sand, aggregate and cement are used in construction. We have established a quality objective to monitor material wastage across all project sites. The tabulated results are presented during management review meetings along with the reasons for quality objectives being met or not.

The principal raw materials used are generally widely available and sourced from local suppliers. The price of raw materials such as steel, cement and concrete fluctuate depending on supply and demand. Generally, Aneka Jaringan purchases raw materials on a project or purchase order basis.

Piling Under Polymer

Water-soluble polymer solutions have been used to stabilise deep excavations such as pile bores and diaphragm wall trenches. Using polymer fluid to stabilise the pile bore is an environmentally-friendly alternative to bentonite: it does not adversely impact the surrounding environment as it is biodegradable. These engineered fluids have a number of benefits compared with conventional bentonite slurries, such as a smaller site footprint, reduced environmental impact and lower construction costs.

We are pleased to report that all waste generated by Aneka Jaringan for the past three years, including from geotechnical and structural works, is significantly less than the maximum limit set.

ENERGY MANAGEMENT

Aneka Jaringan is committed to minimising emissions resulting from construction works by improving efficiency and minimising materials use and wastage. Electricity from the national grid is used to power our sites. Our machinery also consumes a significant amount of diesel during construction. Old machines that cannot be repaired economically are sold. We purchased several new machines to replace old malfunctioning units for greater efficiency during the year.

WASTE MANAGEMENT

A significant amount of waste is generated on job sites by the construction industry. Aneka Jaringan adheres to all regulations concerning the safe disposal of waste. We continue to explore options for recycling and reuse to minimise the amount of waste destined for landfills.

Our Approach to Handling and Disposing of Wastes

Construction waste and other general waste

- Collection facilities such as waste containers are provided for each type of general waste
- General wastes are collected by a licensed third-party contractor on a daily basis to be disposed of at approved landfills

Paper Waste

- Internal paper forms are digitising
- Digital e-leave and e-payslip have been introduced
- Awareness-raising is delivered to highlight the amount of copy paper employees typically use

WATER CONSERVATION

Aneka Jaringan constantly looks into effective water management to prevent waste, overuse and exploitation of the resource. We try to leverage any water source available on site as part of our water reuse and conservation measures. Typically, we use alternative water sources for mixing slurry. This slurry helps stabilise boring holes to prevent them from collapsing.

SITE AND BOUNDARY NOISE MONITORING

Noise during construction and building work can be a nuisance to local residents. We measure and monitor noise levels at our sites especially projects adjacent to residential areas. Activities that generate high noise levels are limited to certain working hours. We continue to ensure our compliance with the Factory and Machinery (Noise Exposure) Regulations 1989. Any complaints from surrounding residents are addressed immediately.

SUSTAINABILITY STATEMENT

3 SOCIAL VALUE CREATION

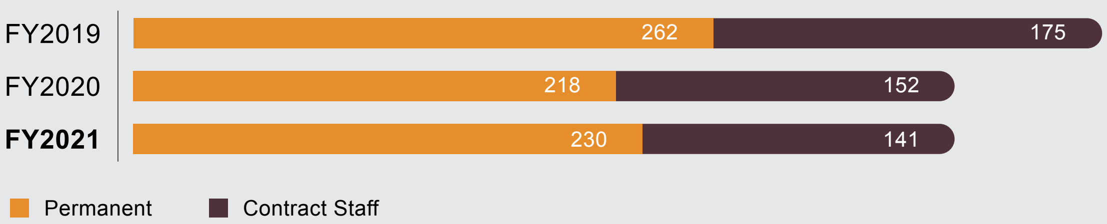
Our employees are vital to our success in the competitive international environment in which we operate.

We hire the best talent and do not discriminate against any individuals during recruitment and remuneration practices. Equal opportunities ensure that employment decisions are based on merit and performance and are not influenced by race, religion, gender, age, nationality or disability.

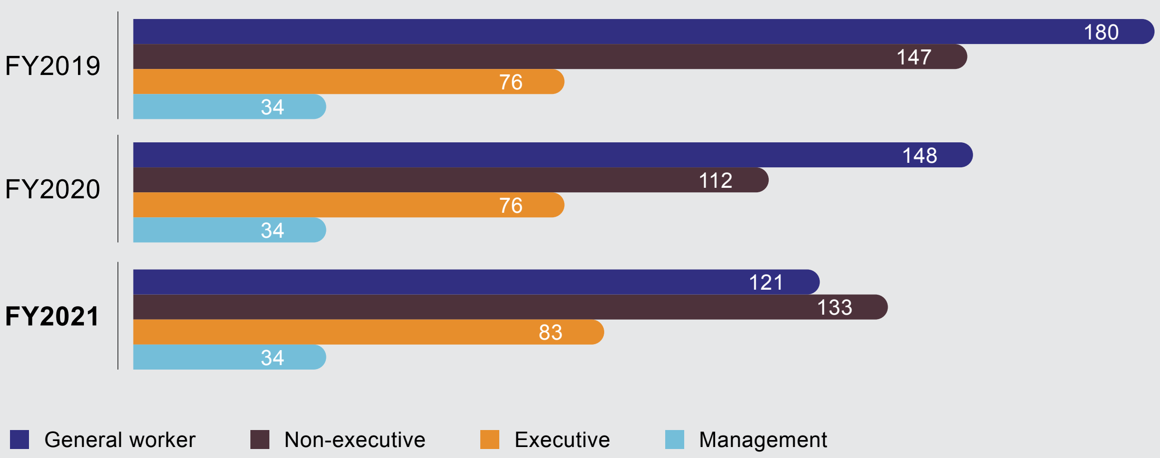
OUR WORKFORCE STRENGTH

Workforce Breakdown by Gender

Workforce Breakdown by Contract



Workforce Breakdown by Type



REWARDING OUR PEOPLE

We practise a "Pay for Performance" philosophy. The salaries of confirmed employees are reviewed annually. Increments are based on the individual employee's performance and the company's profitability. However, we did not propose any adjustment to the employees' salary for the financial year ended 31 August 2021 due to the ongoing COVID-19 pandemic, but we did not reduce the employees' salary as well in view that everyone is going through a difficult period.

All workers are paid fairly, including overtime, wages and allowances. However, excessive working hours are discouraged as tiredness results in a higher risk of accidents. We also offer additional benefits such as general & hospitalisation insurance, health and welfare benefits.

SUPPORTING OUR PEOPLE IN TIMES OF CRISIS

The COVID-19 pandemic has exacerbated issues of work-life balance, financial pressures and fears about job security. Aneka Jaringan practised empathy during this difficult time by extending support to its employees. All COVID-19 RTK Antigen/PCR tests were fully borne by the Company.

We ensure that all workers received their COVID-19 vaccinations, which we paid for through the Vaccination Programme (CIVac) by CIDB. For those workers exposed to the COVID-19 virus, we offered quarantine houses to accommodate their needs with living allowances provided.

Workers contracting the virus are required to follow the Government's standard operating procedure on quarantine while still receiving their pay and benefits as per their employment contracts.

EXCEEDING EMPLOYEES' BASIC RIGHTS

One of the most crucial aspects of any industry is the workforce it employs. The Malaysian construction sector is heavily reliant on foreign workers. Foreign workers account for 29% of the total workforce in our Malaysian operations. Our employment of all foreign workers complies with the Immigration Act 1963 (Amendment 2002).

As a responsible employer, Aneka Jaringan provides adequate necessities to safeguard the welfare of its workers. We offer outstation allowances to those working outside the Klang Valley similar to the local workers. Providing a decent rest area is extremely important, and all foreign workers are housed in our labour quarters. These quarters are equipped with toilets, showers, cooking bays and washing bays and had been certified as Act 446 compliance. Our safety team conducts monthly inspections of the quarters to ensure they are structurally safe and provide reasonable levels of decency, hygiene and comfort.

Aneka Jaringan's Commitment to Human Rights

- **Paying the minimum wage as a minimum**
- **Provides a safe and healthy workplace for its associates**
- **Does not use child labour**
- **Does not use forced, prison, indentured, bonded or involuntary labour**
- **Prohibits discrimination in its hiring and employment practices including gender, race, religion, age, disabilities and nationalities**
- **Prohibits physical abuse and harassment of associates, as well as threats of either**
- **Discourages excessive working hours and overtime**
- **Provides a grievance procedure that require prompt action to address any complaints**

We adhere to all applicable employment and human rights regulations, regardless of where operations are based. Suppliers are expected to follow these high standards.

SUSTAINABILITY STATEMENT

TRAINING AND DEVELOPMENT

Aneka Jaringan is committed to creating an environment where employees can excel, develop their skills and achieve their career goals. Everyone who works with us receives the necessary resources to perform their work and progress in their careers.

Our learning modules were designed to suit specific project requirements and employees job roles. Competency training, especially aspects of safety and quality, is emphasised.

Aneka Jaringan utilised the pandemic period, when operations were stopping and restarting, to reskill the workforce. We increased our learning budgets to equip our people with the critical skills required for our recovery business models. As a result of our upskilling and reskilling efforts, the total hours spent on training in 2021 more than doubled compared to the previous year.

Total Investment in Training

	FY2019	FY2020	FY2021
Total number of training hours	640	266	**712**
Average training hours per year per employee	9.55	5.78	**10.03**

SAFETY FIRST

Aneka Jaringan is committed to preventing accidents, preserving environmental sustainability and achieving the highest standards of work quality in every process, company-wide. Quality, Environmental Safety and Health policies, procedures and comprehensive frameworks have been implemented. The Company also performs health and safety risk assessments for new and existing projects.

SAFETY TRAINING AREAS

- Safety harness
- Working at height
- Safety excavation
- Fire extinguisher
- First aid
- Safe handling chemical
- Scheduled waste

SAFETY PRECAUTIONS

- Policy reviews
- Monthly audits
- Weekly site walks
- Weekly toolbox
- Monthly safety reports
- Monthly inspections of equipment
- Weekly larviciding and thermal fogging

PROGRAMMES DELIVERED IN COLLABORATION WITH EXTERNAL PARTIES

- Lifting supervisor
- Hazard Identification Risk Assessment and Risk Control (HIRARC) for ISO 45001:2018
- New challenges of occupational safety and health in the Industry 4.0 Era
- ISO 9001:2015 Requirements
- Risk Management based on ISO 31000:2018
- Auditor internal quality management system based on ISO 9001:2015

We have formed ESH Committees at all worksites in compliance with OSHA 1994. These committees are responsible for reviewing workplace ESH performance. Aneka Jaringan also has an Emergency Response Team at all sites to ensure we are prepared for any incidents.

QUALITY AND SATISFACTION

Aneka Jaringan strives for delivering excellence as a specialist in foundation construction with an established track record. While conforming to the building design codes, our technical knowledge and experience allow us to:

- Cater to clients' requirements;
- Provide alternative designs in foundation and basement construction; and
- Improve on the proposed original design.

Adopting the Finite Element Analysis with Plaxis and SAFE Software demonstrates our commitment to sustainable operations.

We have obtained the ISO 9001:2015 certification for the provision of design and construction of foundation and geotechnical services for the construction of building and infrastructure works. The Company conducts an annual quality audit as part of the ISO requirements. Aneka Jaringan also engages an internal audit consultant who assesses various functions within the Company such as Human Resources, Purchasing, IT, Contract and Quality Services.

We are pleased to report that our client satisfaction levels remain high with an average score of 86.3% for the past three years. There were also no incidences of non-compliance with quality standards in these periods.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS (“BOARD”) OF ANEKA JARINGAN HOLDINGS BERHAD IS COMMITTED TO ENSURE THAT THE CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES ARE APPLIED THROUGHOUT THE GROUP TO SAFEGUARD THE SHAREHOLDERS’ INTERESTS.

THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT OUTLINES THE COMPANY’S APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (“MCCG”). THE CORPORATE GOVERNANCE REPORT OF THE COMPANY IS AVAILABLE IN THE COMPANY’S WEBSITE AT WWW.ANEKAJARINGAN.COM.

Board of Directors and its Responsibilities

The Board is responsible for the overall strategic direction and business performance of the Group and is responsible in promoting long-term shareholders value, and ensuring overall corporate governance with effective leadership and professionalism.

The Board is guided by the Board Charter which provides clear guidance on the roles, responsibilities, processes and operations of the Board.

In terms of the strategic directions, the Board sets out the annual goals of the Group through annual budgeting and setting of business plans upon discussion with the senior management team to ensure that they are realistic and achievable, and their relevance in the current business, economic and social environment. The budget and business plans would be updated/revised if needed, to reflect the latest changes in the business environment.

Even though the management is responsible for the implementation of the goals and plans, the Board is also responsible for monitoring the progress and reviewing the milestones and achievements. The Board will advise of the necessary adjustments to ensure that the targets set are achievable. Through the quarterly meetings or any additional meetings as necessary, the Board will deliberate on such matters necessary to ensure the realignment of the Group’s goals if necessary, taking into consideration the business environment and the changing economic situation caused by external factors such as the pandemic.

The Board understands the principal risks the Group faced and that all business decisions involve taking risks. The Board is responsible for ensuring that good corporate governance is always in the foreground in all its business operations. The Audit and Risk Management Committee (“ARMC”) is established by the Board to assist on matters pertaining to reviewing and monitoring of the financial and operational performances of the Group. This is further enhanced through monthly operational meetings and management meetings chaired by the executive directors where any operational or financial issues are discussed and if the need arises, the issues would be escalated to the ARMC and the Board for consultation and advices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has also put in place a Whistle-blowing Policy which sets out the guidance and procedures by which employees and any third parties can raise any genuine improprieties perpetrated within the Group. An Anti Bribery and Corruption Policy has also been put in place to ensure that all Directors, management, staff, workers, suppliers and subcontractors are aware of the consequences of their actions in daily business dealings so that the Group is not exposed to any contravention of the laws.

The ARMC assists the Board in monitoring and reviewing the Group's risk management and internal controls system, with the assistance of the Internal Auditors. The ARMC continuously monitors and reviews the processes to identify, analyse, evaluate and manage the financial and non-financial risks are robust and effective.

Board Composition

In line with Rule 15.02 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), half of the Board or three (3) out of six (6) Board members are independent directors, to ensure that there are proper checks and balances to protect the interest of the minority shareholders. The diversity of the independent directors contributed to the objectivity in any decisions making process as they brought with them their specialisations and experiences in different backgrounds and industries into the deliberation processes. The Board also included a female independent non-executive director from a different industry and with different experiences to ensure balanced and robust decision-making processes. In final decision-making processes, no board member is above any other but rather as a consensus of the full Board.

The Board comprises of three (3) Executive Directors and three (3) Independent Non-Executive Directors, as follows:

- Dato' Ir. Tan Gim Foo (Independent Non-Executive Chairman)
- Mr. Pang Tse Fui (Managing Director)
- Mr. Chong Ngit Sooi (Executive Director)
- Mr. Loke Kien Tuck (Executive Director)
- Dato' Noraini binti Abdul Rahman (Independent Non-Executive Director)
- Mr. Wee Kee Hong (Independent Non-Executive Director)

The position of Chairman and Managing Director are held by different individuals. The Chairman is an independent non-executive member of the Board, who provides leadership for the Board so that the Board can discharge its duties effectively. He sets the agenda, leads the Board meetings and discussions and encourages active participations as well as allows dissenting views to be heard. The Chairman ensures good corporate governance is part of the culture of the Company.

The Managing Director, the Executive Directors and management team are responsible for the implementation of the Group's goals and execution of the business plans as laid out by the Board. The Managing Director and the Executive Directors will translate the Board's decisions, business plans and policies into operational goals and set the Key Performance Indicators for the management and staff for the year.

Board of Directors' Meeting

A total of five (5) Board of Directors' Meetings were conducted during the financial year ended 31 August 2021 with full attendance recorded, as follows:-

Directors	No. of meetings attended
Dato' Ir. Tan Gim Foo	5/5
Mr. Pang Tse Fui	5/5
Mr. Chong Ngit Sooi	5/5
Mr. Loke Kien Tuck	5/5
Dato' Noraini binti Abdul Rahman	5/5
Mr. Wee Kee Hong	5/5

Directors' Training

The Directors of the Company had attended the following training sessions during the financial year ended 31 August 2021:-

Name of Directors	Date of trainings	Subject
Dato' Ir. Tan Gim Foo	25 February 2021	Herbert Smith Freehills - Overview of ESG and Sustainable Finance
	27 July 2021	Malaysian Code on Corporate Governance 2021
	25 August 2021	MBAM Webinar on ESG in Construction

Briefings were provided to the Directors on key corporate governance developments and changes to the Listing Requirements, other laws and regulations. The Directors were also briefed on any changes to the accounting standards that may affect the Group's financial statements from time to time.

The Board acknowledges that continuous education is vital for the Board members to keep abreast with developments in the capital markets, relevant changes in rules and regulations and the business environment from time to time. The Board, with the assistance of the Nomination Committee, will evaluate their own training needs on a continuous basis and to determine the relevant programmes that will enhance their knowledge and enable them to discharge their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Audit and Risk Management Committee

Chairman – Mr. Wee Kee Hong
Member – Dato' Ir. Tan Gim Foo
Member – Dato' Noraini binti Abdul Rahman

The ARMC was established to provide a robust and comprehensive oversight on the financial reporting as well as the internal audit and external audit processes. It is guided by its Terms of Reference as published in the Company's website. The Chairman of the ARMC is a qualified chartered accountant by profession. The ARMC is also responsible for the effectiveness of the risk management and internal controls system of the Group. They are assisted by the Internal Auditors in the review and monitoring of the risk management and internal controls system. The ARMC reviewed the internal audit plan on the key areas to be audited during the financial year under review with the Internal Auditors. The ARMC also has access to any external consultants in areas where it deemed necessary to ensure that they can discharge their responsibilities thoroughly if the need arises.

The ARMC is also responsible to assess the External Auditors in terms of their suitability and independence. This includes written assurance from the External Auditors confirming their independence throughout the conduct of the audit engagement with the Company. The ARMC also met with the External Auditors without the presence of the management and Executive Directors during the financial year under review to discuss on any matters that the External Auditors wished to bring up to the attention of the ARMC. The ARMC also reviewed and assessed the External Auditors via annual assessment.

The Chairman of the ARMC together with other members of the ARMC shall ensure among others that the ARMC is fully informed of the significant matters related to the Company's audit and its financial statements and addresses those matters. They should also communicate their concerns on matters that may have an effect on the financials or audits of the Company to the External Auditors and both the Internal and External Auditors have access to each other directly in terms of communication.

Nomination Committee ("NC")

Chairman – Dato' Noraini binti Abdul Rahman
Member – Dato' Ir. Tan Gim Foo
Member – Mr. Wee Kee Hong

The NC is guided by its Terms of Reference and its main responsibilities include recommendation of new candidate(s) to the Board for the appointment of new Board members based on their skills, knowledge, experience, integrity and ability whilst keeping in mind the gender and ethnic diversity and any potential conflict of interest.

The NC met once during the financial year with full attendance. The following activities were carried out by the NC during the financial year under review:-

(i) Reviewed the Board's and Board Committees' structure, size and composition, required mix of skills and experiences of Directors; assessed and evaluated the effectiveness of each individual Director, Board Committees and the Board as a whole through evaluation forms;
(ii) Reviewed the independence of the Independent Non-Executive Directors through their self-declaration of independence forms; and
(iii) Notation of the trainings attended by the Directors during the financial year under review.

The NC also reviewed and recommended to the Board the re-election of Directors. On the assessment during the financial year ended 31 August 2021, the NC was satisfied upon completing its assessments that the Board had been functioning effectively, and concluded that the Board composition in terms of size, mix of skills and balance between Executive and Independent Directors were satisfactory. The NC had also assessed the level of diversity of the Board and was satisfied with the gender diversity in the composition of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises that diversity in Board composition is beneficial for effective discussion and weighing of management issues. Selection of female candidates will be, in part, dependent on the pool of women candidates with the necessary skills, knowledge and experience. The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidates will bring to the Board. Where suitable candidates are found in future, the Board may seek to increase representation from female members.

Remuneration Committee ("RC")

Chairman – Dato' Ir. Tan Gim Foo
Member – Mr. Wee Kee Hong
Member – Dato' Noraini binti Abdul Rahman

The main functions of the RC include among others, the development of a transparent remuneration policy and procedures framework for the Board and senior management. This includes the reviewing and recommending to the Board the remunerations of the Directors and senior management, taking into consideration market best practise and the responsibilities, functions, performance, experience, and the Company's operating results. The RC has to ensure that the levels of remunerations are sufficiently attractive to retain, attract and motivate Directors and senior management to drive the Company's long-term goals.

The RC met once during the financial year under review with full attendance, and had carried out, amongst others, the following activities:-

(i) Reviewed and recommended to the Board the Directors Fees and benefits of the Independent Non-Executive Directors; and
(ii) Reviewed and recommended to the Board the Directors' and Key Senior Management's remuneration.

The remuneration of the Directors for the financial year ended 31 August 2021 are as follows:-

The Company Category	Fees RM'000	Salaries, Bonus and Allowance RM'000	Defined Contribution Plans RM'000	Other Benefits RM'000	Total RM'000
Executive Directors					
Pang Tse Fui	-	-	-	-	-
Chong Ngit Sooi	-	-	-	-	-
Loke Kien Tuck	-	-	-	-	-
Non-Executive Directors					
Dato' Ir. Tan Gim Foo	47	-	-	9	56
Dato' Noraini binti Abdul Rahman	39	-	-	9	48
Wee Kee Hong	42	-	-	9	51

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Group Category	Fees RM'000	Salaries, Bonus and Allowance RM'000	Defined Contribution Plans RM'000	Other Benefits RM'000	Total RM'000
Executive Directors					
Pang Tse Fui	-	336	65	-	401
Chong Ngit Sooi	-	336	65	-	401
Loke Kien Tuck	-	336	65	-	401
Non-Executive Directors					
Dato' Ir. Tan Gim Foo	47	-	-	9	56
Dato' Noraini binti Abdul Rahman	39	-	-	9	48
Wee Kee Hong	42	-	-	9	51

Company Secretaries

The Board is supported by suitably qualified Company Secretaries to provide sound governance advices and adherence to regulatory requirements and sound corporate governance practices.

Stakeholders Communication

The Board is aware of the value of continuous communication between the Company and the stakeholders to facilitate mutual understanding of each other's expectations. It recognised the importance of ensuring ongoing engagement with the stakeholders to build trust and understanding by ensuring that all material business events of the Company are being communicated to the stakeholders so that they are able to make informed decisions, via announcements and quarterly results released through Bursa Securities' website at www.bursamalaysia.com and are made available at the Company's website at www.anekajaringan.com.

Annual General Meeting ("AGM")

The Company held its AGM as a public listed entity on 25 February 2021. All the Board members as well as senior management team were present at the AGM. The AGM provides the opportunities for the shareholders to seek clarifications from the Board members on any matters pertaining to the matters disclosed in the Annual Report and corporate developments in the Group. The results of resolutions put to vote by polling were then announced to Bursa Securities on the same day.

The Board Charter, Terms of Reference of the Board Committees are available at the Company's website at www.anekajaringan.com.

This Corporate Governance Overview Statement was approved by the Board of Aneka Jaringan Holdings Berhad on 16 December 2021.

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required to prepare the financial statements for each financial year in accordance with the provisions of the Companies Act 2016 ("Act"), the applicable approved accounting standards and the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad to give a true and fair view of the state of affairs of the Group and the Company for the financial year under review and the financial performance and cash flows of the Group and the Company for the financial year.

The Directors consider that in the preparation of the financial statements of the Group and the Company for the financial year ended 31 August 2021, the Group and the Company have:

- Applied the appropriate accounting policies consistently;
- Applied reasonable and prudent judgements and estimates;
- Ensured that financial statements are in compliance with all applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the requirements of the Act and the Listing Requirements of Bursa Securities; and
- Prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are required by the Act to ensure that the Group and the Company keep such accounting and other records in a manner that would sufficiently explain the financial position of the Group and the Company.

The Directors are also responsible for taking steps as are reasonably available to them to ensure that the internal controls are in place to safeguard assets of the Group and the Company and to prevent and detect any fraud and other irregularities.

The above statement was reviewed and approved by the Board of Directors on 16 December 2021.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee ("ARMC") of Aneka Jaringan Holdings Berhad is pleased to present the ARMC report for the financial year ended 31 August 2021 ("FYE 2021").

The ARMC comprises the following three (3) members, all of whom are Independent Non-Executive Directors:

Chairman – Mr. Wee Kee Hong *(Independent Non-Executive Director)*
Member – Dato' Ir. Tan Gim Foo *(Independent Non-Executive Chairman)*
Member – Dato' Noraini binti Abdul Rahman *(Independent Non-Executive Director)*

Mr. Wee Kee Hong is a member of the Malaysian Institute of Accountants and an associate of the Chartered Institute of Management Accountants, United Kingdom. The ARMC is guided by its Terms of Reference which outline its composition, authorities, roles and responsibilities. The ARMC is to assist the Board to discharge its duties and responsibilities by providing an objective and independent view of the financials, operations and administrative processes and the assurance of the risk management and internal controls system robustness.

The ARMC had five (5) meetings during FYE 2021, with the details of attendance as follows:-

ARMC Members	No. of Meetings Attended
Mr. Wee Kee Hong	5/5
Dato' Ir. Tan Gim Foo	5/5
Dato' Noraini binti Abdul Rahman	5/5

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During FYE 2021, the ARMC carried out amongst others, the following activities in discharging its functions and duties in accordance with its Terms of Reference:-

Financial Reporting

- Reviewed the unaudited consolidated quarterly report for the Group for recommendation to the Board of Directors ("Board") for approval prior to submission to Bursa Malaysia Securities Berhad ("Bursa Securities").
- Reviewed the audited financial statements for the financial year ended 31 August 2020 ("FYE 2020") prior to recommendation to the Board for approval.

Internal Auditing

- Reviewed the proposals from the Internal Auditors for internal audit services for FYE 2021, taking into consideration the relevant aspects including among others, the independence, competency, and resources prior to recommendation of the appointment of Internal Auditors to the Board for approval.
- Reviewed the Internal Audit Plan for FYE 2021 to ensure the adequacy of the audit coverage and scope of review.
- Reviewed the internal audit reports, the recommendations made by Internal Auditors and management's responses to those recommendations, as well as the internal audit follow-up report to ensure that appropriate actions were taken and the status of implementation.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

External Auditing

- Reviewed the report from the External Auditors arising from the final audit for FYE 2020 and had private session with the External Auditors to discuss on any matters arising from the final audit and assistance provided by management to them during the course of audit.
- Reviewed the re-appointment of the External Auditors, taking into consideration the assessment and other criteria for the re-appointment, and recommended to the Board for approval.
- Reviewed the audit plan for FYE 2021 including amongst others, the audit approach, communication of key audit matters, financial reporting standards adopted and review of Statement on Risk Management and Internal Control.

Related Party Transactions

- Reviewed the Related Party Transaction Policy prior to recommendation to the Board for approval.
- Reviewed the related party transactions of the Group on a quarterly basis.

Others

- Reviewed and noted the Terms of Reference of ARMC and the Whistle-blowing Policy as adopted by the Company.
- Reviewed the Anti Bribery and Corruption Policy prior to recommendation to the Board for approval.
- Reviewed the ARMC Report and Statement on Risk Management and Internal Control for incorporation into the Annual Report.
- Reviewed the Group's Risk Register.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to an independent professional consultancy firm, Sterling Business Alignment Consulting Sdn Bhd ("Sterling") to provide independent and systematic reviews on the system of internal control. The internal audit function provides an independent and objective feedback to the ARMC on the adequacy, effectiveness and efficiency of the internal control system within the Group. The Internal Auditors adopt the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as its basis for evaluating the Group's internal control systems.

The internal audit activities conducted during FYE 2021 are as follows:-

- Performed internal audit reviews of the Group's internal control system in accordance with the Internal Audit Plan to identify areas of improvement for the following functions:
  - Human Resource
  - Administration
  - Management Information System/Information Technology
  - Contract Management
  - Procurement
- Report to the ARMC of the audit findings, recommendations and management's responses/actions.
- Follow up audit reviews on the status of implementation of the Internal Auditors' recommendations and reporting of the results to the ARMC.

The ARMC is not aware of any relationships or conflict of interests that could potentially threaten Sterling's ability to carry out its duties objectively and independently.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG 2021") REQUIRES THE BOARD OF DIRECTORS OF A LISTED COMPANY TO ESTABLISH A SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM TO SAFEGUARD THE SHAREHOLDERS' INTERESTS. IN ACCORDANCE WITH RULE 15.26(B) OF THE ACE MARKET LISTING REQUIREMENTS, THE BOARD OF DIRECTORS OF ANEKA JARINGAN HOLDINGS BERHAD ("BOARD") IS PLEASED TO PRESENT THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibilities to ensure the adequacy and effectiveness of the Group's risk management framework and internal control in all aspects of the Group business not only in financial and compliance aspects but also in terms of operations as well. This covers the establishment of the risk appetite, reviewing the adequacy and effectiveness of the current risk management framework and internal control system based on the Group's corporate objectives, strategies and nature of the Group's business in the changing business environment.

The Board affirms that eventhough the system will manage the Group's risks, it cannot fully eliminate them and therefore it can only provide reasonable but not a comprehensive assurance against any misstatement, loss or fraud and there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The Board delegates the duty of identification, assessment and management of the key business risks to the Audit and Risk Management Committee ("ARMC") who meet every quarter to review, assess and ensure that the integrity of the risk management system is robust and effective. In the discharge of its duties, the ARMC relies on the quarterly reviews and assessment of the Internal Auditors on the potential risks and control issues that might arise. The ARMC will also rely on the Internal Auditors' recommendations on any remedial actions to be taken to mitigate or rectify any internal control weaknesses. The ARMC has direct access to the external auditors and will meet them in private and confidential sessions at least once a year to understand and be advised of any potential risks that the Group might be faced with. The ARMC can access external consultants in the specific areas of expertise where necessary if the need arises in order to assess any risks or exposure that the ARMC deemed as necessary.

The ARMC shall report to the Board on the findings and recommendations after reviewing the reports from the Internal Auditors and External Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Group has established a risk management policy which includes governance structure and groupwide processes to identify, evaluate and manage the different levels and types of risks the Group faced in its business operations and performance. The roles and responsibilities of the Board, ARMC, risk owners are spelled out in the risk management policy of the group. It sets out the responsibilities of the Managing Director, Board and the Senior Management in their capacities as risk owners in terms of the operational procedures and controls to ensure that adequacy and effectiveness of the risks and internal control management systems;

1. Develop, review and implement the risk management policy as approved by the Board which include the identification and development of the necessary action plans to counter and mitigate the key risks.
2. Ensure that the risk management policy is aligned to the Group's strategies and risk appetite & tolerance.
3. Ensure continuous monitoring, review and updating of the risk registers due to change in business processes, environment and strategies.
4. Update the ARMC on any changes in the risk registers and management actions in ensuring such risks are mitigated and from which the ARMC will update the Board.
5. Review and assess all major business decisions pertaining to acquisitions, divestments or strategic business decisions.
6. In terms of the COVID-19 pandemic, the management has assessed the effects of the outbreak on the Group's business operations and its impacts. These have been incorporated into the risks register and the necessary controls to mitigate the impacts.

Under the Group's risk management policy, the risk owners at the operational levels take ownership of and accountability of the risks within their respective areas and levels;

1. Manage the risks under their controls within the business processes.
2. Continuously evaluate the existing controls and if found to be ineffective or inadequate, review and reinstate additional controls to ensure their effectiveness.
3. Continuously monitor, assess and report to the ARMC of any new emerging risks or changes in business risks due to change in business environment or circumstances. To design the necessary controls and management action plans and to implement such plans as necessary to mitigate such risks.
4. Update the risks registers on the new risks and the status of risks highlighted and the management action plans.
5. Disseminate to the lower levels staff on the risk exposures and the importance of the related controls.

The Group's internal audit function also acts as the monitoring agent as part of the risk management process. The internal auditors will discuss with the ARMC on the areas of concern before developing the audit plans for the year. The final internal audit plan finalised will be approved by the ARMC.

The ARMC also relied on external auditors in the discharge of its responsibilities. A closed-door discussion was held twice a year between the ARMC and the external auditors to discuss or highlight any potential business or internal control risks that the Group might be faced with to ensure independence.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an external independent professional consultancy firm, Sterling Business Alignment Consulting ("Sterling"), which conducted 2 cycles of internal audit for the Human Resource and Administrative Function, management information system, Purchasing function and Contract management for the financial year ending 31 August 2021. The Internal Auditors also conducted 2 cycles of follow-up audits on the earlier internal audit findings subsequently to ensure any risks or recommendations highlighted are promptly adopted or remedied. The audits conducted covered the following functions:

Human Resources and Administrative function

- Review of the existing SOPs, Organisation chart
- Compliance with Section 17A Malaysian Corruption Commission (Amendment) Act 2018, Personal Data Protection Act (PDPA) 2010
- Recruitment processes, salary review, P-files controls, performance evaluations, resignations statistics
- Foreign workers affairs, compliance with Section 446 in terms of workers' accommodation
- Payroll, leave management, staff training

Management Information Systems

- IT policy and procedures
- Data backup, off-site backup and testing of data recovery
- Disaster recovery and business contingency planning
- Software licenses

Procurement function

- Review of SOPs for procurement functions
- Requisition process, annual price comparison, new supplier registration
- Suppliers annual review process

Contract Management function

- Review of SOPs of contract management
- Project budget, updates and review
- Issuance of Letter of Award from customers, subcon selection
- Monitoring of back charges, retention sum, final accounts, certificate of non-completion

The findings on the internal audits were classified into the various levels of risks in accordance with the risks register and the recommendations on the necessary course of actions to remedy or mitigate these risks were presented in the quarterly internal audit reports to the ARMC during the quarterly meetings. The internal auditors also did follow-up audits subsequent to the earlier audits to ensure that the recommended internal controls measures or proper controls were taken to ensure that all risks highlighted in the reports are mitigated and under control. During each quarterly meeting, the ARMC will have a closed-door meeting with the internal auditors to ensure their independence.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group also engaged the Sterling to conduct an inhouse seminar for all the staff on the Section 17A Malaysian Anti-Corruption Commission (Amendment) Act 2018 to ensure that all the staff are aware of their responsibilities and duties under the Act and the consequences of their actions. The cost of the internal audits function for the financial year ended 31 August 2021 amounted to RM39,432.

ASSURANCE BY MANAGING DIRECTOR

The Managing Director has given the assurance that the Group's risk management and internal control management system is adequate and effective in all aspects for the financial year under review.

OPINION FROM BOARD ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board, through the ARMC has reviewed the adequacy and effectiveness of the risk management and internal control system and the necessary actions have been taken to remedy the internal control weaknesses identified from the internal auditors' and external auditors' reviews which were brought up to the ARMC during the quarterly meetings.

In view of the above and the assurance provided by the Managing Director, the Board is of the opinion that the current risk management and internal control systems in place are adequate and there are no significant material weaknesses that would warrant any separate disclosure. Nevertheless, the Board together with the management will continue to take the necessary measures to ensure that all processes and procedures are being constantly reviewed and reinforced and that the Group's risk management and internal control system is robust.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Risk Management and Internal Control pursuant to the scope set out in AAPG3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control to be included in the Annual Report for the financial year ended 31 August 2021. The review has been conducted to assess whether the Statement on Risk Management and Internal Control is reflective of the processes the directors have adopted in assessing the risks faced by the Group in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

Based on their review, the external auditors have reported that nothing has come to their attention that would cause them to believe that the Statement is inconsistent with their understanding of the process the Board has undertaken in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

This Statement was reviewed and approved by the Board on 16 December 2021.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING ("IPO")

On 20 October 2020, the Company completed its IPO exercise and raised gross proceeds amounting to RM46,163,700 from the listing. The actual utilisation of the proceeds raised from the IPO are as below:-

No.	Purpose	Proposed utilisation RM'000	%	Revised utilisation RM'000	%	Actual utilisation as at 31 August 2021(1) RM'000	Balance to be utilised RM'000	Intended timeframe for utilisation (from the listing date 20 October 2020) (2)
1.	Purchase of new rotary drilling rigs and crawler crane	17,300	37.48	20,040	43.41	15,540	4,500	Within 36 months
2.	Repayment of borrowings	24,264	52.56	21,064	45.63	21,064	-	
3.	Estimated listing expenses	4,600	9.96	4,600	9.96	4,600	-	
4.	Working capital	-	0.00	460	1.00	460	-	
	Total	**46,164**	**100.00**	**46,164**	**100.00**	**41,664**	**4,500**	

(1) The Company had on 24 March 2021 announced the variation of utilisation of proceeds raised from the IPO. Please refer to the Company's announcement dated 24 March 2021 for further details.

(2) The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 1 October 2020.

AUDIT FEE AND NON-AUDIT FEE

Details of statutory audit, audited related and non-audit fees paid/payable to the External Auditors for the financial year ended 31 August 2021 are set out as follows:

	Fees paid/payable (RM)		
Description	Company	Subsidiaries	Total
Audit services rendered	30,000	108,135	138,135
Non-audit services rendered	5,000	-	5,000
Total	**35,000**	**108,135**	**143,135**

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The RRPT of the Group have been entered into in the normal course of business.

Further details of the RRPT of a revenue or trading nature conducted during the financial year are disclosed in Note 33 to the audited financial statements of this Annual Report.

The RRPT during the financial year ended 31 August 2021 do not require shareholders' mandate.

FINANCIAL STATEMENTS

For the Financial Year Ended 31 August 2021

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(22,884,781)	(2,750,968)
Attributable to:		
Owners of the Company	(21,440,535)	(2,750,968)
Non-controlling interests	(1,444,246)	-
	(22,884,781)	(2,750,968)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 August 2021.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances 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.

CONTINGENT AND OTHER LIABILITIES

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; and

(ii) any contingent liabilities in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

Other than the effects arising from COVID-19 pandemic as disclosed in Note 35 to the financial statements, in the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) 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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 139,890,000 new ordinary shares at the initial public offering ("IPO") price of RM0.33 per share.

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

During the financial year, no debentures were issued by the Company.

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

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chong Ngit Sooi *
Loke Kien Tuck *
Pang Tse Fui *
Dato' Ir. Tan Gim Foo
Dato' Noraini binti Abdul Rahman
Wee Kee Hong

* *Directors of the Company and certain subsidiaries*

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

Aziz Bin Hassan
Ngoi Tong King
Tung Sin Thian

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporation during the financial year were as follows:

Interest in the Company

	Number of ordinary shares			
	At 1 September 2020	Bought	Sold	At 31 August 2021
Direct interests:				
Chong Ngit Sooi	99,552,500	-	-	**99,552,500**
Loke Kien Tuck	99,552,500	-	-	**99,552,500**
Pang Tse Fui	99,552,500	-	-	**99,552,500**

By virtue of their interests in the shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, they are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by directors as disclosed in Note 27 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transaction as disclosed in Note 33 to the financial statements.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

INDEMNITY TO DIRECTORS AND OFFICERS

The directors and officers of the Company and its subsidiaries are covered by Directors and Officers Liability Insurance up to a limit of RM5 million for the period from 23 October 2020 to 22 October 2021. The insurance premium for the Directors and Officers Liability Insurance paid during the financial year amounted to RM7,500.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events during and subsequent to the end of the financial year are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 26 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

…………………………………………..	…………………………………………..
PANG TSE FUI	**LOKE KIEN TUCK**
Director	Director

Date: 16 December 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	**64,361,217**	54,922,228	**-**	-
Investment properties	6	**5,095,700**	4,647,075	**-**	-
Investment in subsidiaries	7	**-**	-	**116,644,747**	79,641,996
Investment in a joint venture	8	**370,020**	-	**-**	-
Other receivables	9	**7,109**	7,011	**-**	-
Total non-current assets		**69,834,046**	59,576,314	**116,644,747**	79,641,996
Current assets					
Current tax assets		**4,076,245**	1,790,162	**-**	-
Trade and other receivables	9	**64,575,957**	59,825,951	**38,990**	-
Contract assets	10	**77,706,667**	64,376,422	**-**	-
Other current assets	11	**4,085,117**	3,002,440	**-**	-
Short term investments	12	**4,072,444**	-	**4,072,444**	-
Cash and short-term deposits	13	**13,445,666**	15,889,417	**4,989**	919
Total current assets		**167,962,096**	144,884,392	**4,116,423**	919
TOTAL ASSETS		**237,796,142**	204,460,706	**120,761,170**	79,642,915
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	14	**123,617,950**	79,642,000	**123,617,950**	79,642,000
Reorganisation deficit	15	**(76,341,996)**	(76,341,996)	**-**	-
Retained earnings/(Accumulated losses)		**64,282,618**	85,670,511	**(2,904,545)**	(153,577)
Exchange reserve	16	**(147,928)**	(221,304)	**-**	-
		111,410,644	88,749,211	**120,713,405**	79,488,423
Non-controlling interests		**3,333,169**	5,315,334	**-**	-
TOTAL EQUITY		**114,743,813**	94,064,545	**120,713,405**	79,488,423

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Non-current liabilities					
Loans and borrowings	17	**31,679,699**	26,325,739	**-**	-
Employee benefits	18	**665,551**	793,997	**-**	-
Deferred tax liabilities	19	**1,519,697**	1,470,641	**-**	-
Total non-current liabilities		**33,864,947**	28,590,377	**-**	-
Current liabilities					
Loans and borrowings	17	**37,877,848**	40,758,225	**-**	-
Current tax liabilities		**19,479**	800,171	**-**	-
Trade and other payables	20	**46,990,055**	40,129,584	**47,765**	154,492
Contract liabilities	10	**-**	117,804	**-**	-
Provisions	21	**4,300,000**	-	**-**	-
Total current liabilities		**89,187,382**	81,805,784	**47,765**	154,492
TOTAL LIABILITIES		**123,052,329**	110,396,161	**47,765**	154,492
TOTAL EQUITY AND LIABILITIES		**237,796,142**	204,460,706	**120,761,170**	79,642,915

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Revenue	22	**122,102,058**	135,346,071	**-**	-
Cost of sales	23	**(121,670,245)**	(115,163,940)	**-**	-
Gross profit		**431,813**	20,182,131	**-**	-
Other income	24	**698,956**	5,135,111	**-**	-
Administrative expenses		**(10,950,335)**	(8,918,649)	**(2,891,646)**	(134,419)
Net (loss)/reversal on impairment of financial instrument and contract assets		**(3,762,985)**	310,000	**-**	-
Other expenses		**(5,870,362)**	(100,900)	**-**	-
Operating (Loss)/Profit		**(19,452,913)**	16,607,693	**(2,891,646)**	(134,419)
Finance income	25	**371,205**	394,358	**140,678**	-
Finance costs	25	**(3,026,366)**	(3,161,083)	**-**	-
(Loss)/Profit before tax	26	**(22,108,074)**	13,840,968	**(2,750,968)**	(134,419)
Income tax expense	28	**(776,707)**	(3,037,467)	**-**	-
(Loss)/Profit for the financial year		**(22,884,781)**	10,803,501	**(2,750,968)**	(134,419)
Other comprehensive income/(loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plan		**95,713**	(7,530)	**-**	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**133,410**	(422,540)	**-**	-
Other comprehensive income/(loss) for the financial year	29	**229,123**	(430,070)	**-**	-
Total comprehensive (loss)/income for the financial year		**(22,655,658)**	10,373,431	**(2,750,968)**	(134,419)
(Loss)/Profit attributable to:					
Owners of the Company		**(21,440,535)**	10,042,851	**(2,750,968)**	(134,419)
Non-controlling interests		**(1,444,246)**	760,650	**-**	-
		(22,884,781)	10,803,501	**(2,750,968)**	(134,419)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		**(21,314,517)**	9,806,312	**(2,750,968)**	(134,419)
Non-controlling interests		**(1,341,141)**	567,119	**-**	-
		(22,655,658)	10,373,431	**(2,750,968)**	(134,419)
(Loss)/Earnings per share (sen)					
- Basic	30	**(4.13)**	2.52		
- Diluted	30	**(4.13)**	2.52		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Share capital RM	Exchange reserve RM	Reorganisation deficit RM	Retained earnings RM	Sub-total RM	Non-controlling interests RM	Total equity RM
		← Attributable to owners of the Company →						
Group								
At 1 September 2020		79,642,000	(221,304)	(76,341,996)	85,670,511	88,749,211	5,315,334	94,064,545
Total comprehensive (loss)/ income for the financial year								
Loss for the financial year		-	-	-	(21,440,535)	(21,440,535)	(1,444,246)	(22,884,781)
Other comprehensive income for the financial year		-	73,376	-	52,642	126,018	103,105	229,123
Total comprehensive (loss)/ income		-	73,376	-	(21,387,893)	(21,314,517)	(1,341,141)	(22,655,658)
Transactions with owners								
Issuance of ordinary shares	14	43,975,950	-	-	-	43,975,950	-	43,975,950
Dividend paid		-	-	-	-	-	(641,024)	(641,024)
Total transactions with owners		43,975,950	-	-	-	43,975,950	(641,024)	43,334,926
At 31 August 2021		**123,617,950**	**(147,928)**	**(76,341,996)**	**64,282,618**	**111,410,644**	**3,333,169**	**114,743,813**

* RM0.20

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

		Attributable to owners of the Company						
	Note	Share capital RM	Exchange reserve RM	Reorganisation deficit RM	Retained earnings RM	Sub-total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 September 2019 (unaudited)		3,300,004	11,093	-	75,631,802	78,942,899	4,748,215	83,691,114
Total comprehensive (loss)/ income for the financial year								
Profit for the financial year		-	-	-	10,042,851	10,042,851	760,650	10,803,501
Other comprehensive loss for the financial year		-	(232,397)	-	(4,142)	(236,539)	(193,531)	(430,070)
Total comprehensive (loss)/ income		-	(232,397)	-	10,038,709	9,806,312	567,119	10,373,431
Transactions with owners								
Issuance of ordinary shares	14	*	-	-	-	-	-	-
Issuance of shares for acquisition of subsidiaries	14	79,641,996	-	-	-	79,641,996	-	79,641,996
Reorganisation deficit	14,15	(3,300,000)	-	(76,341,996)	-	(79,641,996)	-	(79,641,996)
Total transactions with owners		76,341,996	-	(76,341,996)	-	-	-	-
At 31 August 2020		**79,642,000**	**(221,304)**	**(76,341,996)**	**85,670,511**	**88,749,211**	**5,315,334**	**94,064,545**

* RM0.20

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

		Attributable to owners of the Company		
	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At 31 August 2019	14	4	(19,158)	(19,154)
Loss for the financial year, representing total comprehensive loss for the financial year		-	(134,419)	(134,419)
Transactions with owners				
Issuance of ordinary shares	14	*	-	-
Issuance of shares for acquisition of subsidiaries	14	79,641,996	-	79,641,996
At 31 August 2020		79,642,000	(153,577)	79,488,423
Loss for the financial year, representing total comprehensive loss for the financial year		-	(2,750,968)	(2,750,968)
Transactions with owners				
Issuance of ordinary shares	14	43,975,950	-	43,975,950
At 31 August 2021		**123,617,950**	**(2,904,545)**	**120,713,405**

* RM0.20

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from operating activities					
(Loss)/Profit before tax		**(22,108,074)**	13,840,968	**(2,750,968)**	(134,419)
Adjustments for:					
Bad debts written off		**230,445**	100,900	**-**	-
Contract assets written off		**5,639,917**	-	**-**	-
Depreciation of investment properties		**80,095**	80,095	**-**	-
Depreciation of property, plant and equipment		**18,734,732**	16,174,724	**-**	-
Interest income of financial assets that are carried at fair value through profit or loss		**(70,487)**	-	**(70,487)**	-
Finance costs		**3,026,366**	3,161,083	**-**	-
Finance income		**(300,718)**	(394,358)	**(70,191)**	-
Gain on disposal of property, plant and equipment		**(227,333)**	(950,878)	**-**	-
Insurance claim		**(18,737)**	(446)	**-**	-
Impairment loss on:					
- contract assets		**2,193,392**	-	**-**	-
- trade receivables		**1,567,335**	-	**-**	-
- other receivables		**31,756**	-	**-**	-
Reversal of impairment loss on trade receivable		**(29,498)**	(310,000)	**-**	-
Reversal of provision of liquidated ascertained damages		**-**	(3,760,000)	**-**	-
Provision for post employee benefits		**36,270**	(7,530)	**-**	-
Provision for defect liability damages		**4,300,000**	-	**-**	-
Unrealised (gain)/loss on foreign exchange		**(22,366)**	70,270	**-**	-
Operating profit/(loss) before changes in working capital		**13,063,095**	28,004,828	**(2,891,646)**	(134,419)
Changes in working capital					
Trade and other receivables		**(8,138,929)**	22,852,839	**(38,990)**	-
Contract assets		**(21,163,554)**	8,508,610	**-**	-
Trade and other payables		**6,860,471**	(29,936,068)	**(24,061)**	64,826
Employee benefits		**-**	85,337	**-**	-
Contract liabilities		**(117,804)**	(2,154,600)	**-**	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Net cash (used in)/generated from operations		**(9,496,721)**	27,360,946	**(2,954,697)**	(69,593)
Income tax paid		**(3,794,426)**	(4,830,246)	**-**	-
Interests received		**300,718**	394,358	**70,191**	-
Interests paid		**(128,528)**	(181,550)	**-**	-
Payment for post employee benefits		**(79,197)**	-	**-**	-
Net cash (used in)/from operating activities		**(13,198,154)**	22,743,508	**(2,884,506)**	(69,593)
Cash flows from investing activities					
Acquisition of a joint venture		**(370,020)**	-	**-**	-
Advances to subsidiaries		**-**	-	**(37,002,751)**	-
Interest income from money market funds		**70,487**	-	**70,487**	-
Purchase of property, plant and equipment	(a)	**(7,133,789)**	(1,336,136)	**-**	-
Proceeds from disposal of property, plant and equipment		**295,000**	951,000	**-**	-
Proceeds from insurance claim		**18,737**	446	**-**	-
Changes in pledged deposits		**(680,406)**	1,352,466	**-**	-
Changes in restricted cash		**590,089**	(855,000)	**-**	-
Net cash (used in)/from investing activities		**(7,209,902)**	112,776	**(36,932,264)**	-
Cash flows from financing activities	(c)				
Dividends paid to non-controlling interests		**(641,024)**	-	**-**	-
Interest paid		**(2,897,838)**	(2,979,533)	**-**	-
Net proceeds from issuance of ordinary shares		**43,975,950**	*	**43,975,950**	*
Repayment of term loans		**(4,811,060)**	(1,290,381)	**-**	-
Payments of lease liabilities		**(15,001,385)**	(14,794,921)	**-**	-
Drawdown of bankers' acceptances		**35,281,718**	32,644,186	**-**	-
Repayment of bankers' acceptances		**(39,701,933)**	(29,341,178)	**-**	-
Drawdown of invoice financing		**8,936,177**	4,725,410	**-**	-
Repayment of invoice financing		**(6,886,772)**	(4,991,666)	**-**	-
Drawdown of promissory notes		**35,988,524**	31,566,831	**-**	-
Repayment of promissory notes		**(35,796,016)**	(31,281,902)	**-**	-
Repayments to directors		**-**	(215,154)	**-**	-
(Repayments to)/Advances from a subsidiary		**-**	-	**(82,666)**	82,666
Repayments to related party		**-**	-	**-**	(12,158)
Net cash from/(used in) financing activities		**18,446,341**	(15,958,308)	**43,893,284**	70,508

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Net (decrease)/increase in cash and cash equivalents		**(1,961,715)**	6,897,976	**4,076,514**	915
Cash and cash equivalents at the beginning of the financial year		**7,536,017**	481,858	**919**	4
Effect of exchange rate changes on cash and cash equivalents		**21,896**	156,183	**-**	-
Cash and cash equivalents at the end of the financial year	13	**5,596,198**	7,536,017	**4,077,433**	919

* RM0.20

(a) Purchase of property, plant and equipment:

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Purchase of property, plant and equipment	5	**28,119,924**	17,878,285	**-**	-
Financed by way of lease arrangements		**(20,986,135)**	(16,542,149)	**-**	-
Cash payments on purchase of property, plant and equipment		**7,133,789**	1,336,136	**-**	-

During the financial year, the Group had total cash outflows for leases of RM25,983,877 (2020: RM24,411,912).

(b) Purchase of investment property

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Purchase of investment property	6	**528,720**	-	**-**	-
Contra with trade debtors		**(528,720)**	-	**-**	-
Cash payments on investment property		**-**	-	**-**	-

(c) Reconciliation of liabilities arising from financing activities:

	1.9.2020 RM	Cash flows RM	Non-cash Acquisition RM	31.8.2021 RM
Group				
Term loans	9,044,294	(4,811,060)	-	**4,233,234**
Lease liabilities	30,945,722	(15,001,385)	20,986,135	**36,930,472**
Bankers' acceptances	17,253,577	(4,420,215)	-	**12,833,362**
Invoice financing	1,548,814	2,049,405	-	**3,598,219**
Promissory notes	8,291,557	192,508	-	**8,484,065**
	67,083,964	(21,990,747)	20,986,135	**66,079,352**
Company				
Amount owing to subsidiary	82,666	(82,666)	-	**-**

	Unaudited 1.9.2019 RM	Cash flows RM	Non-cash Acquisition RM	31.8.2020 RM
Group				
Term loans	10,334,675	(1,290,381)	-	9,044,294
Lease liabilities	29,198,494	(14,794,921)	16,542,149	30,945,722
Bankers' acceptances	13,950,569	3,303,008	-	17,253,577
Invoice financing	1,815,070	(266,256)	-	1,548,814
Promissory notes	8,006,628	284,929	-	8,291,557
Amount owing to directors	215,154	(215,154)	-	-
	63,520,590	(12,978,775)	16,542,149	67,083,964
Company				
Amount owing to subsidiary	-	82,666	-	82,666
Amount owing to related party	12,158	(12,158)	-	-
	12,158	70,508	-	82,666

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Aneka Jaringan Holdings Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Suite 11.1A, Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur. The principal place of business of the Company is located at K-2-1, Pusat Perdagangan Bandar Bukit Jalil, Persiaran Jalil 2, 57000 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There has been no significant change in the nature of its principal activity during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 December 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of MFRSs	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 April 2021 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective: (continued)

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (continued)		
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

(a) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(a) The Group and the Company plan to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (continued)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(a) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (continued)

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provision, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

(b) The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial period presented in the financial statements of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and joint venture used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

In connection with the Group's reorganisation scheme as a result of the initial public offering exercise, the Company acquired the entire share capital of Aneka Jaringan Sdn. Bhd. and Aneka Geotechnics Sdn. Bhd..

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

- the assets and liabilities of the acquired entity are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisitions-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combinations occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiaries from the consolidated statements of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiaries, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or held for trading financial asset.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group’s share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non- controlling interests even if the losses exceed the non-controlling interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(c) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with *MFRS 128 Investments in Associates and Joint Ventures*.

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

(d) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b) to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (continued)

(b) Translation of foreign operations (continued)

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under *MFRS 15 Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when its business models for managing those assets change.

<u>Debt instruments</u>
Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and Company classify its debt instruments:

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(i) Financial assets (continued)

<u>Debt instruments</u> (continued)

- **Fair value through other comprehensive income (FVOCI)**
  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **Fair value through profit or loss (FVPL)**
  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(i) Financial assets (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(ii) Financial liabilities (continued)

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liablities are derecognised and through the amortisation process.

(b) 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 guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) 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 shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) 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.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire; or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset; or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) 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, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.15 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Leasehold land	78 - 88 years
Excavators, cranes, plant and machinery	5 - 8 years
Tools, equipment and container	4 - 10 years
Motor vehicles	4 - 5 years
Computer and office equipment	4 - 5 years
Furniture and fittings	4 - 10 years
Renovation	10 years
Right-of-use asset	1 - 72 years

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (continued)

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.6 Leases

(a) Definition of lease

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

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

<u>Right-of-use asset</u>

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(b) Lessee accounting (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company use its incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership. All other leases that do not meet this criterion are classified as operating leases.

If an entity in the Group is a lessor in a finance lease, it deregconises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit and loss based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated amortisation or depreciation.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.15 to the financial statements.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use.

3.8 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than passage of time (for example, the Group's future performance).

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

3.9 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investment with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value. Cash and cash equivalents are presented net of bank overdrafts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, 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.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 120 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source 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 and the Company's procedure for recovery of amounts due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for contract assets deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGU").

The recoverable amount of an asset of a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds the recoverable amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit of groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.11 Share capital

Ordinary shares

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

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non- monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Defined benefit plans

The Group recognises post-employment benefits liability in Indonesia in accordance with PSAK 24 (Revised 2013), taking into account amendment of PSAK-24 in 2018 "Employee Benefits" and Job Creation Law No. 11/2020 and Government Regulation No. 35/2021 dated 2 February 2021.

Liability recognised in respect of post-employment benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.13 Provisions

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

Revenue from contract with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customers is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

The Group involves in foundation and basement construction works including bored piling works, retaining wall construction and basement construction under long-term and short-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

(a) Construction contracts

Under the terms of contracts, control of the infrastructure is transferred over time as the Group creates or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

As stipulated in the contract, the Group’s obligations to repair and made good of any defect in the construction works which have become apparent within a period of 24 months after the completion period are recognised as a provision, if any.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income (continued)

(a) Construction contracts (continued)

Billings are made with a credit term of 30 to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction projects based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Rental income

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

3.15 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

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.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Income tax

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

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Income tax (continued)

(b) Deferred tax (continued)

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic 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 period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.19 Fair value measurement

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

For a 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 use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group 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 recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.20 Contingencies

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

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets are disclosed in Note 31(b) to the financial statements.

4.2 Construction revenue

The Group and the Company recognised construction revenue in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue, as well as the recoverability of the construction projects. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 10 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Freehold building RM	Excavators, cranes, plant and machinery RM	Tools, equipment and containers RM	Motor vehicles RM	Computers and office equipment RM	Furniture and fittings RM	Renovation RM	Capital work in progress RM	Right-of-use assets RM	Total RM
Group											
Cost											
At 1 September 2020	2,627,257	3,940,885	57,849,282	14,941,102	1,350,345	829,855	845,038	3,100	707,525	63,213,096	146,307,485
Additions	-	-	338,699	3,933,491	117,234	27,250	402	-	231,087	23,471,761	28,119,924
Disposal	-	-	(580,000)	-	(81,103)	-	-	-	-	-	(661,103)
Written off	-	-	-	-	-	(8,953)	-	-	-	-	(8,953)
Transfer from/(to)	-	-	28,865,452	2,443,318	526,894	-	-	-	-	(31,835,664)	-
Exchange difference	-	-	7,165	5,978	3,667	851	265	-	11,515	160,037	189,478
At 31 August 2021	2,627,257	3,940,885	86,480,598	21,323,889	1,917,037	849,003	845,705	3,100	950,127	55,009,230	173,946,831
Accumulated depreciation											
At 1 September 2020	-	315,270	53,478,914	10,165,557	1,293,081	555,716	199,395	568	-	25,376,756	91,385,257
Depreciation charge for the financial year	-	78,818	8,423,907	2,660,376	59,217	87,067	83,490	310	-	7,341,547	18,734,732
Disposal	-	-	(512,333)	-	(81,103)	-	-	-	-	-	(593,436)
Written off	-	-	-	-	-	(8,953)	-	-	-	-	(8,953)
Transfer from/(to)	-	-	13,718,840	1,403,893	448,418	-	-	-	-	(15,571,151)	-
Exchange difference	-	-	16,640	3,985	4,289	559	211	-	-	42,330	68,014
At 31 August 2021	-	394,088	75,125,968	14,233,811	1,723,902	634,389	283,096	878	-	17,189,482	109,585,614
Carrying amount											
At 31 August 2021	2,627,257	3,546,797	11,354,630	7,090,078	193,135	214,614	562,609	2,222	950,127	37,819,748	64,361,217

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Leasehold land RM	Freehold building RM	Excavators, cranes, plant and machinery RM	Tools, equipment and containers RM	Motor vehicles RM	Computers and office equipment RM	Furniture and fittings RM	Renovation RM	Capital work in progress RM	Right-of-use assets RM	Total RM
Group												
Cost												
At 1 September 2019												
- As previously stated	2,627,257	2,121,865	3,940,885	98,984,448	17,293,046	1,978,420	702,944	840,062	3,100	498,204	-	128,990,231
- Effect of adoption of MFRS 16	-	(2,121,865)	-	(52,547,857)	(4,308,383)	(831,654)	-	-	-	-	60,251,814	442,055
Adjusted balances as at 1 September 2019	2,627,257	-	3,940,885	46,436,591	12,984,663	1,146,766	702,944	840,062	3,100	498,204	60,251,814	129,432,286
Additions	-	-	-	-	82,389	-	129,051	5,754	-	235,987	17,425,104	17,878,285
Disposal	-	-	-	(492,799)	-	(3,660)	-	-	-	-	-	(496,459)
Transfer from/(to)	-	-	-	12,089,549	1,891,113	215,417	-	-	-	-	(14,196,079)	-
Exchange difference	-	-	-	(184,059)	(17,063)	(8,178)	(2,140)	(778)	-	(26,666)	(267,743)	(506,627)
At 31 August 2020	2,627,257	-	3,940,885	57,849,282	14,941,102	1,350,345	829,855	845,038	3,100	707,525	63,213,096	146,307,485

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Leasehold land RM	Freehold building RM	Excavators, cranes, plant and machinery RM	Tools, equipment and containers RM	Motor vehicles RM	Computers and office equipment RM	Furniture and fittings RM	Renovation RM	Capital work in progress RM	Right-of-use assets RM	Total RM
Group												
Accumulated depreciation												
At 1 September 2019												
- As previously stated	-	254,652	236,452	64,123,911	9,221,465	1,442,362	460,804	115,531	258	-	-	75,855,435
- Effect of adoption of MFRS 16	-	(254,652)	-	(20,417,245)	(1,950,779)	(338,970)	-	-	-	-	22,961,646	-
Adjusted balances as at 1 September 2019	-	-	236,452	43,706,666	7,270,686	1,103,392	460,804	115,531	258	-	22,961,646	75,855,435
Depreciation charge for the financial year	-	-	78,818	2,004,082	1,485,323	40,434	96,319	84,419	310	-	12,385,019	16,174,724
Disposal	-	-	-	(492,799)	-	(3,538)	-	-	-	-	-	(496,337)
Transfer from/(to)	-	-	-	8,339,744	1,418,335	160,775	-	-	-	-	(9,918,854)	-
Exchange difference	-	-	-	(78,779)	(8,787)	(7,982)	(1,407)	(555)	-	-	(51,055)	(148,565)
At 31 August 2020	-	-	315,270	53,478,914	10,165,557	1,293,081	555,716	199,395	568	-	25,376,756	91,385,257
Carrying amount												
At 31 August 2020	2,627,257	-	3,625,615	4,370,368	4,775,545	57,264	274,139	645,643	2,532	707,525	37,836,340	54,922,228

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets pledged as security

	Group	
	2021 RM	2020 RM
Freehold land	**2,627,257**	2,627,257
Leasehold land	**1,862,823**	1,880,628
Freehold building	**3,546,797**	3,625,615
	8,036,877	8,133,500

Freehold land, leasehold land and freehold building have been pledged as security to secure term loan of the Group as disclosed in Note 17(a) to the financial statements.

(b) Right-of-use assets

The Group leases several assets including leasehold land, excavators, cranes, plant and machineries, tools, equipment and containers, motor vehicles and hostel and office.

Information about leases for which the Group is a lessee is presented below:

	Group					
	Leasehold land RM	Excavators, cranes, plant and machinery RM	Tools, equipment and containers RM	Motor vehicles RM	Hostel and office RM	Total RM
Carrying amount						
At 1 September 2019 (unaudited)	1,867,213	32,130,611	2,357,604	492,685	442,055	37,290,168
Additions	40,310	16,492,934	872,448	-	19,412	17,425,104
Depreciation	(26,895)	(10,948,742)	(927,071)	(178,540)	(303,771)	(12,385,019)
Transfer to	-	(3,749,805)	(472,778)	(54,642)	-	(4,277,225)
Exchange difference	-	(212,077)	-	(6,334)	1,723	(216,688)
At 31 August 2020	1,880,628	33,712,921	1,830,203	253,169	159,419	37,836,340
Additions	9,540	23,249,644	-	-	212,577	23,471,761
Depreciation	(27,345)	(6,626,646)	(292,833)	(131,064)	(263,659)	(7,341,547)
Transfer to	-	(15,146,611)	(1,039,425)	(78,477)	-	(16,264,513)
Exchange difference	-	114,855	-	2,043	809	117,707
At 31 August 2021	**1,862,823**	**35,304,163**	**497,945**	**45,671**	**109,146**	**37,819,748**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (continued)

The Group leases land for its warehouse. The leases for land has remaining lease term of 71 years (2020: 72 years).

The Group leases apartments, house and shoplot for the use of the hostel and office. The leases are mainly for an initial lease of one (1) to two (2) years with options to renew for another one (1) year.

The Group also has leased excavators, cranes, plant and machinery, tools, equipment and containers, and motor vehicle for operation purposes with the lease term three (3) to five (5) years and have options to purchase the assets at the end of the contract term.

6. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Freehold building RM	Leasehold building RM	Apartment under construction RM	Total RM
Group						
2021						
Cost						
At 1 September 2020	**377,446**	**1,687,532**	**566,170**	**2,531,297**	**-**	**5,162,445**
Additions	**-**	**-**	**-**	**-**	**528,720**	**528,720**
At 31 August 2021	**377,446**	**1,687,532**	**566,170**	**2,531,297**	**528,720**	**5,691,165**
Accumulated depreciation						
At 1 September 2020	**-**	**127,021**	**33,969**	**354,380**	**-**	**515,370**
Depreciation charge for the financial year	**-**	**18,146**	**11,323**	**50,626**	**-**	**80,095**
At 31 August 2021	**-**	**145,167**	**45,292**	**405,006**	**-**	**595,465**
Carrying amount						
At 31 August 2021	**377,446**	**1,542,365**	**520,878**	**2,126,291**	**528,720**	**5,095,700**

6. INVESTMENT PROPERTIES (CONTINUED)

	Freehold land RM	Leasehold land RM	Freehold building RM	Leasehold building RM	Apartment under construction RM	Total RM
Group						
2020						
Cost						
At 1 September 2019/ 31 August 2020	377,446	1,687,532	566,170	2,531,297	-	5,162,445
Accumulated depreciation						
At 1 September 2019	-	108,875	22,646	303,754	-	435,275
Depreciation charge for the financial year	-	18,146	11,323	50,626	-	80,095
At 31 August 2020	-	127,021	33,969	354,380	-	515,370
Carrying amount						
At 31 August 2020	377,446	1,560,511	532,201	2,176,917	-	4,647,075

The Group's investment properties comprise a number of properties that are leased to third parties. Each lease contains an initial non-cancellable period of one (1) or two (2) years with option to renew for subsequent years. Subsequent renewals are negotiated with the lessee.

Investment properties of the Group with an aggregate carrying amount of RM5,095,700 (2020: RM4,647,075) have been pledged as security to secure banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2021 RM	2020 RM
Rental income	**122,210**	131,900
Direct operating expenses:		
- income generating investment properties	**43,849**	37,372
- non-income generating investment properties	**4,772**	9,676

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

The fair value of the investment properties of approximately RM5,561,000 (2020: RM5,214,618) is categorised at Level 3 of the fair value hierarchy.

Level 3 fair value

The fair values for certain investment properties of the Group were determined by external, independent valuers or based on information available through internal research and the directors' best estimation by reference to comparable properties in the same location or close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of the properties.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
At cost:		
Unquoted shares	**79,641,996**	-
Additions	**-**	79,641,996
	79,641,996	79,641,996
Loan that are part of net investments	**37,002,751**	-
	116,644,747	79,641,996

Loans that are part of net investments represent amount owing by subsidiaries which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Ownership interest and voting interest		Principal activities
		2021 %	2020 %	
Held by the Company				
Aneka Jaringan Sdn. Bhd.	Malaysia	**100**	100	Foundation and basement construction and other civil engineering works
Aneka Geotechnics Sdn. Bhd.	Malaysia	**100**	100	Rental of construction machineries and equipment

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal place of business/Country of incorporation	Ownership interest and voting interest 2021 %	2020 %	Principal activities
Held through Aneka Jaringan Sdn. Bhd.				
Aneka Jaringan & Persis Waja JV Sdn. Bhd. ("Aneka PW")	Malaysia	**55**	55	Foundation and basement construction and other civil engineering works
PT Aneka Jaringan Indonesia* ("PT Aneka")	Indonesia	**55**	55	Foundation and basement construction and other civil engineering works

* *Audited by an independent member firm of Baker Tilly International*

(a) Non-controlling interests in subsidiaries

The financial information of the Group's subsidiaries that have non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of Companies	Principal place of business/ Country of incorporation	Ownership interest and voting interest 2021 %	2020 %
Aneka PW	Malaysia	**45**	45
PT Aneka	Indonesia	**45**	45

Carrying amount of non-controlling interests:

Name of Companies	Group 2021 RM	2020 RM
Aneka PW	**(1,391,294)**	549,083
PT Aneka	**4,724,463**	4,766,251

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Non-controlling interests in subsidiaries (continued)

The financial information of the Group's subsidiaries that have non-controlling interests are as follows (continued):

Profit or loss allocated to non-controlling interests:

Name of Companies	Group	
	2021 RM	2020 RM
Aneka PW	**(1,940,377)**	(2,949)
PT Aneka	**496,131**	763,599

Other comprehensive income allocated to non-controlling interests:

Name of Companies	Group	
	2021 RM	2020 RM
Aneka PW	**-**	-
PT Aneka	**103,105**	(193,531)

(b) Summarised financial information (before intra-group elimination) of the Group's subsidiaries that have non-controlling interests are as follows:

	Aneka PW RM	PT Aneka RM
Summarised statement of financial position		
As at 31 August 2021		
Current assets	**2,749,775**	**6,310,903**
Non-current assets	**-**	**8,910,168**
Current liabilities	**(5,841,539)**	**(3,682,534)**
Non-current liabilities	**-**	**(1,386,520)**
Net assets	**(3,091,764)**	**10,152,017**
Summarised statement of comprehensive income		
Financial year ended 31 August 2021		
Revenue	**-**	**8,829,318**
(Loss)/Profit for the financial year, net of tax	**(4,311,949)**	**836,602**
Total comprehensive income	**-**	**932,316**

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information (before intra-group elimination) of the Group's subsidiaries that have non-controlling interests are as follows: (continued)

	Aneka PW RM	PT Aneka RM
Summarised cash flow information		
Financial year ended 31 August 2021		
Cash flows (used in)/from operating activities	**(12,539)**	**2,193,369**
Cash flows used in investing activities	**-**	**(1,014,126)**
Cash flows used in financing activities	**-**	**(2,780,644)**
Net increase in cash and cash equivalents	**(12,539)**	**(1,601,401)**
Summarised statement of financial position		
As at 31 August 2020		
Current assets	2,762,314	7,625,884
Non-current assets	-	8,539,748
Current liabilities	(1,542,129)	(2,303,485)
Non-current liabilities	-	(3,351,356)
Net assets	1,220,185	10,510,791
Summarised statement of comprehensive income		
Financial year ended 31 August 2020		
Revenue	-	11,208,542
(Loss)/Profit for the financial year, net of tax	(6,554)	1,519,303
Total comprehensive income	-	1,511,773
Summarised cash flow information		
Financial year ended 31 August 2020		
Cash flows generated from operating activities	81,485	5,358,259
Cash flows used in investing activities	-	(406,505)
Cash flows used in financing activities	-	(1,753,126)
Net increase in cash and cash equivalents	81,485	3,198,628

(c) Acquisition of subsidiaries in the previous financial year

On 25 August 2020, the Company completed the acquisition of:

- Aneka Jaringan Sdn. Bhd. for a purchase consideration of RM71,363,996 which was wholly satisfied by the issuance of 356,819,979 new shares in the Company at an issue price of RM0.20 per share; and

- Aneka Geotechnics Sdn. Bhd. for a purchase consideration of RM8,278,000 which was wholly satisfied by the issuance of 41,390,000 new shares in the Company at an issue price of RM0.20 per share.

8. INVESTMENT IN A JOINT VENTURE

	Group	
	2021 RM	2020 RM
Unquoted shares at cost	**370,020**	-

Details of the joint venture are as follow:

Name of company	Principal place of business/Country of incorporation	Effective equity interest and voting interest		Principal activity
		2021 %	2020 %	
Sunway Aneka Pertama Geotechnics (PH) Inc. ^*+	Philippines	**42**	-	Construction

^ Disclosed using unaudited management financial statements, auditors' report is not available.

* The financial year end of this joint venture is not coterminous with the Company. As such for the purpose of applying equity method of accounting, the management financial statements of the associate for the financial period ended 31 August 2021 have been used.

\+ On 20 November 2020, Aneka Jaringan Sdn. Bhd., a wholly-owned subsidiary of the Company, had jointly incorporated a new joint venture known as Sunway Aneka Pertama Geotechnics (PH) Inc. ("SAPGEO") by subscribing 105,000 ordinary shares at an issue price of PHP40 each, representing 42% of the paid-up share capital of SAPGEO.

8. INVESTMENT IN A JOINT VENTURE (CONTINUED)

The Group's share of results of the joint venture and the summarised financial information are as follows:

	Sunway Aneka Geotechnics (PH) Inc. RM
Group	
Assets and liabilities	
Current assets	881,000
Current liabilities	-
Net assets	881,000
Results:	
Loss for the financial year	-
Other comprehensive loss for the financial year	-
Reconciliation of net assets to carrying amount:	
Group's share of net assets	370,020
Carrying amount in statements of financial position	370,020
Group's share of results:	
Group's share of loss for the financial year	-
Group's share of other comprehensive income	-
Group's share of total comprehensive loss	-

9. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Non-current:					
Non-trade					
Deposits		**7,109**	7,011	**-**	-
Total other receivables (non-current)		**7,109**	7,011	**-**	-
Current:					
Trade					
Trade receivables	(a)				
- Third parties		**34,576,739**	25,621,454	**-**	-
Retention sums		**30,360,419**	32,041,918	**-**	-
		64,937,158	57,663,372	**-**	-
Less: Impairment for trade receivables		**(1,567,579)**	(29,498)	**-**	-
Total trade receivables		**63,369,579**	57,633,874	**-**	-
Non-trade					
Other receivables		**674,575**	1,514,657	**-**	-
Deposits		**563,559**	677,420	**38,990**	-
		1,238,134	2,192,077	**38,990**	-
Less: Impairment for other receivables		**(31,756)**	-	**-**	-
Total other receivables		**1,206,378**	2,192,077	**38,990**	-
Total trade and other receivables (current)		**64,575,957**	59,825,951	**38,990**	-
Total trade and other receivables (non-current and current)		**64,583,066**	59,832,962	**38,990**	-

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranges from 30 days to 60 days (2020: 30 days to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Receivables that are impaired

The Group's trade and other receivables that are impaired at the reporting date and the reconciliation of the movement in the impairment of trade and other receivables are as follows:

		Group	
	Note	2021 RM	2020 RM
Trade receivables			
At 1 September		**29,498**	339,498
Charge for the financial year			
- Individually assessed	26	**1,567,335**	-
Reversal of impairment	26	**(29,498)**	(310,000)
Exchange difference		**244**	-
At 31 August		**1,567,579**	29,498
Other receivables that are impaired			
Other receivables			
At 1 September		**-**	-
Charge for the financial year			
- Individually assessed	26	**31,756**	-
At 31 August		**31,756**	**-**

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

The information about the credit exposures are disclosed in Note 31(b)(i) to the financial statements.

10. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM	2020 RM
Contract assets relating to construction service contracts	**77,706,667**	64,376,422
Contract liabilities relating to construction service contracts	**-**	(117,804)

(a) Significant changes in contract balances

	Group			
	2021		2020	
Group	Contract assets Increase/ (decrease) RM	Contract liabilities Increase/ (decrease) RM	Contract assets Increase/ (decrease) RM	Contract liabilities Increase/ (decrease) RM
Revenue recognised that was included in contract liabilitiy at the beginning of the financial year	**-**	**117,804**	-	2,272,404
Increases due to progress billings, but revenue not recognised	**-**	**-**	-	(117,804)
Increases due to revenue recognised, but no right to consideration	**60,843,257**	**-**	43,698,887	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(39,679,703)**	**-**	(52,207,497)	-
Contract assets written off	**(5,639,917)**	**-**	-	-
Impairment losses of contract assets	**(2,193,392)**	**-**	-	-

(b) Revenue recognised in relation to contract balances

	Group	
	2021 RM	2020 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	**117,804**	2,272,404

Revenue recognised that was included in the balances of contract liabilities at the beginning of the year represented primarily revenue from the construction services contracts when percentage of completion increases.

10. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(c) Impairment

The movement in the impairment of contract assets is as follows:

		Group
		2021
	Note	RM
At 1 September		-
Charge for the financial year		
- Individually assessed	26	**2,193,392**
At 31 August		**2,193,392**

11. OTHER CURRENT ASSETS

	Group	
	2021	2020
	RM	RM
Prepayments	**4,085,117**	3,002,440

Included in the prepayments of the Group is an amount of RM3,237,835 (2020: Nil) being payment paid to the suppliers for the purchase of goods.

12. SHORT TERM INVESTMENTS

	Group and Company	
	2021	2020
	RM	RM
Financial assets at fair value through profit or loss		
Money market funds	**4,072,444**	-

Investment in money market funds are placed with investment fund management company in Malaysia which are subject to an insignificant risk of changes in value, highly liquid and readily convertible to cash.

The money market funds of the Group are carried at fair value. The fair value hierarchy for money market funds are classified as Level 1.

There is no maturity period for money market funds as these money are callable within be withdrawn within 1 working day.

13. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	**5,001,949**	7,536,017	**4,989**	919
Fixed deposits placed with licensed banks	**8,178,806**	7,498,400	**-**	-
Restricted cash	**264,911**	855,000	**-**	-
	13,445,666	15,889,417	**4,989**	919

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Short term investments (Note 12)	**4,072,444**	-	**4,072,444**	-
Fixed deposits placed with licensed banks	**8,178,806**	7,498,400	**-**	-
Restricted cash	**264,911**	855,000	**-**	-
Less: Pledged deposits	**(8,178,806)**	(7,498,400)	**-**	-
Restricted cash	**(264,911)**	(855,000)	**-**	-
	4,072,444	-	**4,072,444**	-
Cash and bank balances	**5,001,949**	7,536,017	**4,989**	919
Bank overdrafts (Note 17)	**(3,478,195)**	-	**-**	-
	5,596,198	7,536,017	**4,077,433**	919

The deposits placed with licensed banks amounting to RM8,178,806 (2020: RM7,498,400) and restricted cash amounting to RM264,911 (2020: RM855,000) have been pledged to licensed banks to secure banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

14. SHARE CAPITAL

	Group			
	Number of ordinary shares		← Amount →	
	2021 Unit	2020 Unit	2021 RM	2020 RM
Issued and fully paid up:				
At the beginning of the financial year	**398,210,000**	3,300,020	**79,642,000**	3,300,004
Issuance of shares for acquisition of subsidiaries	**-**	398,209,979	**-**	79,641,996
Issuance of ordinary shares	**139,890,000**	1	**41,788,200**	*
Transaction costs of share issue	**-**	-	**2,187,750**	-
Reorganisation deficit	**-**	(3,300,000)	**-**	(3,300,000)
At the end of financial year	**538,100,000**	398,210,000	**123,617,950**	79,642,000

	Company			
	Number of ordinary shares		← Amount →	
	2021 Unit	2020 Unit	2021 RM	2020 RM
Issued and fully paid up:				
At the beginning of the financial year	**398,210,000**	20	**79,642,000**	4
Issuance of shares for acquisition of subsidiaries	**-**	398,209,979	**-**	79,641,996
Issuance of ordinary shares	**139,890,000**	1	**41,788,200**	*
Transaction costs of share issue	**-**	-	**2,187,750**	-
At the end of financial year	**538,100,000**	398,210,000	**123,617,950**	79,642,000

* RM0.20

During the financial year, the Company publicly issued of 139,890,000 new ordinary shares at the initial public offering ("IPO") price of RM0.33 per share.

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

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

15. REORGANISATION DEFICIT

The reorganisation deficit was resulted from the difference between the carrying value of the investment in subsidiaries and the nominal value of the shares of the Company's subsidiaries upon consolidation under the reorganisation scheme.

16. EXCHANGE RESERVE

	Group	
	2021 RM	2020 RM
Exchange reserve	**(147,928)**	(221,304)

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of a foreign subsidiary whose functional currency is different from that of the Group's presentation currency.

17. LOANS AND BORROWINGS

		Group	
	Note	2021 RM	2020 RM
Non-current:			
Term loans	(a)	**3,989,372**	8,767,364
Lease liabilities	(b)	**27,690,327**	17,558,375
		31,679,699	26,325,739
Current:			
Term loans	(a)	**243,862**	276,930
Lease liabilities	(b)	**9,240,145**	13,387,347
Bank overdrafts	(c)	**3,478,195**	-
Bankers' acceptances	(d)	**12,833,362**	17,253,577
Invoice financing	(e)	**3,598,219**	1,548,814
Promissory notes	(f)	**8,484,065**	8,291,557
		37,877,848	40,758,225
		69,557,547	67,083,964
Total loans and borrowings			
Term loans	(a)	**4,233,234**	9,044,294
Lease liabilities	(b)	**36,930,472**	30,945,722
Bank overdrafts	(c)	**3,478,195**	-
Bankers' acceptances	(d)	**12,833,362**	17,253,577
Invoice financing	(e)	**3,598,219**	1,548,814
Promissory notes	(f)	**8,484,065**	8,291,557
		69,557,547	67,083,964

17. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans

Term loan 1 of the Group of RM516,110 (2020: RM529,778) bears interest at 3.09% (2020: 3.09%) per annum and is repayable by monthly instalments of RM3,449 over 16 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over an investment property as disclosed in Note 6; and
(ii) Joint and several guarantee by certain directors of the Group.

Term loan 2 of the Group of RM3,717,124 (2020: RM3,808,168) bears interest at 3.60% (2020: 3.60%) per annum and is repayable by monthly instalments of RM29,025 over 13 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the leasehold land of the Group as disclosed in Note 5;
(ii) Loan agreement cum deed of assignment over certain investment properties as disclosed in Note 6; and
(iii) Joint and several guarantee by certain directors of the Group.

(b) Lease liabilities

Certain excavators, crane, plant and machinery, tools, equipment and containers, and motor vehicles of the Group as disclosed in Note 5 are pledged for finance leases. Such leases do not have terms for renewal but would give the Group an option to purchase at nominal values at the end of the lease term. The average interest rate implicit in the leases is 4.52% (2020: 5.89%).

17. LOANS AND BORROWINGS (CONTINUED)

(b) Lease liabilities (continued)

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2021 RM	**2020 RM**
Minimum lease payments:		
Not later than one year	**10,975,711**	14,755,023
Later than one year and not later than five years	**30,014,964**	19,139,019
	40,990,675	33,894,042
Less: Future finance charges	**(4,060,203)**	(2,948,320)
Present value of minimum lease payments	**36,930,472**	30,945,722
Present value of minimum lease payments payable:		
Not later than one year	**9,240,145**	13,387,347
Later than one year and not later than five years	**27,690,327**	17,558,375
	36,930,472	30,945,722
Less: Amount due within twelve months	**(9,240,145)**	(13,387,347)
Amount due after twelve months	**27,690,327**	17,558,375

(c) Bank overdrafts

Bank overdrafts bear interests ranging from 6.42% to 6.60% (2020: 6.67% to 6.85%) per annum. The bank overdrafts are secured by way of:

(i) Legal charge over the leasehold land of the Group as disclosed in Note 5;
(ii) Legal charge over the freehold land and buildings of the Group as disclosed in Note 5;
(iii) Loan agreement cum deed of assignment over certain investment properties of the Group as disclosed in Note 6;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee by the Company.

17. LOANS AND BORROWINGS (CONTINUED)

(d) Bankers' acceptances

Bankers' acceptances bear interests ranging from 2.55% to 6.57% (2020: 2.61% to 6.82%) per annum. The bankers' acceptances are secured by way of:

(i) Legal charge over the leasehold land of the Group as disclosed in Note 5;
(ii) Legal charge over the freehold land and building of the Group as disclosed in Note 5;
(iii) Legal charge over the investment properties of the Group as disclosed in Note 6;
(iv) Pledge of short-term deposits;
(v) Joint and several guarantee by certain directors of the Group; and
(vi) Corporate guarantee by the Company.

(e) Invoice financing

Invoice financing bear interests ranging from 3.74% to 4.95% (2020: 4.93% to 5.76%) per annum. The invoice financing are secured by way of:

(i) Pledge of short-term deposits;
(ii) Legal charge over the investment properties of the Group as disclosed in Note 6;
(iii) Joint and several guarantee by certain directors of the Group; and
(iv) Corporate guarantee by the Company.

(f) Promissory notes

Promissory notes bear interests ranging at 3.62% (2020: 3.68% to 4.85%) per annum. The promissory notes are secured by way of:

(i) Legal charge over the freehold land and building of the Group as disclosed in Note 5; and
(ii) Corporate guarantee by the Company.

18. EMPLOYEE BENEFITS

	Group	
	2021 RM	2020 RM
Liability:		
Post-employment benefit plan	**665,551**	793,997
Present value of defined benefits obligation	**665,551**	793,997

	Group	
	2021 RM	2020 RM
Profit or loss - included in operating profit for (Note 27):		
Post-employment benefit plan	**36,270**	221,043

Post-employment benefit plan

The amount of estimated liabilities for post-employment benefits is determined based on Job Creation Law No. 11 year 2020 in November 2020 and Government Regulation No. 35 Year 2021 dated February 2, 2021. No specific funding has been made to date for such estimated liabilities for post-employment benefits.

The latest actuarial valuation upon the estimated liabilities for post-employment benefits was conducted by KKA Steven & Mouritz, an independent actuary, based on Actuarial Report No. 0398/ST-EP-PSAK24-AJID/X/2021 dated 4 October 2021.

There were 41 and 47 employees eligible for such post-employment benefits in financial year ended 31 August 2021 and 31 August 2020 respectively.

NOTES TO THE FINANCIAL STATEMENTS

18. EMPLOYEE BENEFITS (CONTINUED)

Post-employment benefit plan (continued)

Movement in the defined benefit liability in the statements of financial position are as follows:

	Group	
	2021 RM	2020 RM
At 1 September	**793,997**	708,660
Adjustment on beginning balance	**-**	(17,018)
Benefit expenses	**36,270**	221,043
Actuarial gain charged to other comprehensive income	**(95,713)**	7,530
Benefits paid	**(79,197)**	(94,337)
Effects of changes in foreign exchange rates	**10,194**	(31,881)
At 31 August	**665,551**	793,997

Significant actuarial assumptions

The significant actuarial assumptions applied in the measurement of post-employment benefit plan is as follows:

	Group	
	2021 %	2020 %
Discount rate	**6.50**	7.50
Future salary growth	**5.00**	7.50

Assumption on future mortality are determined based on the published past statistics and actual experience in each jurisdiction. The measurements assume an average life expectancy of 25 years for an employee retiring at age of 55.

Sensitivity analysis

The sensitivity of defined benefit obligation to the significant actuarial assumptions at the end of reporting period are as shown below:

		Group	
		2021 RM	2020 RM
Discount rate	+ 1%	**620,009**	733,304
	- 1%	**716,127**	862,266
Future salary growth	+ 1%	**720,495**	866,354
	- 1%	**615,424**	728,860

19. DEFERRED TAX ASSETS/(LIABILITIES)

	As at 1 September 2020 RM	Recognised in profit or loss RM	As at 31 August 2021 RM
Deferred tax liabilities:			
Property, plant and equipment	(1,478,398)	(96,770)	**(1,575,168)**
Deferred tax assets:			
Expected credit losses on receivables	7,080	48,391	**55,471**
Lease liability	677	(677)	**-**
	7,757	47,714	**55,471**
	(1,470,641)	(49,056)	**(1,519,697)**

	As at 1 September 2019 RM	Recognised in profit or loss RM	As at 31 August 2020 RM
Deferred tax liabilities:			
Property, plant and equipment	(1,942,829)	464,431	(1,478,398)
Deferred tax assets:			
Property, plant and equipment	41,370	(41,370)	-
Expected credit losses on receivables	81,480	(74,400)	7,080
Lease liability	-	677	677
	122,850	(115,093)	7,757
	(1,819,979)	349,338	(1,470,641)

	Group	
	2021 RM	2020 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	**55,471**	7,757
Deferred tax liabilities	**(1,575,168)**	(1,478,398)
	(1,519,697)	(1,470,641)

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

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

	Group	
	2021 RM	2020 RM
Temporary differences	**5,930,874**	-
Unused tax losses	**10,770,589**	-
Unabsorbed capital allowance	**2,540,577**	-
	19,242,040	-
Potential deferred tax assets at 24% (2020: 24%)	**4,618,090**	-

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to Section 11 of the Act 812, special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business loss, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent year of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 7 years consecutive years of assessment (i.e. from year of assessments 2019 to 2025).

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group
	2021 RM
Year of assessment	
2028	**10,770,589**

20. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Current:					
Trade					
Trade payables	(a)				
- Third parties		**36,416,470**	27,048,013	**-**	-
- Amount owing to related parties		**-**	559,543	**-**	-
Retention sums					
- Third parties		**3,290,254**	3,351,450	**-**	-
- Amount owing to related parties		**19,973**	33,575	**-**	-
Trade accrual		**5,472,865**	7,117,652	**-**	-
		45,199,562	38,110,233	**-**	-
Non-trade					
Other payables		**334,168**	677,271	**16,065**	-
Accruals		**1,418,774**	1,307,729	**31,700**	71,826
Deposits		**37,551**	34,351	**-**	-
Amount owing to a subsidiary	(b)	**-**	-	**-**	82,666
		1,790,493	2,019,351	**47,765**	154,492
Total trade and other payables		**46,990,055**	40,129,584	**47,765**	154,492

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 14 to 60 days.

(b) Amount owing to a subsidiary

Amount owing to a subsidiary is unsecured, non-interest bearing with no fixed term of repayment.

For explanation on the Group's liquidity risk management processes, refer to Note 31(b)(ii) to the financial statements.

21. PROVISIONS

	Group		
	Defect liability claim RM	Liquidated ascertained damages RM	Total RM
At 1 September 2019 (unaudited)	-	3,760,000	3,760,000
Reversal of provision	-	(3,760,000)	(3,760,000)
At 31 August 2020	-	-	-
Addition	4,300,000	-	4,300,000
At 31 August 2021	**4,300,000**	**-**	**4,300,000**

Defect liability claim

A provision of RM4,300,000 were made during the financial year ended 31 August 2021 in respect of the Group's obligation to pay the customer the sum of the defect liability claim on a project.

Liquidated ascertained damages

On 23 October 2019, the Group entered into a supplemental agreement to waive the liquidated ascertained damages amounting to RM3,760,000. The amount was recognised as other income in the previous financial year.

22. REVENUE

	Group	
	2021 RM	2020 RM
Revenue from contract customers:		
Construction contracts	**122,102,058**	135,337,071
Revenue from other source:		
Rental of construction machinery and equipment	**-**	9,000
	122,102,058	135,346,071
Timing of revenue recognition:		
Over time	**122,102,058**	135,346,071

22. REVENUE (CONTINUED)

(a) Disaggregation of revenue

The Group report the segment: foundation and basement construction and rental of construction machinery and equipment in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into primary geographical markets.

	Group		
	Foundation and basement construction RM	Rental of construction machinery and equipment RM	Total RM
2021			
Malaysia	**113,272,740**	**-**	**113,272,740**
Indonesia	**8,829,318**	**-**	**8,829,318**
	122,102,058	**-**	**122,102,058**
Timing of revenue recognition:			
Over time	**122,102,058**	**-**	**122,102,058**
2020			
Malaysia	124,128,529	9,000	124,137,529
Indonesia	11,208,542	-	11,208,542
	135,337,071	9,000	135,346,071
Timing of revenue recognition:			
Over time	135,337,071	9,000	135,346,071

(b) Transaction price allocated to the remaining performance obligations

As of 31 August 2021, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM148.42 million (2020: RM102.40 million) and the Group is expected to recognise this revenue over the next 2 years.

23. COST OF SALES

	Group	
	2021 RM	2020 RM
Contract cost	**104,356,397**	99,998,390
Machinery cost	**17,313,848**	15,165,550
	121,670,245	115,163,940

24. OTHER INCOME

	Group	
	2021 RM	2020 RM
Gain on foreign exchange		
- realised	**625**	-
- unrealised	**22,366**	-
Gain on disposal of property, plant and equipment	**227,333**	950,878
Government wages subsidy	**96,000**	-
Insurance claim	**18,737**	446
Rental income	**122,210**	131,900
Reversal of provision	**-**	3,760,000
Miscellaneous income	**211,685**	291,887
	698,956	5,135,111

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCE INCOME AND COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Finance income:				
Interest income	**300,718**	394,358	**70,191**	-
Interest income of financial assets that are carried at fair value through profit or loss	**70,487**	-	**70,487**	-
	371,205	394,358	**140,678**	-
Finance cost:				
Interest expense on:				
- Term loans	**289,155**	302,960	**-**	-
- Lease liabilities	**1,442,749**	1,406,615	**-**	-
- Bank overdrafts	**128,528**	181,550	**-**	-
- Bankers' acceptances	**630,632**	841,060	**-**	-
- Invoice financing	**144,838**	105,380	**-**	-
- Promissory notes	**390,464**	323,518	**-**	-
	3,026,366	3,161,083	**-**	-

26. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration					
- Statutory audit					
- Current year		**138,135**	108,000	**30,000**	30,000
- Prior year		**46,359**	1,000	**-**	-
- Non-statutory audit					
- Current year		**5,000**	-	**5,000**	-
- Prior year		**25,000**	-	**25,000**	-
Bad debts written off		**230,445**	100,900	**-**	-
Contract asset written off		**5,639,917**	-	**-**	-
Depreciation of investment properties	6	**80,095**	80,095	**-**	-
Depreciation of property, plant and equipment	5	**18,734,732**	16,174,724	**-**	-
Employee benefits expenses	27	**20,588,126**	22,673,829	**155,000**	89,000
Expenses relating to short term lease:					
- Cylinder		**-**	7,216	**-**	-
- Equipment		**9,167,024**	7,981,313	**-**	-
- Site house and store		**354,719**	214,443	**-**	-
- Office premises		**18,000**	14,800	**-**	-
Impairment loss on:					
- contract assets	10	**2,193,392**	-	**-**	-
- trade receivables	9	**1,567,335**	-	**-**	-
- other receivables	9	**31,756**	-	**-**	-
Loss on foreign exchange:					
- realised		**-**	298	**-**	-
- unrealised		**-**	70,270	**-**	-
Reversal of impairment loss on trade receivables	9	**(29,498)**	(310,000)	**-**	-

27. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors' fee	**128,000**	80,000	**128,000**	80,000
Salaries, allowances and bonuses	**18,532,001**	20,396,957	**27,000**	9,000
Defined contribution plans	**1,718,173**	1,812,215	**-**	-
Defined benefit plans	**36,270**	221,043	**-**	-
Other staff related expenses	**173,682**	163,614	**-**	-
	20,588,126	22,673,829	**155,000**	89,000

The following table shows the directors' remuneration, directors' defined contribution plans, directors' defined benefit plans and directors' other staff related expenses:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Included in employee benefits expenses are:				
Directors' fee	**128,000**	80,000	**128,000**	80,000
Directors' salaries, allowances and bonuses	**1,487,528**	1,421,471	**27,000**	9,000
Directors' defined contribution plans	**301,949**	191,556	**-**	-
Directors' defined benefit plans	**8,263**	103,525	**-**	-
Directors' other staff related expenses	**2,688**	2,770	**-**	-
	1,928,428	1,799,322	**155,000**	89,000

28. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 August 2021 and 31 August 2020 are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	**761,059**	3,419,126	**-**	-
- Adjustment in respect of prior year	**(33,408)**	(141,287)	**-**	-
- Real property gains tax	**-**	108,966	**-**	-
	727,651	3,386,805	**-**	-
Deferred tax:				
- Origination of temporary differences	**164,049**	786,969	**-**	-
- Adjustment in respect of prior year	**(114,993)**	(1,136,307)	**-**	-
	49,056	(349,338)	**-**	-
Income tax expense recognised in profit or loss	**776,707**	3,037,467	**-**	-

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

PT Aneka is entitled to 3% of the final tax rate based on the certification from Lembaga Pengembangan Jasa Konstruksi valid for three years until August 14, 2021. Based on Circular Letter No. 02/SE/M/2021 dated 22 January 2021 from the Minister for Public Works and Human Settlements, the certification will be valid until 31 December 2021.

All revenue from PT Aneka are subjected to final tax, therefore, no deferred tax asset or liability is recognised on the difference between the financial statement carrying amounts of assets and liabilities and their respective tax bases.

28. INCOME TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(Loss)/Profit before tax	**(22,108,074)**	13,840,968	**(2,750,968)**	(134,419)
Taxation at Malaysian statutory income tax rate of 24%	**(5,305,938)**	3,321,832	**(660,232)**	(32,261)
Tax effects arising from:				
- Real property gains tax	**-**	108,966	**-**	-
- Non-deductible expenses	**1,646,195**	993,341	**693,995**	32,261
- Non-taxable income	**(33,763)**	-	**(33,763)**	-
Effect of different tax rate in foreign jurisdictions	**524**	(109,078)	**-**	-
Deferred tax assets not recognised on tax losses and temporary differences	**4,618,090**	-	**-**	-
Adjustments in respect of prior years:				
- income tax	**(33,408)**	(141,287)	**-**	-
- deferred tax	**(114,993)**	(1,136,307)	**-**	-
Income tax expense	**776,707**	3,037,467	**-**	-

29. OTHER COMPREHENSIVE INCOME/(LOSS)

	Exchange reserve RM	Non-controlling interests RM	Total RM
Group			
2021			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	**52,642**	**43,071**	**95,713**
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	**73,376**	**60,034**	**133,410**
	126,018	**103,105**	**229,123**
2020	**RM**	**RM**	**RM**
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	(4,142)	(3,388)	(7,530)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(232,397)	(190,143)	(422,540)
	(236,539)	(193,531)	(430,070)

30. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per ordinary shares

Basic (loss)/earnings per share are based on the (loss)/profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2021 RM	2020 RM
(Loss)/Profit attributable to owners of the Company	**(21,440,535)**	10,042,851
Weighted average number of the ordinary shares for basic (loss)/earnings per share	**518,936,986**	398,210,000
Basic (loss)/earnings per share (sen)	**(4.13)**	2.52

Diluted earnings per ordinary share

The diluted earnings per share of the Group for the financial year is equivalent to the basic earnings per ordinary shares of the Group as the Company has no dilutive potential ordinary shares.

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost ("AC")
(ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM	AC RM	FVPL RM
Group			
2021			
Financial assets			
Trade and other receivables	**64,583,066**	**64,583,066**	**-**
Short term investments	**4,072,444**	**-**	**4,072,444**
Cash and short-term deposits	**13,445,666**	**13,445,666**	**-**
	82,101,176	**78,028,732**	**4,072,444**
Financial liabilities			
Loans and borrowings	**(69,557,547)**	**(69,557,547)**	**-**
Trade and other payables	**(46,990,055)**	**(46,990,055)**	**-**
	(116,547,602)	**(116,547,602)**	**-**
2020			
Financial assets			
Trade and other receivables	59,832,962	59,832,962	-
Cash and short-term deposits	15,889,417	15,889,417	-
	75,722,379	75,722,379	-
Financial liabilities			
Loans and borrowings	(67,083,964)	(67,083,964)	-
Trade and other payables	(40,129,584)	(40,129,584)	-
	(107,213,548)	(107,213,548)	-

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM	AC RM	FVPL RM
Company			
2021			
Financial assets			
Trade and other receivables	**38,990**	**38,990**	**-**
Short term investments	**4,072,444**	**-**	**4,072,444**
Cash and short-term deposits	**4,989**	**4,989**	**-**
	4,116,423	**43,979**	**4,072,444**
Financial liability			
Trade and other payables	**(47,765)**	**(47,765)**	**-**
2020			
Financial asset			
Cash and short-term deposits	919	919	-
Financial liability			
Trade and other payables	(154,492)	(154,492)	-

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk

Trade receivables and contract assets

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables and contract assets. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals and monitoring procedures.

As at the end of the reporting period, the Group's maximum exposure to credit risk arising from trade receivables and contract assets are represented by their carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

At the end of the reporting period, the Group has a significant concentration of credit risk in the form of five (5) (2020: 5) trade receivables, representing approximately 50% (2020: 72%) of the Group's total trade receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all the trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Gross carrying amount RM	Impairment losses RM	Net Balance RM
Group			
2021			
Contract assets			
Current (not past due)	79,900,059	2,193,392	77,706,667
Retention sum			
Current (not past due)	30,360,419	-	30,360,419
Current trade receivables			
Current (not past due)	9,055,424	-	9,055,424
1 - 30 days past due	3,754,766	-	3,754,766
31 - 60 days past due	1,327,525	-	1,327,525
61 - 90 days past due	2,416,389	-	2,416,389
91 - 120 days past due	1,798,943	5,691	1,793,252
> 120 days past due	16,223,692	1,561,888	14,661,804
	144,837,217	3,760,971	141,076,246

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

	Gross carrying amount RM	Impairment losses RM	Net Balance RM
2020			
Contract assets			
Current (not past due)	64,376,422	-	64,376,422
Retention sum			
Current (not past due)	32,041,918	-	32,041,918
Current trade receivables			
Current (not past due)	5,460,379	-	5,460,379
1 - 30 days past due	6,664,808	-	6,664,808
31 - 60 days past due	3,544,480	-	3,544,480
61 - 90 days past due	270,392	-	270,392
91 - 120 days past due	84,340	-	84,340
> 120 days past due	9,597,055	29,498	9,567,557
	122,039,794	29,498	122,010,296

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

As at the end of the report date, the Group considers these other receivables and other financial assets to be of low credit risk and did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.10 (a) for the Group's other accounting policies for impairment of the financial assets.

Financial guarantee contracts

The Group and the Company are exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries and borrowings granted to a third party. The amount relating to the corporate guarantee provided by the Group is as follows:

	Group	
	2021 RM	2020 RM
Corporate guarantees given to:		
- Bank for banking facilities granted to subsidiaries	**13,630,508**	-
- Bank for borrowings granted to third party	**-**	2,097,309
	13,630,508	2,097,309

The maximum exposure to credit risks amounts to RM13,630,508 (2020: RM2,097,309) representing the maximum amount the Group could pay if the guarantees are called.

In the previous financial year, the Group considers the financial guarantees to be of low credit risk as the guarantee are provided as credit enhancement to the third party's secured borrowings.

The financial guarantees have not been recognised since their fair value on initial recognition was not material.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Group					
2021					
Trade and other payables	**46,990,055**	**46,990,055**	**-**	**-**	**46,990,055**
Term loans	**4,233,234**	**389,688**	**1,558,752**	**3,400,971**	**5,349,411**
Bank overdrafts	**3,478,195**	**3,478,195**	**-**	**-**	**3,478,195**
Bankers' acceptances	**12,833,362**	**12,833,362**	**-**	**-**	**12,833,362**
Invoice financing	**3,598,219**	**3,598,219**	**-**	**-**	**3,598,219**
Promissory notes	**8,484,065**	**8,484,065**	**-**	**-**	**8,484,065**
	79,617,130	**75,773,584**	**1,558,752**	**3,400,971**	**80,733,307**

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

	Carrying amount RM	Contractual cash flows: On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Group					
2020					
Trade and other payables	40,129,584	40,129,584	-	-	40,129,584
Term loans	9,044,294	692,604	3,150,960	9,557,119	13,400,683
Bankers' acceptances	17,253,577	17,253,577	-	-	17,253,577
Invoice financing	1,548,814	1,548,814	-	-	1,548,814
Promissory notes	8,291,557	8,291,557	-	-	8,291,557
	76,267,826	67.916,136	3,150,960	9,557,119	80,624,215
Company					
2021					
Financial guarantees	-	13,630,508	-	-	13,630,508
Trade and other payables	47,765	47,765	-	-	47,765
2020					
Trade and other payables	154,492	154,492	-	-	154,492

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and (loss)/profit for the financial year:

	Group		
	Carrying amount	Change in basis points RM	Effect on profit/loss for the financial year RM
2021			
- Term loans	**4,233,234**	**+ 50**	**(16,086)**
		- 50	**16,086**
2020			
- Term loans	9,044,294	+ 50	(34,368)
		- 50	34,368

(c) Fair value measurement

The carrying amounts of cash and bank balances, receivables and payables and borrowings are reasonably approximate to their fair value due to relatively short-term nature of these financial instruments.

As at 31 August 2021, the fair value of other investment as disclosed in Note 12 to the financial statements is measured under level 1, of which is determined directly by reference to redemption price provided by investment management company.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year (2020: no transfer in either directions).

The carrying amount of these financial liability are reasonable approximations of fair values due to there are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

32. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2021 RM	2020 RM
Property, plant and equipment		
- Approved and contracted for	**660,000**	903,222
- Approved and not contracted for	**4,500,000**	-
Investment property		
- Approved and contracted for	**1,619,549**	-

33. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Entities in which certain directors have substantial financial interests;
(iii) Entity owned by persons connected to a director; and
(iv) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	2021 RM	2020 RM
Purchase of materials		
- Related parties	**1,181,549**	839,691
Purchase of property, plant and equipment		
- Related parties	**-**	6,455

33. RELATED PARTIES (CONTINUED)

(c) Compensation of key management personnel

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits				
- Directors' fee	**128,000**	80,000	**128,000**	80,000
- Salaries, allowances and bonuses	**2,201,744**	2,225,847	**27,000**	9,000
- Defined contribution plans	**387,773**	288,150	**-**	-
- Defined benefit plans	**8,263**	103,525	**-**	-
- Other staff related benefits	**5,458**	5,539	**-**	-
	2,731,238	2,703,061	**155,000**	89,000

34. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 August 2021 and 31 August 2020.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity of the Group and the Company. The gearing ratio as at 31 August 2021 and financial year ended 31 August 2020 are as follows:

		Group	
		2021	**2020**
	Note	**RM**	**RM**
Trade and other payables	20	**46,990,055**	40,129,584
Loans and borrowings	17	**69,557,547**	67,083,964
Total debts		**116,547,602**	107,213,548
Total equity		**114,743,813**	94,064,545
Gearing ratio (times)		**1.02**	1.14

There were no changes in the Group's approach to capital management during the financial year.

The Group is not subject to externally imposed capital requirement.

35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Listing on ACE Market of Bursa Securities

On 1 October 2020, the Company issued its Prospectus for its Initial Public Offering ("IPO") entailing the public issue of 139,890,000 new ordinary shares, representing approximately 26% of the enlarged number of shares of the Company, to be allocated and allotted in the following manner:

(i) 26,906,000 new ordinary shares made available to the Malaysian public;
(ii) 13,453,000 new ordinary shares made available for application by the eligible directors and employees and persons who have contributed to the success of the Group;
(iii) 45,721,000 new ordinary shares made available by way of private placement to selected investors; and
(iv) 53,810,000 new ordinary shares made available by way of private placement to selected Bumiputera investors approved by MITI.

On 20 October 2020, the Company was listed on the ACE Market of Bursa Securities comprising public issue of 139,890,000 new ordinary shares.

(b) Incorporation of joint venture company

On 28 September 2020, Aneka Jaringan Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Joint Venture and Stockholders' Agreement with Sunway Geotechnics (M) Sdn. Bhd. and Pertama Crane & Engineering Sdn. Bhd. to incorporate a joint venture company known as Sunway Aneka Pertama Geotechnics (PH) Inc. ("SAPGEO"). Aneka Jaringan Sdn. Bhd. owns 42% of shares in SAPGEO.

The incorporation of the aforesaid company was completed on 20 November 2020.

(c) Covid-19 pandemic

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID 19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 18 March 2020, the Malaysian Government imposed the Movement Control Order ("MCO") followed by Recovery MCO and Conditional MCO to curb the spread of COVID-19 outbreak in Malaysia. On 12 May 2021, in view of the rising number of infections, the Malaysian Government re-imposed the MCO nationwide. The COVID 19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

During the financial year, the COVID-19 outbreak had adversely impacted the operations and financial performance of the Group as the MCO and other imposed restrictions delayed both the ongoing and planning of upcoming projects.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 August 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

36. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follow:

Segments	Product and services
Malaysia	- Foundation and basement construction; and - Rental of construction machinery and equipment.
Indonesia	- Foundation and basement construction.

Inter-segment pricing is determined on negotiated basis.

	Note	Malaysia RM	Indonesia RM	Adjustment and elimination RM	Total RM
2021					
Revenue:					
Revenue from external customer		**113,272,740**	**8,829,318**	**-**	**122,102,058**
Inter-segment revenue	A	**21,284,418**	**-**	**(21,284,418)**	**-**
		134,557,158	**8,829,318**	**(21,284,418)**	**122,102,058**
Results:					
Included in the measure of segment (loss)/profit are:					
Dividend income		**(783,476)**	**-**	**783,476**	**-**
Interest income		**243,741**	**56,977**	**-**	**300,718**
Interest income of financial assets that are carried at fair value through profit or loss		**70,487**	**-**	**-**	**70,487**
Interest expenses		**(2,689,184)**	**(337,182)**	**-**	**(3,026,366)**
Depreciation of investment properties		**(80,095)**	**-**	**-**	**(80,095)**
Depreciation of property, plant and equipment		**(17,323,872)**	**(1,653,475)**	**242,615**	**(18,734,732)**
Employee benefits expense		**(17,931,920)**	**(2,656,206)**	**-**	**(20,588,126)**
Expenses relating to short term lease		**(30,386,705)**	**(437,456)**	**21,284,418**	**(9,539,743)**
Gain on disposal of property, plant and equipment		**227,333**	**-**	**-**	**227,333**
Segment (loss)/profit		**(23,987,294)**	**1,102,513**	**-**	**(22,884,781)**
Assets:					
Non-current assets[(1)]		**61,916,615**	**7,910,322**	**-**	**69,826,937**

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENT INFORMATION (CONTINUED)

	Note	Malaysia RM	Indonesia RM	Adjustment and elimination RM	Total RM
2020					
Revenue:					
Revenue from external customer		124,137,529	11,208,542	-	135,346,071
Inter-segment revenue	A	22,990,025	-	(22,990,025)	-
		147,127,554	11,208,542	(22,990,025)	135,346,071
Results:					
Included in the measure of segment profit are:					
Interest income		347,119	47,239	-	394,358
Interest expenses		(2,439,532)	(721,551)	-	(3,161,083)
Depreciation of investment properties		(80,095)	-	-	(80,095)
Depreciation of property, plant and equipment		(14,800,779)	(1,621,800)	247,855	(16,174,724)
Employee benefits expense		(19,911,981)	(2,761,848)	-	(22,673,829)
Expenses relating to short term lease		(30,758,904)	(448,893)	22,990,025	(8,217,772)
Gain on disposal of property, plant and equipment		950,878	-	-	950,878
Segment profit		9,106,614	1,696,887	-	10,803,501
Assets:					
Non-current assets[1]		52,274,915	7,294,388	-	59,569,303

[1] Non-current assets excluded other receivables and deferred tax assets.

A Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

36. SEGMENT INFORMATION (CONTINUED)

Information about major customers

The major customers with revenue equal to or more than 10% of the Group revenue are as follow:

	Segment	Group 2021 RM
Customer A	Malaysia	**21,278,182**
Customer B	Malaysia	**32,939,867**
		54,218,049

	Segment	Group 2020 RM
Customer B	Malaysia	20,284,851
Customer C	Malaysia	24,080,679
Customer D	Malaysia	19,705,861
Customer E	Malaysia	17,587,750
		81,659,141

STATEMENT BY DIRECTORS

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

We, **PANG TSE FUI** and **LOKE KIEN TUCK**, being two of the directors of ANEKA JARINGAN HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2021 and of their financial performance and cash flows for the financial year then ended.

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

…………………………….…

PANG TSE FUI
Director

………………………………

LOKE KIEN TUCK
Director

Kuala Lumpur
Date: 16 December 2021

STATUTORY DECLARATION

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

I, **STEVEN KOH**, being the officer primarily responsible for the financial management of ANEKA JARINGAN HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

………………………………………..

STEVEN KOH
(MIA Membership No: 10420)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 16 December 2021.

Before me,

....

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aneka Jaringan Holdings Berhad, which comprise the statements of financial position as at 31 August 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 55 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters (continued)

Group

Trade receivables and contract assets (Note 4.1, Note 9 and Note 10 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 August 2021. We focused on this area because the Group made significant judgements and the level of uncertainty involved on assessing customer's specific conditions, credit history as well as forward looking information. In making these assumptions, the Group has assessed the allowances for impairment loss of trade receivables and contract assets on an individual basis.

Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- developing understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection prepared by management;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances; and
- assessing the reasonableness of impairment loss provided as at the end of the reporting period.

Revenue recognition for construction activities (Note 4.2 and Note 22 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion on construction cost incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as recoverability of the construction contracts projects.

Our audit response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing Group's major assumptions to contractual terms and discussing with project manager on the changes in the assumptions from previous financial year;
- assessing the computed progress towards complete satisfaction of performance obligation against to external quantity surveyors' valuation; and
- checking the mathematical computation of recognised revenue for the projects during the year.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

Company

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 other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Jou Yin
No. 03460/11/2023 J
Chartered Accountant

Kuala Lumpur
Date: 16 December 2021

LIST OF PROPERTIES HELD BY THE GROUP

	Location/Description	Tenure/ Usage	Approximate Land Area/ Built Up (sq ft)	Approximate Age/(Years)	Date of Acquisition	Net Book Value as at 31 August 2021 RM
1	PT 1319, Kawasan Perusahaan Sungai Bakau, Mukim Rawang, 48000 Rawang, Selangor <u>Title Details</u> PM 2686, Lot 1290, Bandar Kundang, Tempat Sungai Bakau, Daerah Gombak, Negeri Selangor Industrial land	99 years' leasehold expiring on 14 December 2091 / Storage, repair and maintenance area for construction machinery equipment	109,060/-	N/A	15 February, 2008	1,862,823
2	Parcel No. K-2-1, K-2-1M, K-2-2 and K-2-3, Pusat Perdagangan Bandar Bukit Jalil, Persiaran Jalil 2, Bukit Jalil, 57000 Wilayah Persekutuan Kuala Lumpur <u>Title Details</u> Geran 79551, Lot 101900, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur 4-storey stratified shop offices	Freehold / Head office	8,569/-	3	22 January, 2016	6,174,053
3	S-17-06, Idaman Robertson, 109, Jalan Pudu, 50150 Wilayah Persekutuan Kuala Lumpur <u>Title Details</u> Geran 78365, Lot 20018 seksyen 56, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur Service apartment	Freehold / Investment property	624/-	6	6 February, 2015	898,322

LIST OF PROPERTIES HELD BY THE GROUP

	Location/Description	Tenure/ Usage	Approximate Land Area/ Built Up (sq ft)	Approximate Age/(Years)	Date of Acquisition	Net Book Value as at 31 August 2021 RM
4	Parcel No. B-G-25, B-1-25, B-2-25, B-3-25, Dataran Cascades, 13A, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor <u>Title Details</u> PN 97964, Lot 53298, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Service apartment	99 years' leasehold expiring on 01 February 2106 / Investment property	5,590/-	11	18 October, 2010	3,100,557
5	D-21-06, Menara Mitraland, 13A, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor <u>Title Details</u> PN 97964, Lot 53298, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Office unit	99 years' leasehold expiring on 01 February 2106 / Investment property	1,020/-	10	23 August, 2011	568,100
6	Parcel No. A-35-05 <u>Title Details</u> Geran 10567, Lot 258 Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur Condominum	Freehold / Investment property	710/-	NIL	18 May, 2020	N/A (work in progress)
7	Parcel No. A-35-07 <u>Title Details</u> Geran 10567, Lot 258 Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur Condominium	Freehold / Investment property	554/-	NIL	18 May, 2020	N/A (work in progress)

ANALYSIS OF SHAREHOLDINGS

AS AT 19 NOVEMBER 2021

Class of Shares	:	Ordinary shares (“Shares”)
Voting Rights	:	One (1) vote per Share
Total Number of Issued Shares	:	538,100,000
Issued and Fully Paid-Up Capital	:	RM125,805,700

DISTRIBUTION OF SHAREHOLDINGS AS AT 19 NOVEMBER 2021 AS PER RECORDS OF DEPOSITORS (“ROD”)

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 99	3	0.12	150	0.00
100 - 1,000	204	8.08	123,800	0.02
1,001 - 10,000	963	38.15	6,327,650	1.18
10,001 - 100,000	1,121	44.42	40,656,200	7.56
100,001 to 26,904,999	229	9.07	90,632,200	16.84
26,905,000 and above	4	0.16	400,360,000	74.40
Total	2,524	100.00	538,100,000	100.00

DIRECTORS’ SHAREHOLDINGS IN THE COMPANY AS AT 19 NOVEMBER 2021

(based on the Register of Directors’ Shareholdings)

Director	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Dato’ Ir. Tan Gim Foo	200,000	0.04	-	-
Pang Tse Fui	99,552,500	18.50	-	-
Chong Ngit Sooi	99,552,500	18.50	-	-
Loke Kien Tuck	99,552,500	18.50	13,000*	Negligible
Dato’ Noraini binti Abdul Rahman	200,000	0.04	-	-
Wee Kee Hong	50,000	0.01	-	-

* *Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 through shareholding held by his daughter, Loke Cheng Mun.*

ANALYSIS OF SHAREHOLDINGS

AS AT 19 NOVEMBER 2021

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS IN THE COMPANY AS AT 19 NOVEMBER 2021

(based on the Register of Substantial Shareholders' Shareholdings)

	Direct		Indirect	
Substantial Shareholder	No. of Shares Held	%	No. of Shares Held	%
Tan Hoon Thean	101,702,500	18.90	5,000[(1)]	Negligible
Pang Tse Fui	99,552,500	18.50	-	-
Chong Ngit Sooi	99,552,500	18.50	-	-
Loke Kien Tuck	99,552,500	18.50	13,000[(2)]	Negligible

[(1)] *Deemed interest by virtue of the shareholding of his son, Tan Chun Xiang.*

[(2)] *Deemed interest by virtue of the shareholding of his daughter, Loke Cheng Mun.*

THIRTY LARGEST SHAREHOLDERS AS AT 19 NOVEMBER 2021 AS PER ROD

No.	Name	No. of Shares Held	%
1.	TAN HOON THEAN	101,702,500	18.90
2.	CHONG NGIT SOOI	99,552,500	18.50
3.	LOKE KIEN TUCK	99,552,500	18.50
4.	PANG TSE FUI	99,552,500	18.50
5.	CHEAH HAM CHEIA	3,000,000	0.56
6.	KHOO KEOW PIN	2,955,000	0.55
7.	LIEW HAU SENG	2,200,000	0.41
8.	CHEN FARN KEITH	2,000,000	0.37
9.	CHONG KOK KEONG	2,000,000	0.37
10.	SELISA SYNERGY SDN BHD	2,000,000	0.37
11.	SOW SIAN	2,000,000	0.37
12.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HOW CHEE KEONG (E-SS2)	1,903,400	0.35
13.	CHUAH TEONG PENG	1,860,000	0.35
14.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOONG DING TONG (MY3120)	1,789,800	0.33
15.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TEH ENG HAI	1,665,900	0.31
16.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PMB SHARIAH TNB EMPLOYEES FUND	1,650,000	0.31

ANALYSIS OF SHAREHOLDINGS

AS AT 19 NOVEMBER 2021

THIRTY LARGEST SHAREHOLDERS AS AT 19 NOVEMBER 2021 AS PER ROD (CONTINUED)

No.	Name	No. of Shares Held	%
17.	LIM KOON CHEE	1,565,400	0.29
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TONG BEE LAN	1,500,000	0.28
19.	TAN SOW CHAN	1,475,000	0.27
20.	CHONG MEE SIN	1,054,300	0.20
21.	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW TEOW WAI (SMT)	1,032,000	0.19
22.	FUN YOON FAH	1,000,000	0.19
23.	HSU PAI LING	1,000,000	0.19
24.	LEONG KOK SAU	1,000,000	0.19
25.	NG CHIN LEONG	1,000,000	0.19
26.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TERENCE NGU TAI LOONG	1,000,000	0.19
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ZOLKEFLEE BIN ABD HAMID	974,800	0.18
28.	KOPERASI PUTERA MTD 1973 KUALA LUMPUR BERHAD	925,000	0.17
29.	TEH BEE GAIK	850,000	0.16
30.	CHEW KUI HOON	760,000	0.14

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting ("AGM") of Aneka Jaringan Holdings Berhad ("the Company") will be conducted on a fully virtual basis and entirely via remote participation and voting via the online meeting platform https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Friday, 25 February 2022 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2021 and the Reports of Directors and Auditors thereon. ***Please refer to Explanatory Note***

2. To approve the payment of Directors' Fees and benefits of up to RM220,000.00 from 26 February 2022 until the conclusion of the next AGM of the Company. ***Resolution 1***

3. To re-elect Dato' Ir. Tan Gim Foo as Director who is retiring by rotation pursuant to the Company's Constitution. ***Resolution 2***

4. To re-elect Chong Ngit Sooi as Director who is retiring by rotation pursuant to the Company's Constitution. ***Resolution 3***

5. To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 4***

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification(s), the following resolutions:-

6. **ORDINARY RESOLUTION**
   AUTHORITY FOR DIRECTORS TO ISSUE SHARES ***Resolution 5***

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to issue and allot new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company at the time of issue AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing and quotation of the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

NOTICE OF THIRD ANNUAL GENERAL MEETING

7. **SPECIAL RESOLUTION**
   PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION ***Resolution 6***

   "THAT the amendments to the Company's Constitution as set out in Appendix I of the Annual Report 2021 be and are hereby approved and adopted ("Proposed Amendments").

   THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things that are necessary and/or expedient to give full effect to the Proposed Amendments."

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

By Order of the Board
ANEKA JARINGAN HOLDINGS BERHAD

TAN FONG SHIAN (SSM PC No. 201908004045) (MAICSA 7023187)
LIEW CHAK HOOI (SSM PC No. 201908004042) (MAICSA 7055965)
Secretaries
Kuala Lumpur

28 December 2021

Notes:-

(1) The Third AGM will be conducted on a fully virtual basis. Shareholders are to participate and vote remotely at the Third AGM via the remote participation and voting platform.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the Third AGM in order to participate remotely.

(2) A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy to participate and vote instead of him. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

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

(4) Only a depositor whose name appears in the Company's Record of Depositors as at 18 February 2022 shall be regarded as a member and entitled to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.

NOTICE OF THIRD ANNUAL GENERAL MEETING

(5) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(6) The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting, or by electronic means through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. Kindly refer to the Administrative Guide for the Third AGM on the procedures for electronic lodgement.

(7) Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this notice of Third AGM will be put to vote by poll.

(8) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

EXPLANATORY NOTES

Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, shall not be put forward for voting.

Resolution 5

This proposed resolution, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the number of shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The Company had on 16 December 2021 announced to Bursa Securities to undertake the proposed private placement of up to 53,810,000 new ordinary shares in the Company ("Placement Shares"), which represent up to 10% of the total number of issued ordinary shares of the Company ("Private Placement"). As at 21 December 2021, being the last practicable date prior to printing of this notice of Third AGM, an application had been made to Bursa Securities for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities ("Application"). No Placement Shares were issued pending the approval of the Application.

Resolution 6

This special resolution, if passed, will align the Constitution of the Company with the Companies Act 2016.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

No individual is standing for election as Director at the forthcoming Third AGM of the Company.

APPENDIX I

PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION

Clause	Existing Provisions	Proposed Amendments
14.	Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Sections 75 and 76 of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.	Subject to the Listing Requirements, the provisions of the Act, the Central Depositories Act and/or the Rules and without limiting the generality of Sections 75 and 76 of the Act, the Company must not issue any shares or convertible securities, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue.

FORM OF PROXY

Aneka Jaringan Holdings Berhad
(Registration No. 201801030681 (1292707-D))
(Incorporated in Malaysia)

Number of Shares Held	
CDS Account No.	

I/We ______________________________ NRIC/Passport/Company No. ______________________
(full name in block letters)

of ____
(full address)

being a member of Aneka Jaringan Holdings Berhad ("Company"), hereby appoint

Full name and NRIC/Passport No.	**Address**	**Proportion of shareholding (%) to be represented**
Contact No.	**Email Address**	

*and/or failing him/her,

Full name and NRIC/Passport No.	**Address**	**Proportion of shareholding (%) to be represented**
Contact No.	**Email Address**	

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 Third Annual General Meeting ("AGM") of the Company to be conducted on a fully virtual basis and entirely via remote participation and voting via the online meeting platform https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Friday, 25 February 2022 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:-

NO.	**RESOLUTIONS**	**FOR**	**AGAINST**
ORDINARY BUSINESS			
1.	To approve the payment of Directors' Fees and benefits of up to RM220,000.00 from 26 February 2022 until the conclusion of the next AGM of the Company		
2.	To re-elect Dato' Ir. Tan Gim Foo as Director		
3.	To re-elect Chong Ngit Sooi as Director		
4.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
5.	Authority for Directors to issue shares		
6.	Proposed Amendments to the Company's Constitution		

(Please indicate with an " √ " or " X " in the spaces above on how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.)

* Delete if not applicable.
\# Delete the words "Chairman of the Meeting" if you wish to only appoint other person(s) to be your proxy(ies).

Dated this:

____
Signature/Common Seal of Shareholder

Notes:-

(1) The Third AGM will be conducted on a fully virtual basis. Shareholders are to participate and vote remotely at the Third AGM via the remote participation and voting platform.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the Third AGM in order to participate remotely.

(2) A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy to participate and vote instead of him. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

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

(4) Only a depositor whose name appears in the Company's Record of Depositors as at 18 February 2022 shall be regarded as a member and entitled to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(6) The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting, or by electronic means through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. Kindly refer to the Administrative Guide for the Third AGM on the procedures for electronic lodgement.

(7) Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in the notice of Third AGM will be put to vote by poll.

(8) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

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AFFIX
STAMP

The Share Registrar of
ANEKA JARINGAN HOLDINGS BERHAD
Registration No. 201801030681 (1292707-D)

c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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a n e k a j a r i n g a n . c o m

Head Office

Aneka Jaringan Holdings Berhad
(Registration No. 201801030681 (1292707-D))
K-2-1, Pusat Perdagangan Bandar Bukit Jalil, Persiaran Jalil 2, 57000 Kuala Lumpur, Malaysia

Tel : +603-8657 5150
Fax : +603-2771 3827
Email : info@ajgroup.my

Indonesia

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