PROTASCO BERHAD
200101012322 (548078-H)

EXPANDING POSSIBILITIES

ANNUAL REPORT 2021

EXPANDING POSSIBILITIES

During the year, a major emphasis was placed on finding the way forward and the best strategy for the Group to enhance our competitive edge and drive our growth. At Protasco Berhad, we are committed to deliver long-term value to our stakeholders by putting in our best efforts in everything that we do.

The key to our success is our belief in our core values that provides the foundation for our success. Through sustainable practices we are confident to achieve the strategic goals that have been identified and Protasco Berhad will continue to strive in this ever-changing environment.

As we embark on our journey of operational excellence, we will continue to explore and go beyond the limits by positioning each of our businesses with a clear focus.

The 5 lighted points on the cover of the Annual Report 2021 describe the leadership that drives the Group, the 5 critical success factors that will ensure the 5 strategic objectives of Protasco Berhad are achieved.

DIGITAL VERSION OF ANNUAL REPORT 2021

Run the QR Code Reader app and point your camera to the QR Code.

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The softcopy version of Protasco Berhad Annual Report 2021 is available on our website.

www.protasco.com.my

This icon indicates where more details can be accessed elsewhere in this report.

This icon indicates where more details can be accessed online.

Protasco Berhad's Critical Success Factors

1 **Talent Management**

2 **Culture Transformation**

3 **Digitalisation**

4 **Business Sustainability**

5 **Business Process Innovation**

New Strategic Goals

- To obtain healthy financial improvements
- To value add work processes
- To achieve process and technology efficiencies through digitalisation
- To improve customer satisfaction and experience
- To build skilled & high performing talent by optimising the ROCK IT values

CORE VALUES

Result Oriented
- Stretch - Good to great
- Innovate
- Commitment

Ownership
- Accountable for outcomes
- Passionate in task execution
- Take pride - I Am Protasco

Customer Focused
- Wow them
- Create value
- Respect

Knowledge Driven
- Knowledge sharing
- Continual education
- Career development

Integrity
- Do the right thing
- Trustworthy
- Transparent

Teamwork
- Robust communication
- Committed to team decisions
- Active participation

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CORPORATE INFORMATION

1. **Dato' Sri Ir Chong Ket Pen**
   Executive Chairman

2. **Dato' Ir Kenny Chong Ther Nen**
   Group Managing Director

3. **Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman**
   Executive Director

4. **Dato' Tan Yee Boon**
   Independent
   Non-Executive Director

5. **Suhaimi Bin Badrul Jamil**
   Independent
   Non-Executive Director

6. **Tham Wei Mei**
   Independent
   Non-Executive Director

7. **Celine Chan Hooi Li**
   Independent
   Non-Executive Director

COMPANY SECRETARIES

Khor Hooi Ling
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SSM Practicing Certificate No:
202008000854

Seow Fei San
MAICSA 7009732
SSM Practicing Certificate No:
201908002299

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Malaysia
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55100 Kuala Lumpur Malaysia
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Fax : 603 9284 5881
Web : www.protasco.com.my
Email : ccd@protasco.com.my

REGISTRAR

Boardroom Share Registrars
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Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7890 4700
Fax : 603 7890 4670

PRINCIPAL BANKERS

RHB Bank Berhad
UOB (Malaysia) Berhad
AmBank (M) Berhad
OCBC Bank (Malaysia) Berhad
Alliance Bank Malaysia Berhad

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

STOCK EXCHANGE LISTING

Main Board
Bursa Malaysia Securities Berhad
Listed Since : 8 August 2003
Stock Name : PRTASCO
Stock Code : 5070

CORPORATE STRUCTURE

PROTASCO BERHAD
200101012322 (548078-H)

100% PROTASCO DEVELOPMENT SDN BHD

PROTASCO DEVELOPMENT

- **100%** De Centrum Development Sdn Bhd
- **100%** De Centrum Land Sdn Bhd
- **100%** Protasco Land Sdn Bhd
  - **100%** Protasco Land SA (Pty) Ltd
- **100%** Sun Rock Development Sdn Bhd
- **100%** Jalur Saujana Sdn Bhd
- **100%** DC Resort Homes Sdn Bhd

100% KUMPULAN IKRAM SDN BHD

IKRAM

- **100%** Ikram Education Sdn Bhd
- **100%** Ikram Engineering Services Sdn Bhd
- **100%** Ikram QA Services Sdn Bhd
- **100%** Ikram Paves Sdn Bhd
- **60%** Kumpulan Ikram (Sabah) Sdn Bhd
- **30%** Kumpulan Ikram (Sarawak) Sdn Bhd
- **30%** Ikram Premier Consulting Sdn Bhd
- **30%** Ikram Engineering Consulting Sdn Bhd

100% HCM ENGINEERING SDN BHD

HCM ENGINEERING

- **70%** Permint Granite - HCM Sdn Bhd
- **60%** HCM - Molek JV Sdn Bhd
- **60%** HCM Kijang Sdn Bhd
- **51%** Roadcare (M) Sdn Bhd
- **49%** KPS - HCM Sdn Bhd
- **30%** DAL HCM Sdn Bhd
- **30%** PJP Barisan HCM JV Sdn Bhd

100% IKRAM GREENTECH SDN BHD

IKRAM GREENTECH

- **51%** i2 Energy Sdn Bhd
  - **100%** Solarcap Sdn Bhd
- **44%** i2 Solarpark One Sdn Bhd

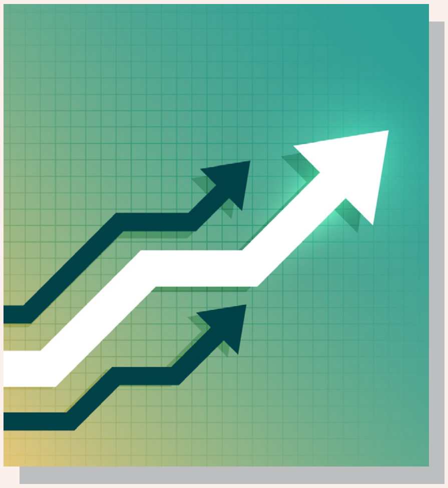
100% PROTASCO TRADING SDN BHD

Protasco Trading

- **100%** QP Industries Sdn Bhd
- **100%** QP Trading Sdn Bhd

Note:
This structure depicts main operating subsidiaries and associate companies only.

QUICK FACTS 2021



Protasco Berhad is involved in several business segments which include road maintenance; property development; engineering and consultancy services; construction; trading & manufacturing of roads and construction material; clean energy and hospitality. The organisation also contributes to the development of knowledge and mankind through the Infrastructure University Kuala Lumpur, a full-fledged academic institution offering tertiary education. Protasco Berhad has offered hospitality services through ParkInn by Radisson Putrajaya hotel since 2020.

The diversity in the business operations enables Protasco Berhad to provide integrated infrastructure solutions to various stakeholders ranging from federal and state governments to local authorities, city councils, utility companies and the private sectors.

In every business activities we participate, we encourage the practice of sustainability with full accountability.

Protasco Berhad has provided more than two decades of road maintenance services and solutions to the federal and state governments. It maintains more than 8,014km of federal roads and 20,343km of state and rural roads awarded through two federal road maintenance agreements and five long term contracts, lasting through to 2029.

Protasco's road maintenance service promotes the use of sustainable technology through the Cold In Place Recycling (CIPR) technology.

The Construction Division of Protasco Berhad carries out building and infrastructure works. It has vast experience in the construction, rehabilitation and upgrading of buildings and roads. The projects include:

- Overhead motorcycle bridge at Jalan 222, Petaling Jaya
- Park Inn by Radisson Putrajaya hotel
- PPAM Larai and PPAM Saderi projects in Putrajaya
- Unipark Apartment at De Centrum City
- Infrastructure works for the development of Pulau Indah Industrial Park
- Road connection work at Old Klang Road - New Pantai Expressway
- Asian Football Confederation (AFC) Annex Building, Bukit Jalil

In the past, it has completed roads and highway rehabilitation works in various states in Malaysia and the Tripoli - Garian Road Project in Libya.

Property development is a major activity for Protasco Berhad. Its current projects include the:

- Jade Hill township in Tampin, Negeri Sembilan, a 137-acre development of landed housing; and
- Sentrio Business Center in Pasir Gudang, Johor

It is also currently developing De Centrum City, a mixed development on a 100-acre land in South Kuala Lumpur, with its latest project at planning stage, the Rimbawan, a condominium development.
De Centrum has received an achievement award for Best Mixed Development Award 2015 from Property Insight Magazine.

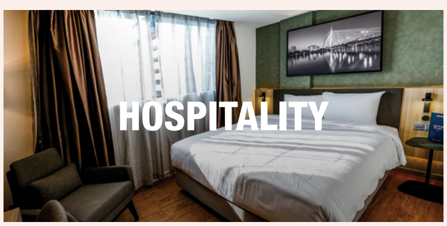
The property development activity is helmed by Protasco Development Sdn Bhd, a wholly owned subsidiary of Protasco Berhad.

Quick Facts 2021
(Continued)

Protasco Berhad's Clean Energy Division offers world class Engineering, Procurement & Construction (EPC) expertise.

It has developed a 9MWdc large scale solar farm in Masjid Tanah, Melaka that has a Power Purchase Agreement (PPA) with the Tenaga Nasional Berhad for 21 years. The plant has begin generating energy since early 2021.

The estimated power production is equivalent to 160,000 tonnes of CO_2 emission avoidance.



Park Inn by Radisson Putrajaya, Protasco Berhad's very own hospitality arm offers services and amenities in a contemporary designed set up. Since its opening in 2020, the hotel has hosted up to 10,720 room nights with room guests of up to 69,524.

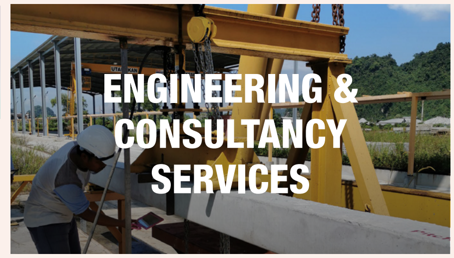
Park Inn by Radisson Putrajaya hotel aspires to provide the best hospitality services to its customers, new and returning, and continues to look for new partnerships with private and government clienteles. It is located within a stone throw away from Malaysia's administrative center of Putrajaya and is connected to major highways making accessibility to Kuala Lumpur City Center very convenient.

On 31 March 2022, Park Inn by Radisson Putrajaya received the Excellence in 4 Star Hotel & Restaurant Services - 2022 Award from the ASEAN Food & Travel Awards 2022.

Since more than two decades ago, Infrastructure University Kuala Lumpur (IUKL) has been providing quality education and professional services in various fields. Programmes offered by IUKL are approved by both the Ministry of Higher Education (MOHE) and Malaysian Qualifications Agency (MQA).

IUKL receives professional recognition from the Board of Engineers Malaysia (BEM), the Board of Architects Malaysia (LAM), the Land Surveyors Board (LJT), the Royal Institution of Surveyors Malaysia (RISM), the Washington Accord, CISCO Certified Network Associate (CCNA), the International Organisation for Standardisation (ISO), the Association of Chartered Certified Accountants (ACCA), CPA Australia, Chartered Institute of Management Accountants (CIMA) and the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP), among others.

IUKL is rated Excellent (Tier 5) in the Malaysian Qualifications Agency (MQA) Rating System SETARA'13 for Teaching & Learning Category.



The Engineering & Consultancy Services Division of Protasco Berhad is helmed by Kumpulan Ikram Sdn Bhd or Ikram, a pioneer in the group.

Ikram offers comprehensive and integrated engineering services in consultancy, laboratories and data collection in Geotechnical, Pavement and Structure, Construction & Project Management Consultancy, Product Certification and Professional & Technical Training (Personnel Certification).

Ikram positions itself as a one stop integrated engineering solutions provider with the intent to fulfill customer expectations. In keeping up with the current business environment, Ikram has proven itself to be a dynamic and adaptive organisation, ensuring continuous improvements in system and resources so as to be relevant at all times.

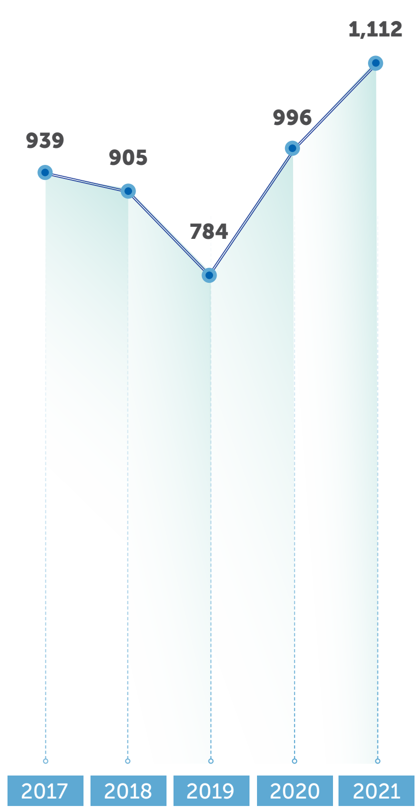
Protasco's Trading & Manufacturing Division specialises in trading and distribution of various products, materials and equipment. These ranges from pavement maintenance products to construction building materials, petroleum-based products, highway safety products and equipment.

Protasco Trading Sdn Bhd, the company leading the business has manufacturing and distributorship licenses awarded by reputable international brand and product owners.

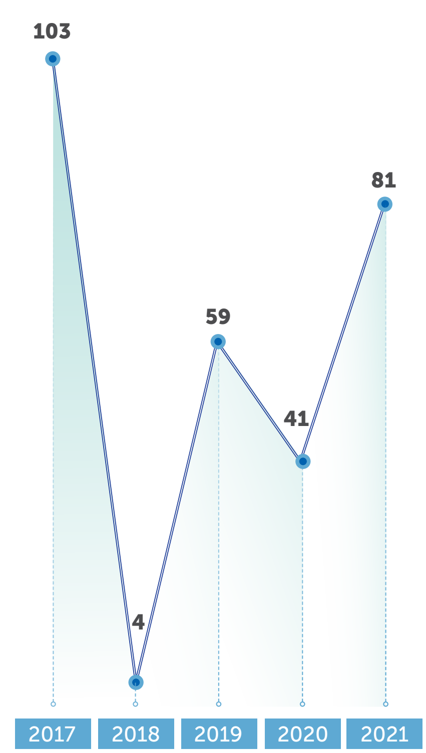
GROUP FINANCIAL HIGHLIGHTS

Year Ended 31 December	2017	2018	2019	2020	2021
Turnover (RM'000)	939,277	904,860	783,703	996,181	1,112,846
Operating Profit/(Loss) (RM'000)	88,363	(3,852)	39,637	40,235	62,879
Profit/(Loss) After Tax & Non-Controlling Interest (RM'000)	28,063	(48,107)	6,272	(25,233)	16,697
Earnings/(Loss) Per Share (sen)	5.67	(9.72)	1.29	(5.23)	3.47
Total Dividend Per Share (sen)	5.5	0.0	1.2	0.0	0.0
Net Assets Per Share (RM)	0.93	0.67	0.68	0.63	0.66

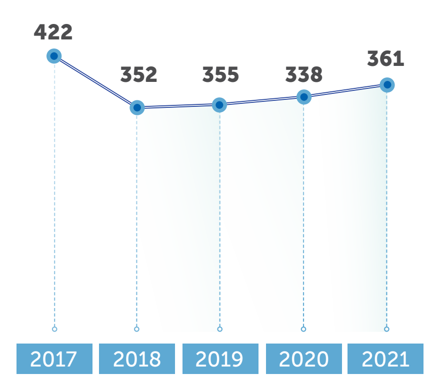
TURNOVER
(RM'Million)
1,112



EBITDA
(RM'Million)
81



SHAREHOLDERS' EQUITY
(RM'Million)
361



MANAGEMENT DISCUSSION AND ANALYSIS

DATO' SRI IR CHONG KET PEN

Executive Chairman

TOTAL LIABILITIES
RM545 million

NET ASSETS PER SHARE
66 sen

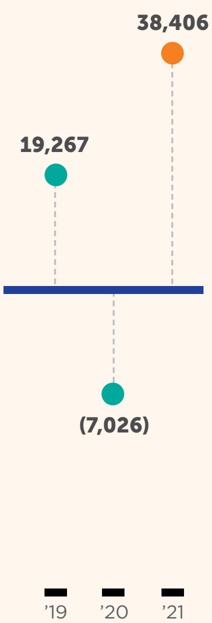
TOTAL ASSETS
RM905 million

PROFIT AFTER TAXATION AND NON-CONTROLLING INTEREST
RM16.7 million

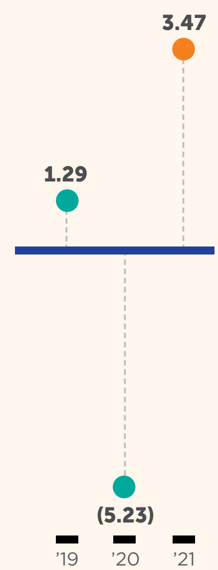
CASH AND CASH EQUIVALENTS
RM163 million

NET GEARING RATIO
0.14 times

PROFIT/(LOSS) AFTER TAXATION
(RM'000)



EARNINGS/(LOSS) PER SHARE
(Sen)



This Management Discussion and Analysis ("MD&A") of Protasco Berhad ("PB", "Company", "we", "us" or "our") and its subsidiaries ("Group") provides shareholders an overview and better understanding of the Group's financial and operational performance for the financial year ended 31 December 2021. The information presented in this MD&A should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the related notes thereto. Please take note that the discussion of results, causes and trends should not be construed to imply any conclusions that such results, causes or trends will necessarily continue in the foreseeable future.

INTRODUCTION

PB was incorporated on 18 May 2001 and listed on the Main Market of Bursa Malaysia Securities Berhad (then Main Board of KLSE) on 8 August 2003.

The Group's business segments are as follows:

Please refer to SEGMENTAL PERFORMANCES for the business nature, financial performance, and other information of the respective business segments.

SOCIAL & ECONOMIC REVIEW 2021

Social

It has been two years since the implementation of the first movement control order ("MCO") on 18 March 2020 by the Malaysian government in response to the declaration of COVID-19 as a pandemic by the World Health Organisation on 11 March 2020.

Thereafter, numerous lockdowns and various MCOs were imposed to curb and contain the spread of COVID-19. In early 2021, the government implemented the National COVID-19 Immunisation Programme and achieved a high vaccination rate of two doses of at least 79% and 94% for nationwide and Klang Valley respectively.

During mid-year 2021, the Prime Minister announced the commencement of the National Recovery Plan, which is a four-phase exit strategy from the COVID-19 crisis. As of to-date, both Kelantan & Sarawak are still in Phase 3 while the rest of the States are under Phase 4 where inter-state travelling between Phase 4 states is allowed.

Management Discussion and Analysis
(Continued)

Economy

Source:
BNM – Economic and Financial Developments in Malaysia Q4 2021

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%), as economic activities resumed with the easing of containment measures. The rebound in economic activity was aided by recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth.

On the supply side, all economic sectors recorded improvements in growth, led by the services and manufacturing sectors. On the expenditure side, growth was driven mainly by the improvement in household spending and trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered an increase of 6.6% (3Q 2021: -3.6%). With the turnaround in growth in the fourth quarter, the economy grew by 3.1% for 2021 as a whole, and the unemployment rate declined to 4.6%.

As expected, headline inflation increased to 3.2% during the quarter (3Q 2021: 2.2%). The higher inflation during the quarter was due mainly to the normalisation in electricity prices following the lapse of the three-month electricity bill discount implemented in July 2021. Core inflation increased marginally to 0.8% during the quarter (3Q 2021: 0.7%) as economic reopening gathered momentum. For 2021 as a whole, average headline inflation was 2.5% (2020: -1.2%), while core inflation averaged at 0.7% (2020: 1.1%).

Certain business segments of the Group have benefitted from the positive developments of the social and economic factors in 2021. This has resulted in the improvement of the Group's overall financial performance for the financial year ended 31 December 2021 ("FYE2021") as compared to financial year ended 2020 ("FYE2020").

GROUP FINANCIAL PERFORMANCE

	FY2021 RM'000	FY2020 RM'000	CHANGES RM'000	%
Revenue	1,112,846	996,181	116,665	12%
Profit after taxation	38,406	(7,026)	45,432	647%
Profit/(Loss) after taxation attributable to:				
Owners of the Company	16,697	(25,223)	41,920	166%
Non-controlling Interests	21,709	18,207	3,502	19%
	38,406	(7,026)	45,432	647%
Earnings/(Loss) per share (sen)	**3.47**	**(5.23)**	**8.70**	**166%**

For the FYE2021, the Group's revenue and profit after tax and non-controlling interest were mainly contributed by the Maintenance and Trading segments. While the Construction segment recorded lower revenue in FYE2021 as compared to FYE2020 due to completion of its projects, it achieved a better profit after tax and non-controlling interest due to recovery of bad debts and lower administrative and operating expenses in FYE2021.

The Maintenance segment, being an essential service, was not affected by the movement control orders and this has assisted the Trading segment to fulfill its delivery schedules of raw materials required to the Maintenance sub-contractors without much hassle.

The Group registered a higher revenue of RM1,112 million in FYE2021 as compared to RM996 million in FYE2020. The increase of RM116 million or 12% was due to the following:

1. Higher periodic works awarded to the Maintenance segment;
2. New source of revenue from the Hotel and Hospitality segment as our hotel had commenced business operations on 1 October 2020;
3. Higher revenue from the Trading segment due to increase in periodic works undertaken by the Maintenance segment; and
4. Higher revenue from the Clean Energy segment due to commencement of billing for the power generation and supply to TNB and solar panel installation works.

The Group recorded a reversal of loss after tax and non-controlling interest of RM25.2 million in FYE2020 to a profit after tax and non-controlling interest of RM16.7 million in FYE2021. The main contributing factors to the better group financial performance were higher revenue and lower impairments of financial assets in FYE2021.

The positive financial performance of the Group was aided by the recovery in the labour market, continued policy support, strong external demand and the Group's implementation of various countermeasures to preserve cash and enhance profitability amid the economic uncertainty due to the prolonged COVID-19 pandemic in FYE2021.

Nevertheless, certain business segments of the Group remain impacted by the strict containment and restriction measures imposed by the authorities to prevent the spread of COVID-19 and the supply chain disruptions.

A summary of the Group's 5-years financial performance is presented in the Group Financial Highlights.

For more details on Group Financial Highlights, refer to page 6.

GROUP FINANCIAL POSITION

	FY2021 RM'000	FY2020 RM'000	CHANGES RM'000	%
Non-current Assets	386,569	386,551	18	0%
Current Assets	518,735	490,692	28,043	6%
Total Assets	905,304	877,243	28,061	3%
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the company	315,945	304,116	11,829	4%
Non-controlling interests	44,790	34,140	10,650	31%
Total Equity	360,735	338,256	22,479	7%
Non-current Liabilities	100,108	123,217	(23,109)	-19%
Current Liabilities	444,461	415,770	28,691	7%
Total Liabilities	544,569	538,987	5,582	1%
Total Equity & Liabilities	905,304	877,243	28,061	3%
Net assets per share (RM)	0.66	0.63	0.03	5%

The total assets of the Group increased by RM28 million from RM877 million in FYE2020 to RM905 million in FYE2021 mainly due to increase in Trade Receivables.

Total liabilities as at FYE2021 was RM545 million as compared to RM539 million in FYE2020. The increase of RM6 million was mainly due to increase in Trade Payables for better cash management and working capital.

The Group's net assets per share increased from 63 sen in FYE2020 to 66 sen in FYE2021 due to the Group registered a profit after taxation attributable to the owners of the Company of RM16.7 million in FYE2021. At the same time, there was a reversal of loss per share of 5.23 sen in FYE2020 to earnings per share of 3.47 sen in FYE2021.

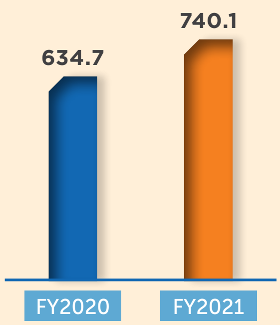
Our cash and cash equivalents remained healthy at RM163 million as at FYE2021 despite a decrease of RM57 million as compared to RM220 million in FYE2020 mainly due to increase in Trade Receivables, servicing of Term Loans instalments, and dividends paid to non-controlling interests.

The Group's net gearing ratio for FYE2021 is at 0.14 times as compared to 0.01 times for FYE2020 due to decrease in cash and bank balances. Coupled with a current ratio of 1.17 times, we remain in a healthy financial position and have access to funds as and when required.

SEGMENTAL PERFORMANCES

MAINTENANCE

Segmental Revenue
(RM'Million)



The Group's Maintenance segment is currently being undertaken by the following companies through concessions and long term contracts awarded by the Federal and State Government:

CONCESSION – FEDERAL ROAD MAINTENANCE ("FRM")

A 10-year FRM concession of 7,263km commencing February 2016 by Roadcare (M) Sdn Bhd.

- Group's equity interest is 51%
- Routine maintenance – recurring approximately RM140 million per annum
- Periodic maintenance and emergency works – based on actual work carried out (estimated to be RM130 million – RM150 million per annum)
- Covering the states of Selangor, Pahang, Kelantan and Terengganu

A 10-year FRM concession of 751km commencing September 2018 by DAL HCM Sdn Bhd

- Group's equity interest is 30%
- Routine maintenance – recurring RM24 million per annum
- Periodic maintenance and emergency works – based on actual work carried out (estimated to be RM10 million – RM20 million per annum)
- Covering federal roads from Kuching to Lawas in Sarawak

LONG TERM CONTRACTS ("LTC")

A 7-year contract followed by a 5-year contract with an extension of another 2 years for 1,959km, State Road Maintenance for the State of Perak.

- Contract sum: RM126.1 million for 2 years
- Date of commencement: 1 January 2013
- Undertaken by Empayar Indera Sdn Bhd where the Group's equity interest is 51%
- LTC expires in December 2024

1

A 2-year contract followed by a 5-year contract with an extension of another 2 years for 13,084km, Agriculture Road Maintenance for the State of Perak.

- Contract sum: RM90.1 million for 2 years
- Date of commencement: 20 February 2017
- Undertaken by Empayar Indera Sdn Bhd where the Group's equity interest is 51%
- LTC expires in February 2024

2

A 5-year contract of Rural Road Maintenance for the State of Terengganu covering approximately 2,500km

- Contract sum: RM49.9 million for 5 years
- Undertaken by Permint Granite-HCM Sdn Bhd where the Group's equity interest is 70%
- LTC expires in April 2022 (in the midst of finalising the contract extension for another 5 years)

3

A 10-year contract of State Road Maintenance for the State of Kelantan awarded by Kijang Kuari Sdn Bhd/the State Government of Kelantan covering approximately 2,000km.

- Contract sum: RM25.7 million for 2 years or RM129 million for 10 years (contract sum is reviewed every 2 years)
- Undertaken by HCM Kijang Sdn Bhd where the Group's equity interest is 60%
- LTC expires in August 2026

4

A 10-year Performance Based Contract for the Long Term Management and Maintenance of State Roads [Jalanraya Negeri (JRN)] in Sarawak, Package 3 (Mukah Division) awarded by Jabatan Kerja Raya (Public Works Department) covering approximately 800km.

- Contract sum: RM24.6 million per year (subject to review every 3 years with a maximum increase of 7.2% per revision)
- Undertaken by PJP Barisan HCM JV Sdn Bhd where the Group's equity interest is 30%
- LTC expires in December 2029

5

Review of Operations

Being an essential service, our Maintenance segment recorded an increase in revenue of RM105 million or 17% from RM634.7 million in FYE2020 to RM740.1 million in FYE2021. It accounts for more than 66% of the group revenue in FYE2021. The impressive revenue contribution from the Maintenance segment was due to more periodic maintenance and emergency works performed and this has supported the increase in PBT of 1% from RM60.1 million in FYE2020 to RM60.5 million in FYE2021.

Our 30% associate companies, DAL-HCM Sdn Bhd and PJP Barisan HCM JV Sdn Bhd, contributed a total of RM2.7 million to the PAT of RM43.1 million of the Maintenance segment.

Segmental Risks

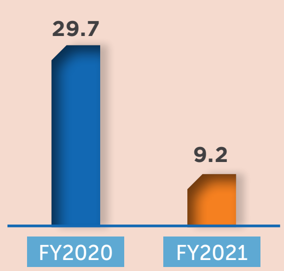
Our road maintenance activities are dependent on numerous factors including the Government's budget for periodic maintenance, the occurrence of events that require additional emergency maintenance and the success of our bids for new and renewal of contracts and concessions. For more information on risk framework, process and risk assessment, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

Our Maintenance segment is expected to continue as the primary revenue contributor to the Group in the financial year 2022 ("FY2022"). The Group is actively pursuing other opportunities to improve the Maintenance segment financial results.

CONSTRUCTION

Segmental Revenue
(RM'Million)



The Construction segment refers to activities of project management and sub-contracting of residential or commercial properties, infrastructure works, etc based on contracts entered into with clients.

In FYE2021, our Construction segment had fully completed its existing projects and did not commence any new project. We are actively participating in tenders, both large and smaller scale projects.

Review of Operations

Revenue for the Construction segment decreased substantially from RM29.7 million in FYE2020 to RM9.2 million in FYE2021 due to the completion of its existing projects.

Despite the substantial decrease in revenue, the Construction segment recorded a reversal of Loss before Tax of RM2.6 million in FYE2020 to a PBT of RM7.4 million in FYE2021 due to cost savings from the finalisation of completed projects, lower administrative and operating costs, and recovery of bad debts.

Segmental Risks

Our construction activities depend on the ability to replenish the order book and the general economic climate of the country. Other factors that may affect the profit contribution of our Construction segment include the cost of raw materials, labour and other related expenses. For more information on risk framework and process, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

The Construction segment will actively continue to pursue opportunities both locally and abroad to replenish its order book.

The construction sector remains challenging and competitive due to fewer infrastructure jobs and contracts with lower values. The process of awarding public infrastructure and housing projects has been slow. Other issues affecting the construction sector include worker shortages and rising material costs, as well as the challenges in price variation, contract mediation and project delays.

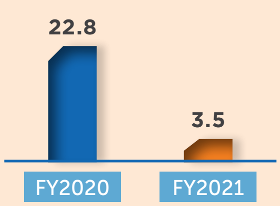
Nevertheless, we are cognisant of the need to replenish our order book and will continue to bid for lucrative projects.

We will emphasise on managing project costs, increase efficiency and timely delivery to achieve better profit margins in each and every project that we secured.

Management Discussion and Analysis
(Continued)

PROPERTY

Segmental Revenue
(RM'Million)



The Property Development segment refers to the full spectrum of development activities from land acquisition to handover of completed property units to buyers.

Property Investment refers to the asset management activities where income is derived from rental or usage of assets.

Source:
Rahim & Co – Property Market Review 2021/2022

In the first nine months of 2021, Malaysia recorded a total of 201,065 property transactions worth RM98 billion, a slight drop of 1.8% year on year in volume. However, there was a notable increase of 21.4% y-o-y in value.

After property market transactions fell in 2020 (-9.9% in volume and -15.8% in value) from 2019's pre-COVID environment, the first half of 2021 saw a significant rebound as the economy and market gradually adjusted to a pandemic environment with a 21% jump in volume and 32.1% in value. However, the overall performance was dragged down in 3Q2021, when the Full Movement Control Order ("FMCO") kicked in. Among others, the residential sector had seen the most significant slowdown in terms of transactions.

Residential property transaction activities showed growth in the first half but slowed down in the third quarter, resulting in an overall growth of 2.6% for the first nine months of the year. On the supply side, new launches in the primary market had dropped, as developers were still adjusting and affected by the pandemic and the country's containment measures.

The residential market recovery efforts were further supported by the extended HOC (Home Ownership Campaign) till the end of 2021, the exemption of RPGT (real property gains tax) and the initiatives provided under Budget 2022. A more holistic support was also given by the economic stimulus introduced throughout the year that aimed to restore the livelihoods of Malaysians and revive the business sectors.

Management Discussion and Analysis
(Continued)

The property development market continues to be affected by oversupply, high household debts and stringent lending policies imposed by the banks.

In view of the challenging property market condition, no new development was launched in FYE2021 for our De Centrum City.

Nevertheless, we expect to launch our Jade Hills project in Tampin, Negeri Sembilan in Quarter 2 of 2022. The development project comprises 74 units single storey terrace Type A and 21 units single story terrace Type B Rumah Mampu Milik under Phase 1A.

To remain competitive, new property projects are now aligned to affordable homes where demand is still strong. We will adopt a cautious and resilient approach towards the new changes in the property market.

The Property segment will concentrate its efforts in improving marketing and promotional activities, operational efficiencies and excellent customer service to attract house buyers.

For Property Investment, the negative impact of COVID-19 and MCOs in 2021 continued to affect the financial performance of the Mall and Students' Residency as many students were unable to return due to the borders and our campus were still closed in 2021.

Review of Operations

Revenue was RM3.5 million in FYE2021 as compared to RM22.8 million due to one-off disposal of vacant land in the preceding year, lower revenue from the rental of investment properties, and no disposal of unsold inventory units.

The loss before tax decreased from RM17.6 million in FYE2020 to RM8.4 million in FYE2021 mainly due to lower administrative, operating, and finance expenses.

Segmental Risks

The performance of our Property Development segment is dependent on consumer demand for new units. Factors such as economic conditions and lending policies will have a direct impact on consumer appetite for property investment. Our property activities are also affected by general risk factors. For more information on risk framework, process and risk assessment, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

Local homebuyers will drive the residential market in 2022. Thus, it is important for property developers to take note of this and meet their needs for the long-term recovery of this sector.

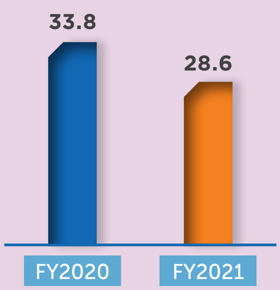
With the high vaccination rate and expected improved outlook on the job market, we expect consumer sentiment to improve at a gradual pace in terms of demand for residential property in general and affordable homes in particular.

We are still in discussions with the authorities on the relevant approvals and progress updates in respect of the Residensi Prihatin project. Apart from the Jade Hill project in Tampin, our Property Development segment is also planning to roll out another property development project in our De Centrum City by Quarter 3 of 2022.

Management Discussion and Analysis
(Continued)

ENGINEERING & CONSULTANCY SERVICES

Segmental Revenue
(RM'Million)



Our Engineering and Consultancy services segment provides engineering solutions in the area of geotechnical, pavement, structural, and forensic engineering, while consultancy services are in the area of material certification and technical training.

Our agreement with Dewan Bandaraya Kuala Lumpur (DBKL) had been extended for another two years and expires in November 2022. We provide engineering services and capacity building to DBKL, with an average annual turnover of RM10 million, subject to actual consumption by DBKL.

We also have an agreement to provide engineering and capacity building services to Tenaga Nasional Berhad (TNB). This agreement is renewable annually, with an average annual turnover of RM10 million subject to actual consumption by TNB.

Review of Operations

Revenue was RM28.6 million as compared to RM33.8 million, resulting from lower geotechnical works, and fewer certification services performed.

The loss before tax decreased from RM20.2 million to RM6.8 million due to lower cost of sales, administrative and operating expenses, and impairment of receivables.

Segmental Risks

Demand for our Engineering and Consultancy services are dependent on the overall economic environment as a slowing economy would affect any capital expansion and thus for our services. We may be exposed to potential liability claims on our negligence to properly manage and safeguard our clients' assets and interests. For more information on risk framework and process, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

Our Engineering and Consultancy segment operates mainly within the engineering and project management services in the country. Growth within the engineering and project management services market is likely to derived from:

- government-led initiatives and spending;
- sustained economic growth to support spending and investment in properties;
- increasing participation by professionals into the provision of engineering and project management services; and
- strategic need for engineering and project management services.

Thus, we are enhancing & rebranding our "IKRAM Brand" as "Total Integrated Engineering Solutions Provider" specialised in Geotechnical & Geo Environmental Engineering, Pavement, Highway & Transportation Engineering, Structural & Material Engineering, Product & Personal Certification, and Technical Training.

Management Discussion and Analysis
(Continued)

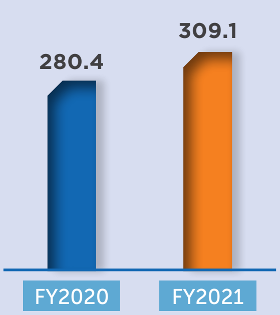
In FY2018, we started the cost optimisation programme for our Engineering and Consultancy segment. This programme continued into FY2019 to FY2021 and will be extended to FY2022 to ensure business sustainability and contribution to the Group.

We will continue to work with other highway concessioners to expand our pavement condition assessment and evaluation works.

We expect our Engineering & Consultancy segment to perform better in FY2022 as more construction and engineering contracts are expected to be rolled out. This business segment will increase its efforts not only to sustain the existing business but also to secure new Long Term Service Agreements and consider various business options in line with the economic conditions of the country.

TRADING & MANUFACTURING

Segmental Revenue
(RM'Million)



The Trading segment refers to activities of buying and selling of construction materials, equipment and other resources for project use.

Our trading and manufacturing segment complements and supports our Maintenance, Construction and Property Development segments by sourcing and supplying raw materials, equipment and other required resources to the sub-contractors of these segments.

Review of Operations

Revenue increased by 10% (RM28.7 million) from RM280.4 million in FYE2020 to RM309.1 million in FYE2021 due to higher periodic works undertaken by the Maintenance segment, whereby this segment is the main supplier of bitumen, cold mix, and quarry materials to sub-contractors.

Consequently, profit before tax increased by 79% (RM1.5 million) from RM1.9 million to RM3.4 million.

Segmental Risks

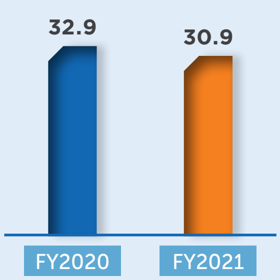
Demand for our products is linked to the amount of construction activity by our business partners. For more information on risk framework and process, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

Since the Trading and Manufacturing segment is to support our other segments, the prospect of this segment will depend on the Maintenance segment's ability to secure more periodic works as well as the Construction segment carrying out more construction activities.

EDUCATION

Segmental Revenue
(RM'Million)



The Education segment refers to the business activity of provision of tertiary education and related services.

Our education segment's brand is the Infrastructure University Kuala Lumpur (IUKL).

Being in the education industry for more than 20 years, IUKL has been providing quality education and excellent professional services in various fields. IUKL is among one of the top ranking universities and the only Infrastructure University in Malaysia and we would like to champion ourselves in the area of Infrastructure.

Review of Operations

Revenue decreased by 6% (RM2.0 million) from RM32.9 million in FYE2020 to RM30.9 million in FYE2021 due to a decrease in the student population.

Consequently, the loss before tax increased by RM2.3 million or 68% from RM3.4 million in FYE2020 to RM5.7 million in FYE2021 due to lower revenue and increase in operating expenses mainly on staff costs, advertisement and promotional expenses.

Apart from the stiff competition in the private tertiary education, increase in quota of student intake in public universities, and lower allocation of scholarship funding from the government; the low student population was also affected by the containment measures implemented by the government to curb the spread of the COVID-19 virus.

Closed borders and prohibition of cross state movement had prevented enrolment of overseas students and students outside of the Selangor state.

Segmental Risks

The education segment is exposed to competitive risk from other private tertiary institutions and other risks in the form of governmental policies which may be introduced and imposed on tertiary education.

The success of an education institution is dependent on its reputation as well as the ability to attract students, both local and international. For more information on risk framework and process, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

Recognising the intense competition from other private tertiary institutions and government policies on tertiary education, IUKL realised that the university has to be run in a lean and manageable level. The rationalisation and cost optimisation exercise, which started in FY2018 and continued to FY2021, will be extended to FY2022.

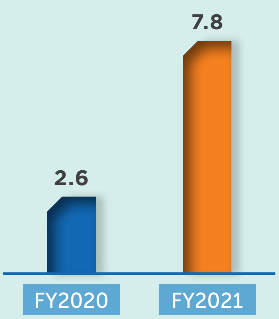
The COVID-19 outbreak and MCOs had severely affected the financial performance of IUKL. As a result of the MCOs, classes were conducted online and students were unable to return to the campus.

We expect FY2022 to be competitive for the education industry and IUKL will look at various business strategies including strategic partnerships, enhanced marketing and recruitment strategies and various marketing programmes to overcome these challenges and obstacles.

Management Discussion and Analysis
(Continued)

CLEAN ENERGY

Segmental Revenue
(RM'Million)



We have completed the construction of the large scale solar ("LSS") PV plant of 9MWdc at Masjid Tanah, Melaka in Quarter 1, FYE2021 and commenced billings for the power generation and supply of energy to TNB as per the 21-year Power Purchase Agreement signed in April 2018.

Our Clean Energy segment will continue to participate in the subsequent roll out of the LSS as announced by the Government. We will continue to explore opportunities to participate in more government or private projects, either through direct participation or as the Engineering, Procurement, and Construction ("EPC") contractor.

Review of Operations

Revenue increased significantly from RM2.6 million to RM7.8 million due to the recognition of energy supply to TNB (Solar Photovoltaic) and increased in solar panel installation works performed.

The increase in revenue has resulted in the reversal from loss before tax of RM1.0 million to profit before tax of RM0.3 million.

Segmental Risks

Changing government policies and incentives directly affect the business of Clean Energy. On the other hand, pandemic or local infectious diseases will disrupt the business operations.

The success of our business segment relies on controls and mitigation strategies to overcome numerous risks such as liquidity, operational, environmental, compliances and internal management. For more information on risk framework, process and risk assessment, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

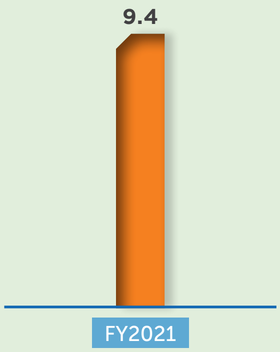
We expect a steady revenue and cash flow from the billings for power generation and supply of energy to TNB on a monthly basis.

This will improve the financial performance of the Clean Energy segment in FY2022. I2 Solarpark One Sdn Bhd will continue to participate in the LSS tenders while i2Energy Sdn Bhd, which is the EPC arm of the segment, will continue to secure more EPC contracts for the installation of solar panels and other related services.

Management Discussion and Analysis
(Continued)

HOTEL & HOSPITALITY

Segmental Revenue
(RM'Million)



The hotel industry faced a very serious business challenge since the commencement of MCO on 18 March 2020. This has dragged on for more than one and half years with on and off travel restrictions.

In the midst of such situation and after some delays, the Park Inn Radisson Putrajaya ("PIRP") hotel commenced business on 1 October 2020.

Review of Operations

Revenue achieved was RM9.4 million due to encouraging occupancy rate. In line with the increased in revenue, this segment posted a reversal from a loss before tax of RM2.6 million to a profit before tax of RM1.1 million.

Segmental Risks

Pandemic, spread of local infectious diseases, competition from AirBNB, changing customers demand, technological change, and cybersecurity are some of the risks that are applicable to the hotel industry.

Control procedures are put in place to mitigate such risks and regular monitoring is performed to ensure the control procedures are still applicable, relevant, and effective.

For more information on risk framework, process and risk assessment, please turn to our Statement on Risk Management and Internal Control on page 82 of this report.

Moving Forward

The financial performance for FYE2021 was encouraging with good occupancy rates throughout the year. PIRP will continue to serve our guests with excellent services and sumptuous food.

With the uplift of travel restrictions since Quarter 4 of 2021 and the opening of international borders on 1 April 2022, we expect the hotel business to improve and PIRP to benefit from this scenario.

RISK MANAGEMENT

Risk management is an important part of the integral process of achieving the Group's business sustainability. Key risks for the Group and the Group's risk management approach including controls and mitigating factors are provided in more detail in the Statement of Risk Management and Internal Control on pages 82 to 87 of this Annual Report.

Last year, the Board approved the Policy & Procedures on Integrity & Anti-Corruption which provides for the following commitments:

- To conduct all its business in an honest and ethical manner by implementing and enforcing systems that ensure bribery and corruption are prevented;
- Zero tolerance towards bribery and corruption; and
- Behaving professionally, fairly, and with integrity in all business dealings and relationships wherever the Group operates.

We are committed to upholding the highest standards of corporate governance and believe that integrity is a cornerstone for the delivery of sustainable value to all stakeholders.

DIVIDEND

We do not have an explicit dividend policy and no dividend has been declared for the FYE2021.

FUTURE ECONOMIC OUTLOOK & GROUP PROSPECTS

Source:
BNM, Annual Report 2021

Bank Negara Malaysia (BNM) has projected Malaysia's economy to grow by between 5.3% and 6.3% in 2022. This is slightly lower than the government's official forecast of a 5.5% to 6.5% growth in the nation's gross domestic product (GDP) for the year.

For the Malaysian economy, the recovery is expected to gain momentum in 2022 and this is underpinned by several factors including continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions.

In addition, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand. The external sector will continue to be supported by global demand, with gross exports projected to grow by 10.9%, compared with 26% in 2021.

But Malaysia will also be affected by the impact of the military conflict in Ukraine on global growth. However, the corresponding rise in global commodity prices are expected to provide support to commodity exports and some lift to nominal incomes.

Labour market conditions are expected to improve gradually as economic activity picks up, and the unemployment rate is projected to fall further to around 4%.

Private consumption is expected to post a growth of 9%, up from 1.9% in 2021, as household spending will be primarily supported by recovery in income and employment. The expected recovery in private investment to 5.3% in 2022 from 2.6% a year earlier, reflects the resumption of existing projects and the start of new investment capital spending by businesses.

Given the rapidly evolving macroeconomic environment, risks to domestic growth projection remain tilted to the downside. These risks mainly stem from developments surrounding COVID-19, slower-than-expected rollout of public infrastructure projects, more persistent labour shortages, supply chain disruptions, and higher inflation.

Management Discussion and Analysis
(Continued)

FY2022 will be a moderate year filled with challenges for the Group. As the economy is expected to further rebound in 2022 but with risks to the domestic growth projection, the Group is cautiously optimistic of its plans and targets and will further strengthen its core profitable businesses while at the same time improve its businesses that were negatively impacted by the pandemic and movement restrictions.

During the launch of IAP (I Am Protasco) 1.0 in the Year 2014, we established our Vision, Mission and Core Values. We refreshed our commitments and values by launching IAP 2.0 - A Journey of Discovery, Change & Growth in Quarter 4 of 2020. We will continue our IAP 2.0 journey in 2022 and thereafter to realise our activation of 5 Critical Success Factors ("CSF") on a progressive basis:

We are guided by these 5 CSFs, vision and strategy and performance development framework in our pursuit of business excellence, career development for our employees, and return on shareholders' funds.

To achieve targets requires planning. Planning ahead with broad business knowledge and immense experiences gives us a head start. The Group is cognisant of its strong attributes including planning to take advantage of the expected economic recovery and take on business challenges in 2022.

The Group expects to remain profitable through proper planning and execution of its financial targets in 2022. The Group will also explore other business opportunities to enhance shareholders return.

APPRECIATION

On behalf of the Board, I wish to express my sincere appreciation to all our valued shareholders, customers, business associates, bankers, suppliers, and contractors for their continued support, mutual trust and utmost confidence in the Group.

I would also like to express our utmost gratitude to Ir Tan Heng Kui, our former Non-Independent and Non-Executive Director who had retired during the 20th Annual General Meeting which was held on 29 June 2021, for his invaluable contributions and support to the Group during his tenure as a Board member of the Company.

My deepest appreciation to the management and staff at all levels for their contributions, dedications, loyalty, and hard work, in working together for the Group business sustainability as well as building their career path with the Group. I am very confident that with their continuing commitment, perseverance, right attitude and teamwork, the Group will be able to realise its Vision, Mission, and Core Values.

In our journey towards FY2022 and beyond, we will continue to pursue value creation, business sustainability, and growth strategies on all business segments of the Group. This will benefit all management and staff in terms of a sense of achievement and create value for our shareholders and stakeholders.

Last but not least, I wish to place on record my deepest appreciation to my fellow members of the Board, both at Group and subsidiaries level for their immense contributions, wise counsel and confidence in the direction of the Group.

Thank you.

Stay Safe & Stay Healthy.

Dato' Sri Ir Chong Ket Pen
Executive Chairman

SUSTAINABILITY REPORT

GOVERNANCE ECONOMIC ENVIRONMENT SOCIAL

ABOUT THIS REPORT

Introduction

The Board and Management of Protasco Berhad ("Protasco", "Company" or the "Group") is pleased to present the Sustainability Statement ("report" or statement") for the financial year ended 31 December 2021 ("FY2021"). This report provides a comprehensive account of the Group's environmental, social and governance ("ESG") impact in the year under review, disclosed along the triple bottom line of economic, environmental and social ("EES") topics deemed material to the value creation process of the Group's diversified business.

As an infrastructure solutions provider with services in every stage of the infrastructure value chain, sustainability is fundamental to our strategy of creating long-term value for all our stakeholders. Collectively, our business activities in construction, property development, maintenance, education, clean energy, engineering and consultancy services, as well as trading and manufacturing, enable Protasco to integrate the adoption of sound ESG practices into our infrastructure development processes.

The Board and Management of Protasco acknowledge the profound positive impact we can effect through the responsible provision of our services. We recognise the opportunities as well that can arise from leveraging ESG to drive value creation, and have established the Sustainability Committee ("SC") in FY2020 to assist the Board in fulfilling its oversight responsibility in relation to Protasco's ESG objectives, policies and practices.

Protasco is committed to conserve as we construct. We leverage our technical expertise in maintenance, engineering and consultancy services, and clean energy to reduce resource consumption and extend the life cycles of the infrastructure projects in our care. Through our education endeavours, these sustainable infrastructure development practices are passed down to future generations of technical experts, who will continue to enrich lives and uplift communities in every industry that we are involved in.

We are committed to progressively improve the Group's ESG management and adoption towards greater sustainability of the Group and its stakeholders.

Sustainability Report
(Continued)

Applied Frameworks

This report is prepared in accordance with **Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2nd Edition)**, with references to additional regulatory frameworks and disclosure guidelines as listed below:

- Global Reporting Initiative ("GRI") Standards: Core Option
- Malaysian Code of Corporate Governance ("MCCG") 2021
- Bursa Malaysia FTSE4Good Sustainability Index
- United Nations Sustainability Development Goals ("UN SDGs")

Reporting Scope and Boundary

There are no major changes to our reporting scope and boundary from the previous statement. In line with the recommendations from MCCG 2021, we have further enhanced the transparency of our material matters' scope and boundary for this year's report, which are disclosed in the Material Matters section of this statement.

Unless otherwise stated, the reporting period for this statement covers the operations of the Group from 1 January to 31 December 2021. Comparative performance data from preceding years have been included where possible to enable readers to better track and understand the ESG progress achieved and make our disclosures more meaningful for our stakeholders.

This statement is scoped to the business operations and activities of the holding company, Protasco Berhad, and the main operating subsidiaries of the Group as listed below:

- Protasco Development Sdn Bhd
- HCM Engineering Sdn Bhd
- Protasco Trading Sdn Bhd
- Kumpulan Ikram Sdn Bhd
- Ikram Greentech Sdn Bhd

As the sustainability functions of the Group are still in the early stages of development, disclosures on impacts involving third party vendors and our value chain partners are excluded from this report. The Board and Management are mindful that there may be significant indirect ESG impacts from third party sources and will endeavour to strengthen our governance and data collection processes to incorporate those impacts in our future reporting cycles.

Report Content and Data Assurance

The reporting content in this statement have been determined based on regulatory requirements, stakeholder expectations, as well as Protasco's most material ESG factors and risks of its operating environment. It has also been guided by the GRI principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

All data included in this report has been sourced internally and has been verified by the information owners of the respective business units. Our data collection and analysis processes continue to be enhanced with each reporting cycle towards ensuring data quality, accuracy, reliability, and completeness.

The financial data in this report which can be cross-referenced to the FY2021 Financial Statements are independently audited by Crowe Malaysia PLT. However, we have not sought external assurance for this Statement and will endeavour to integrate third party assurance process for our non-financial data in the future as our reporting journey progresses.

The Board and Management of Protasco provide their assurance that this Sustainability Statement presents a fair, balanced and comprehensive account of our ESG impact and commitments as reviewed by the sustainability working teams, internal auditors, and the Board Risk Management Committee.

Limitations and Disclaimers

Protasco acknowledges that there is still room for improvement in terms of the disclosure depth and quality for certain ESG indicators. We are in the process of implementing better data tracking and gathering mechanisms for the organisation to improve our disclosure for future reports. On occasions where data may be incomplete or unavailable, we have provided supporting explanations where required.

Forward-looking statements used in this report to discuss future plans and targets are made based on reasonable current assumptions. They should not be regarded as conclusive as actual plans and results may differ according to changes in the operating scenario.

Feedback

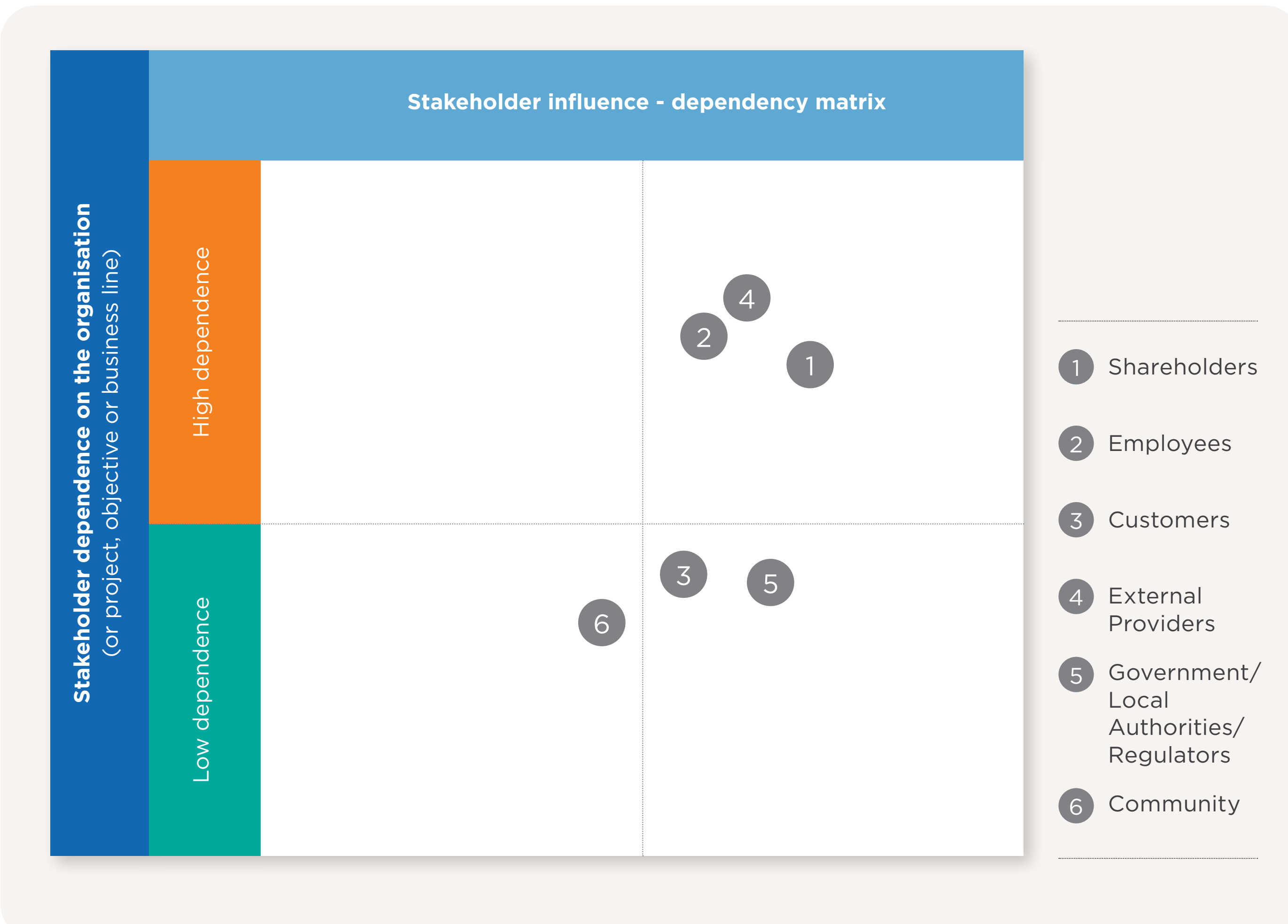
In line with our commitment towards continuous improvement, we welcome feedback from our stakeholders on our sustainability reporting and practices.

Comments and recommendations can be emailed to ccd@protasco.com.my.

STAKEHOLDER ENGAGEMENT

Throughout the course of our business activities, we are in contact with a diverse range of stakeholders, which we define as individuals, entities and organisations that have the capability to impact our organisation and business model or are impacted by our business activities. Protasco engages regularly with its key stakeholders to ensure the value creation process of the Group takes into consideration the interests, concerns, and wellbeing of our stakeholders as a crucial part of our sustainability management.

The following stakeholder groups have been identified as having the most influence on Protasco's business sustainability by the Board and Management, which remains unchanged from FY2020's report. We have further mapped our stakeholders based on their influence and dependence level on the organisation, as shown below.



The key contact persons and concerns of each stakeholder groups have been identified in the year under review as well as the frequency of our engagement with the stakeholders. These are summarised in the following tables.

Material Matters	Sustainability Pillars	Stakeholders					
		Shareholders	Employees	Customers	External Providers	Government/ Local Authorities/ Regulators	Community
1. Governance	Governance		✓		✓	✓	
2. Business Performance	Economic	✓	✓		✓		
3. Product & Service Quality	Economic			✓			
4. Environmental Conservation	Environment		✓		✓		✓
5. Construction Methods & Materials	Environment			✓	✓		
6. Occupational Safety, Health & Environment (OSHE)	Social		✓		✓		
7. Human Capital	Social		✓				
8. Philanthropic Efforts	Social						✓

The respective Materiality, its likelihood and impact of its respective risks have been summarised and outlined below.

Nos	Materiality Matters	Type of Risk	Likelihood					Impact				
			Very likely to take place	Likely to take place	Possible to take place	Unlikely to take place	Very unlikely to take place	Negligible	Minor	Moderate	Significant	Severe
1	Business Performance	Financial Risk		✓								✓
2	Product & Service Quality	Compliance Risk			✓						✓	
3	Occupational Safety, Health & Environment (OSHE)	Human Risk			✓					✓		
4	Environmental Conservation	Compliance Risk		✓						✓		
5	Human Capital	Resource Risk			✓					✓		
6	Philanthropic Efforts	Financial Risk			✓					✓		
7	Construction Methods & Materials	Quality Risk			✓						✓	
8	Governance	Compliance Risk				✓					✓	

Sustainability Report
(Continued)

Stakeholder Groups	Means of Engagement	Frequency	Key Contact	Stakeholder Concerns	Relevant Material Topic
Employees	• Briefings/meetings • Emails • Social Media • Performance appraisal sessions • Sharing sessions	• As and when needed • Ongoing • Ongoing • Yearly • Ongoing	• Managers and supervisors • Human resource department	• Compensation and benefits • Growth and career development • Diversity and equal opportunity • Health and safety	• Human Capital • Occupational Safety, Health & Environment (OSHE) • Business Performance • Environmental Conservation • Governance
Government / Local Authorities/ Regulators	• Briefings/meetings • Emails • Announcements	• As and when required	• Company secretary • Investor relations team • Board of Directors • Legal department	• Regulatory compliance • Listing requirements • Transparency of disclosure • Tax payment	• Governance
Community	• Sponsorship and contributions • CSR activities	• As and when required (Emergency)	• Respective Divisions • Corporate Communication	• Financial and social support • Environmental responsibility	• Philanthropic Efforts • Environmental Conservation
External Providers	• Review & coordination meetings • Negotiation meetings	• Ongoing • As and when needed	• Procurement department • Project managers • Administration	• Contract terms • Timely payment • Health and safety	• Construction Methods & Materials • Business Performance • Occupational Safety, Health & Environment (OSHE) • Environmental Conservation • Governance
Shareholders	• General meetings • Announcements • Investor relations (part of corporate website) • Corporate websites	• Annually • Scheduled • Ongoing	• Board of Directors • Company Secretary • Investor relations team	• Sustainable financial returns • Growth strategy and future prospects of the Group • Good governance	• Business Performance
Customers	• Briefings/meetings • Customer service hotlines • Student meetings • Social media sites	• As and when required • Ongoing	• Sales and marketing team • Lecturers • Administrators of respective divisions	• Customer satisfaction • Adherence to quality standards, contract terms and delivery timeline • Timely response to customer feedback	• Product & Service Quality • Construction Methods & Materials

Stakeholder engagement at Protasco is a two-way process, using a combination of both formal and informal means of communication to facilitate work processes, communicate our intent and gather feedback.

The mode of engagement in FY2021 continue to be impacted by the pandemic SOPs, which was conducted virtually in place of face-to-face engagements when infectivity levels were high, and the movement control orders are in place. Community engagement programmes continue to be restricted in this respect to prevent large gatherings. When restrictions were relaxed, community engagements were carried out with strict COVID-19 SOP observed.

The wellbeing of our stakeholders is a priority and Protasco is committed to continually adapt our stakeholder management approach as necessary to ensure their views and concerns continue to be a crucial part of the Group's decision-making process.

OUR MATERIAL MATTERS

The materiality assessment process of Protasco is outlined below:

Materiality Assessment Process

1 Identify

The Sustainability Working Committee ("SWC") obtains feedback from all six Divisional Working Committees ("DWC") on stakeholders' concerns and analyses material matters against industry's practices.

2 Prioritise

The SWC then prioritises key matters for inclusion in the FY2021 Sustainability Statement and presents its proposal to the Sustainability Steering Committee ("SSC").

3 Validate

The SSC validates and approves the list of material matters before it is endorsed by the Board for implementation and monitoring.

The Sustainability Working Committee (SWC) sets out to obtain feedback and updates for improvements concerning the Materiality and Stakeholder Engagement from six Division Working Committees (DWC) under the Group. Feedback obtained by SWC are reviewed and further analysed using some of industry best practices. Finally, the SWC proposes some of the sustainability matters for inclusion in the 2021 sustainability statement. The proposed materiality and stakeholders' concerns are then presented to the Sustainability Steering Committee (SSC) for validation and approval before it is endorsed by the Board for implementation and monitoring.

The key stakeholder concerns and business risks of the Group have been distilled into the following eight topics deemed most material to our ability to create and sustain value, with the addition of "Construction Methods & Materials" and "Governance" topics augmenting the six topics identified in FY2020. "CSR & Community Development" has been renamed as "Philanthropic Efforts" for FY2021.

UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UNSDGs) is a collection of 17 global goals that form the roadmap to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Malaysia together with other world leaders answered that universal call to action at the United Nations General Assembly in New York on 25 September 2015 and adopted the 17 Goals and 169 targets of the UNSDGs.

Sustainability Report
(Continued)

As a public listed company in Malaysia, we have a responsibility to support our nation in advancing these goals and play our role as a responsible global citizen. Protasco has expressed its support of the UNSDGs and identified several goals that can contribute meaningfully through the business activities of the Group:

Goal 1: No Poverty

Protasco continues to actively invest in community development initiatives, focusing on uplifting the lives of government servants and those in the lower income bracket. Despite the challenges of our operating environment in the year under review, Protasco channelled at least RM1,145,000 in corporate donations to various community causes in FY2021.

Goal 3: Good Health and Well-being

The health and well-being of Protasco's employees continue to be prioritised in FY2021 by observing strict compliance with pandemic SOPs at all our premises. COVID-19 tests were carried out regularly. In FY2021, 169 employees contracted COVID-19 representing 12% infection rate. The Group also supported the nation's vaccination efforts by encouraging and reminding our employees to get their shots in a timely manner. By end of FY2021 the group recorded vaccination rate of 98%.

Beyond the pandemic, Occupational Safety and Health Malaysia ("DOSH") guidelines continue to be adhered to at all construction and maintenance project worksites. We have successfully maintained a track record of zero fatalities and zero lost time incidents ("LTI") onsite for the past three years.

Workplace healthcare benefits are also provided as part of our employees' remuneration package to ensure their health and well-being.

Goal 4: Quality Education

Protasco is committed to the provision of inclusive and equitable quality education for all. The Group's Infrastructure University Kuala Lumpur ("IUKL") is rated "Excellent" (Tier 5) in the Malaysian Qualifications Agency (MQA) Rating System SETARA'13 with Teaching & Learning category having a good score. Besides that it offers affordably priced courses in infrastructure education for the masses.

Through the talent development efforts of our Human Resources division, our employees are encouraged to continue upskilling and learning throughout their career with Protasco, with equal opportunities provided regardless of their background. The Group has invested RM242,687 for employee training in FY2021, with an average of 94.52 hours of training per employee.

A total of 30 different scholarships worth RM1,818,912 were provided in FY2021 and 404 local and international students benefitted.

Goal 7: Affordable and Clean Energy

Protasco's supports the nation's climate change goal of net zero emissions by 2050 through the advancement of renewable energy adoption spearheaded by the Group's Clean Energy division. The division has delivered multiple clean energy projects across the country, including Malaysia's Large-Scale Solar 2 ("LSS2") programme by the Energy Commission ("ST") as its flagship venture.

Aside from helping companies transition into affordable and clean energy, the Clean Energy division has also installed solar panels on the premises of De Centrum City as part of the Group's efforts to go green. The installed solar capacity of 281kWp helps offset 6,000 tonnes of carbon emissions throughout the lifespan of the system.

Goal 9: Industry, Innovation and Infrastructure

Protasco contributes to the achievement of UNSDG Goal 9 through our infrastructure construction and maintenance activities. Our emphasis on local procurement and partnerships, with over 95% of our procurement spending awarded to local vendors, helps raise the industry's share of employment and gross domestic product.

Innovation is also emphasised at Protasco, with our Maintenance division pioneering Cold-in-Place Recycling ("CIPR") technique of reusing existing materials for repaving road in Malaysia, and the use of Malaysian Rubber Institute's ("LGM")'s environmentally friendly paint made from recycled rubber as the paint coating for our corporate building block.

Goal 11: Sustainable Cities and Communities

Property & Construction division, affordable homes through infrastructure planning knowledge of the Group.

Care and consideration have also gone into the environmental planning of our developments, incorporating green building features such as north-south building orientation and ample circulation space to maximise natural cooling, ventilation and lighting, use of energy and water efficient fittings, dedicated walkways and cycling paths, rainwater harvesting system and even waste management processes to help reduce the environmental footprint of the development and its inhabitants.

Beyond financial aid, we have also established residential committees in each of the residential buildings we develop, which serve to keep us apprised of any community needs while ensuring a harmonious socioeconomic environment for our communities.

GOVERNANCE

Sustainability Governance

Board of Directors of Protasco has oversight of all sustainability matters through the Board Risk Management Committee ("BRMC") as part of its Corporate Governance and Risk Management functions since August 2020. In this responsibility, the Board is assisted by the Sustainability Steering Committee ("SSC"). The sustainability efforts of the Group, takes top-down direction on management approach of ESG matters and implementation of initiatives while reporting back all relevant matters to the Board for deliberation. These efforts are guided by the Group's Sustainability Policy, which was established in 2019 and revised in 2021.

The following chart outlines Protasco Berhad's Sustainability Governance structure and reporting framework:

Sustainability Policy

Established in 2019, the Sustainability Policy outlines Protasco's ESG agenda which guides the sustainability efforts of the Group. It was reviewed and updated on 1 November 2021.

Board Risk Management Committee ("BRMC")

SWC Chairman presents the outcome deliberated by SSC in the Risk Management Committee (RMC) for any feedback. When there are no further feedback or improvements, SWC Chairman will present the performance of the Group Sustainability to BRMC and have it endorsed.

Sustainability Steering Committee ("SSC")

The SSC monitors data presented by SWC to ensure Protasco meets both its compliance and sustainable development responsibilities. With the inputs from the SWC, the SSC deliberates and develops the sustainability strategies and policies of Protasco Berhad and guides the sustainability decision-making effort for the Group.

Sustainability Working Committee ("SWC")

The SWC supports both the DWC and the SSC in developing time-bound implementation plans for the strategies and policies in the respective business units and divisions. SWC will obtain all the data and reports from all DWCs and integrate them into Group level performance.

Divisional Working Committee ("DWC")

There are six DWCs under the Group that are assigned for each Business Unit to capture data for each of the Material Matter that has been identified at the Group level. The data is then analysed on a quarterly basis and submitted to SWC.

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The Sustainability Governance structure and reporting framework were augmented in the year under review to ensure all areas of the Group's sustainability performance and programmes are discussed and addressed by the RMC before it was presented and endorsed at the BRMC level. This structure has oversight on all ESG topics and Key Performance Indicators (KPIs) disclosed in the Material Matters section of this report. Additionally, the Audit Committee of the Group oversees all internal controls, Group-wide policies and procedures, as well as the adherence to our Code of Ethics.

The current composition of the SSC, SWC and DWC are as follows:

Sustainability Steering Committee ("SSC")	Sustainability Working Committee ("SWC")	Divisional Working Committee ("DWC")
• Group Managing Director (Chairman) • Maintenance Division, Chief Executive Officer • Property & Construction Division, Executive Director • Engineering & Consultancy Services Division, Chief Executive Officer • Engineering & Consultancy Services Division, Executive Director • Trading & Manufacturing Division, Executive Director • Education Division, Vice Chancellor • Education Division, Executive Director • Energy Division, Executive Director • Group Corporate Office, Head	• Head of Strategy & Sustainability • Corporate Assurance Department (Document Controller, Data Collection, Data Analysis & Review) • Corporate Communications Department (Report Writing) • Divisional Sustainability Manager (Representatives from Each Division/Department)	• Divisional Sustainability Officer • Divisional Sustainability Manager • Coordinator • Document Controller • Data Person-In-Charge • Committee Members

The diversified businesses of the Group are well represented at these committees to ensure that our sustainability initiatives can be effectively operationalised at every sector of the Group. These committees are supported by a robust set of governance frameworks and policies to manage sustainability at Protasco:

- Sustainability Policy
- Board Charter
- Director's Code of Conduct
- Board Risk Management Committee Terms of Reference
- Audit Committee Terms of Reference
- Nomination and Remuneration Committee Terms of Reference
- Shareholders' Rights Relating to General Meeting
- Corporate Disclosure Policy
- Communication Policy with Shareholders and Stakeholders
- Whistleblowing Policy
- Integrity & Anti-Corruption Policy

The above policies can be viewed at our Investor Relations portal at https://www.protasco.com.my. These policies are assessed periodically to ensure its continued effectiveness. The Sustainability Policy and Integrity & Anti-Corruption Policy underwent reviews in 2021 to further strengthen their effectiveness. The revised Sustainability Policy will take effect from 1 November 2022 onwards.

In the year under review, the Board and Management have taken steps to align our disclosures towards meeting the recommendations of MCCG 2021 in the areas of sustainability governance, scoping of the sustainability statement, and disclosures regarding stakeholders, materiality and our ESG performance. Key changes implemented include:

- Assessment of ESG risks and opportunities
- Setting of KPIs in relation to our ESG material matters
- Board commitment to improve gender ratio towards 30% women representation on the Board
- Enhanced the transparency of the scope and boundary for each material topic
- Disclosure of key issues and concerns of our stakeholders
- Strengthened the disclosure on the management approach to our ESG topics

We are in the midst of improving our materiality assessment process and plan to include a materiality matrix to more accurately prioritise our ESG topics in next year's report. To that end, we have taken the initiative in FY2021 to map the KPIs of our material matters in terms of the likelihood and impact of its risks as a step towards the prioritisation of these matters for effective management. Further improvements will be made as well in establishing clearer time-bound targets, and in assessing our ESG performance against the set targets and KPIs.

Anti-corruption awareness efforts continue to be a key focus area of the Group going forward. We have also initiated discussions on sustainable supply chain improvements and requirements at the various levels of our sustainability committees. The scope of the Sustainability Policy in development will be expanded to cover all material matters adopted by the Group.

Ethics, Integrity and Anti-Corruption

As a public listed entity, Protasco is bound by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia and the MCCG 2021 to uphold the highest standards of business ethics and corporate integrity. Non-compliance with disclosure obligations may affect the continuity of our license to operate and trade on the public bourse.

Due to the significant importance of Section 17A of the MACC Act 2009, which came into force on 1 June 2020, ethics, integrity, and anti-corruption receive oversight from the Board of Directors through the Audit Committee, which is assisted in this function by the Senior Management, Internal Audit ("IA") undertaken by Corporate Assurance ("CA") Department as well as the Legal unit of the Group.

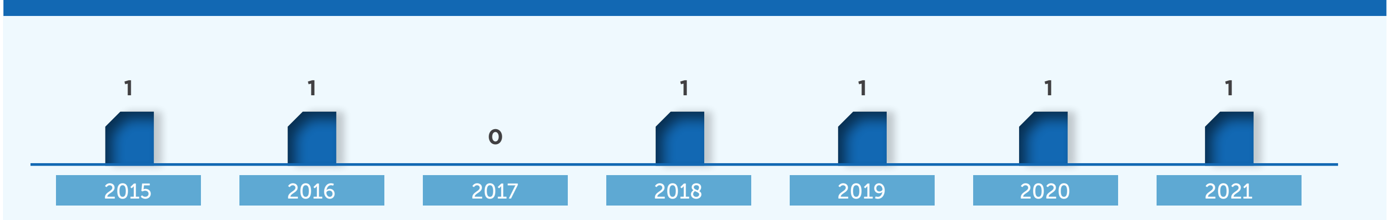
Protasco practises a zero-tolerance towards bribery and corruption, and is committed to behave professionally, fairly and with integrity in all business dealings and relationships wherever the Group operates. Our policies and procedures on the management of this matter as well as the relevant Discretionary Authority Limits are detailed in the Integrity & Anti-Corruption Policy adopted by the Board on February 2020, which were revised in the year under review on 29 March 2021. This agenda is driven by the CA Department of Protasco, and the process is in compliance with the ISO 9001:2015 Quality Management System.

Our anti-corruption efforts are supported by the Group's Whistleblowing Policy, which provides a safe and confidential channel for all employees and external parties to report any instances of wrongdoing. The whistleblowing function of the Group is placed under the purview of our Executive Chairman, while CA is responsible for implementing the necessary internal control measures for the detection of misconduct or fraud committed by our personnel. Any red flags or fraud observed during the operational audit conducted by CA or reported through the whistleblowing channel will be investigated immediately and thoroughly by CA.

The investigation report and process improvement recommendations are then disseminated to Senior Management for their decisions on action to be taken and are reported to the Board of Directors.

Our anti-corruption and regulatory compliance performance data for the year under review are summarised below:

No. of staff disciplined or dismissed due to non-compliance with anti-corruption



Operations assessed for risks related to corruption	FY2021
Total number and percentage of operations assessed for risks related to corruption	5/8 business unit's operation (62.5%)
Number of corruption risk assessments/audits conducted	2 (i.e. half yearly assessments)
Significant risks related to corruption identified through the risk assessment	Zero

This data has been verified by the CA Department. The Group's anti-corruption monitoring measures proved effective in uncovering an incidence of non-compliance during FY2021, which resulted in the staff's dismissal upon the conclusion of the CA's investigation. The Company and its subsidiaries have not been fined or censured for any environmental and/or socioeconomic non-compliance in the year under review.

We are committed to continually improve our internal control measures and organisational awareness on the issues of ethics and integrity. Our Senior Management have attended training to help them identify possible situations of corruptions. Anti-Corruption is also among the training modules attended by members of the Board to ensure governance effectiveness.

In the year under review, an Anti-Corruption Awareness Talk was held on 27 December 2021 for 133 staff from various categories within the Group. Our Integrity & Anti-Corruption Policy has been disseminated through our website. Placement of anti-corruption banners on our office premises and periodic email reminders are sent to employees to ensure this matter remains top of mind for all in the organisation.

Procurement Practices

As a diversified business with presence in every stage of the construction and infrastructure value chain, Protasco plays a vital role in supporting the local marketplace through responsible procurement practices that help to foster local industries, facilitate local knowledge transfer, and engender shared prosperity for our community. Fair and equitable procurement practices also serve to strengthen trust with our external providers and help us source for products and services that provide the best fit for our needs at the best value.

Procurement at all our subsidiaries is carried out by their respective Contract and Administration departments in accordance with the procurement practices and procedures established by Purchasing and Procurement Department ("PPD"). Plans are underway to further synchronise the procurement practices of the subsidiaries at the Group level. The effectiveness of our procurement process has a bearing on the financial performance of the Group and more procedures are set in place by CA department for efficiency. Currently, suppliers are not judged on their environmental performance, OSH Track record, commitment to worker welfare, etc. Moving forward when a better process is set in place the Group will consider these areas progressively.

We are in the midst of finalising a general purchasing and procurement policy to outline a better tender process for vetting the external providers we hire. This requires all parties at every level of the process to be transparent from pre-qualification until the award and post-project evaluations. We actively seek out options and alternatives from a diversified list of vendors to ensure our tendering process remains robust, transparent, and cost effective.

External providers are evaluated on their performance as well as their ability to deliver at competitive pricing. Responsible local contractors with good performance track records of contributing positively to the nation's economy are given due consideration, while safety track records are scrutinised to ensure compliance with all relevant laws and regulations of the Occupational Safety and Health Act ("OSHA") and Department of Environment ("DOE"). These are the focus of Maintenance and Property & Construction for their projects.

Protasco adheres to ISO9001:2015 Quality Management System for the procurement of construction and building material. Construction material and supplies sourced by our contractors must be responsibly procured from Construction Industry Development Board ("CIDB"), Standard and Industrial Research Institute of Malaysia ("SIRIM") or IKRAM QA's approved material list.

For a more sustainable procurement practices, as a way forward we are working to incorporate ESG considerations as an assessment criterion into our supplier audit process. This will come under the Group's lead and will be implemented progressively.

The table below shows the procurement data collected by Corporate Office for office supplies for all business units that are concentrated in De Centrum City such as Education, Engineering & Consultancy, and Corporate Office.

Corporate Procurement Data	FY2019	FY2020	FY2021
Number of local suppliers	144	131	128
Number of International suppliers	3	4	1
Amount spent on paying local suppliers (RM)	2,089,904	1,979,476	4,942,232
Amount spent on paying international suppliers (RM)	50,480	18,646	3,020

Procurement of supplies related to projects and construction are disclosed below for the Property & Construction, and Maintenance business units.

	Property & Construction			Maintenance		
Subsidiary Procurement Data	FY2019	FY2020	FY2021	FY2019	FY2020	FY2021
Total Procurement Spent (RM)	36,751	48,022	20,278	5.65mil	5.76mil	5.24mil
Total Local Procurement Spent (RM)	36,751	48,022	20,278	5.65mil	5.76mil	5.24mil
Total Foreign Procurement Spent (RM)	-	-	-	-	-	-
Percentage of Local Procurement Spent	100%	100%	100%	100%	100%	100%

Based on the data collected, over 80% of our procurement spending in the past three years have been awarded to local suppliers, contractors, and vendors.

Going forward, we plan to continue supporting local contractors and suppliers as a strategic partner and improve our procurement disclosures with more comprehensive data collection. We hope to do more to encourage and empower good ESG practices among our external providers, beginning with the formulation of guidelines on due diligence of new and existing partners, formulating a blacklist system to exclude high-risk suppliers or vendors with a track record of regulatory, environmental, and socioeconomic non-compliances while striving for environmental friendliness in our procurement assessment as well as process, with further digitalisation of our system to go green.

ECONOMIC

Business Performance

Protasco's economic sustainability is one of the highest priority material matters of the Group as it affects our ability to continue creating long-term value for all our stakeholders, including financial values generated and distributed to our stakeholders. Our business sustainability also contributes to the nation's gross domestic product ("GDP") while supporting a vibrant local supply chain. Other indirect economic impact of our activities include the development, maintenance and enhancement of infrastructure and amenities such roads, community halls, surau, affordable homes, community playgrounds and ball courts that enhance the quality of life in the communities we serve.

Understanding the widespread impact of our business performance, the Board and Management of Protasco have always been prudent in their financial management of the Group and have identified Profit Before Tax, Cost Optimisation, and Resource Utilisation – Reduction of Operating Expenses ("OPEX") and Capital Expenditures ("CAPEX"), as key performance indicators to assess and manage our business performance.

Additional information on our FY2021 financial performance can be found in:

- Management Discussion & Analysis: pages 7 to 23
- Financial Highlights: page 6
- Financial Statements: pages 89 to 220

We continue to monitor our operating landscape to ensure any emerging risks are mitigated, with due consideration for any growth opportunities that may augment our performance and ensure our business performance sustainability.

Product Services & Quality

Protasco's business is sustained by customers' continued trust and confidence in the quality of our products and services and the value it offers to our customers. This issue receives Board and Management oversight due to its impact on our business performance, with clear KPIs set for all business units in terms of stakeholder satisfaction from Customers, Authorities, and Suppliers/Contractors. Additionally, our Education arm measures product and service quality through the extension of programme adoption by its students, while the Trading & Manufacturing division emphasises product development and diversification as a key performance driver on this topic.

We have put in place a robust set of quality management systems to ensure the continued integrity of our product and service offerings, as shown below:

1. **ISO 9001**
Ikram Engineering Services Sdn Bhd, Ikram Paves Sdn Bhd, HCM Engineering Sdn Bhd, Roadcare (M) Sdn Bhd, Empayar Indera Sdn Bhd, Infrastructure University Kuala Lumpur (IUKL)
2. **ISO 14001**
HCM Engineering Sdn Bhd
3. **ISO 17025**
Ikram Paves Sdn Bhd
4. **ISO 17065**
Ikram QA Services Sdn Bhd
5. **ISO 45001**
HCM Engineering Sdn Bhd
6. **CIDB G3/SPKK**
Ikram Engineering Services Sdn Bhd
7. **CIDB G7/SPKK**
HCM Engineering Sdn Bhd, Roadcare (M) Sdn Bhd
8. **CIDB G7**
Kumpulan Ikram Sdn Bhd
9. **BEM**
Ikram Premier Consulting Sdn Bhd, Ikram Engineering Consulting Sdn Bhd
10. **BAM**
Ikram Premier Consulting Sdn Bhd

ENVIRONMENT

Environmental Conservation

Climate Change and Biodiversity

The Board and Management of Protasco recognise climate change and biodiversity collapse as significant global threats to the survival of mankind and its potential domino effect on businesses such as Protasco. As Protasco operates in a highly biodiverse environment, we view biodiversity conservation as a matter of great national importance. Furthermore, Protasco also operates in the construction sector, a main contributor to global greenhouse gas ("GHG") emissions.

Hence, environmental conservation has been identified as one of the key matters material to the sustainability of Protasco and has been placed under the purview of the Board. Aside from identified risks, we also recognise the reputational benefits and financial cost savings opportunities that can be derived from the efficient green practices in our day-to-day activities. The primary KPIs for environmental conservation set by the Group are the reduction of electricity consumption in all business units, and to minimise the CO_2 emission through our Clean Energy business.

The environmental management approach of the Property & Construction division is governed by the ISO 14001 Environmental Management System and supported by the ISO 45001 standard for Occupational Health and Safety. We are also in compliance with all relevant environmental laws and regulations of the country.

Protasco's Property & Construction division is committed to the effective management of biodiversity and have engaged an Independent Environmental Consultant to conduct Environmental Impact Assessment reports prior to the commencement of new projects and provide monthly report updates.

This was implemented at the construction site of Saderi Apartment in Precinct 16 of Putrajaya, which is located beside a shallow man-made lake rich in biodiversity. An environment consultant was appointed by HCM Nilaimas Services to monitor the site for 24 months. Their audit finding is included in their monthly report. Some of the key risks identified from these audits include soil erosion, and water, air and noise pollution. The findings of the Environmental Impact Assessment reports are verified by independent auditing bodies.

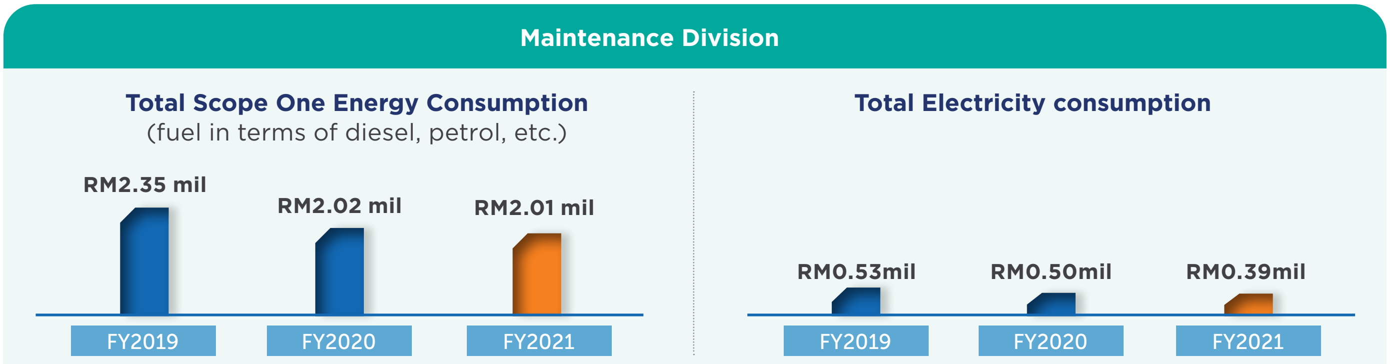
The construction project commenced in October 2019 and was completed in 2020. A total of 135 trees, shrubs, flowering plants and creepers were planted within the grounds of Saderi Apartment and its surau as part of the nearly RM2 million landscaping contract, which now counts a variety of birds, lizards, iguanas, snakes, small fishes, and storks and among its inhabitants.

Energy and Emissions Management

Energy is used in all of our operating premises and construction sites, which creates carbon emissions that can contribute to climate change. Hence, its efficient management is key to reducing our environmental footprint.

Protasco is also committed to find ways to reduce our energy consumption and have taken steps towards installing energy-saving LED lights, implementing good housekeeping practices such as switching of lights and equipment when not in use, and setting air conditioning units at a consistent temperature of between 24 to 26 degree Celsius. This is supported by awareness training among employees to put these into practice and regular monitoring of our energy consumption levels.

For instance, the effort of the Maintenance business unit on this front have resulted in reductions in our energy consumption volume, translating to fuel and electricity bill reduction and operational cost savings. We are also committed to reduce the use of fossil fuel in our operations towards minimising GHG emissions and ensure that all equipment and machineries using fossil fuels comply to the Department of Environment's specifications.



Aside from carrying our regular maintenance of our plants and machinery to ensure their operational efficiency, the Clean Energy division of the Group spearheads our charge into renewable energy usage to reduce our carbon emissions. Our Clean Energy division has delivered multiple projects across the country, including Malaysia's largest integrated photovoltaic project as its flagship venture.

As part of the Group's ESG initiative, the Clean Energy division has installed solar panels on the premises of De Centrum City with a total capacity of 281kWp. The entire system will collectively be able to power up an equivalent of 2,400 houses and offset 6,000 tonnes of carbon emissions throughout the lifespan of the system.

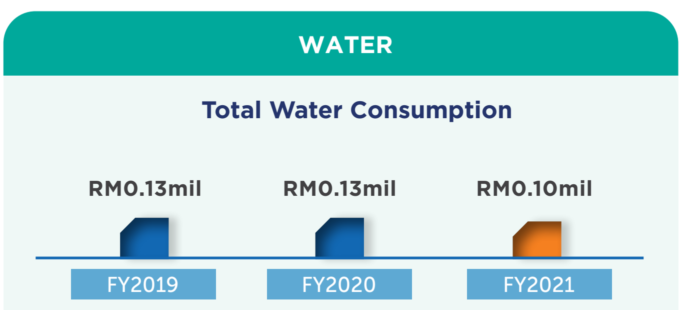
Water and Waste Management

Water is an elixir of life. Its sustainability is a key ESG risk affecting the world with dwindling freshwater resources becoming a cause of conflicts, famines, and health crises. Overdevelopment and pollution runoff also threaten water security in urban areas especially in Protasco's primary base of operations in the Klang Valley.

Hence, water security is a key area of our environmental conservation effort. While the business activities of the Group are not considered water intensive industries, we are nevertheless committed to the responsible consumption of this finite resource. We strive to inculcate good water usage habits among our employees and visitors to our premises, with reminders provided at all water usage points such as the pantries and toilets.

The water used at our main business premise at Unipark Suria are treated tap water which are discharged safely through the drainage and sewage systems. No hazardous liquid waste is produced from the operations at our construction site and office.

With the aim of water conservation, Protasco's water consumption at our headquarters at Unipark Suria are tracked, with the past three years' water consumption volume as measured in financial cost provided below:



Meanwhile, the Group also recognises the importance of proper waste collection and disposal as a crucial step in keeping our operating environment clean and ensure the health and safety of our employees and the public. Improper waste management may lead to significant negative impact to the environment and the company's reputation.

Hence, waste management and pollution reduction are Property & Construction unit's key environmental focus areas, with targets set to minimise and avoid waste and pollutant generation. The business unit adheres strictly to the Environmental Quality Act in the enforcement of its projects' waste management, with scheduled waste management training provided to relevant staff. Disposal of office waste is collected by the local municipal councils of our respective office premises, while construction waste is segregated and disposed by our licensed waste disposal agent.

In an effort to reduce the amount of waste generated that ends up in landfills, the Property & Construction unit is a strong proponent of Reduce, Reuse and Recycle ("3R") initiatives across its business operation and projects.

At the Group level, we have digitalised our office processes to reduce paper consumption and cascaded our 3R priority to our construction sites as well.

Construction Methods and Materials

The construction sector is one of the main contributors to global GHG emissions through construction site energy consumption as well as the carbon emissions generated from producing material. For that reason, Protasco is committed to practising environmentally responsible construction methods that emphasise efficiency, material conservation and the use of sustainable material. The importance of this issue cannot be understated, and the Board and Management closely monitor this material matter through the relevant KPIs. This topic is material only to the Property & Construction operations of the Group, as well as Protasco's Trading and Manufacturing arm.

Material used for Protasco's construction activities are responsibly procured, sourced only from CIDB, SIRIM, IKRAM QA and other approved material list to minimise its impact on the environment. In line with the 3R principles practised in Protasco, we encourage the reuse of material and recycling wherever possible to reduce our waste generation. Exemplifying this practice is the use of Cold In-Place Recycling ("CIPR"), an advanced and environmentally friendly technique pioneered in Malaysia by Protasco's maintenance division that reuses existing material when repaving roads. Aside from that, Protasco is also a pioneer in the use of Malaysian Rubber Institute ("LGM")'s environmental-friendly paint made from recycled rubber as the paint coating for our corporate building block.

Sustainability Report
(Continued)

Examples of other environmental-friendly materials and products used in our construction and maintenance processes include eco-friendly water-based paint that reduces volatile contaminants that may impact the ozone layer, groundwater and land, as well as the use of recycled aluminium at project sites and rooftop thermal insulation, which increases the energy efficiency of properties. Other green building features incorporated in Protasco's construction includes:

- Green passive design with North-South building orientation
- Energy-efficient T5 lights in common areas
- Installation of water-efficient fittings
- Public and circulation spaces to maximise natural ventilation and natural lighting
- Rainwater harvesting system to reduce water consumption for watering playgrounds
- Use of low volatile organic compound ("VOC") water-based paint to reduce contaminants
- 100% dedicated walkways and cycling paths to encourage low-carbon mobility
- Auto waste collection bins to keep waste collection area clean and free from pests

The system formwork method of construction in use at Protasco also helps to reduce and eliminate building and material waste, further reducing our environmental impact. Environmental performance monitoring is also conducted at all building sites to monitor noise, air, effluent, and other forms of pollution that may arise from our construction activities. Wastewater from construction sites are channelled to a silt trap or pond for sediment control and filtration, before its safe discharge. Construction wastes generated at our project sites are segregated according to its type and disposed of by appointed licensed contractors according to guidelines prescribed by the local authorities and building standards.

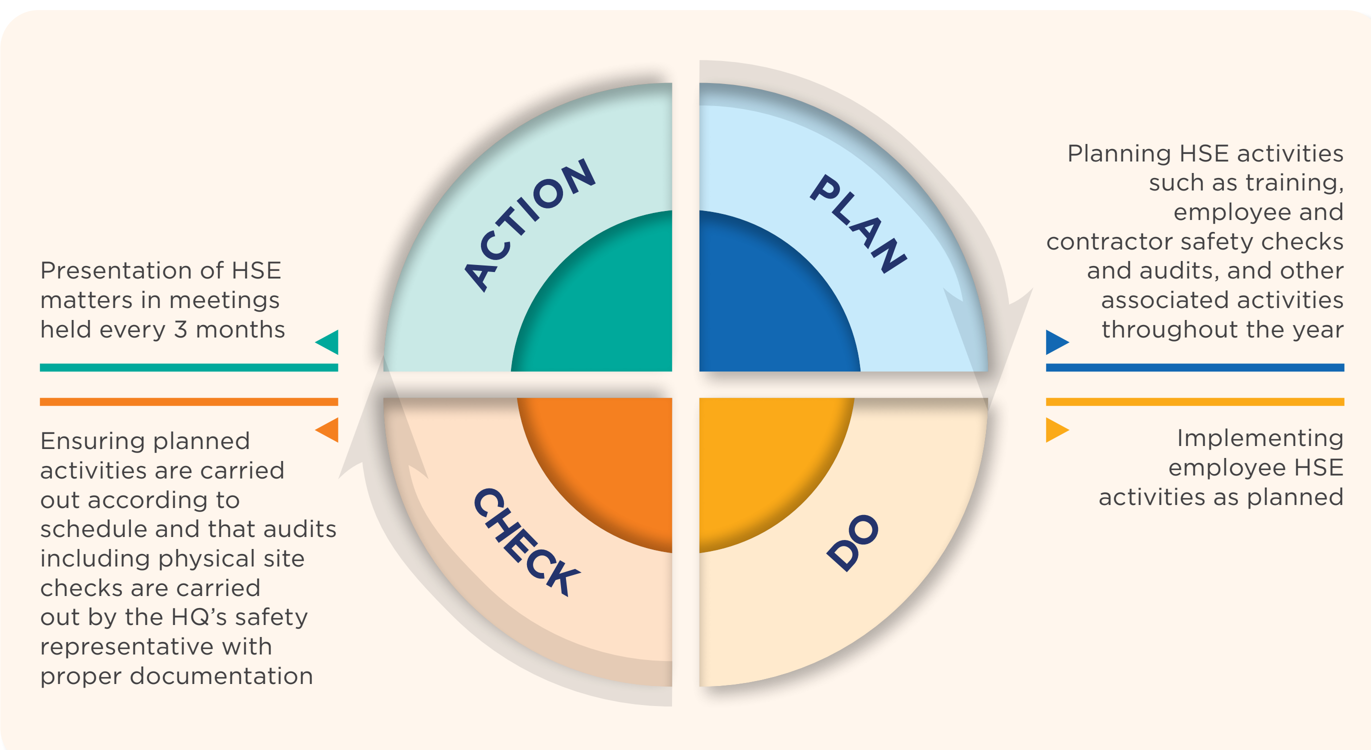
All building and construction project sites adhere to the Environmental Regulations (Scheduled Waste) 2005 and ISO 14001:2015 - Environmental Management System.

SOCIAL

Occupational Safety, Health and Environment

Occupational safety, health and environment ("OSHE") is a matter of great importance to the Group due to the risks of construction machinery accidents, vehicular accidents from "live traffic" and health risks from the hot and dusty manual work environment faced by employees and contractors in the course of the construction and maintenance works. Hence, this matter receives Board oversight and is addressed in our Risk Management Matrix.

Protasco has put in place robust Health, Safety and Environment ("HSE") practices as part of its regulated OSHE Policy, applicable to all employees on site including third party workers. The policy is aligned with guidelines by the Department of Occupational Safety and Health Malaysia ("DOSH") and Environmental Quality Act 1974 ("EQA") to ensure all the necessary training, protective equipment and other safeguards are provided for work to be conducted safely on our projects. The traffic and safety department conducts hazard identification, risk assessment and risk control ("HIRARC") for every scope of work and site to recommend the appropriate project safety plan before work commences. The OSHE practices and processes are guided by the following framework:



Sustainability Report
(Continued)

Aside from ensuring employee safety and project continuity, worksite safety is also fundamental to the wellbeing of the public and the environment. Hence, our safety practices are also in compliance with all relevant Department of Environment ("DOE") guidelines to prevent adverse impact on the environment and the surrounding community. Fumigation, larvaeciding and misting are carried out periodically and recorded. Other measures implemented include:

- **Safety Training Programme** Occurrence: Yearly
- **Internal Audit** Occurrence: Every six Months
- **Toolbox Briefing** Occurrence: Daily
- **Site Housekeeping** Occurrence: Weekly
- **Safety Workplace Inspection** Occurrence: Every day on site
- **Site Campaign** Occurrence: Yearly
- **Workplace And Machinery Inspection** Occurrence: Start of every project
- **Proper Traffic Management Plan** Occurrence: Reviewed every safety meeting
- **Project Safety Plan** Occurrence: Start of every project

We have engaged a qualified Safety Officer and two site Safety Supervisors on a full-time basis to improve our OSHE monitoring efforts. This supports our zero-tolerance approach towards non-compliance with our safety standards, with a target of zero fatality. Our expectations are cascaded down to all of our contractors as well, who are responsible for carrying out the safety practices at their respective worksites.

The Maintenance division's HSE committee meets every quarter to review the implementation of safe work practices at their sites and recommend improvements accordingly. The meetings are chaired by the Regional Manager, with a representative from HQ in attendance. All employees are represented at their respective regional offices and companies as follows:

- Roadcare Selangor
- Roadcare Pahang
- Roadcare Kelantan
- Roadcare Terengganu
- Empayar Indera, Perak
- Permint Granite-HCM, Kuala Terengganu
- DAL – HCM Engineering, Sarawak

All HSE matters are reported to Dato' Wan Imran Bin Wan Omar, the Chief Executive Officer of Maintenance and Chairman of Protasco's Safety & Health Committee, with pertinent HSE matters conveyed to Maintenance Managing Director, Dato' Sri Muzaffar Syah Bin Abd Rahman.

Property & Construction HSE matters are reported to Mr Ir Edward Khoo, the Executive Director.

All safety accidents and incidences are reported to DOSH as required by the Occupational Safety and Health Act 1994. For the year under review, we are happy to note that there was no major accident reported from any road or property construction project sites across Malaysia clocking in 59,904 manhours. The Property & Construction division has successfully achieved a track record of zero fatality for the last 10 years, and has maintained the achievement of ISO 9001, ISO 14001 and ISO 45001 certifications. In the year under review, the division has conducted 24 manhours of training on ERT for eight full time workers and 16 contract workers.

3-Year Group OHSE Performance

Years	Total manhours worked (Average overall total number of days worked by workers)	Fatalities
2019	6,549,275	0
2020	8,061,208	0
2021	8,154,956	0

Pandemic Health Risk

The global outbreak of COVID-19 continues to pose a risk to the health and wellbeing of our employees and workers. We continue to implement all the necessary outbreak mitigation measures prescribed by the government mandated Standard Operating Procedures ("SOP"), and more, as outlined below:

Work from home ("WFH") continued to be encouraged, utilising the digitalisation processes that were put in place to ensure operational effectiveness is achieved. Staff are allowed in the office on a rotational basis until the lifting of restrictions. For instance, as practised currently within the Education division.

COVID-19 antigen tests are carried out at least once a month for all employees and prior to face-to-face events, with high risk divisions testing every 2 weeks. PCR tests are conducted as needed.

All costs for the testing are borne by the Group.

Meetings are highly encouraged to be held virtually using work collaboration platforms when restrictions are in place and infectivity rates are high.

Ensuring strict SOP adherence at all construction sites with temperature screening, MySejahtera scan, mandatory mask wearing and social distancing implemented.

Sanitisation works including fogging are carried out regularly (minimum weekly) at all Protasco premises, especially at high-touch surfaces such as door handles, electric switches, thumbprint attendance terminal, etc.

COVID-19 SOP reminders in the form of posters, notes and banners are put up at visible places.

Employees are encouraged to get their vaccination and booster shots in a timely manner with constant reminders issued.

Among the Group's more than 1,400-strong workforce, in FY2021, 169 employees contracted COVID-19 representing 12% infection rate. The Group also supported the nation's vaccination efforts by encouraging and reminding our employees to get their shots in a timely manner. By end of FY2021, the group recorded vaccination rate of 98%.

With the arrival of new viral variants of concern, we will remain vigilant in observing and enforcing COVID-19 SOPs at our premises to protect the health and safety of our staff.

Human Capital

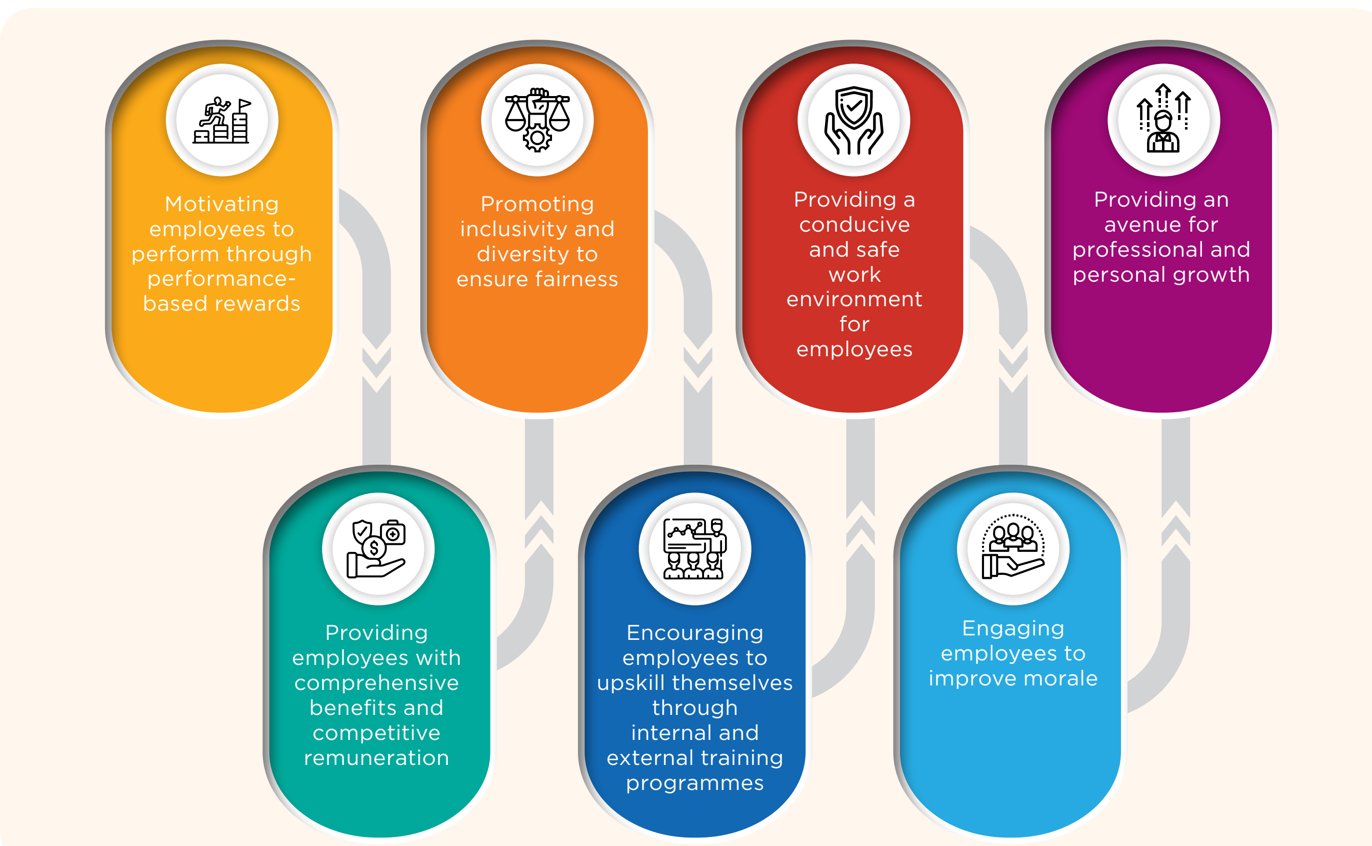
Without a doubt, Protasco's more than 1,400-strong workforce is one of the Group's core assets. The development, and retention of a high calibre, professional workforce is directly material to value creation and business performance.

Talent attrition leads to loss of knowledge and experience, which needs to be prevented or reduced progressively. It is also essential that high-calibre professionals from diverse backgrounds are hired to provide Protasco with a wide range of expertise and capabilities, and can provide solutions demanded by an increasingly complex and dynamic business environment.

Hence, the Board and Management continue to prioritise the acquisition, retention and development of talent across the Group. The Group Human Resource department is tasked with driving the human capital agenda.

Protasco complies with the Malaysian Employment Act 1995 and all other relevant labour laws of Malaysia. These are in line with the International Labour Organisation ("ILO"). Protasco subscribes to the practice of merit in providing equal opportunity for all positions across the Group.

Protasco has implemented the following as part of its approach to safeguarding employees' rights and interests:



The Group has also implemented the following:

Procedure on Fatigue Management and Flexible Working Hours	Elimination of excessive working hours
Minimum Wage Order 2018	Compliance with minimum wage
Policy Statement on Human Rights and Labour Standards	Right to freedom of association/collective bargaining
	Prevention of child or force labour
	Written policies that address non-discrimination, the creation of an equal opportunity workplace, gender and ethnic diversity

For FY2021, Protasco maintains its track record of zero fines, censures or any other action from regulatory authorities due to infringements of the rights of any persons, adult or child, nor any incidence of forced or compulsory labour.

Staff Training and Development

The continued training and development ("T & D") of staff is a core aspect of Protasco's overall approach to talent management. T & D serves to equip staff with the necessary skills and competencies to function effectively and to deliver excellent performance in their jobs. It supports the development of a high-performance culture and creates an environment of high achievers.

Training also develops the confidence of personnel and serves to boost their morale. As part of the overall training approach, all employees are appraised on their job performance at least once a year. In FY2021, 100% of employees were appraised.

The Group has continued to invest substantially in employee training with training courses and programmes mostly delivered online through electronic communication mediums. Training programmes and courses are fully paid for by Protasco using funds contributed to the Human Resources Development Fund ("HRDF").

Training and development is customised to the competency gaps and unique scenario of each individual. The competency gaps is assessed during the annual appraisal process.

Nos	Details	FY2019	FY2020	FY2021
1	Total training hours as a company	1,310	5,525	6,592.5
2	Total training spent as a company	RM83,062.34	RM192,740.59	RM242,687.01
3	Total training hours Per Division/Business Unit	187.14	690.63	824.06
4	Total training spent per Division/Business Unit	RM11,866.05	RM27,534.37	RM34,669.57
5	Average Training Hours Per Employee	15.04	73.52	94.52
6	Average Training Days Per Employee	2.15	10.24	19.00
7	Average Training Spent Per Employee	RM197.30	RM2,206.68	RM3,204.51

Nos	Details	FY2019	FY2020	FY2021
1	Average Training Hours Per Employee (Male)	18.21	63.43	104.79
2	Average Training Hours Per Employee (Female)	13.01	90.87	142.49
3	Average Training Hours Per Employee (Senior Management Staff)	14.5	38.6	90.46
4	Average Training Hours Per Employee (Management Staff)	15.89	69.54	140.92
5	Average Training Hours Per Employee (Executives)	15.4	73.97	80.95
6	Average Training Hours Per Employee (Non-Executives)	7.67	26.94	15.96

Nos	Details	FY2019	FY2020	FY2021
1	Total male employees attended training	164	518	521
2	Total female employees attended training	257	241	356
3	Total employees attended training	421	757	877

Nos	Details	FY2019	FY2020	FY2021
1	Total percentage of employees who receive appraisals on a regular basis	100%	100%	100%
2	Total percentage of female employees who receive appraisals on a regular basis	100%	100%	100%
3	Total percentage of male employees who receive appraisals on a regular basis	100%	100%	100%

Diversity and Equal Opportunity

Protasco continues to emphasise equal work for equal pay and meritorious performance. The Group is in favour of a multi-cultural workforce comprising talent from varied social and professional backgrounds, including diverse ethnicities.

The Group views diversity as an asset as it enables the promulgation of diverse views and perspectives and new ideas that support innovation and the development of new ideas and strategies. In today's increasingly complex business environment, diversity supports improved problem solving and the development of solutions, by tapping on the varied perspectives and approaches of a multi-ethnic, multi-cultural talent pool.

Hence, policies related to talent as mentioned earlier continue to emphasise meritorious performance where only the performance, skills, capabilities and qualifications of staff are assessed. Ethnicity, gender, marital status and other socio-demographic variables are excluded as criteria for assessment. Employees are judged purely on professional contributions.

Sustainability Report
(Continued)

The following is Protasco's employee diversity data for FY2019-FY2021:

Nos	General Workforce Data	FY2019	FY2020	FY2021
1	Total Workforce	1,412	1,439	1,408
2	Male Employees	893	933	896
3	Female Employees	519	508	512
4	Malaysian Employees	1,400	1,428	1,399
5	Foreign Nationals	12	11	9
6	Malay Employees	1,266	1,290	1,271
7	Chinese Employees	64	61	65
8	Indian Employees	42	46	40
9	Others	23	36	35
10	Senior Management Staff	45	46	46
11	Management Staff	160	163	156
12	Executives	688	691	683
13	Non-Executives	519	542	522
14	Number of permanent employees	767	767	740
15	Number of temporary staff/contracts	645	672	669
16	Percentage of permanent employees	54.32%	53.30%	52.56%
17	Percentage of employees that are contractors or temporary staff	45.68%	46.70%	47.51%
18	Percentage of global staff with a disability	0%	0%	0%
19	Percentage of employees entitled to employee benefits	100%	100%	100%

Nos	New Hires Data	FY2019	FY2020	FY2021
1	Total New Hires	120	121	131
2	New Hires (Male)	83	93	0
3	New Hires (Female)	37	28	87
4	New Hires aged 30 and below	62	61	42
5	New Hires aged 31-50	49	55	45
6	New Hires aged 51-65	9	6	62
7	New Hires with disabilities or from underprivileged groups	0	0	24

Nos	Turnover Data	FY2019	FY2020	FY2021
1	Total Turnover	220	137	131
2	Full-Time Staff Voluntary Turnover Rate (%)	0	0	0
3	Turnover (Male)	143	89	87
4	Turnover (Female)	75	47	42
5	Turnover aged 30 and below	37	37	45
6	Turnover aged 31-50	102	70	62
7	Turnover aged 51-65	51	30	24
8	Turnover of staff with disabilities or from underprivileged groups	0	0	0

Nos	Gender Breakdown based on Employment Position	FY2019	FY2020	FY2021
1	Number/percentage of female managerial staff	63	74	72
2	Number/percentage of male managerial staff	132	137	134
3	Number/percentage of female executive staff	327	224	309
4	Number/percentage of male executive staff	369	327	381
5	Number/percentage of female operational staff	121	113	94
6	Number/percentage of male operational staff	399	397	413

Employee Remuneration and Benefits

Protasco continues to ensure that all staff are accorded benefits as stipulated by the Employment Act 1955 and other regulations. Additional benefits are provided to all staff as part of their overall compensation packages. Remuneration for staff is benchmarked against industry standards to ensure competitive compensation is provided.

Gender Breakdown based on Employment Position	FY2019	FY2020	FY2021
Total payments made to employees in terms of salaries, bonuses and benefits	2,541,256	1,879,155	1,845,757
Total statutory payments made for employees' retirement benefits (EPF)	285,595	230,106	116,367
Total payments in medical insurance (SOCSO) for employees	26,575	21,103	10,121
Payments made for life insurance, including death and disability	76,664	88,556	59,836
Type of medical/Healthcare benefits	28,180	15,836	11,975
Staff benefit	39,667	28,233	27,963
Staff training	6,897	3,431	3,058
Total	3,004,834	2,266,420	2,075,077

Parental Leave

Female employees are entitled to paid maternity leave of 60 consecutive days for each confinement period. Male employees are granted paternity leave of 3 days to spend time with their newborns and families.

Parental Leave	FY2019	FY2020	FY2021
Employees Entitled for Maternity and Paternity Leave	560	568	562
Employees Who Took Paternity Leave	8	5	6
Employees Who Took Maternity Leave	13	11	14

Return to Work Post Parental Leave	FY2019		FY2020		FY2021	
	Male	Female	Male	Female	Male	Female
Return to Work Rates (return to work after parental leave period)	100%	100%	100%	100%	100%	100%
Retention Rates (remain with the organisation for 12 months or more post parental leave)	100%	100%	100%	100%	100%	100%

Philanthropic Efforts

Despite the risks and challenges posed by the COVID-19 pandemic, more than 60 philanthropic efforts were undertaken by the group throughout FY2021. Approximately RM770,000 was disbursed to various stakeholders within our community to assist them in overcoming some of their challenges. Out of this total, 34% of the funds were channelled to assist victims of the December 2021 floods throughout the country, with the rest going towards COVID-19 assistance and other community projects.

Through collaborations between Pusat Zakat IUKL and Pusat Zakat Selangor, a separate sum of RM375,912 had been distributed in FY2021 as the contribution to assist entitled IUKL students, Protasco staff and those affected by calamities and the pandemic, and to support flood relief efforts.

BOARD OF DIRECTORS

DATO' IR KENNY CHONG THER NEN

Group Managing Director

DATO' SRI IR CHONG KET PEN

Executive Chairman

MALE	FEMALE
5	2

Board Age

< 50 years old	2
51 - 60 years old	4
> 60 years old	1

DATO' SRI SU-AZIAN @ MUZAFFAR SYAH BIN ABD RAHMAN

Executive Director

SUHAIMI BIN BADRUL JAMIL

Independent Non-Executive Director

Board of Directors
(Continued)

Board Composition

Executive Chairman	1
Group Managing Director	1
Independent Non-Executive Director	4
Executive Director	1

Board Tenure

<4 years	3
5 - 9 years	3
> 10 years	1

DATO' TAN YEE BOON

Independent Non-Executive Director

CELINE CHAN HOOI LI

Independent Non-Executive Director

THAM WEI MEI

Independent Non-Executive Director

PROFILE OF DIRECTORS

DATO' SRI IR CHONG KET PEN

Exececutive Chairman

Malaysian, Age 67, Male

Term of Office
Director of Protasco Berhad since 18 May 2001

Board Committee
None

Education & Qualification

- Registered Chartered Engineer with the United Kingdom's Engineering Council, 1987
- Member of the Institution of Civil Engineers, United Kingdom, 1985
- Member of the Institute of Engineers Malaysia (IEM), 1984
- Registered Professional Engineer with the Board of Engineers Malaysia (BEM)
- Master of Philosophy (Civil Engineering) degree, University of Birmingham, United Kingdom, 1990
- Bachelor of Engineering (Honours) degree from the University of Malaya, 1979

Skills & Experience

Dato' Sri Ir Chong Ket Pen is the founder of Protasco Berhad Group of Companies. He is a road pavement specialist with extensive experience in the evaluation, design, construction and maintenance of roads and pavements.

Upon graduating from the University of Malaya in 1979, he joined the Public Works Department of Kelantan (JKR Kelantan) as a Road Design Engineer. He was promoted to the post of Project Engineer where he supervised the construction of roads and bridges in southern Kelantan. Equipped with invaluable design and site experience in roads and bridges, he was then transferred to the Design and Research Branch of the JKR Headquarters to became a Senior Research Engineer.

He pursued a Master's degree at the University of Birmingham while carrying out research works in the field of pavement engineering, before being conferred a Master of Philosophy (Civil Engineering) degree in 1990.

In 1991, he left the public sector and established Protasco Berhad.

Dato' Sri Ir Chong Ket Pen was appointed the Executive Chairman of Protasco Berhad on 1 January 2020.

Other Public Company Directorship & Offices

Dato' Sri Ir Chong is currently the President of the KL-Selangor Hopo Association, Deputy President of the Federal Hopo Association of Malaysia, Chairman of the Malaysia Hopo Cultural Foundation and also the Vice President of the KL-Selangor Chinese Assembly Hall.

DATO' IR KENNY CHONG THER NEN

Group Managing Director

Malaysian, Age 41, Male

Term of Office

Director of Protasco Berhad since 1 January 2020

Board Committee

- A member of the Board Risk Management Committee

Education & Qualification

- Professional Engineer, Board of Engineers Malaysia (BEM), 2010
- Corporate Member, Institute of Engineering, Malaysia (IEM), 2010
- A member of the Institute of Engineers, Australia, 2004
- Master of Engineering Science, University of Melbourne, Australia, 2005
- Bachelor of Civil Engineering (Honours), University of Melbourne, Australia, 2003

Skills & Experience

Upon graduating with a Masters in Engineering in 2005, Dato' Kenny was employed by VicRoads Australia as a Senior Pavement Engineer in Technical Consulting until 2008.

At VicRoads, he was exposed to design and supervision works for road pavements. In addition, he was also the principal engineer tasked to develop a condition assessment module for most of the major freeways in the state of Victoria.

Upon returning to Malaysia, he joined Kumpulan Ikram Sdn Bhd's Infrastructure Research & Development Center (IRDC) as a Senior Engineer. He was involved in geotechnical and pavement design works and various research works.

He was promoted to Director at Ikram Centre of Excellence for Sustainability & Green Technology (ICSG) where he drove the organisation's green technology thrust, which saw the implementation of sustainability best practices such as the 3R policies, reducing energy consumption across the group and setting up of a recycling collection centre in De Centrum City.

In 2012, he became the Special Assistant to the Group Managing Director of Protasco Berhad, where he assisted in enhancing operation and business development efforts.

Dato' Kenny assumed greater responsibilities upon his appointment as Executive Director for International Business & Property Development Division of Protasco Berhad in 2013. He was promoted to Managing Director of Protasco Berhad's Property & Infrastructure Division in 2014. Under his helm, the Division secured several government housing projects, specifically the Projek Perumahan Penjawat Awam that had a contract value of close to RM1 billion.

Prior to his appointment as the Group Managing Director of Protasco Berhad on 1 January 2020, he was the Managing Director responsible for the Construction Division, Property Division, Trading & Manufacturing Division, Corporate Security and Special Projects.

Other Public Company Directorship & Offices

None

Dato' Ir Kenny Chong Ther Nen is the eldest son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad.

DATO' SRI SU-AZIAN @ MUZAFFAR SYAH BIN ABD RAHMAN

Executive Director

Malaysian, Age 57, Male

Term of Office
Director of Protasco Berhad since 16 December 2014

Board Committee
None

Education & Qualification
- Certificate in Business Management, Malay Chamber of Commerce (BBMC), 1988

Skills & Experience

Dato' Sri Muzaffar Syah brings with him years of invaluable experience in business development.

He was the Chief Executive Officer of Molek Engineering Sdn Bhd from 2001 to 2012. He also served as a Director in GIA Consult Sdn Bhd from 2006 to 2012 and Papan Agro Valley Sdn Bhd from 2007 to 2012.

He is currently the Managing Director of the Maintenance Division of Protasco Berhad.

Other Public Company Directorship & Offices

None

SUHAIMI BIN BADRUL JAMIL

Independent Non-Executive Director

Malaysian, Age 59, Male

Term of Office

Director of Protasco Berhad since 16 December 2014

Board Committee

- Chairman of the Audit Committee

Education & Qualification

- Chartered Accountant (Malaysia) with the Malaysian Institute of Accountants
- Fellow of CPA Australia
- Post Graduate Diploma in Business Administration, University of Wales Trinity Saint David, 2020
- Master of Business Administration from Deakin University, Australia, 2004
- Graduate Diploma in Accounting, Australian National University, 1986
- Bachelor of Economics (with specialisation in Accounting), Australian National University, 1985

Skills & Experience

Suhaimi possesses invaluable experience and skills in leadership, corporate transformation, value management, corporate finance, corporate restructuring, risk management, turnaround management, cross border investments in South East Asia, mergers & acquisitions and strategic management.

He started his career in an international Chartered Accounting firm in the audit and financial consulting department. He then joined the corporate sector and held various senior positions such as Group Financial Controller, Group General Manager and finally as Group Executive Director in a Malaysian conglomerate whose activities include property development, transportation, insurance and banking, plantation, construction, manufacturing and investment holdings.

He has held various board directorships in public listed companies as well as licensed financial institutions. Among the companies in which he was a board member were MEMS Technology Berhad as Chairman of the Board, Petra Energy Berhad, Credit Corporation (M) Berhad, MIMB Investment Bank Berhad, Gadek Capital Berhad, SPK-Sentosa Corporation Berhad, Intrakota Consolidated Berhad, eB Capital Berhad and SJ Kumpulan Berhad. He was also an Executive Director with Ferrier Hodgson MH and Baker Tilly MH.

Other Public Company Directorship & Offices

None

DATO' TAN YEE BOON

Independent Non-Executive Director

Malaysian, Age 47, Male

Term of Office

Director of Protasco Berhad since 18 January 2013

Board Committee

- Chairman of the Nomination & Remuneration Committee
- A member of the Audit Committee
- A member of the Board Risk Management Committee

Education & Qualification

- Admitted as an Advocate & Solicitor, High Court of Malaya, 1999
- Certificate of Legal Practice from Malaysia, 1998
- Bachelor of Law (Honours) degree from University of South Wales, 1997

Skills & Experience

Dato' Tan Yee Boon possesses more than 20 years of experience in contentious and non-contentious legal matters with specialisation in corporate, commercial, litigation and advisory works.

Dato' Tan focused on matters such as initial public offering, transactions involving public listed companies, mergers and acquisitions and has acted for various listed companies in matters relating to listing requirements and the Takeover Code.

He also has vast experience in compliance and advisory work for listed companies in Malaysia as well as general commercial work such as corporate restructuring and cross-border transactions.

Other Public Company Directorship & Offices

He is a Director of Central Global Berhad, Binasat Communications Berhad and Daya Materials Berhad. He is also Director of Dynamic Holdings Limited and TIL Enviro Limited, companies listed on the Hong Kong Stock Exchange. Dato' Tan was appointed a Director of Ecoscience International Bhd on 2 August 2021.

THAM WEI MEI

Independent Non-Executive Director

Malaysian, Age 55, Female

Term of Office
Director of Protasco Berhad since 1 January 2018

Board Committee
- A member of the Nomination & Remuneration Committee

Education & Qualification
- Professional Certificate in Nutritional Medicine, School of Complementary and Traditional Medicine, affiliated with University College Yayasan Pahang, 2021
- Degree in Mass Communications, Universiti Sains Malaysia, 1991

Skills & Experience

Tham Wei Mei has over 30 years of experience in the fields of mass media, communications, journalism, marketing, publishing and public relations, having served companies locally and abroad.

Her career started in Jakarta before she headed to Cambodia. Based in Phnom Penh, she was a journalist and Assistant Bureau Chief for The Cambodia Times newspapers which were published in English and Khmer languages.

While in Cambodia, Tham was also the principal writer in the publication of a United Nations newsletter, called The Peacekeeper.

She returned to Malaysia to serve in a US telco services company with clients in Hong Kong, Singapore, Indonesia and Thailand.

Tham left to set up Alpha Platform Sdn Bhd, a public relations consultancy where she serves GLCs, MNCs and government agencies, working on national issues, crisis, lobbying, mergers & acquisitions as well as on corporate exercise. She is also actively involved in social media campaigns.

Tham is also a qualified nutritional therapist and a member of the Association of Nutritional Medicine Practitioners, Malaysia.

Other Public Company Directorship & Offices

None

CELINE CHAN HOOI LI

Independent Non-Executive Director

Malaysian, Age 52, Female

Term of Office

Director of Protasco Berhad since 1 January 2020

Board Committee

- Chairman of the Board Risk Management Committee
- A member of the Audit Committee
- A member of the Nomination & Remuneration Committee

Education & Qualification

- Degree in Business (Accountancy) from RMIT Melbourne Australia, 1993

Skills & Experience

Celine was appointed as the Managing Director of Asia Pacific for Webhelp in 2018.

She graduated from RMIT Melbourne, Australia with a Bachelor of Business (Accounting). She started her working career as an accountant in one of the major accounting firms before moving to a start-up company in records management and growing it into a leading player in Malaysia. She was the CEO of one of the largest share registrar company in Malaysia, and CEO & Managing Director of TMF Trustees prior to joining Webhelp APAC.

Celine has more than 20 years of experience in the service industry, in senior management positions in various industries, including logistics, IT & business process outsourcing and capital markets.

Other Public Company Directorship & Offices

None

Notes:

(i) Save as per disclosed, none of the Directors have any family relationship with each other and with any substantial shareholders of the Company.

(ii) None of the Directors have any conviction for offences, other than traffic offences, for the past five years and have no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2021.

(iii) Other than Dato' Sri Ir Chong Ket Pen's interests in related party transactions as disclosed in Note 42 on page 185 of the Financial Statements, none of the other Directors have conflict of interest with the Company.

(iv) The Directors' shareholdings in the Company are disclosed in the Analysis of Shareholdings section of the Annual Report.

Sound corporate governance is fundamental to maintaining stakeholders' trust. Protasco strives to progressively attain higher standards of corporate governance, establishing a management culture that goes beyond regulatory compliance and industry conformance to realise our commitment to all our stakeholders.

SENIOR MANAGEMENT TEAM

Top row from left:

Denny Chong Ther Shern
Executive Director,
Clean Energy Division

Dato' Ir Kenny Chong Ther Nen
Group Managing Director,
Protasco Berhad

Dato' Wan Imran Bin Wan Omar
Chief Executive Officer,
Maintenance Division

Benny Chong Ther Vern
Executive Director, Engineering,
Industries & Agriventures Division

Ir Edward Khoo Mong Wei
Executive Director,
Property & Construction Division

Bottom row from left:

Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman
Managing Director,
Maintenance Division

Dato' Haji Mohd Taufik Bin Haron
Chief Executive Officer, Engineering &
Consultancy Services Division

Freddie Cheong Kah Wang
Chief Financial Officer, Protasco Berhad

Dato' Ronnie Yap Kee Tian
Executive Director,
Trading & Manufacturing Division

Lenny Chong Ther Zern
Executive Director,
Education Division

Professor Dato' Dr. Noor Inayah Ya'akub
President & Vice-Chancellor,
Infrastructure University Kuala Lumpur

Senior Management Team
(Continued)

PROFILE OF SENIOR MANAGEMENT TEAM

DATO' IR KENNY CHONG THER NEN

Group Managing Director, Protasco Berhad

Malaysian, Age 41, Male

Please refer to profile of Directors on page 57.

DATO' SRI SU-AZIAN @ MUZAFFAR SYAH BIN ABD RAHMAN

Managing Director, Maintenance Division

Malaysian, Age 57, Male

Please refer to profile of Directors on page 58.

FREDDIE CHEONG KAH WANG

Chief Financial Officer, Protasco Berhad

Malaysian, Age 55, Male

Work Experience

- Chief Financial Officer, Vertice Berhad, 2018
- Associate Director, Sierac Corporate Advisers Sdn Bhd, 2012
- Group Financial Controller, Malaysia Pacific Corporation Berhad, 2012
- Project Manager – Finance, Powertek Berhad, 2011
- Head Of Finance, Mahmood Security (Malaysia) Sdn Bhd, 2008
- Senior Finance Manager, Ranhill Berhad, 2005
- Financial Controller, Steel Circle Industries Sdn Bhd, 2000
- Finance & Administration Manager, Impsa Asia Sdn Bhd, 1997
- Accountant, Aggreko (Malaysia) Sdn Bhd, 1995
- Accountant, Malaysian United Manufacturing Berhad, 1993
- Executive, Pacific & Orient Insurance Company Sdn Bhd, 1989

Qualification

- Chartered Accountant, Malaysian Institute of Accountants, 1993
- Association of Chartered Certified Accountants, United Kingdom, 1993

Date Appointed to Key Senior Management Position

July 2019

Profile of Senior Management Team (Continued)

BENNY CHONG THER VERN

Executive Director, Engineering, Industries & Agriventures Division

Malaysian, Age 39, Male

Work Experience

- Executive Director, Engineering, Education & Industries, Protasco Berhad, 2019
- Executive Director, Engineering & Consultancy Services, Education and Clean Energy, Protasco Berhad, 2018
- Executive Director, Group Corporate Office, Protasco Berhad, 2017
- Business Development Consultant, Protasco Berhad & Head of De Centrum Mall, De Centrum Development Sdn Bhd, 2016
- Managing Director, Tutti Frutti Australia Pty Ltd, 2011
- Head of After Sales Service, XiMAX Communications Sdn Bhd, 2009
- Electronic Engineer, XiMAX Communications Sdn Bhd, 2006

Qualification

- Master of Sustainable Energy, RMIT University, Melbourne, Australia, 2011
- Master of Finance, RMIT University, Melbourne, Australia, 2005
- Bachelor of Electronic Engineering (Honours), RMIT University, Melbourne, Australia, 2003
- Graduate Member, Institute of Engineers, Malaysia, 2010

Date Appointed to Key Senior Management Position

January 2017

Benny Chong Ther Vern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.

DENNY CHONG THER SHERN

Executive Director, Clean Energy Division

Malaysian, Age 35, Male

Work Experience

- Director, Clean Energy Division, 2018
- Director, IKRAM Greentech Sdn Bhd, i2 Energy Sdn Bhd, i2 Solarpark One Sdn Bhd, 2017
- Head, Special Projects, Protasco Berhad, 2015
- Technical Head, Special Projects, Protasco Berhad, 2014
- Project Manager, C&H Engineering Consultants Sdn Bhd, 2013
- Project Engineer, C&H Engineering Consultants Sdn Bhd, 2011

Qualification

- Masters in Environmental Engineering, University of Melbourne, Australia, 2010
- Bachelor of Engineering (Civil), (Honours), University of Melbourne, Australia, 2009

Date Appointed to Key Senior Management Position

January 2018

Denny Chong Ther Shern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.

Profile of Senior Management Team (Continued)

IR EDWARD KHOO MONG WEI

Executive Director, Property & Construction Division

Malaysian, Age 44, Male

Work Experience

- Executive Director, Property Development Division, Protasco Berhad, 2013
- Director, Protasco Development Sdn Bhd, 2013
- Project Director, Protasco Development Sdn Bhd, 2009
- Project Engineer, with Cardno Grogans Richards in Melbourne, Australia, 2007
- Project Manager, Mahajaya Berhad, 2004
- Structural Engineer, Sepakat Setia Perunding, 2001

Qualification

- Chartered Professional Engineer Of Australia (CP Eng), 2007
- Professional Engineer Membership, National Professional Engineering Register, Australia (NPER), 2007
- Professional Engineer Membership, Board of Engineer Malaysia (BEM), 2006
- Professional Engineer Membership, Institute of Engineer Malaysia (IEM), 2006
- Green Building Index (GBI) Accredited Facilitator, 2010
- Bachelor of Engineering (Civil), (Honours), University of Melbourne, Australia, 2000

Date Appointed to Key Senior Management Position

January 2009

DATO' RONNIE YAP KEE TIAN

Executive Director, Trading & Manufacturing Division

Malaysian, Age 48, Male

Work Experience

- Executive Director, Protasco Trading Sdn Bhd, 2014
- General Manager, Protasco Trading Sdn Bhd, 2001
- Assistant Manager, Marketing, Protasco Trading Sdn Bhd, 1997

Qualification

- B.A. (Honours) in Business Administration, University of Coventry, United Kingdom, 1995
- Certificate in Business Administration & Higher Diploma Business Administration, INTI College, Petaling Jaya, 1994

Date Appointed to Key Senior Management Position

July 2001

Profile of Senior Management Team (Continued)

DATO' WAN IMRAN BIN WAN OMAR

Chief Executive Officer, Maintenance Division

Malaysian, Age 48, Male

Work Experience

- Chief Operating Officer, Maintenance Division, 2015
- Assistant General Manager, Roadcare (M) Sdn Bhd, 2013
- Contracts Manager, Roadcare (M) Sdn Bhd, 2007
- Area Manager Kerteh, Roadcare (M) Sdn Bhd, 2007
- Quantity Surveyor, Roadcare (M) Sdn Bhd, 2006
- Contracts Officer Kelantan, Roadcare (M) Sdn Bhd, 2002
- Senior Quantity Surveyor, Pasir Puteh Development Corporation Sdn Bhd, 2001
- Site Quantity Surveyor, Ranhill Bersekutu Sdn Bhd, 1999
- Assistant Contract Manager, Pengurusan KPRJ Ranhill Sdn Bhd, 1997

Qualification

- Master of Business Administration (Construction Business), International Islamic University Malaysia, 2015
- Bachelor in Quantity Surveying, Universiti Teknologi Malaysia, 1997

Date Appointed to Key Senior Management Position

September 2015

DATO' HAJI MOHD TAUFIK BIN HARON

Chief Executive Officer, Engineering & Consultancy Services Division

Malaysian, Age 49, Male

Work Experience

- Chief Executive Officer, Kumpulan IKRAM Sdn Bhd, 2019
- Executive Director, Group Business Development, Roadcare (M) Sdn Bhd, 2018
- Executive Director, HCM Engineering Sdn Bhd, 2016
- Chief Operating Officer, Protasco Berhad, 2014
- Chief Operating Officer, Kumpulan IKRAM Sdn Bhd, 2013
- Head of Geotechnical Forensic Unit, Kumpulan IKRAM Sdn Bhd, 2007
- Senior Engineer, Kumpulan IKRAM Sdn Bhd, 2005
- Senior Engineer (Research & Development Centre), Kuala Lumpur Infrastructure University College (KLIUC), 2003
- Geotechnical Engineer, IKRAM R&D Centre, 2002
- Geotechnical Engineer, IKRAM Runding Sdn Bhd, 2001
- Project Engineer, Geopancar Sdn Bhd, 2000
- Project Manager, Shinei Engineering & Bauer, 1999
- Site Manager, Bachy Soletanche (M) Sdn Bhd, 1998
- Trainee Engineer, Bachy Soletanche (M) Sdn Bhd, 1996

Qualification

- Bachelor in Civil Engineering, Universiti Putra Malaysia, 1997
- Professional Engineer Membership, Board of Engineers Malaysia (BEM), 2014
- Professional Engineer Membership, Institute of Engineers Malaysia (IEM), 2015

Date Appointed to Key Senior Management Position

January 2014

Profile of Senior Management Team (Continued)

LENNY CHONG THER ZERN

Executive Director, Education Division

Malaysian, Age 28, Male

Work Experience

- Corporate Finance Manager, Protasco Berhad, 2020
- Assistant Manager, OCBC Bank, 2019
- Associate, OCBC Bank, 2018
- Office Administrator, Tutti Frutti Frozen Yogurt, Australia 2013

Qualification

- Master of Finance, University of Melbourne, Australia, 2017
- Bachelor of Commerce, Accounting & Finance, University of Melbourne, 2015

Date Appointed to Key Senior Management Position

January 2022

Lenny Chong Ther Zern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.

PROFESSOR DATO' DR. NOOR INAYAH BINTI YA'AKUB

President & Vice-Chancellor, Infrastructure University Kuala Lumpur

Malaysian, Age 53, Female

Work Experience

- Chairman, Board of Director Amanah Raya Trustee Bhd, 2022
- President and Vice-Chancellor, Infrastructure University Kuala Lumpur, 2021
- Chief Executive Officer and Rector, Baitulmal Professional College of Federal Territory of Islamic Council, 2019
- Independent Non Executive Board of Director, Amanah Raya Berhad, 2018
- Board of Trustee, Yayasan Amanah Raya, 2018
- Professor of Law and Syariah, Putra Business School, Universiti Putra Malaysia, 2018
- Dean, School of Business, Universiti Selangor, 2017
- Syariah Committee Amanah Raya Berhad, 2016
- Honorary Professor University Sains Malaysia, 2016
- Professor, Universiti Islam Malaysia, 2015
- Professor, Universiti Kebangsaan Malaysia, 2011
- Professor, Graduate School of Business, Universiti Kebangsaan Malaysia, 2010
- Deputy Dean for Research, Top Business School of Graduate School of Business, Universiti Kebangsaan Malaysia, 2010
- Director, Corporate Planning Centre, Universiti Kebangsaan Malaysia, 2009
- Visiting Scholar, University of Kyoto Japan, 2009
- Visiting Scholar, University of Andalas Indonesia, 2008
- Senior Lecturer, Universiti Kebangsaan Malaysia, 2005
- Quality Officer, Universiti Kebangsaan Malaysia, 2002
- Lecturer, Law Faculty, Universiti Kebangsaan Malaysia, 1998
- Qualified Advocate and Solicitor, High Court of Malaya, 1996
- Qualified Shariah Lawyer, 1996

Qualification

- PhD (Law), University of Manchester, England, 2002
- Master of Law (LLM), University of Bristol, England, 1995
- Second Degree of LLB (Syariah Law), Bach. of Syariah (Hons), International Islamic University Malaysia, 1994
- First Degree of LLB (Law), Bach. of Law (Hons), International Islamic University Malaysia, 1993
- Matriculation Centre (Law), International Islamic University Malaysia, 1988

Notable Achievements

- Top 22 of the world most influential Islamic finance & Business, Cambridge 2019 and 2020
- Best Law Professors, Golden Globe Tigers for Education Leadership, 2019
- Best (Tokoh) Maal Hijrah (Federal Territory for the category of Scholars) 2019

Date Appointed to Key Senior Management Position

January 2022

Notes:
(i) Save as per disclosed, none of the Senior Management have:
  a. any family relationship with any Directors and/or major shareholders of the Company
  b. any conflict of interest with the Company
  c. any directorship in public companies
(ii) None of the Senior Management have any convictions for offences other than traffic offences within the past five years.
(iii) None of the Senior Management have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 31 December 2021.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee ("AC") Report which provides insights into the manner in which the AC discharged its functions for the Company and Group in 2021.

The AC (as a sub-committee of the Board) plays a substantial role in providing assistance to the Board in fulfilling its oversight responsibilities through review of financial information and provides an unbiased review of the effectiveness and efficiency of the Group's internal controls from an independent perspective. This is to ensure the Group's alignment to best practices and that the Group operates efficiently in a dynamic market environment.

COMPOSITION AND ATTENDANCE

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors.

As at the date of this Annual Report, the composition of the AC is as follows:

Members	Date of Appointment
Suhaimi Bin Badrul Jamil *Chairman (Independent Non-Executive Director)*	16th December 2014
Dato' Tan Yee Boon *Member (Independent Non-Executive Director)*	7th August 2014
Celine Chan Hooi Li *Member (Independent Non-Executive Director)*	1st January 2020

The current composition of the AC and the qualifications of its members comply with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

The Nomination and Remuneration Committee reviews the terms of office and performance of the AC and each of its members annually to determine whether they have carried out their duties in accordance with their terms of reference.

MEETINGS

A total of five (5) AC meetings were held during the financial year ended ("FYE") 31 December 2021 and the attendance of the meetings are as follows:

Members	No. of Meetings Attended
Suhaimi Bin Badrul Jamil	5/5
Dato' Tan Yee Boon	5/5
Celine Chan Hooi Li	4/5

The Company's Chief Financial Officer ("CFO") was invited to attend the meetings to facilitate deliberations as well as to provide clarification on external audit issues. The meetings were also attended by Head of Corporate Assurance to present internal audit reports and upon invitation, the external auditors to discuss on the Management Letters, Audit Review Memorandum and other matters deemed relevant.

The Company Secretaries act as secretary to the AC. The Company Secretaries shall cause minutes to be entered in the books for purpose of recording all resolutions and proceedings of minutes and shall be kept at the registered office of the Company for inspection by any members of the AC or the Board. Such minutes shall be signed by the Chairman of the meeting and if so signed, shall be conclusive evidence without any further proof of the facts. Minutes of each meeting shall also be distributed to all attendees of the AC meetings and presented to the members of the Board at the Board meeting for noting. The AC, through its Chairman, shall report to the Board at the next Board meeting after each AC meeting. When presenting any recommendation to the Board, the AC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

During the financial year 2021, the AC carried out its duties as set out in its Terms of Reference. A summary of work performed by the AC are as follows:

1) Financial Reporting

   a) Reviewed the Group's quarterly unaudited financial results and audited financial statements to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending to the Board for approval.

   b) Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.

   c) Obtained assurance from the CFO that:

      i) appropriate accounting policies had been adopted and applied consistently;

      ii) the going concern basis applied in the audited financial statements and quarterly financial results was appropriate;

      iii) adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the Financial Reporting Standards and MMLR; and

      iv) the relevant financial statements for the financial year ended 31 December 2020 gave a true and fair view of the state of affairs of the Group.

2) External Audit

   a) The AC was briefed by the External Auditors on the Audit Review Memorandum in respect of the audit for the financial year ended 31 December 2020.

   b) The draft Audited Financial Report for financial year 2020 was tabled to the AC for review and deliberation, and recommendations were made to the Board for approval.

   c) The AC reviewed and approved the draft Statement on Risk Management and Internal Control ("SRMIC") for recommendation to the Board subject to clearance to be received from the External Auditors.

   d) The AC conducted an assessment of External Auditors and reviewed the competencies and resources, provision of non-audit services, rotation of audit partner and communication with the Management.

      The AC was satisfied with the External Auditors' technical competency and audit independence. As such, the Audit Committee agreed to propose for the re-appointment of External Auditors for the next financial year.

   e) The AC held private meetings with the External Auditors twice during the financial year under review on 3 May 2021 and 22 November 2021 without the presence of the Management.

3) Internal Audit

   a) The AC reviewed and deliberated on audit reports, follow-up reports, audit recommendations and management responses, prepared by the Corporate Assurance Department ("CAD") at AC's quarterly meetings.

   b) The AC reviewed and approved the Annual Internal Audit Plan for Financial Year 2022 as proposed by the Head of Corporate Assurance, to ensure the adequacy of resources, coverage and inclusion of risk areas in the scope of review.

c) The AC reviewed the corrective actions taken by management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.

d) The AC reviewed the structure of CAD and adequacy of its resources and budget.

e) The AC reviewed the AC Report prepared by Head of Corporate Assurance for inclusion in the Annual Report 2020.

INTERNAL AUDIT FUNCTION

The CAD reports to the AC and assists the Board in monitoring and managing risks and internal controls.

The principal responsibility of CAD is to undertake an independent, regular and systematic review of the system of internal control so as to provide reasonable assurance that internal controls and risks are satisfactorily monitored and managed within the Group.

The reviews were performed in accordance with the International Professional Practices Framework ("IPPF"). This involved compliance to its code of ethics, commitment to ongoing learning, improvement to its skills and competency and risk-based audit works.

CAD has carried out the following works during the financial year to achieve the above objectives:

i) Reviewing and assessing the effectiveness and adequacy of risk management and internal controls of various operating divisions within the Group;

ii) Conducting special reviews, audits and investigations on an ad-hoc basis as requested by the AC or the Management;

iii) Reviewing and assessing the compliance with the established policies and procedures;

iv) Identifying opportunities to improve the operations and business processes in the Group; and

v) Recommending improvements on the existing internal controls in the Group.

Total costs incurred by CAD to discharge its functions and responsibilities in 2021 were approximately RM500,000 (2020: RM 330,000).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Protasco Berhad ("the Board") believes in good corporate governance practices that are in line with the principles, requirements, and best practices specified in the Malaysian Code on Corporate Governance 2021 (MCCG 2021).

THE ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is aware of its accountability to the shareholders and various stakeholders of Protasco Berhad in discharging its duty and regulatory role in building a sustainability business.

The Board is responsible for delivering shareholder value over the long term through the Group's culture, strategy, values and governance. The Independent Directors have a particular responsibility in challenging the Group's strategy and monitoring the performance of Executive Directors against goals and objectives.

The Board is supported by the Audit, Nomination and Remuneration and Risk Management Committees.

Decisions on operational matters and the day-to-day management of the business are delegated to the Group Managing Director and senior management. These include implementing group policy and procedures, managing clients and contractor services, monitoring financial performance and human resource management.

Board Charter

The Board has adopted a Board Charter which serves as a reference for the Directors.

The Board Charter sets out the roles, functions, composition, operations and processes of the Board which are intended to ensure that all the Board members are fully aware of their obligations in discharging their duties and responsibilities.

The Board Charter is subject to periodic review by the Board to ensure that it remains consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Board Charter is available for reference at the company's website www.protasco.com.my.

Code of Conduct

A Director's Code of Conduct is set out as the rules and values for the Directors in conducting their duties and responsibilities to the highest ethical standards.

The Director's Code of Conduct is available for reference at the company's website www.protasco.com.my.

Board Information

Board papers containing current quarter results, business plans, proposed projects, business risk, governance and litigation updates are distributed in advance of the meeting to allow Directors to have sufficient time for preparation. The Board received presentations from the Group Managing Director and senior management on issues within the Group.

Company Secretary

Both company secretaries are qualified to act as company secretary under Section 235 of the Companies Act 2016. They are both Associates members of the Malaysia Institute of Chartered Secretaries and Administrators ("MAICSA"). The company secretaries provide support to the Board in fulfilling their fiduciary duties. They are responsible in advising the Board with regards to the Company's constitution, Board policies and procedures, and its compliance with regulatory requirements, codes, guidance and legislations as well as best practices of corporate governance. All Directors have access to the advice and services of the company secretaries. The company secretaries ensure deliberations of Board and Board Committee meetings are well documented and maintained at the registered office of the Company.

Promote Sustainability

The Board recognises that sustainability is an integral part of its business. It supports the environmental, economic and social sustainability in business operations.

For further information, please refer to the Sustainability Report on pages 24 to 53.

The Sustainability Policy is available for reference at the company's website www.protasco.com.my.

Professional Advice

The Company provides the Board with full assistance and gives it complete access to necessary materials and relevant information. Together with proper counsel from qualified company secretaries and others, the Board has been able to discharge its functions properly. The Directors are also encouraged to make verifications and endorsements, and to seek external guidance.

Whistleblowing

The Board encourages employees and associates to report suspected or known misconduct, wrongdoing, corruption and instances of fraud, waste, and abuse involving the resources of the Group.

Whistleblowing Policy enables employees and associates to raise their concerns without fear.

The Whistleblowing Policy is available for reference at the company's website www.protasco.com.my.

The following channels should be used by employees and associates to raise their concerns:

- Via email : whistleblow@protasco.com.my
- In writing to : The Chairman of the Audit Committee, Protasco Berhad, 2nd Floor, Corporate Block, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor. Tel: 03 8738 3388

Composition of the Board

The Board aims to have diversity of skills, experience, knowledge and gender. The profiles of the Directors are set out on pages 56 to 62. These demonstrate a broad range of experience, expertise and sufficient calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct, which are vital to the success of the Group.

At present, there are seven (7) members of the Board comprising four (4) Independent Non-Executive Directors and three Executive Directors. There are two (2) female Board Members representing 28% female representation on the Board.

The Gender Diversity Policy is available for reference at the company's website www.protasco.com.my.

Appointments and Re-Election of Directors

The Nomination and Remuneration Committee ("NRC") in recommending new appointments to the Board will assess the suitability of an individual to be appointed to the Board by giving due consideration to the individual's skills, industry experience and knowledge, character, integrity and time to effectively discharge his or her role and responsibilities.

In respect of Independent Directors, the NRC will assess whether the individual is able to exercise independent judgement and to demonstrate the values and principles associated with independence.

Selection of candidates to be considered for appointment as Directors is identified through recommendations from various source such as senior management staff, independent advisors or third party referrals.

In compliance with the Company's Constitution, at each Annual General Meeting (AGM), one-third (1/3) of Directors or if their number is not three, the number nearest to one-third (1/3), shall retire from office at least once in three years. The Directors to retire shall be those who have been longest in office since their last re-election or appointment.

The NRC will assess the Directors who are due for re-election at the AGM based on the result of the annual performance evaluation and will submit its recommendation to the Board for approval.

Dato' Sri Chong Ket Pen and Dato' Tan Yee Boon shall retire by rotation pursuant to Article 107 (1)(b) of the Company's Constitution. Both are eligible and have offered themselves for re-election at the forthcoming AGM. Their profiles can be found on page 56 and page 60 of this Annual Report. The Board, upon satisfactory assessment by the NRC based on the annual performance evaluation, endorsed the recommendations of the NRC for the re-elections of both Dato' Sri Chong Ket Pen and Dato' Tan Yee Boon as Directors of the Company.

Board Performance Evaluation

The Board undertakes performance evaluation annually which comprises Board assessment, self-assessment and assessment on board committees. The Chairman of the Nomination and Remuneration Committee will be presented with the analysis of the overall performance evaluation to be deliberated in the Nomination and Remuneration Committee meetings. The Nomination and Remuneration Committee will access and identify areas which require improvement and recommend them to the Board for action.

Independence

The Board considers that, notwithstanding their interests in the shares of the Company as set out in the Directors' Interest on pages 93 to 94 of the Directors' Report, all of the current Independent Directors are independent of the management of the Group and are free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

Pursuant to the Succession Planning Policy of the Company, the tenure of an Independent Director is capped at nine years of continuous service. In the event the Board intends to retain any Director as an Independent Director who has served beyond a consecutive or a cumulative term of nine years, the Board should justify and seek approval from the shareholders at the Company's AGM.

Chairman and Group Managing Director

The roles of Executive Chairman and Group Managing Director are held by separate persons and they have different responsibilities as set out in the Board Charter.

The Board is led by the Executive Chairman who is accountable for ensuring the effectiveness of the governance process of the Board. He provides leadership and ensures all strategic and critical issues are discussed by the Board in a timely manner.

The Group Managing Director is responsible for the management of the Group's business, decision making and managing day-to-day operations.

Board Meetings

During the year under review, five (5) Board meetings were held. Details of Directors' attendance are set out as follows:

	Board meeting attended in 2021
Dato' Sri Ir Chong Ket Pen	5/5
Dato' Ir Kenny Chong Ther Nen	5/5
Dato' Sri Su-Azian @ Muzaffar Bin Abd Rahman	4/5
Dato' Tan Yee Boon	5/5
Ir Tan Heng Kui (retired on 29 June 2021)	3/3
Suhaimi Bin Badrul Jamil	5/5
Tham Wei Mei	5/5
Celine Chan Hooi Li	4/5

Directors' Training

Details of training programmes, conferences and forums attended by the Directors during the year under review, are set out as follows:

Name	Date	Description of Training
Dato' Sri Ir Chong Ket Pen	11 May 2021	Corporate Director Transformational Leadership Program by Boardroom Ltd.
	17 August 2021	Corporate Directors Summit themed "Governance 4.0: Transforming Business, Transforming Boards" by Malaysian Alliance of Corporate Directors.
Dato' Ir Kenny Chong Ther Nen	11 May 2021	Corporate Director Transformational Leadership Program by Boardroom Ltd.
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	31 July 2021	Business, Economics and Law and the New Normal by Infrastructure University Kuala Lumpur.
Dato' Tan Yee Boon	10 March 2021	Corporate Liability Provision, by KPMG.
	10 May 2021	Corporate Governance and Corporate Liabilities by Epsilon Advisory Services Sdn Bhd.
Suhaimi Bin Badrul Jamil	30 June 2021 - 1 July 2021	Performance Management System and Key Performance Indicators Training Course by Malaysian Integrity Academy.
	July 2021 - October 2021	Mergers and Acquisitions by Imperial College Business School.
Tham Wei Mei	11 May 2021	Corporate Director Transformational Leadership Program by Boardroom Ltd.
	30 July 2021	The Healthy Board Achieving Optimum Health At Board Level by Malaysian Alliance of Corporate Directors.
	8 December 2021	Fraud Risk Management Workshop 2021 by PwC Consulting Services (M) Sdn Bhd.
Celine Chan Hooi Li	8 December 2021	Fraud Risk Management Workshop 2021 by PwC Consulting Services (M) Sdn Bhd.

FINANCIAL REPORTING

The Board takes responsibility to ensure that financial statements are prepared in accordance with the regulatory requirements and applicable financial reporting in Malaysia. The Board deliberates on financial statements and ensures that the Group has used appropriate accounting policies, supported by reasonable, and prudent judgment and estimates. The Audit Committee assists the Board by scrutinising the information to be disclosed. The Group's financial statements are presented in pages 89 to 220 of this Annual Report.

RELATIONSHIP WITH THE AUDITORS

Through the Audit Committee, the Group has established a professional, transparent and appropriate relationship with the Group's auditors, both internal and external, particularly in obtaining their professional advice towards ensuring full compliance with applicable accounting standards.

External Auditors

The Audit Committee met the external auditors twice during the year under review on 3 May 2021 and 22 November 2021 without the presence of the Executive Directors and Management to exchange independent views on matters which required the Committee's attention.

The Audit Committee had assessed the suitability and independence of the external auditors. In its assessment, the Audit Committee considered several factors such as adequacy of experience, resources of the firm, the professional staff assigned to the audit, independence of Crowe Malaysia PLT and the provision of non-audit services rendered by Crowe Malaysia PLT for financial year 2021.

Crowe Malaysia PLT confirmed that they have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements for the financial year 2021.

Being satisfied with Crowe Malaysia PLT's performance, technical competency and audit independence, the Audit Committee recommended to the Board to put forth a proposal for the re-appointment of Crowe Malaysia PLT as external auditors for financial year ending 2022 at the forthcoming Annual General Meeting.

Internal Auditors

The Board acknowledges their responsibility for the Group's system of internal controls and reviews its effectiveness regularly via the Internal Audit Department which provides support to the Audit Committee in dispensing its responsibilities with respect to the adequacy and integrity of the system of internal controls within the Group. The internal audit function is independent of the operations of the Group and reports directly to the Audit Committee.

The works of the internal auditors during 2021 are set out in the Audit Committee Report on pages 71 to 73 in this Annual Report.

BOARD COMMITTEES

Audit Committee

The Audit Committee plays an active role in assisting the Board in discharging its responsibility. The full details of the composition, summary of the works of the Audit Committee are set out in the Audit Committee Report on page 71 of the Annual Report.

Board Risk Management Committee

The Board has established a Board Risk Management Committee ("BRMC") for the following primary objectives:-

a. maintain a reliable and effective risk management practices. Such practices will identify, assess and monitor key business risks as well as safeguard and enhance the Group's assets and shareholders' investments.

b. review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

c. determine the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives and ensuring the execution and implementation of the Group's sustainability strategy. These will allow the Group to continue generating economic value while reducing our environmental and social footprint, by monitoring the progress of the Group's sustainability initiatives through an effective governance framework against the set targets.

A Group Risk Management Committee ("GRMC") assists the BRMC in achieving its primary objectives.

GRMC comprises senior management staff from the Group Finance & Treasury and Group Corporate Office.

Significant risk, policy and procedure matters that require the attention of the Board, are reported to the Board Risk Management Committee.

The Statement on Risk Management and Internal Control is set out on page 82 of this Annual Report.

Nomination And Remuneration Committee

The Nomination and Remuneration Committee assists the Board on matters relating to Board appointments including the composition of the Board Committees, reviews the performance of the Directors and Board Committees, and reviews Board Directors and Executive Directors' remunerations.

A summary of the Nomination and Remuneration Committee's activities during the year is set out below:

- Review the performance of the Directors and Board Committees;
- Review the terms of office and performance of Audit Committee and each of its members;
- Review the training needs of Directors; and
- Review the Directors standing for re-election at the forthcoming Annual General Meeting.
- Review the Non-Executive Director's Remuneration

Details of the Directors' Remunerations for the financial year ended 31 December 2021 are as follows:

	Director's Fee		Salary/Bonus/Benefits		
	Protasco Bhd (RM)	Subsidiary (RM)	Protasco Bhd (RM)	Subsidiary (RM)	Total
Dato' Sri Ir Chong Ket Pen	-	-	1,441,600	30,000	1,471,600
Dato' Ir Kenny Chong Ther Nen	-	-	556,200	66,000	622,200
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	-	-	-	739,025	739,025
Dato' Tan Yee Boon	51,000	-	7,000	-	58,000
Ir Tan Heng Kui (retired on 29 June 2021)	25,500	-	2,500	-	28,000
Suhaimi Bin Badrul Jamil	51,000	-	5,500	-	56,500
Tham Wei Mei	51,000	-	3,500	-	54,500
Celine Chan Hooi Li	51,000	-	5,500	-	56,500

Corporate Governance Overview Statement (Continued)

Top five (5) Senior Management's Remuneration for the financial year ended 31 December 2021 are as follows:

	Senior Management	
1.	Dato' Ronnie Yap Kee Tian	RM300,001 – RM350,000
2.	Dato' Wan Imran Bin Wan Omar	
3.	Ir Edward Khoo Mong Wei	
4.	Benny Chong Ther Vern	
5.	Freddie Cheong Kah Wang	RM250,000 – RM300,000

CORPORATE DISCLOSURE

To ensure quality disclosure, the Company has a corporate disclosure policy to ensure accurate, clear and timely disclosure of material information and take reasonable steps to ensure that the general public has access to such information. The Company is committed to communicate the Company's strategy, operational performance, financial results, and other material developments to Bursa Malaysia, analysts, investors, shareholders, and other stakeholders in a timely, open and comprehensive manner.

The Corporate Disclosure Policy is available at www.protasco.com.my.

GROUP CORPORATE WEBSITE

The Board is committed to leverage on information technology for effective dissemination of information in a timely manner. Protasco's corporate website (www.protasco.com.my) provides easy access to information about the Group. Information available on the corporate website includes Protasco's corporate profile, Board of Directors and Group senior management, financial results, annual reports, Group newsletters and latest corporate news.

In addition, stakeholders can obtain regulatory announcements made by Protasco to Bursa Malaysia at www.bursamalaysia.com.

ANNUAL REPORT

The Company's annual report provides a comprehensive report on the Group's operations and financial performance for the year under review. It provides full disclosure and is in compliance with the relevant regulations to ensure greater transparency. An online version of the Annual Report is also available on Protasco's corporate website.

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") is the main delivery channel for dialogue with all shareholders. They are encouraged and are given opportunities to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns.

The notices of AGM are sent out to shareholders at least 28 days before the date of the meeting, exceeding the 21 days requirement under the Companies Act 2016 and Listing Requirements.

Shareholders who are unable to attend, are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also contact the Company with their queries.

Shareholders are encouraged to be aware of their rights with regards to the convening of general meetings, appointment of proxies, demand for poll voting and access to information. The details of shareholder's rights are available at www.protasco.com.my.

In line with the Listing Requirements on strengthening good Corporate Governance Practice, the Company has conducted electronic poll voting in General Meeting. An independent party is appointed to validate the votes cast at the AGM.

INVESTOR RELATIONS

The Company's Investor Relations Department plays an important role in conducting regular dialogues and discussions with shareholders, fund managers, journalists and financial analysts to update them on business performance, operations and corporate developments, as well as obtaining feedback and discuss matters of common interests.

In addition, the Company releases its financial results and other mandatory announcements on a timely basis and responds promptly to enquiries from investors, regulators, the public and financial analysts.

The Company has a dedicated website, www.protasco.com.my, designed to assist its stakeholders. The Company has subscribed to Bursa Malaysia's website linking service so that the Company's announcements made to Bursa Malaysia, can be retrieved concurrently from both websites.

Investor Relations Contact:

Han Long Kong
Tel: 603-8738 3388 Email: lkhan@protasco.com.my

This statement is prepared in compliance with the Main Market Listing Requirements and it is to be read together with the Corporate Governance Report 2021 of the Company which is available in Protasco Berhad's website, www.protasco.com.my.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") is committed to maintain a sound system of risk management and internal control of the Group and is pleased to present its Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2021. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") in accordance with Malaysian Code of Corporate Governance ("MCCG") and as guided by the latest "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" ("the Guidelines").

OBJECTIVES

- Maintain a reliable and effective risk management practices. Such practices will identify, assess and monitor key business risks and to safeguard and enhance the Group's assets and shareholders' investments; and
- Review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

RESPONSIBILITIES

The Board acknowledges its overall responsibilities in establishing a sound system of risk management and internal control as well as reviewing its adequacy and effectiveness.

The Board delegates the responsibilities of maintaining a sound risk management and internal control of the Group to the Board Risk Management Committee ("BRMC").

The responsibilities of the BRMC in respect of risk management and internal control are as follows:

- Oversee and recommend risk management strategies, framework and policies and procedures of the Group;
- Review and recommend changes as needed to ensure that the Group has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks;
- Implement and maintain as sound risk management framework which identifies, assesses, manages and monitors the Group's business and other risks;
- Develop and inculcate a risk awareness culture within the Group;
- Review the adequacy and effectiveness of the said risk management and internal control systems;
- Oversee specific risk management concerns raised by business units; and
- Review the Group's risk profiles and evaluate the measures taken to mitigate business and other risks.

The BRMC, however, recognises that any risk management system is designed to manage and mitigate rather than eliminate risks completely. As such, it should be noted that it only provides reasonable assurance against its occurrence of any material misstatement, operational failure, loss or fraud.

The BRMC does not review the internal control systems of associates where the Group does not have any direct control over their operations. Notwithstanding the above, the Group's interests are assured through board representations of the respective associates and the receipt and review of the management accounts and enquiries thereon.

The BRMC has established ongoing processes for identifying the principal risks impeding the achievement of the organisation's goals and objectives:

- To evaluate the nature and extent of those risk;
- To manage them efficiently, effectively and economically; and
- Regular review and taking into account changes in the regulatory and business environment as mentioned in the Guidelines.

In accordance with the Guidelines, the Board assures that this process has been in place for the year under review and up to the date of approval of this Statement for inclusion in Annual Report.

RISK MANAGEMENT FRAMEWORK

The Board regards the importance of key risk management and internal control system that sets the tone for the Group. In recognising the importance of risk management and internal control system in the overall governance process, the Board has instituted the following:

The BRMC

The BRMC, which is guided by its Terms of Reference, was established to assist the Board to oversee the overall compliance to relevant laws and regulations, internal policies and procedures.

The BRMC also review the regular updates of risks profiles of each business segments including the relevant internal controls and measures to mitigate significant risks identified.

The BRMC provides a strategic direction in terms of risk management and mandates the Risk Management Committee ("RMC") to oversee the establishment and implementation of the risk management process.

The members of the BRMC are:

Members	Directorship	Roles
Celine Chan Hooi Li	Independent Non-Executive Director	Chairman
Dato' Tan Yee Boon	Independent Non-Executive Director	Member
Dato' Chong Ther Nen	Group Managing Director	Member

The RMC

The management, through its RMC, assists the BRMC in ensuring sound and robust risk management framework, processes and practises to achieve the Group's strategic objectives and safeguard shareholders' investments and group assets.

The RMC is responsible for the implementation of the approved framework, policies and procedures pertaining to risk management and internal control to ensure that business strategies and risk management are aligned.

The members of the RMC are:

Members	Directorship
Chief Financial Officer	Chairman
Head Corporate Assurance	Committee Member
Group Financial Controller	Committee Member

The Group Enterprise Risk Management Framework

The Group has established the Group Enterprise Risk Management Framework to provide guidelines on the effective management of risks through the application of Enterprise Risk Management ("ERM") processes at varying levels and within the Group.

The framework ensures that the risk-related information derived from the ERM process is adequately reported and used as a basis for decision making and is accounted for at all relevant organisational levels. The framework shall be continuously assessed and improved to ensure its adaptability with the changing business environment.

The framework outlines:

- Policy and governance structure for the ERM within the Group;
- Risk management roles and responsibilities within the Group and outlining procedures to mitigate risks;
- Methodology for risk assessment and risk response; and
- Reporting framework to ensure clear communication for all risk management activities and reporting.

Internal Control

The key elements of the Group's internal control system include:

1. Control Environment

- The Board demonstrates a commitment to integrity and ethical values.
- The Board established the BRMC comprises of Non-Executive Directors, majority of whom are Independent Directors. The BRMC primarily assist the Board in reviewing the organisational risk and internal control with the assistance of the RMC and Internal Audit Department.
- Well-defined lines of responsibilities for the Board, management and each operating unit within the Group; including authorisation level on day-to-day operation.
- The Board and Management holds individual risk owners accountable for their internal control procedures and policies.

2. Integrity & Compliance

- The Group has developed and adopted the Integrity and Anti-Corruption Policy as part of the Group's Anti-Bribery Management System which has been designed to align with the requirements set out in the provision of section 17A under the Malaysian Anti-Corruption Commission ("MACC") Act 2009.
- The Group is committed to conduct all of its business in an honest and ethical manner by implementing and enforcing systems that ensure briberies and corruptions are prevented.

3. Risk Assessment

- The Management of each division are responsible to assess, review and update their division's risk profile.
- The Management to identify and assess changes that could significantly impact the system of internal control.

4. Control Activities

- Each operating unit undertakes business planning and budgeting process each year which are appraised at regular interval.
- The Group review, assess and update the internal control procedures and policies and to improve such policies that have been established and put these policies into action.

5. Information and Communication

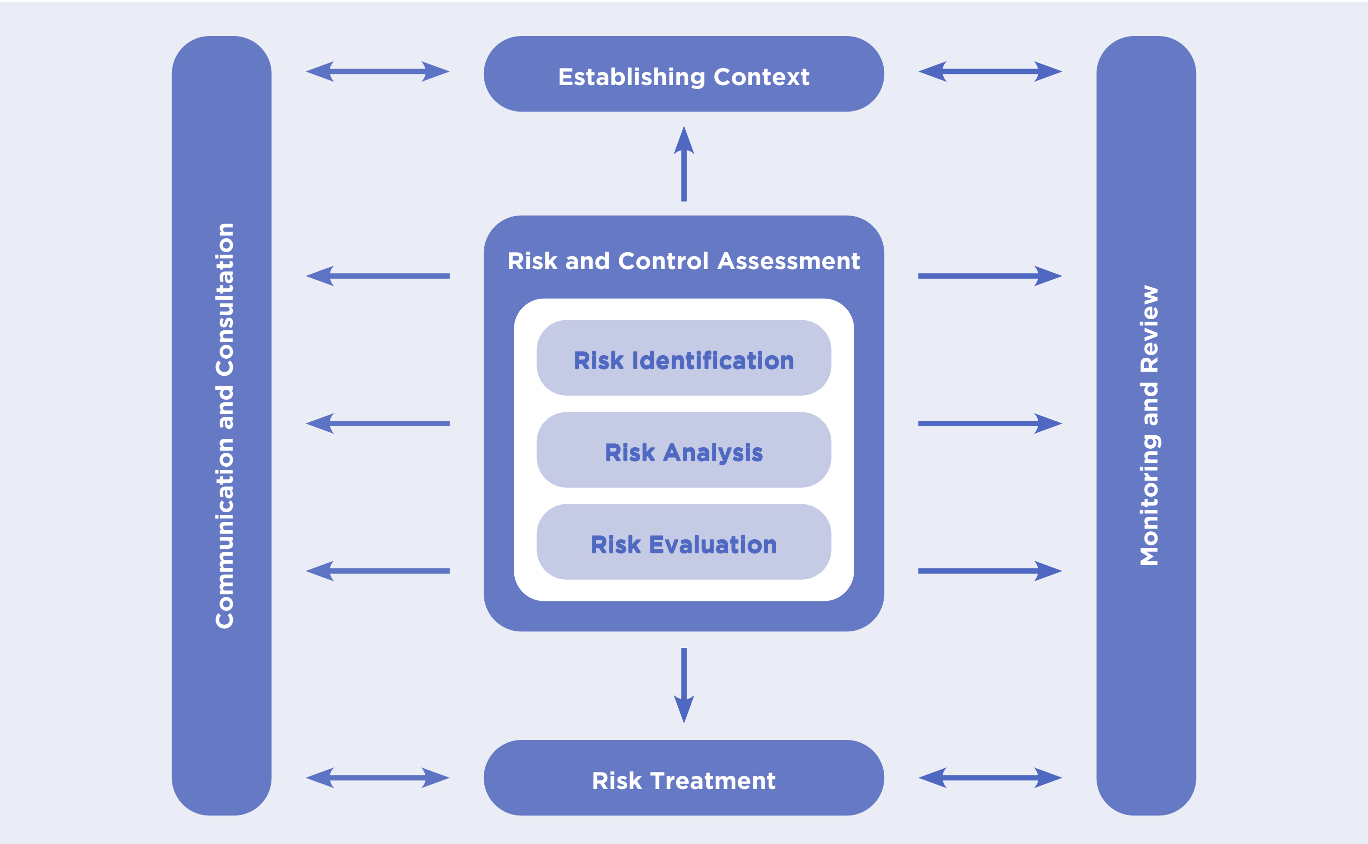
- The Business Risk Profile, where identified risks are recorded, is updated on an ongoing basis and presented to the Risk Management Committee on a half-yearly basis.
- Significant risk matters that require the attention of the Board are reported to the BRMC and Audit Committee.
- The Group's quarterly financial performance is presented to the Board for review and approval.

6. Monitoring

- The Group performs and evaluates internal control system (e.g. Internal Audit) to ascertain its adequacy and effectiveness.
- The Group performs follow up on the Management's response and action plans stated in the reports from tests and evaluations carried out.

RISK MANAGEMENT PROCESS

The objective of the risk management process is to develop an individual risk profile where risk assessment is conducted from risk identification, analysis, and evaluation of existing controls. The following diagram depicts the risk management approach in the Group:



The risks identified are evaluated based on their potential impact on the Group, the likelihood of occurrence as well as the effectiveness of available control procedures. The Business Risk Profile, where identified risks are recorded, is reviewed and updated on an ongoing basis. The review and update of the risk profile includes identification of risks resulting from changes in business environment, both external and internal.

Each business unit's identified risks are presented and forums to the RMC for their deliberation and tabled bi-annually to the BRMC.

Risk Assessment and Reporting

During the period under review, the Group, through its Corporate Assurance Division, had assessed and reviewed the effectiveness of the control procedures indicated in the risk profiles of the business divisions ("Risk Owners") and subsequent action plans after such assessments and reviews. The Group Corporate Assurance team worked very closely with the Risk Owners to understand all key aspects of the business, including but not limited to the nature of the business, socio-economic environment, competitions, and other factors that may impact the continuity of the business.

The findings on the assessment and review were then discussed with the Risk Owners on the effectiveness of the control measures to mitigate risks.

Statement on Risk Management and Internal Control (Continued)

Where the findings revealed certain weaknesses in the control procedures to mitigate risks, these were discussed with the Risk Owners. Risk Owners had provided assurance and commitment in terms of action plans to strengthen the control procedures and target dates of these action plans to be put in place.

The Group Corporate Assurance will re-visit the risk assessment of these control procedures of the business divisions to ensure such action plans are implemented and functioning effectively.

It will also assess and review the control procedures that are satisfactory to ensure consistency and provide reasonable assurance that such control procedures continue to operate satisfactorily and effectively within the Group.

For the financial year ended 31 December 2021, the business divisions assessed and reviewed by the Group Corporate Assurance include:

(i) Energy Division;
(ii) Property Investment Division;
(iii) Hotel & Hospitality Division; and
(iv) Maintenance Division.

The assessment and review findings of the Group Corporate Assurance together with the Risk Owners' responses are deliberated to the RMC. Where applicable, the Group Corporate Assurance will provide recommendations to improve the effectiveness of risk management, internal control systems, and governance processes.

Assessments and reviews by the Group Corporate Assurance are carried out on business divisions using a risk-based approach taking into consideration inputs from the BRMC and the Audit Committee.

The objective of the risk assessment and review is to assist the Board of Directors in performing its oversight responsibilities and to increase shareholders' confidence in the Group's system of risk management and internal controls.

THE GROUP'S RISKS

High risks assessed by the Group Corporate Assurance and discussed with the Risk Owners, the RMC, and the BRMC during the current financial year are summarised below. These risks are still relevant, mitigation responses are in place and continuously monitored to mitigate risk exposures:

Division	Key Risk	Description	Mitigation Measures
Clean Energy	COVID-19 effects on the business and revenue growth.	• Disruption to business operations and difficulty in maintaining the continuity of work.	• Business digitalisation and shift to remote working are in progress. • ERP system post-implementation still in progress.
Property Investment (De Centrum Mall)	Competition from neighbouring malls coupled with effects of COVID-19 on the business and revenue growth.	• Limited tenants offering variety of products and services. • Difficulty in attracting different customers base. Focus on nearby customers only. • Intense competition from nearby Mall.	• Formulation of advertising and promotional plans. • Review of tenancy rates and packages. • Formulation of tenancy mix plan.

Statement on Risk Management and Internal Control (Continued)

Division	Key Risk	Description	Mitigation Measures
Hotel & Hospitality	Competition from neighbouring budget hotel, AirBnB and Homestay.	Fierce competition affecting demand and profitability.	• Generate alternative revenue by promoting meals packages. • Continual collaboration with Online Travel Agency (OTA) e.g. Traveloka, Trip.com, Booking.com, etc. • Offering Radisson reward loyalty program to attract domestic visitors and travellers.
	Technological change and cybersecurity attack.	• Loss of customers. • Issue with Personal Data Protection Act.	• Regular follow-up on technological change applicable to the hotel industry. • IT Policy and Information Security are established and currently in place.
Maintenance	Pandemic and movement restrictions.	• Government budget on road maintenance may be affected due to pandemic and movement restrictions.	• Being an essential service and the establishment of Standard Operating Procedure (SOP) will convince the government to give priority to road maintenance as preferred services.
	Cut back on government spending and stop-work order on road maintenance.	• Cutting of government road maintenance expenditure will result in fewer jobs being awarded to the Maintenance division, which may impact revenue and profit.	• Continuous upgrading of our technological advances and superior services to perform excellent job orders may lead to more potential concessions being awarded to us.
	Outdated schedule of rates (“SOR”).	• If the rate review is unsuccessful, there is a profitability risk as the outdated SOR will be applied until the end of the concession period.	• Discussions with government on the importance in prioritising the maintenance sector. • Improving relationship with government to smoothen negotiation process whilst fulfilling all contractual obligations as per the signed Contract Agreement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCCG to be set out, nor is this Statement factually incorrect.

CONCLUSION

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Company’s risk management and internal control system is operating adequately and effectively in all material aspect.

For the financial year under review, the Board is of the opinion that the Group’s system of internal controls is satisfactory. Any deficiencies identified have been or are being addressed accordingly. Notwithstanding this, review of the internal control systems will be continuously carried out to ensure the ongoing effectiveness of the system.

OTHER COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The details of total audit and non-audit fees paid/payable to the external auditors of the Group for the financial year ended 31 December 2021 were as follows:

	RM'000
Audit Fees	715
Non-Audit Fee*	5

* Fees incurred primarily in relation to advisory services.

2. MATERIAL CONTRACTS

Other than as disclosed in Note 42 of the Financial Statements, there were no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests since the end of the previous financial year.

3. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2021.

4. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

There were no options, warrants, and convertible securities being issued during the financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS

Details of the Recurrent Related Party Transactions are disclosed in Note 42 of the Financial Statements.

6. GOING CONCERN STATEMENT

Having exercised due and reasonable enquiry into the affairs on the Company, the Board is satisfied with the Company and shall proceed to operate as a going concern business in the foreseeable future.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their annual report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	38,406	11,301
Attributable to:		
Owners of the Company	16,697	11,301
Non-controlling interests	21,709	-
	38,406	11,301

DIVIDENDS

No dividend was recommended by the directors for the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

WARRANTS

The details of the Warrants are disclosed in Note 26 to the financial statements.

TREASURY SHARES

During the financial year, the Company did not purchase its own issued ordinary shares from the open market.

In the previous financial year, the Company purchased 3,273,000 of its issued ordinary shares from the open market at market prices ranging from RM0.12 to RM0.25 per share. The total consideration paid for the purchase including transaction costs amounted to RM634,018. The shares purchased were being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

There was no resale of issued ordinary shares that were held as treasury shares during the financial year.

As at 31 December 2021, the Company held as treasury shares a total of 13,651,900 (2020 - 13,651,900) of its 495,392,310 (2020 - 495,392,310) issued and paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,751,849 (2020 - RM3,751,849). The details are disclosed in Note 23 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, 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 impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the Directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, 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, have 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 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 methods 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:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations 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 AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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

The names of Directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Sri Chong Ket Pen
Dato' Chong Ther Nen
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman
Suhaimi Bin Badrul Jamil
Dato' Tan Yee Boon
Tham Wei Mei
Celine Chan Hooi Li
Tan Heng Kui (Retired on 29 June 2021)

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are disclosed in Appendix A to the financial statements.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.1.2021	Bought	Sold	At 31.12.2021
Direct Interests				
Dato' Sri Chong Ket Pen	93,626,376	-	-	93,626,376
Dato' Chong Ther Nen	2,866,458	-	-	2,866,458
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	875,000	-	-	875,000
Suhaimi Bin Badrul Jamil	105,832	-	-	105,832
Indirect Interests				
Dato' Sri Chong Ket Pen ^^	49,964,861	-	(400,000)	49,564,861
Dato' Chong Ther Nen **	2,095,800	-	-	2,095,800
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman #	3,645,833	-	-	3,645,833

	Number of Warrants 2018/2023			
	At 1.1.2021	Bought	Exercise	At 31.12.2021
Direct Interests				
Dato' Sri Chong Ket Pen	16,527,669	-	-	16,527,669
Dato' Chong Ther Nen	292,812	-	-	292,812
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	187,500	-	-	187,500
Suhaimi Bin Badrul Jamil	16,250	-	-	16,250
Indirect Interests				
Dato' Sri Chong Ket Pen ^^	10,620,828	-	-	10,620,828
Dato' Chong Ther Nen **	499,100	-	-	499,100
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman #	781,250	-	-	781,250

Notes:-

^^ *Deemed interest by virtue of his substantial shareholdings in Penmacorp Sdn Bhd which in turn is a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016 as well as his spouse and children's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.*

** *Deemed interest through his spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.*

Deemed interest by virtue of his substantial shareholdings in Rencana Berkat Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' INTERESTS (CONT'D)

By virtue of his interest in the Company, Dato' Sri Chong Ket Pen is deemed to have interests in shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

The other Directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 42 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose 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' REMUNERATION

The details of the Directors' remuneration paid or payable to the Directors of the Group and the Company during the financial year are disclosed in Note 37 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM20,000,000 and RM115,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Directors' Report
(Continued)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 36 to the financial statements.

Signed in accordance with a resolution of the Directors dated 22 April 2022.

Dato' Chong Ther Nen | **Suhaimi Bin Badrul Jamil**

STATEMENT BY DIRECTORS

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

We, Dato' Chong Ther Nen and Suhaimi Bin Badrul Jamil, being two of the Directors of Protasco Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 102 to 220 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 22 April 2022.

Dato' Chong Ther Nen **Suhaimi Bin Badrul Jamil**

STATUTORY DECLARATION

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

I, Cheong Kah Wang, MIA Membership Number: 7854, being the officer primarily responsible for the financial management of Protasco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 102 to 220 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Cheong Kah Wang,
at Kuala Lumpur
in the Federal Territory
on this 22 April 2022.

Cheong Kah Wang

Before me

Datin Hajah Raihela Wanchik (W275)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Protasco Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 102 to 220.

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 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditors' Report
to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)
(Continued)

Key Audit Matters (Cont'd)

Revenue and Profit Recognition for Construction Services Refer to Note 4.1.1(e), Note 4.24(d) and Note 34 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
Construction services accounting is inherently complex due to the contracting nature of the business, which involves significant judgements. This includes the determination of the total budgeted contract costs to complete the projects and the calculation of percentage of completion which affects the quantum of revenue and profit to be recognised. In estimating the revenue to be recognised, the management considers past experience and work done certified by customers and/or independent third parties, where applicable. In estimating the total budgeted contract costs to completion, the management considers the completeness and accuracy of its costs estimation, including its obligations to contract variations and claims. The total costs to completion are subject to a number of variables including the accuracy of designs, market conditions in respect of materials and sub-contractor cost and construction issues. An error in the estimated profit on contracts could result in a material variance in the amount of profit or loss recognised to date and therefore also in the current period. The profit recognition on contract includes key judgements over the expected recovery of costs arising from variations and claims and assessment on liquidated and ascertained damages costs, where applicable. In addition, changes in judgements, and the related estimates, as contracts progress, can result in material adjustments to margin, which can be both positive and negative. The potential outcome for contracts can have an individually and collectively material impact on the financial statements, whether through error or management bias. We determined this to be a key audit matter due to the complexity and judgemental nature of the budgeting of contract costs to completion, calculation of percentage of completion and the determination of revenue and profit to be recognised.	Our procedures included, amongst others:- • read all key contracts and discussed with management to obtain a full understanding of the terms and risks to assess our consideration of whether revenue was appropriately recognised; • testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements; • assessing the management's assumptions in determining the percentage of completion of projects, estimations of revenue and costs, provisions for foreseeable losses, liquidated and ascertained damages as well as recoverability of billed receivables and costs incurred on variation orders; • assessing the reasonableness of percentage of completion by comparing to certification by external parties; • assessing the estimated profit and costs to completion, adjustments for job costing and potential contract losses; • performing subsequent event review to support year-end judgements; • assessing whether the amounts recognised in the financial statements were in line with the Group's accounting policy and relevant accounting standards; and • considering the adequacy of the Group's disclosures in respect of the judgements taken with respect to profit recognition and the key risks relating to these amounts.

Independent Auditors' Report
to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)
(Continued)

Key Audit Matters (Cont'd)

<table>
<tr><th colspan="2">Impairment of Trade Receivables
Refer to Note 4.1.1(d), Note 14 and Note 44.1(b) in the financial statements</th></tr>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The Group carries significant trade receivables and is exposed to credit risk, or the risk of counterparties defaulting. The details of trade receivables and its credit risk are disclosed in Note 14 and Note 44.1(b) to the financial statements.

The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-

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

The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.

We determined this to be a key audit matter due to the significant judgements and level of uncertainty involved in assessing the recoverability of trade receivables.</td><td>Our procedures included, amongst others:-

• testing on the account receivables ageing to ascertain the accuracy of the underlying information used to assess the adequacy of impairment loss of trade receivables;

• testing payment history of major customers during the financial year and after the year end;

• evaluating the credit standings of the customers with reference to payment history;

• evaluating the Directors' judgement on recoverability, taking into account specific customer circumstances known to the Directors, and publicly available data on liquidations and insolvencies post year-end;

• testing the retention balances due by:-
(i) corroborating the value of the retention to correspondences with customers and original contracts; and
(ii) reviewing the status of the projects and forming a conclusion on the recoverability of the balance in light of the evidence presented; and

• considering the adequacy of the Group's disclosures in this area.</td></tr>
</table>

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.

Independent Auditors' Report
to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)
(Continued)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional 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.

Independent Auditors' Report
to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)
(Continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 subsidiaries of which we have not acted as auditors, are disclosed in Note 5 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 content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chua Wai Hong
02974/09/2023 J
Chartered Accountant

Kuala Lumpur

22 April 2022

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	170,506	162,506
Investments in associates	6	16,495	15,593	-	-
Property, plant and equipment	7	242,405	238,163	71	63
Investment properties	8	75,099	76,922	-	-
Right-of-use assets	9	11,575	12,998	646	-
Inventories	10	40,700	42,517	-	-
Goodwill on consolidation		36	36	-	-
Long-term investments	11	145	145	-	-
Deferred tax assets	12	114	177	-	-
		386,569	386,551	171,223	162,569
CURRENT ASSETS					
Inventories	10	33,018	29,359	-	-
Contract cost assets	13	606	26	-	-
Trade receivables	14	247,617	149,154	-	-
Contract assets	15	5,813	28,690	-	-
Other receivables, deposits and prepayments	16	14,158	16,300	771	18
Amount owing by subsidiaries	17	-	-	96,103	95,696
Amount owing by associates	18	1,646	1,287	-	-
Current tax assets		16,452	9,877	-	-
Short-term investments	19	32,789	47,133	-	-
Deposits with licensed banks	20	28,660	21,516	1,564	1,540
Cash and bank balances	21	137,976	187,350	965	568
		518,735	490,692	99,403	97,822
TOTAL ASSETS		905,304	877,243	270,626	260,391

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

Statements of Financial Position
as at 31 December 2021
(Continued)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	22	249,437	249,437	249,437	249,437
Treasury shares	23	(3,752)	(3,752)	(3,752)	(3,752)
Foreign exchange translation reserve	24	(15,399)	(10,782)	-	-
Capital reserve	25	8,875	8,875	-	-
Fair value reserve		(30)	(30)	-	-
Retained profits		76,814	60,368	13,297	1,996
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		315,945	304,116	258,982	247,681
Non-controlling interests		44,790	34,140	-	-
TOTAL EQUITY		360,735	338,256	258,982	247,681
NON-CURRENT LIABILITIES					
Other payables	31	23,298	23,784	-	-
Deferred tax liabilities	12	2,389	4,425	-	-
Long-term borrowings	27	68,896	88,786	-	-
Lease liabilities	28	5,525	6,222	103	-
		100,108	123,217	103	-
CURRENT LIABILITIES					
Trade payables	30	194,270	173,975	-	-
Other payables and accruals	31	70,567	69,298	1,313	884
Amount owing to subsidiaries	17	-	-	3,238	3,247
Amount owing to associates	18	1,390	1,992	-	-
Current tax liabilities		4,064	5,458	2,804	2,804
Short-term borrowings	32	143,469	132,832	-	-
Lease liabilities	28	2,309	2,579	413	-
Bank overdrafts	33	28,392	29,636	3,773	5,775
		444,461	415,770	11,541	12,710
TOTAL LIABILITIES		544,569	538,987	11,644	12,710
TOTAL EQUITY AND LIABILITIES		905,304	877,243	270,626	260,391

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
REVENUE	34	1,112,846	996,181	20,280	6,780
COST OF SALES		(955,463)	(852,855)	-	-
GROSS PROFIT		157,383	143,326	20,280	6,780
OTHER INCOME		8,115	1,296	656	129
ADMINISTRATIVE EXPENSES		(39,592)	(42,093)	(9,043)	(8,833)
OTHER EXPENSES		(63,027)	(62,294)	-	-
PROFIT FROM OPERATIONS		62,879	40,235	11,893	(1,924)
FINANCE COSTS		(9,855)	(10,429)	(407)	(363)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	35	(1,328)	(17,966)	(185)	(1)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		2,685	2,711	-	-
PROFIT/(LOSS) BEFORE TAXATION	36	54,381	14,551	11,301	(2,288)
INCOME TAX EXPENSE	38	(15,975)	(21,577)	-	-
PROFIT/(LOSS) AFTER TAXATION		38,406	(7,026)	11,301	(2,288)
OTHER COMPREHENSIVE EXPENSES:-					
Item that will be reclassified subsequently to profit or loss:					
- Foreign currency translation differences		(1,276)	(647)	-	-
		(1,276)	(647)	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		37,130	(7,673)	11,301	(2,288)

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

Statements of Profit or Loss and Other Comprehensive Income
for the Financial Year Ended 31 December 2021
(Continued)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		16,697	(25,233)	11,301	(2,288)
Non-controlling interests		21,709	18,207	-	-
		38,406	(7,026)	11,301	(2,288)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		12,080	(25,880)	11,301	(2,288)
Non-controlling interests		25,050	18,207	-	-
		37,130	(7,673)	11,301	(2,288)
EARNINGS/(LOSS) PER SHARE (SEN)	39				
Basic		3.47	(5.23)		
Diluted		3.47	(5.23)		

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2021

The Group	Note	Share Capital RM'000	Treasury Shares RM'000	← Non-Distributable → Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2020		249,437	(3,118)	(10,135)	8,875	(30)	85,585	330,614	24,635	355,249
Loss after taxation for the financial year		-	-	-	-	-	(25,233)	(25,233)	18,207	(7,026)
Other comprehensive income for the financial year:										
- foreign currency translation		-	-	(647)	-	-	-	(647)	-	(647)
Total comprehensive expenses for the financial year		-	-	(647)	-	-	(25,233)	(25,880)	18,207	(7,673)
Balance carried forward		249,437	(3,118)	(10,782)	8,875	(30)	60,352	304,734	42,842	347,576

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

Statements of Changes in Equity
for the Financial Year Ended 31 December 2021
(Continued)

		← Non-Distributable				→ Distributable			
The Group	**Note**	**Share Capital RM'000**	**Treasury Shares RM'000**	**Foreign Exchange Translation Reserve RM'000**	**Capital Reserve RM'000**	**Fair Value Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-Controlling Interests RM'000**	**Total Equity RM'000**
Balance brought forward		249,437	(3,118)	(10,782)	8,875	(30)	60,352	304,734	42,842	347,576
Contributions by and distribution to owners of the Company:-										
Treasury shares acquired	23	-	(634)	-	-	-	-	(634)	-	(634)
Dividends:										
- by subsidiaries to non-controlling interests ("NCI")		-	-	-	-	-	-	-	(8,940)	(8,940)
Changes in subsidiaries' ownership interests that do not result in a loss of control		-	-	-	-	-	16	16	238	254
Total transactions with owners		-	(634)	-	-	-	16	(618)	(8,702)	(9,320)
Balance at 31.12.2020		249,437	(3,752)	(10,782)	8,875	(30)	60,368	304,116	34,140	338,256

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

Statements of Changes in Equity
for the Financial Year Ended 31 December 2021
(Continued)

The Group	Note	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
		← Non-Distributable				→	Distributable			
Balance at 1.1.2021		249,437	(3,752)	(10,782)	8,875	(30)	60,368	304,116	34,140	338,256
Profit after taxation for the financial year		-	-	-	-	-	16,697	16,697	21,709	38,406
Other comprehensive expenses for the financial year:										
- foreign currency translation		-	-	(4,617)	-	-	-	(4,617)	3,341	(1,276)
Total comprehensive income for the financial year		-	-	(4,617)	-	-	16,697	12,080	25,050	37,130
Balance carried forward		249,437	(3,752)	(15,399)	8,875	(30)	77,065	316,196	59,190	375,386

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

Statements of Changes in Equity
for the Financial Year Ended 31 December 2021
(Continued)

		← Non-Distributable				→ Distributable			
The Group	**Note**	**Share Capital RM'000**	**Treasury Shares RM'000**	**Foreign Exchange Translation Reserve RM'000**	**Capital Reserve RM'000**	**Fair Value Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-Controlling Interests RM'000**	**Total Equity RM'000**
Balance brought forward		249,437	(3,752)	(15,399)	8,875	(30)	77,065	316,196	59,190	375,386
Contributions by and distribution to owners of the Company:-										
Disposal of a subsidiary		-	-	-	-	-	-	-	(76)	(76)
Dividends:										
- by subsidiaries to NCI		-	-	-	-	-	-	-	(14,575)	(14,575)
Changes in a subsidiary's ownership interests that do not result in a loss of control		-	-	-	-	-	(251)	(251)	251	-
Total transactions with owners		-	-	-	-	-	(251)	(251)	(14,400)	(14,651)
Balance at 31.12.2021		249,437	(3,752)	(15,399)	8,875	(30)	76,814	315,945	44,790	360,735

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

Statements of Changes in Equity
for the Financial Year Ended 31 December 2021
(Continued)

The Company	Note	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 1.1.2020		249,437	(3,118)	4,284	250,603
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(2,288)	(2,288)
Contributions by and distribution to owners of the Company:-					
Treasury shares acquired	23	-	(634)	-	(634)
Balance at 31.12.2020		249,437	(3,752)	1,996	247,681

The Company	Note	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 1.1.2021		249,437	(3,752)	1,996	247,681
Profit after taxation/Total comprehensive income for the financial year		-	-	11,301	11,301
Balance at 31.12.2021		249,437	(3,752)	13,297	258,982

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

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		54,381	14,551	11,301	(2,288)
Adjustments for:					
Bad debts written off		-	64	-	-
Depreciation of:					
- investment properties		1,823	1,823	-	-
- property, plant and equipment		11,896	10,487	31	25
- right-of-use assets		3,215	3,276	170	-
Allowance for impairment losses on:					
- trade receivables		8,199	22,526	-	-
- other receivables		-	1,609	-	1
- amount owing by subsidiaries		-	-	185	-
Interest expense		10,131	19,192	407	363
Property, plant and equipment written off		9	26	-	-
Property development costs written off		-	8,068	-	-
Gain on disposal of:					
- property, plant and equipment		(278)	(193)	-	-
- right-of-use assets		(5)	-	-	-
Gross dividends from subsidiaries		-	-	(13,500)	-
Income from short-term investments		(323)	(574)	-	(1)
Interest income		(1,911)	(1,252)	(595)	(27)
Share of profits of equity accounted associates		(2,685)	(2,711)	-	-
Reversal of impairment losses on:					
- trade receivables		(6,825)	(5,092)	-	-
- other receivables		(47)	(1,077)	-	-
Operating profit/(loss) before working capital changes		77,581	70,723	(2,001)	(1,927)
(Increase)/Decrease in inventories		(1,842)	13,086	-	-
(Increase)/Decrease in contract costs assets		(580)	534	-	-
Decrease in contract assets		22,877	230,076	-	-
Increase in amount owing by associates		(359)	(181)	-	-
(Decrease)/Increase in amount owing to associates		(602)	15	-	-
(Increase)/Decrease in trade and other receivables		(98,299)	25,900	(753)	24
Increase/(Decrease) in trade and other payables		20,753	(49,250)	429	649
CASH FROM/(FOR) OPERATIONS		19,529	290,903	(2,325)	(1,254)
Interest paid		(1,905)	(2,659)	(387)	(363)
Income tax paid		(25,917)	(15,961)	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES CARRIED FORWARD		(8,293)	272,283	(2,712)	(1,617)

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

Statements of Cash Flows
for the Financial Year Ended 31 December 2021
(Continued)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
NET CASH (FOR)/FROM OPERATING ACTIVITIES BROUGHT FORWARD		(8,293)	272,283	(2,712)	(1,617)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Investment in associates		-	(300)	-	-
Additional investment in subsidiary		-	-	(8,000)	-
Interest received		1,911	1,252	595	27
Income from short-term investments received		323	574	-	1
Net dividend received from subsidiaries		-	-	13,500	-
Net dividend received from associates		1,800	901	-	-
Net cash outflow from disposal of a subsidiary		713	-	-	-
Net decrease/(increase) of:					
- deposits pledged to licensed banks		95	1,538	(24)	(426)
- cash at bank pledged to licensed banks		(867)	-	-	-
- short-term investments with maturity periods more than three months		(338)	18	-	-
Proceeds from disposal of property, plant and equipment		512	226	-	3
Purchase of property, plant and equipment	40(a)	(17,948)	(41,847)	(39)	(27)
Addition to right-of-use assets	40(a)	(50)	(240)	-	-
Purchase of treasury shares		-	(634)	-	(634)
Repayment from subsidiaries		-	-	(592)	936
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(13,849)	(38,512)	5,440	(120)
BALANCE CARRIED FORWARD		(22,142)	233,771	2,728	(1,737)

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

Statements of Cash Flows
for the Financial Year Ended 31 December 2021
(Continued)

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
BALANCE BROUGHT FORWARD		(22,142)	233,771	2,728	(1,737)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid		-	(2,910)	-	(2,910)
Dividends paid to non-controlling interests		(14,575)	(8,940)	-	-
(Repayment to)/Advances from subsidiaries		-	-	(9)	30
Interest paid		(8,226)	(16,533)	(20)	-
Drawdown of term loans		5,368	28,467	-	-
Repayment of term loans		(21,996)	(213,368)	-	-
Repayment of lease liabilities	40(c)	(2,931)	(2,640)	(300)	-
Net repayment of short-term borrowings		8,062	33,086	-	-
NET CASH FOR FINANCING ACTIVITIES		(34,298)	(182,838)	(329)	(2,880)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(56,440)	50,933	2,399	(4,617)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		219,760	168,827	(5,207)	(590)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40(d)	163,320	219,760	(2,808)	(5,207)

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

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2021

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	802, 8th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	2nd Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 22 April 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 16: Covid-19-Related Rent Concessions
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1.1 Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1.1 Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Property, Plant and Equipment

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(c) Impairment of Investment Properties

The Group determines whether its investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of investment properties as at the reporting date is disclosed in Note 8 to the financial statements.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amounts of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 14 and 15 to the financial statements.

(e) Revenue Recognition for Construction Services

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amount of contract assets as at the reporting date are disclosed in Note 15 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1.1 Key Sources of Estimation Uncertainty (Cont'd)

(f) Property Development

The Group recognises property development revenue and expenses in profit or loss by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation.

Significant judgement is required in determining the measure of progress, the extent of the property development cost incurred, the estimated total property development revenue and cost, as well as the recoverability of the property development cost. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amounts of the land held for property development and property development costs as at the reporting date are disclosed in Note 10 to the financial statements.

4.1.2 Critical Judgement Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

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

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional and presentation currency and has been rounded to the nearest thousand unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments (Cont'd)

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(ii) Treasury Shares (Cont'd)

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

(d) Derivative Financial Instruments

Derivatives financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

(f) 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 specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(f) Financial Guarantee Contracts (Cont'd)

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Renovation	10% - 33.33%
Reference books, office equipment, furniture and fittings	10% - 33.33%
Laboratory equipment, plant and machinery	12.50% - 20%
Motor vehicles	12.50% - 20%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVESTMENT PROPERTIES

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

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years. Investment property under construction is not depreciated.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group has elected not to separate non-lease from lease components of (type of right-of-use assets). Instead, the Group has accounted for lease component and the associated non-lease components as a single lease arrangement.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

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 Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 INVENTORIES

(a) Land Held for Property Development

Land held for property development represents freehold land and right-of-use assets (leasehold land) on which development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified within non-current assets and is stated at the lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of freehold land, payment of the right-of-use asset (leasehold land), professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the land held for property development will be the best available measure of the net realisable value.

Land held for property development is transferred to property development costs category (within current assets) when development activities have commenced and are expected to be completed within the normal operating cycle.

(b) Property Development Costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 INVENTORIES (CONT'D)

(b) Property Development Costs (Cont'd)

Property development costs comprise costs associated with the purchase of freehold land, payment for the right-of-use asset (leasehold land) and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities as well as borrowing costs relating to the financing of the development activities.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

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

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

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in profit or loss immediately, including costs to be incurred over the defects liability period.

On completion, sold properties are recognised in profit or loss and unsold properties are transferred to developed properties held for sale.

(c) Developed Properties Held for Sale

Developed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method and comprises the cost associated with the purchase of freehold land, payment for the right-of-use assets (leasehold land), construction costs and other related development expenditure incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary in selling the completed property.

(d) Other Inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 CONTRACT COST ASSETS

(a) Incremental Costs of Obtaining a Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(b) Costs to Fulfil a Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.13 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.14 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.16 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.18 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

4.19 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are 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 the tax rates that have been enacted or substantively enacted at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 INCOME TAXES (CONT'D)

(b) Deferred Tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earns revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.21 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.22 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 FAIR VALUE MEASUREMENTS

Fair value is 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to leasing transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity 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; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

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

(a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Sale of Goods (Cont'd)

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Services

Revenue from rendering of services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) Education and Training Fees

Tuition and training fees, are recognised on an accrual basis whereas non-refundable registration and enrolment fees are recognised when chargeable.

(d) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the output method by reference to the construction progress based on the physical proportion of construction work certified by professional consultants. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

(e) Property Development

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(e) Property Development (Cont'd)

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

(f) Engineering, Procurement, Construction and Commissioning ("EPCC")

The Group provides turnkey EPCC services in solar energy solution to customers. The end-to-end solutions covers the initial feasibility to in-dept system designs and installations, project commissioning to project handover that caters to various types of solar projects.

EPCC contracts involve multiple deliverables, such as solar system design, supply of solar energy equipment, installation of solar energy system and testing of newly installed solar energy system.

As the Group provides significant integrated service for the multiple performance obligations, they are accounted for as a single performance obligation.

Revenue for EPCC services is recognised overtime in the period in which the goods and services rendered using the output method, by reference to the percentage of completion of the work progress report acknowledged by the customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Invoices to trade customers are based on a payment schedule in the contract and are typically triggered upon achievement on specified EPCC milestones. A contact asset is recognised when the Group has performed under the contact but have not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but have billed or received advance payments from the customers.

(g) Energy Sale

The Group sells electricity generated through its solar plant to electric utility company, Tenaga Nasional Berhad under a 21-year renewable energy power purchase agreement. Revenue is recognised upon delivery of electricity by kilowatt-hour to the utility company's grid and acceptance by the utility company.

(h) Room Revenue

Hotel revenue from room rental is recognised over-time during the period of stay for the hotel guests.

(i) Food, Beverage and Other Ancillary Services Revenue

Revenue from food, beverage and other ancillary services are generally recognised at the point in time when the services are rendered.

4.25 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME (CONT'D)

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Management Fee

Management fee is recognised when services are rendered.

(d) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(e) Government Grant

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met. These grants are presented as other income in profit or loss.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
At cost:		
Unquoted shares in Malaysia:		
- ordinary shares	152,679	144,679
- Redeemable Convertible Preference Shares	17,500	17,500
	170,179	162,179
Unquoted shares outside Malaysia:		
- ordinary shares	327	327
	170,506	162,506

During the financial year:-

(a) On 5 January 2021, Kumpulan Ikram Sdn. Bhd. ("KISB"), a wholly-owned subsidiary of the Company, divested 210,000 ordinary shares of Kumpulan Ikram (Sarawak) Sdn. Bhd. ("KISarawak"), representing 21% equity interests in KISarawak, for a cash consideration of RM29,400. Following the completion of the divestment, KISB decreased its equity interests held in KISarawak from 51% to 30% and the latter became an associate company of the Group. The effects of the derecognition of the subsidiary to an associate company during the financial year has no significant impact on the financial statements of the Group for the current financial year and the financial position of the Group as at the end of the reporting period.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) On 26 March 2021, Ikram Greentech Sdn. Bhd. ("IGSB"), a wholly-owned subsidiary of the Company, transferred its entire 68% equity interests in Solarcap Sdn. Bhd. ("SCSB") to its 51% equity interests owned subsidiary, I2 Energy Sdn. Bhd. ("I2ESB") for a total consideration of RM510,000. I2ESB further acquired the remaining 32% equity interests of SCSB and the latter became a wholly-owned subsidiary of I2ESB. Following the completion of the transactions above, the Group's effective interests in SCSB changed from 68% to 51%.

(c) On 23 June 2021, the Company subscribed for an additional 115,191 ordinary shares of RM69.45 each in HCM Engineering Sdn. Bhd. ("HCME"), an existing wholly-owned subsidiary of the Company.

(d) On 19 July 2021, the Group carried out an internal restructuring exercise, whereby HCME, a wholly-owned subsidiary of the Company, has transferred the shareholding of its entire 51% equity interest held in Empayar Indera Sdn. Bhd. ("EISB") to Protasco Infra Sdn. Bhd. ("PISB"), wholly-owned subsidiary of the Company. The transfer of ordinary shares in EISB from HCME to PISB has no effect on the financial results of the Group.

Details of subsidiaries held by the Company are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
HCM Engineering Sdn. Bhd.	Malaysia	100	100	Buildings, bridges and road construction, rehabilitation and maintenance.
Kumpulan Ikram Sdn. Bhd.	Malaysia	100	100	Engineering and geotechnical related activities and services.
Protasco Trading Sdn. Bhd.	Malaysia	100	100	Trading of construction materials, products and equipment, petroleum based products and highway safety products and equipment.
Protasco Infra Sdn. Bhd.	Malaysia	100	100	Investment holding and provision of management services.
Protasco Development Sdn. Bhd.	Malaysia	100	100	Property development.
Protasco Venture Partners Inc. Δ	British Virgin Islands	100	100	Investment holding.
Ikram Greentech Sdn. Bhd.	Malaysia	100	100	Investment holding and providing green project management services.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Permint Granite-HCM Sdn. Bhd.	Malaysia	70	70	Road maintenance and rehabilitation.
HCM Kijang Sdn. Bhd.	Malaysia	60	60	Road maintenance and rehabilitation.
Roadcare (M) Sdn. Bhd. *	Malaysia	51	51	Road maintenance and rehabilitation.
Empayar Indera Sdn. Bhd.	Malaysia	Not Applicable	51	Road maintenance and rehabilitation.
HCM (L) Bhd. ^	FT Labuan	100	100	Investment holding.
HCM-Ikhtisas Sdn. Bhd. *	Malaysia	78	78	Investment holding.
HCM Arabia Sdn. Bhd. *	Malaysia	78	78	Trading of construction premix products.
HCM-Molek JV Sdn. Bhd. *	Malaysia	60	60	Road construction and rehabilitation.
HCM Kasturi Sdn. Bhd. *	Malaysia	100	100	Dormant.
Konsortium HCM Perkasa Sdn. Bhd. *	Malaysia	100	100	Dormant.
Infra Water Sdn. Bhd. *	Malaysia	100	100	Dormant.
H C M Builders Lanka (Private) Limited @	Sri Lanka	100	100	Dormant.

Details of a subsidiary held through HCM (L) Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Global Traders Ltd. ^	FT Labuan	100	100	Dormant.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
Ikram Engineering Services Sdn. Bhd.	Malaysia	100	100	Site investigation and soil testing services.
Kumpulan Ikram (Sabah) Sdn. Bhd.	Malaysia	60	60	Site investigation and soil testing services.
Kumpulan Ikram (Sarawak) Sdn. Bhd.	Malaysia	Not Applicable	51	Site investigation and soil testing services.
Ikram Education Sdn. Bhd.	Malaysia	100	100	Providing tertiary education.
Ikram Latihan Sdn. Bhd. *	Malaysia	100	100	Investment holding.
Ikram QA Services Sdn. Bhd.	Malaysia	100	100	Certification and listing of products.
Ikram Paves Sdn. Bhd.	Malaysia	100	100	Provision of evaluation and testing services for road pavement.
Ikram International Sdn. Bhd. *	Malaysia	100	100	Dormant.
Ikram Libyana Sdn. Bhd. *	Malaysia	60	60	Dormant.

Details of a subsidiary held through Ikram Latihan Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
Ikram Skills Academy Sdn. Bhd.	Malaysia	100	100	Provision of skills training courses.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of a subsidiary held through Ikram Education Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Ikram Infra Ventures Sdn. Bhd. *	Malaysia	100	100	Providing training and education services.

Details of subsidiaries held through Protasco Trading Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
QP Industries Sdn. Bhd. *	Malaysia	100	100	Dealing in materials for road pavement and road maintenance.
QP Trading Sdn. Bhd. *	Malaysia	100	100	Dealing in materials for road pavement.

Details of subsidiaries held through Protasco Development Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Protasco Land Sdn. Bhd.	Malaysia	100	100	Property development.
De Centrum Development Sdn. Bhd.	Malaysia	100	100	Property development.
Sun Rock Development Sdn. Bhd. *	Malaysia	100	100	Property development.
De Centrum Land Sdn. Bhd.	Malaysia	100	100	Property development.
DC Resort Homes Sdn. Bhd. *	Malaysia	100	100	Property development.
Jalur Saujana Sdn. Bhd. *	Malaysia	100	100	Property development.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of a subsidiary held through Protasco Land Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Protasco Land SA (Pty) Ltd. *	South Africa	100	100	Dormant.

Details of a subsidiary held through Protasco Infra Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Ikram Land Sdn. Bhd.	Malaysia	100	100	Dormant.
Empayar Indera Sdn. Bhd.	Malaysia	51	Not Applicable	Road maintenance and rehabilitation.

Details of subsidiaries held through Protasco Venture Partners Inc. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Protasco Agro Ltd. Δ	British Virgin Islands	100	100	Dormant.
PT. Protasco Infra Indonesia ("PPII") Δβ	Indonesia	67	67	Dormant.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Ikram Greentech Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021	2020	Principal Activities
		%	%	
I2 Energy Sdn. Bhd.	Malaysia	51	51	Solar panel installation contract work.
I2 Solarpark One Sdn. Bhd. ("I2SOSB") Ω	Malaysia	44	44	Supply of power and electricity derived from solar power plant.
Solarcap Sdn. Bhd. *	Malaysia	Not Applicable	68	Dormant.

Details of a subsidiary held through I2 Energy Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021	2020	Principal Activities
		%	%	
Solarcap Sdn. Bhd. *	Malaysia	100	Not Applicable	Solar panel installation contract work.

Notes:-

^ *The subsidiary was audited by a member firm of Crowe Global of which Crowe Malaysia PLT is a member.*

* *These subsidiaries were audited by other firms of chartered accountants.*

Δ *These subsidiaries are not required to be audited under the laws of the country of incorporation.*

@ *The subsidiary is currently dormant and the audited financial statements and the auditors' reports on the financial statements are not available. The financial result of the subsidiary is not material to the Group.*

β *A company incorporated in Indonesia with a registered capital of USD1 million. The Group agreed to contribute 67% of the registered share capital whilst the remaining 33% equity interests will be contributed by a local business partner. Both parties have yet to inject their respective agreed capital contribution into PPII at the end of the reporting period.*

Ω *A company which has been assessed to be a subsidiary of the Group as the Group has control over I2SOSB.*

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of non-controlling interests ("NCI") at the end of the reporting period are as follows:-

	Roadcare %	PG-HCM %	EISB %	HCM-Molek %	HCMA %	KI-Sabah %	KI-Sarawak %
Effective Equity Interest							
At 31.12.2020	49	30	49	40	22	40	49
At 31.12.2021	49	30	49	40	22	40	Not Applicable

	Roadcare RM'000	PG-HCM RM'000	EISB RM'000	HCM-Molek RM'000	HCMA RM'000	KI-Sabah RM'000	KI-Sarawak RM'000	Others RM'000	Total RM'000
Total NCI									
Balance at 31.12.2020	33,213	3,339	12,151	(3,792)	(12,360)	2,814	57	(1,282)	34,140
Balance at 31.12.2021	38,173	3,392	13,380	(2,253)	(9,054)	2,788	-	(1,636)	44,790

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Roadcare RM'000	PG-HCM RM'000	EISB RM'000	HCM-Molek RM'000	HCMA RM'000	KI-Sabah RM'000
At 31 December 2021						
Non-current assets	18,677	1,119	6,608	-	-	1,007
Current assets	200,292	17,890	34,740	140	1,103	6,678
Non-current liabilities	(2,133)	(245)	(249)	-	-	(36)
Current liabilities	(138,930)	(7,459)	(13,793)	(5,772)	(42,255)	(681)
Net assets/(liabilities)	77,906	11,305	27,306	(5,632)	(41,152)	6,968
Financial year ended 31 December 2021						
Revenue	580,585	20,755	128,090	4,557	-	4,569
Profit/(Loss) for the financial year	30,123	3,174	8,507	3,848	(159)	434
Total comprehensive income	30,123	3,174	8,507	3,848	15,029	434
Total comprehensive income attributable to NCI	14,760	953	4,169	1,539	3,306	174
Dividends paid to non-controlling interests	9,800	900	2,940	-	-	200
Net cash flows (for)/from operating activities	(41,283)	99	4,386	119	(3,217)	332
Net cash flows (for)/from investing activities	(7,746)	768	(2,405)	-	-	(148)
Net cash flows for financing activities	(21,284)	(3,315)	(6,354)	-	-	(500)
Net (decrease)/increase in cash and cash equivalents	(70,313)	(2,448)	(4,373)	119	(3,217)	(316)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (Cont'd):-

	Roadcare RM'000	PG-HCM RM'000	EISB RM'000	HCM-Molek RM'000	HCMA RM'000	KI-Sabah RM'000	KI-Sarawak RM'000
At 31 December 2020							
Non-current assets	13,788	1,434	6,364	-	-	1,029	1,490
Current assets	169,436	13,634	34,659	21	4,319	6,654	414
Non-current liabilities	(2,203)	(320)	(422)	-	-	(4)	(660)
Current liabilities	(113,238)	(3,616)	(15,803)	(9,501)	(60,500)	(645)	(1,129)
Net assets/(liabilities)	67,783	11,132	24,798	(9,480)	(56,181)	7,034	115
Financial year ended 31 December 2020							
Revenue	489,239	20,064	116,671	-	-	3,539	(912)
Profit/(Loss) for the financial year	30,037	2,382	9,860	(2,551)	(639)	637	(153)
Total comprehensive income/(expenses)	30,037	2,382	9,860	(2,551)	(1,181)	637	(153)
Total comprehensive income/(expenses) attributable to NCI	14,718	715	4,831	(1,021)	(260)	254	(66)
Dividends paid to non-controlling interests	4,900	900	2,940	-	-	200	-
Net cash flows from/(for) operating activities	73,134	6,467	8,513	(503)	(431)	995	(194)
Net cash flows from/(for) investing activities	581	(643)	(1,384)	-	-	(34)	82
Net cash flows for financing activities	(11,194)	(2,931)	(6,354)	-	-	(500)	(34)
Net increase/(decrease) in cash and cash equivalents	62,521	2,893	775	(503)	(431)	461	(146)

6. INVESTMENTS IN ASSOCIATES

	The Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost		
At 1 January	8,214	7,914
Addition during the financial year	-	300
Transfer from a subsidiary at fair value	47	-
Written off during the financial year	(30)	-
At 31 December	8,231	8,214
Share of post acquisition results, net of dividend received	9,981	9,096
Foreign exchange translation reserve	(438)	(438)
	17,774	16,872
Redeemable preference shares	1,400	1,400
	19,174	18,272
Accumulated impairment losses	(2,679)	(2,679)
	16,495	15,593

During the financial year:-

(a) As disclosed in Note 5(a) to the financial statements, Kumpulan Ikram Sdn. Bhd. ("KISB"), a wholly-owned subsidiary of the Company, divested 210,000 ordinary shares of Kumpulan Ikram (Sarawak) Sdn. Bhd. ("KISarawak"), representing 21% equity interests in KISarawak, for a cash consideration of RM29,400. Following the completion of the divestment, KISarawak became an indirect associate of the Group.

(b) On 19 March 2021, THT-HCM JV Sdn. Bhd., has been struck off from the Registrar of Companies in Malaysia.

6. INVESTMENTS IN ASSOCIATES (CONT'D)

Details of associates held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	2020 %	Principal Activities
THT-HCM JV Sdn. Bhd.	Malaysia	-	40	Dormant.
KPS-HCM Sdn. Bhd.	Malaysia	49	49	Buildings, bridges and road construction.
DAL HCM Sdn. Bhd.	Malaysia	30	30	Road maintenance and rehabilitation.
PJP Barisan HCM JV Sdn. Bhd.	Malaysia	30	30	Road maintenance and rehabilitation.
V-HCM Engineering & Construction Co., Ltd. ("V-HCM") #	Kingdom of Cambodia	70	70	Road construction and rehabilitation.

Details of associates held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	2020 %	Principal Activities
Ikram Premier Consulting Sdn. Bhd.	Malaysia	30	30	Provision of consultancy services.
Ikram Engineering Consulting Sdn. Bhd.	Malaysia	30	30	Provision of consultancy services.
Ikram Premier Infrastructure Sdn. Bhd.	Malaysia	30	30	Dormant.
Kumpulan Ikram (Sarawak) Sdn. Bhd.	Malaysia	30	Not Applicable	Site investigation and soil testing services.

Details of an associate held through Ikram Education Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	2020 %	Principal Activities
IUKL Molecular Systems Sdn. Bhd.	Malaysia	20	20	Dormant.

6. INVESTMENTS IN ASSOCIATES (CONT'D)

Details of an associate held through HCM-Ikhtisas Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	2020 %	Principal Activities
Libyan Malaysian Company for Roads and Construction *	Libya	49	49	Construction and maintenance.

Notes:-

A company which has been assessed to be an associate of the Group as the Group only has significant influence over V-HCM. The associate company is not required to be audited under the laws of the country of incorporation.

* *The management accounts of Libyan Malaysian Company for Roads and Construction for the financial year ended 31 December 2021 have been used for the purpose of applying the equity method of accounting. As no results have been generated by the associated company during the financial year, there was no share of profit or loss recognised for the financial year.*

The Group has impaired its investment in Libyan Malaysian Company for Roads and Construction in prior years due to a civil war in Libya.

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows:-

	KPS-HCM Sdn. Bhd. 2021 RM'000	2020 RM'000
At 31 December		
Non-current assets	372	10,363
Current assets	42,599	54,813
Non-current liabilities	(15)	(139)
Current liabilities	(32,254)	(54,369)
Net assets	10,702	10,668
12 months Period Ended 31 December		
Revenue	6,935	3,065
Profit/(Loss) for the financial period	34	(278)
Total comprehensive income/(expenses)	34	(278)
Group's share of profit/(loss) for the financial period	17	(136)
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	5,244	5,227
Carrying amount of the Group's interest in this associate	5,244	5,227

6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows (Cont'd):-

	DAL HCM Sdn. Bhd.	
	2021 RM'000	2020 RM'000
At 31 December		
Non-current assets	4,580	4,815
Current assets	73,716	56,205
Non-current liabilities	(724)	(1,571)
Current liabilities	(57,880)	(40,458)
Net assets	19,692	18,991
12 months Period Ended 31 December		
Revenue	80,707	76,564
Profit for the financial period	6,704	7,707
Total comprehensive income	6,704	7,707
Group's share of profit for the financial period	2,011	2,312
Dividend received	1,800	901
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	5,908	5,697
Goodwill	3,692	3,692
Carrying amount of the Group's interest in this associate	9,600	9,389

6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows (Cont'd):-

	PJP Barisan HCM JV Sdn. Bhd. 2021 RM'000	10.9.2019 to 31.12.2020 RM'000
At 31 December		
Non-current assets	922	333
Current assets	14,521	11,222
Non-current liabilities	(139)	(72)
Current liabilities	(9,895)	(8,230)
Net assets	5,409	3,253
12/16 months Period Ended 31 December		
Revenue	28,127	23,687
Profit for the financial period	2,156	2,254
Total comprehensive income	2,156	2,254
Group's share of profit for the financial period	647	676
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	1,623	976
Carrying amount of the Group's interest in this associate	1,623	976

(b) The summarised unaudited financial information for all associates (except for Libyan Malaysian Company for Roads and Construction) that are individually immaterial to the Group is as follows:-

	Individually Immaterial Associates	
	2021 RM'000	2020 RM'000
Financial year ended 31 December		
Group's share of profit/(loss) for the financial year	10	(141)
Aggregate carrying amount of the Group's interests in these associates	28	1

7. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold Land RM'000	Solar Plant RM'000	Buildings RM'000	Renovation RM'000	Reference Books, Office Equipment, Furniture and Fittings RM'000	Laboratory Equipment, Plant and Machinery RM'000	Motor Vehicles RM'000	Capital Work-in-Progress RM'000	Total RM'000
At cost									
At 1 January 2021	62,782	-	141,703	25,102	61,393	74,491	42,719	27,816	436,006
Additions	-	43	5,000	1,503	1,552	5,758	4,092	-	17,948
Disposals	-	-	-	(10)	(281)	(190)	(671)	-	(1,152)
Disposal of a subsidiary	-	-	(1,300)	(360)	(132)	(1,249)	(813)	-	(3,854)
Cost saving	-	(352)	-	-	-	-	-	-	(352)
Reclassification	-	27,816	-	-	(3)	3	-	(27,816)	-
Written off	-	-	-	(27)	(21)	-	(10)	-	(58)
At 31 December 2021	62,782	27,507	145,403	26,208	62,508	78,813	45,317	-	448,538
Accumulated depreciation									
At 1 January 2021	-	-	22,707	21,340	54,354	69,668	29,774	-	197,843
Depreciation charges	-	983	2,769	1,228	2,099	1,523	3,294	-	11,896
Disposals	-	-	-	-	(289)	(190)	(621)	-	(1,100)
Disposal of a subsidiary	-	-	(93)	(224)	(116)	(1,211)	(813)	-	(2,457)
Reclassification	-	-	-	-	(2)	(9)	11	-	-
Written off	-	-	-	(18)	(21)	-	(10)	-	(49)
At 31 December 2021	-	983	25,383	22,326	56,025	69,781	31,635	-	206,133
Carrying amount at 31 December 2021	62,782	26,524	120,020	3,882	6,483	9,032	13,682	-	242,405

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold Land RM'000	Buildings RM'000	Renovation RM'000	Reference Books, Office Equipment, Furniture and Fittings RM'000	Laboratory Equipment, Plant and Machinery RM'000	Motor Vehicles RM'000	Capital Work-in-Progress RM'000	Total RM'000
At cost								
At 1 January 2020	62,782	99,159	24,387	60,208	74,429	41,268	34,207	396,440
Additions	-	7,761	479	1,321	375	3,082	28,829	41,847
Disposals	-	-	-	(89)	(75)	(1,631)	-	(1,795)
Reclassification	-	34,783	236	201	-	-	(35,220)	-
Written off	-	-	-	(248)	(238)	-	-	(486)
At 31 December 2020	62,782	141,703	25,102	61,393	74,491	42,719	27,816	436,006
Accumulated depreciation								
At 1 January 2020	-	20,403	19,894	52,478	68,110	28,693	-	189,578
Depreciation charges	-	2,304	1,446	2,182	1,853	2,702	-	10,487
Disposals	-	-	-	(79)	(62)	(1,621)	-	(1,762)
Written off	-	-	-	(227)	(233)	-	-	(460)
At 31 December 2020	-	22,707	21,340	54,354	69,668	29,774	-	197,843
Carrying amount at 31 December 2020	62,782	118,996	3,762	7,039	4,823	12,945	27,816	238,163

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office Equipment, Furniture and Fittings	
	2021 RM'000	2020 RM'000
The Company		
At cost		
At 1 January	223	202
Additions	39	27
Disposal	(2)	(6)
At 31 December	260	223
Accumulated depreciation		
At 1 January	(160)	(138)
Depreciation charge	(31)	(25)
Disposal	2	3
At 31 December	(189)	(160)
Carrying amount	71	63

(a) The carrying amounts of the property, plant and equipment of the Group at the end of the reporting period pledged as security with the financial institutions for credit facilities granted to the Group as disclosed in Note 29 and Note 32 to the financial statements were as follows:-

	The Group	
	2021 RM'000	2020 RM'000
Freehold land	62,782	62,782
Buildings	62,956	64,665
Solar plant	26,524	-
Solar plant under construction	-	19,731
	152,262	147,178

(b) In the previous financial year, the capital work-in-progress represents the construction of the following building:-

	The Group	
	2021 RM'000	2020 RM'000
Solar plant	-	19,731

8. INVESTMENT PROPERTIES

The Group	Mall RM'000	Condominium RM'000	Total RM'000
At cost			
At 1 January 2021/31 December 2021	38,807	46,319	85,126
Accumulated depreciation			
At 1 January 2021	(4,119)	(4,085)	(8,204)
Depreciation charges	(851)	(972)	(1,823)
At 31 December 2021	(4,970)	(5,057)	(10,027)
Carrying amount at 31 December 2021	33,837	41,262	75,099
At fair value:-			
2021	38,000	55,088	

The Group	Mall RM'000	Condominium RM'000	Total RM'000
At cost			
At 1 January 2020/31 December 2020	38,807	46,319	85,126
Accumulated depreciation			
At 1 January 2020	(3,268)	(3,113)	(6,381)
Depreciation charges	(851)	(972)	(1,823)
At 31 December 2020	(4,119)	(4,085)	(8,204)
Carrying amount at 31 December 2020	34,688	42,234	76,922
At fair value:-			
2020	38,000	55,088	

Note:-

(a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 15 years and an option that is exercisable by the customers to extend their leases ranging from 1 to 3 years.

The Group requires 1 to 3 months of advanced rental payments from the customers. When considered necessary, the Group would require a bank guarantee on certain of its lease arrangements. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

8. INVESTMENT PROPERTIES (CONT'D)

(a) As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

The Group	Mall RM'000	Condominium RM'000	Total RM'000
2021			
Within 1 year	1,751	126	1,877
Between 1 and 2 years	1,443	8	1,451
Between 2 and 3 years	1,306	-	1,306
Between 3 and 4 years	829	-	829
Between 4 and 5 years	829	-	829
Later than 5 years	4,215	-	4,215
	10,373	134	10,507

The Group	Mall RM'000	Condominium RM'000	Total RM'000
2020			
Within 1 year	1,107	221	1,328
Between 1 and 2 years	865	-	865
Between 2 and 3 years	771	-	771
Between 3 and 4 years	785	-	785
Between 4 and 5 years	785	-	785
Later than 5 years	4,262	-	4,262
	8,575	221	8,796

(b) The fair values of the investment properties are within level 2 of the fair value hierarchy.

The fair values of investment properties were determined by reference to:-

(i) market evidence of transaction prices for similar properties;
(ii) valuation reports performed by registered valuers having appropriate professional qualification; and
(iii) recent experience in the locations and category of properties being valued.

The most significant input into these valuation approaches is the price per square foot of comparable properties.

9. RIGHT-OF-USE ASSETS

The Group	At 1.1.2021 RM'000	Additions RM'000	Disposal RM'000	Disposal of a subsidiary RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
Leasehold land	7,290	-	-	-	(279)	7,011
Offices and shop lots	3,100	1,047	-	-	(2,011)	2,136
Motor vehicles	1,190	199	(177)	(93)	(253)	866
Laboratory equipment	1,418	-	-	-	(502)	916
Computer software	-	816	-	-	(170)	646
	12,998	2,062	(177)	(93)	(3,215)	11,575

Analysed by:-	
Cost	25,230
Accumulated depreciation	(13,655)
	11,575

The Group	At 1.1.2020 RM'000	Additions RM'000	Depreciation Charges RM'000	At 31.12.2020 RM'000
Leasehold land	7,569	-	(279)	7,290
Offices and shop lots	2,390	2,781	(2,071)	3,100
Motor vehicles	1,466	149	(425)	1,190
Laboratory equipment	1,919	-	(501)	1,418
	13,344	2,930	(3,276)	12,998

Analysed by:-	
Cost	24,053
Accumulated depreciation	(11,055)
	12,998

9. RIGHT-OF-USE ASSETS (CONT'D)

The Company	At 1.1.2021 RM'000	Additions RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
Computer software	-	816	(170)	646

Analysed by:-	
Cost	816
Accumulated depreciation	(170)
	646

(a) The Group leases certain pieces of leasehold land, various offices and shop lots, laboratory equipment and motor vehicles of which the leasing activities are summarised below:-

(i) Leasehold land — The Group has entered into several non-cancellable operating lease agreements for the use of land. The leases are for a period of 99 years with no renewal or purchase option included in the agreements.

(ii) Offices and shop lots — The Group has leased a number of offices and shop lots that run between 1 year and 3 years, with an option to renew the lease after that date.

(iii) Laboratory equipment — The Group has leased certain laboratory equipment under hire purchase arrangements. The leases are secured by the leased assets.

(iv) Motor vehicles — The Group has leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets.

(v) Computer software — The Company has leased its computer software under hire purchase arrangements. The lease is secured by the leased assets.

10. INVENTORIES

	The Group	
	2021 RM'000	2020 RM'000
Non-current:-		
Land held for property development (Note 10(a))	40,700	42,517
Current:-		
Property development costs (Note 10(b))	17,028	13,223
Stores and spares	1,305	1,451
Developed properties held for sale	14,685	14,685
	33,018	29,359
	73,718	71,876

	The Group	
	2021 RM'000	2020 RM'000
Recognised in profit or loss:-		
Inventories recognised as cost of sales	298,394	263,355

(a) Land held for property development (non-current)

	The Group	
	2021 RM'000	2020 RM'000
At cost:-		
At 1 January	42,517	17,389
Addition	-	38,784
Disposal	-	(13,656)
Transfer to property development costs	(1,817)	-
At 31 December	40,700	42,517
Comprise:-		
Freehold land - proprietor's entitlement	36,967	38,784
Right-of-use assets (leasehold land)	3,733	3,733
	40,700	42,517

10. INVENTORIES (CONT'D)

(a) Land held for property development (non-current) (Cont'd)

The right-of-use assets (leasehold land) comprises one (2020 - one) parcels of commercial land which were pledged to a financial institution as security for credit facilities granted to the Group as disclosed in Note 29 to the financial statements.

(b) Property development costs (current)

	The Group	
	2021 RM'000	2020 RM'000
At 1 January:-		
Freehold land	-	1,500
Right-of-use assets (leasehold land)	12,265	12,265
Development costs	958	6,654
	13,223	20,419
During the financial year:-		
Additions	1,988	872
Transferred from land held for property development	1,817	-
Written off	-	(8,068)
	3,805	(7,196)
At 31 December	17,028	13,223
Represented by:-		
Freehold land	1,817	-
Right-of-use assets (leasehold land)	12,265	12,265
Development costs	2,946	958
	17,028	13,223

The freehold land and right-of-use assets (leasehold land) included in the property development costs of the Group are pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 29 and Note 33 to the financial statements.

11. LONG-TERM INVESTMENTS

	The Group	
	2021 RM'000	2020 RM'000
At fair value:-		
Unquoted shares	10	10
Golf club memberships	135	135
	145	145
Unquoted shares:-		
At 1 January/31 December	10	10
Golf club memberships:-		
At 1 January/31 December	135	135

12. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2021 RM'000	2020 RM'000
At 1 January	(4,248)	(4,476)
Recognised in profit or loss (Note 38)	1,973	228
At 31 December	(2,275)	(4,248)
Presented as follows:-		
Deferred tax assets	114	177
Deferred tax liabilities	(2,389)	(4,425)
	(2,275)	(4,248)

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

The deferred tax assets/(liabilities) recognised at the end of the reporting period and before appropriate offsetting are as follows:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deferred tax assets:-				
Provision	1,916	-	-	-
Lease liability	1,314	1,542	-	-
Unutilised tax losses	648	88	-	-
Unabsorbed capital allowances	1,813	-	7	7
	5,691	1,630	7	7
Deferred tax liabilities:-				
Accelerated capital allowances	(7,066)	(4,520)	(7)	(7)
Right-of-use assets	(900)	(1,358)	-	-
	(7,966)	(5,878)	(7)	(7)
Net	(2,275)	(4,248)	-	-

The deferred tax assets on unutilised tax losses and unabsorbed capital allowances have been recognised on the basis of the Group's previous history of recording profits and to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

No deferred tax assets have been recognised in respect of the following items (stated at gross):-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Excess of depreciation over capital allowances	33,213	41,368	-	-
Provision	34,670	32,932	-	-
Unutilised tax losses	94,386	90,270	26,921	26,606
Unabsorbed capital allowances	23,438	9,760	374	173
	185,707	174,330	27,295	26,779

At the end of the reporting period, the unutilised tax losses and unabsorbed capital allowances that (stated at gross) are available to offset against future taxable profits of the subsidiaries and the Company in which the losses and allowances arose. No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiaries and the Company will be available against which the deductible temporary differences can be utilised.

The unused tax losses are allowed to be utilised for 10 (2020 - 7) consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

13. CONTRACT COST ASSETS

	The Group	
	2021 RM'000	2020 RM'000
Incremental costs of obtaining contracts	-	26
Costs to fulfil a contract	606	-
At 31 December	606	26

The costs to fulfil a contract represent material costs incurred for energy solution works that will be used to fulfil the related contract in future. The costs were amortised on a straight-line method over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

In the previous financial year, the incremental costs of obtaining contracts primarily comprised commissions paid to introducers as a result of obtaining contracts. The costs were to be amortised over the period when the related revenue is recognised.

14. TRADE RECEIVABLES

	The Group	
	2021 RM'000	2020 RM'000
Trade receivables	236,810	163,714
Retention sums	57,977	35,386
	294,787	199,100
Allowance for impairment losses	(47,170)	(49,946)
	247,617	149,154
Allowance for impairment losses:-		
At 1 January	(49,946)	(33,064)
Addition during the financial year	(8,199)	(22,526)
Reversal during the financial year	6,824	5,092
Write-off during the financial year	4,151	552
At 31 December	(47,170)	(49,946)

The Group's normal trade credit terms range from 21 to 90 (2020 - 21 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The retention sums are unsecured, interest-free and due to be received within 6 to 24 months or within normal operating cycle (2020 - 6 to 24 months or within normal operating cycle).

15. CONTRACT ASSETS

	The Group	
	2021 RM'000	2020 RM'000
Contract assets relating to:		
- Construction contracts	5,813	28,670
- Rendering of services	-	20
	5,813	28,690

The contract assets primarily relate to the Group's right to consideration for completed works but not yet billed as at the reporting date. The contract assets are recoverable upon billing to customers.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other receivables	93,159	96,625	84,650	84,648
Deposits	23,974	25,130	14	14
Prepayments	5,464	4,578	751	-
	122,597	126,333	85,415	84,662
Allowance for impairment losses	(108,439)	(110,033)	(84,644)	(84,644)
	14,158	16,300	771	18
Allowance for impairment losses:-				
At 1 January	(110,033)	(109,501)	(84,644)	(84,643)
Addition during the financial year	-	(1,609)	-	(1)
Reversal during the financial year	47	1,077	-	-
Write-off during the financial year	1,547	-	-	-
At 31 December	(108,439)	(110,033)	(84,644)	(84,644)

Included in the other receivables and deposits of the Group and of the Company was an amount of RM84,643,170 (2020 - RM84,643,170) paid for the proposed acquisition of 78,750,000 ordinary shares of IDR1,000 each, representing 63% equity interest in PT Anglo Slavic Indonesia. The amount has been fully impaired in the financial year ended 31 December 2014. Notwithstanding that, the Group has initiated legal proceedings to recover the amount as disclosed in Note 45(a) to the financial statements.

Included in the deposits of the Group was an amount of RM18,904,000 (2020 - RM18,904,000) paid as coal trades deposits. The amount has been fully impaired in the financial year ended 31 December 2014. Notwithstanding that, the Group has initiated legal proceedings to recover the amount as disclosed in Note 45(b) to the financial statements.

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
Amount Owing By Subsidiaries		
Non-trade balances	97,266	96,674
Allowance for impairment losses	(1,163)	(978)
	96,103	95,696
Allowance for impairment losses:-		
At 1 January	(978)	(978)
Addition during the financial year	(185)	-
At 31 December	(1,163)	(978)
Amount Owing to Subsidiaries		
Non-trade balances	(3,238)	(3,247)

The amounts owing are non-trade in nature, unsecured, and bore effective interest rates ranging from 1.5% to 6.45% (2020 - 3.49% to 4.38%) per annum and repayable on demand. The amounts owing are to be settled in cash.

18. AMOUNTS OWING BY/(TO) ASSOCIATES

	The Group	
	2021 RM'000	2020 RM'000
Amount Owing by Associates		
Trade balances	1,646	1,287
Amount Owing to Associates		
Trade balances	(1,390)	(1,992)

The trade balances are subject to normal trade credit terms ranging from 30 to 90 (2020 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The amounts owing are to be settled in cash.

Notes to the Financial Statements
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19. SHORT-TERM INVESTMENTS

	The Group	
	2021 RM'000	2020 RM'000
Money market fund, at fair value	32,789	47,133

Short-term investments are classified as financial assets at fair value through profit or loss, measured at fair value.

20. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to approximately RM4,231,000 (2020 - RM4,326,000) are pledged to banks for bank guarantees and credit facilities granted to the subsidiaries.

The effective interest rates of the deposits with licensed banks at the end of the reporting period were as follows:-

	The Group		The Company	
	2021 %	2020 %	2021 %	2020 %
Effective Interest Rates	1.20 to 3.00	1.15 to 3.35	1.6	1.6

The maturity periods of the deposits with licensed banks at the end of the reporting period were as follows:-

Maturity periods (day)	30 to 365	8 to 365	30	30

21. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are as follows:-

(i) a sum of approximately RM7,310,139 (2020 - RM6,857,531) held under a Housing Development Account pursuant to Section 7A of the Housing Development (Control & Licensing) Act 1966.

(ii) a Debt Service Account amounting to RM1,000,000 (2020 - RM1,000,000) pledged to a licensed bank for bank overdraft facilities granted to a subsidiary.

(iii) a Finance Service Account amounting to RM402,000 (2020 - RM402,000) pledged to a licensed bank for term loan facility granted to a subsidiary.

(iv) a Debt Service Reserve Account amounting to RM867,000 pledged to a licensed bank for term loan facility granted to a subsidiary.

22. SHARE CAPITAL

	The Group/The Company			
	2021	2020	2021	2020
	Number of Shares			
	'000	'000	RM'000	RM'000
Issued and fully paid-up				
At 1 January/31 December	495,392	495,392	249,437	249,437

Of the total 495,392,310 (2020 - 495,392,310) issued and fully paid-up ordinary shares at the end of the reporting period, ordinary shares amounted to 13,651,900 (2020 - 13,651,900) were held as treasury shares by the Company. At the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid-up, net of treasury shares, amounted to 481,740,410 (2020 - 481,740,410).

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

23. TREASURY SHARES

	The Group/The Company	
	2021 RM'000	2020 RM'000
At 1 January	3,752	3,118
Share buy-back during the financial year	-	634
At 31 December	3,752	3,752

The amount relates to the acquisition cost of treasury shares.

At the annual general meeting held on 29 June 2021, the shareholders of the Company approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company did not purchase its issued ordinary shares from the open market under the share buy-back programme. Details are as follows:-

Date	Number of Shares	Total Costs RM'000
At 1 January 2021/31 December 2021	13,651,900	3,752

The total shares purchased under the share buy-back programme were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from shareholders' equity. None of the treasury shares were resold during the financial year.

24. FOREIGN EXCHANGE TRANSLATION RESERVE

The exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries, foreign associates and foreign branch and is not distributable by way of dividends.

25. CAPITAL RESERVE

The capital reserve relates to the Group's portion of bonus shares issued by a sub-subsidiary through the capitalisation of its retained profits account. The reserve is not distributable as cash dividends.

26. WARRANTS

On 26 April 2018, the Company issued 106,051,448 Warrants 2018/2023 on the basis of one (1) free Warrant for every four (4) ordinary shares held in the Company. The salient features of Warrants 2018/2023 as constituted in the Deed Poll dated 10 April 2018 are as follows:-

Terms	Details
Exercise Rights	Each Warrant entitles the Warrantholder, at any time during the Exercise Period, to subscribe for one (1) new Ordinary Share at the Exercise Price subject to the conditions in accordance with provisions of the Deed Poll.
Exercise Period	The period commencing on and including the date of issuance of the Warrants and ending at the close of business at 5.00p.m. in Kuala Lumpur, on the Expiry Date. Any Warrants which has not been exercised during the Exercise Period will cease to be valid for any purpose and will be deemed to have lapsed.
Expiry Date	The day preceding the 5th anniversary of the date of issuance of the Warrants and if such day is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day.
Market Day	Any day between Monday to Friday (inclusive), excluding public holidays, and on which Bursa Securities is open for trading of securities.
Exercise Price	The price payable by a Warrantholder upon exercise of the Exercise Rights attached to the Warrants being RM0.75 or adjusted price as determined in accordance with provisions of the Deed Poll, if applicable.
Rights of the Warrantholders	The new Ordinary Share to be issued from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Ordinary Shares, save and except that the new Ordinary Shares to be issued from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid for which the relevant entitlement date is before the date of allotment and issuance of the new Ordinary Shares from the exercise of the Warrants; Warrantholders are not entitled to vote in any general meeting of the Company or to participate in any distribution and/or offer to further securities to the Ordinary Shareholders in the Company unless and until the Warrantholders become Ordinary Shareholders by exercising their respective Warrants in accordance with the terms and conditions contained herein or unless otherwise provided in the Deed Poll.

26. WARRANTS (CONT'D)

The salient features of Warrants 2018/2023 as constituted in the Deed Poll dated 10 April 2018 are as follows (Cont'd):-

Terms	Details
Board Lot	For the purpose of trading on Bursa Securities, 1 board lot of Warrants shall comprise of 100 Warrants carrying the rights to subscribe for 100 new Ordinary Shares at any time during the Exercise Period, or such other denomination as may be varied from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities").
Modification of Rights of the Warrantholders	The Company may, from time to time, without the consent or sanction of the Warrantholders, but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrantholders or is made to correct a manifest error or to comply with prevailing laws of Malaysia, and/or the Main Market Listing Requirements of Bursa Securities.
Governing Law and Jurisdiction	The Deed Poll shall be governed by, and construed in accordance with, the laws of Malaysia and the Courts of Malaysia shall have the exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Deed Poll, and the Company submits and the Warrantholders shall be deemed to have submitted to the exclusive jurisdiction of the Courts of Malaysia in respect of any legal action or proceedings arising out of or in connection with the Deed Poll.

The following is the movement in the number of Warrants 2018/2023 to take up unissued ordinary shares of the Company during the financial year:-

	Number of Warrants 2018/2023
At 1 January 2021/31 December 2021	106,051,448

27. LONG-TERM BORROWINGS

	The Group	
	2021 RM'000	2020 RM'000
Secured:-		
Term loans (Note 29)	68,896	88,786

27. LONG-TERM BORROWINGS (CONT'D)

The long-term borrowings are obtained in accordance with the following terms:-

	The Group	
	2021 RM'000	2020 RM'000
Conventional:-		
Term loans	16,127	32,132
Islamic:-		
Term loans	52,769	56,654
	68,896	88,786

28. LEASE LIABILITIES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	8,801	8,751	-	-
Addition during the financial year	2,012	2,690	816	-
Disposal of a subsidiary	(48)	-	-	-
Interest expense recognised in profit or loss (Note 36)	576	641	20	-
Repayment of principal	(2,931)	(2,640)	(300)	-
Repayment of interest expense	(576)	(641)	(20)	-
	7,834	8,801	516	-
Analysed by:-				
Current liabilities	2,309	2,579	413	-
Non-current liabilities	5,525	6,222	103	-
	7,834	8,801	516	-

Certain lease liabilities of the Group are secured by the Group's laboratory equipment, motor vehicles and computer software under the hire purchase arrangements as disclosed in Notes 9(a)(iii), 9(a)(iv) and 9(a)(v) to the financial statements respectively, with lease terms ranging from 1 to 9 years and bear effective interest rates ranging from 2.56% to 6.03% (2020 - 3.22% to 6.54%).

29. TERM LOANS

	The Group	
	2021 RM'000	2020 RM'000
Current (Note 32):		
- not later than one year	21,593	19,018
Non-current (Note 27):		
- later than one year but not later than two years	33,253	50,874
- later than two years but not later than five years	21,546	37,209
- later than five years	14,097	703
	68,896	88,786
	90,489	107,804

Details of the repayment terms are as follows:-

Term Loan	Number of Monthly Instalment	Monthly Instalments RM	Date of Commencement of Repayment	The Group Amount Outstanding 2021 RM'000	2020 RM'000
1	240	8,205	February 2011	773	841
2	240	3,809	March 2012	366	397
3	24	645,834	May 2018	2,180	11,184
4	120	#	June 2017	21,084	27,084
5	*	*	October 2016	14,573	17,412
6	240	4,892	June 2017	-	687
7 ^	**	**	**	22,400	25,200
8	143	41,808	March 2021	4,400	1,604
9	143	247,045	July 2021	24,713	23,395
				90,489	107,804

29. TERM LOANS (CONT'D)

Notes:-

\# *The repayment of the term loan will be commencing on the 25th month from the date of first drawdown. The monthly repayment schedule is as follows:-*

				RM'000
(i)	1st	-	24th month	-
(ii)	25th	-	48th month	250
(iii)	49th	-	60th month	400
(iv)	61st	-	108th month	500
(v)	109th	-	143rd month	700
(vi)	144th			12,700

* *The term loan is repayable on quarterly basis with 22 quarter instalments of RM1,339,000 per quarter.*

** *The term loan is repayable on quarterly basis with 20 equal instalments of RM1,400,000 per quarter and repayable as follows, whichever is earlier:-*

(a) upon expiry of twenty-four (24) months period from the date of the first disbursement of the term loan; or

(b) upon full disbursement of the term loan.

^ *The Group has not fully drawn down these term loans during the financial year.*

Term loans 1 to 9 are secured by a corporate guarantee of the Company. In addition, the respective term loans are secured as follows:-

Term Loans 1, 2 and 6 are secured by legal charges over certain freehold land and buildings of the Group as disclosed in Note 7(a) to the financial statements.

Term Loan 3 is secured by a first party legal charge over the right-of-use assets (leasehold land) of the Group as disclosed in Note 10 (a) to the financial statements.

Term Loan 4 is secured by:-

(a) a third party legal charge over the freehold land which is included in the property development costs of a subsidiary as disclosed in Note 10 (b) to the financial statements;

(b) a third party legal charge over certain freehold land and building of a subsidiary;

(c) a fixed and floating charge over all present and future asset of a certain project of a subsidiary;

(d) a legal charge and an assignment over the Project Account of the property development project of a subsidiary; and

(e) a legal charge and an assignment over the residual value in the Housing Development Account upon completion of a certain project of a subsidiary.

29. TERM LOANS (CONT'D)

Term Loan 5 is secured by:-

(a) a Facility Agreement stamped to the amount of facilities advance; and

(b) a third party charge ranking pari passu with all existing charges over the property held under a subsidiary.

Term Loan 7 is secured by:-

(a) a first party legal charge over the freehold land of the Group as disclosed in Note 7(a) to the financial statements.

(b) a charge over the Finance Service Reserve Account maintained by a subsidiary as disclosed in Note 21 (iii) to the financial statements.

Term Loans 8 and 9 are secured by legal charges over the solar plant (2020 - solar plant under construction) of the Group as disclosed in Note 7(a) to the financial statements.

30. TRADE PAYABLES

	The Group	
	2021 RM'000	2020 RM'000
Trade payables	138,936	115,170
Accrued costs	36,689	29,133
Retention sums	13,845	24,048
	189,470	168,351
Deferred income	4,800	5,624
	194,270	173,975

The normal trade credit terms granted to the Group range from 14 to 180 (2020 - 14 to 180) days.

The retention sums are unsecured, interest-free and due to be paid within 6 to 12 (2020 - 6 to 12) months or within normal operating cycle.

Deferred income represents course fees received in advance from students and will be recognised as revenue over the period of the courses.

31. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current:-				
Other payables	23,298	23,784	-	-
Current:-				
Other payables	43,896	45,976	86	-
Accruals	26,671	23,322	1,227	884
	70,567	69,298	1,313	884
	93,865	93,082	1,313	884

(a) The non-current payables represent the proprietor's entitlement payable to Penmaland Sdn. Bhd., pursuant to the Joint Development Agreement dated 1 March 2019.

(b) Included in the current other payables and accruals of the Group is an advance payment received from the Government of Malaysia amounting to RM8,700,000 (2020 - RM8,700,000). The amount owing is interest-free, repayable on demand and secured by a corporate guarantee given by a subsidiary to the Government of Malaysia. The amount owing is to be settled in cash.

32. SHORT-TERM BORROWINGS

	The Group	
	2021 RM'000	2020 RM'000
Secured:-		
Revolving credit	70,757	76,757
Term loans (Note 29)	21,593	19,018
Bills payable	51,119	37,057
Total secured borrowings	143,469	132,832

32. SHORT-TERM BORROWINGS (CONT'D)

The short-term borrowings are obtained in accordance with the following terms:-

	The Group	
	2021 RM'000	2020 RM'000
Conventional:-		
Revolving credits	38,757	38,757
Term loans	8,276	8,060
Bills payable	31,129	17,917
	78,162	64,734
Islamic:-		
Revolving credits	32,000	38,000
Term loans	13,317	10,958
Bills payable	19,990	19,140
	65,307	68,098
Total short-term borrowings	143,469	132,832

The secured revolving credit is secured by:-

(a) a corporate guarantee of the Company;

(b) fixed and floating charges on certain property, plant and equipment as disclosed in Note 7(a) to the financial statements; and

(c) a pledge of certain deposits placed with licensed banks as disclosed in Note 20 to the financial statements.

33. BANK OVERDRAFTS

Included in the bank overdrafts is approximately RM15,578,000 (2020 - RM16,144,000) which is secured by:-

(i) a Debt Service Account maintained by a subsidiary as disclosed in Note 21(ii) to the financial statements;

(ii) a first legal charge over the freehold land which is included in the property development costs of a subsidiary as disclosed in Note 10(b) to the financial statements;

(iii) a fixed and floating charge over all present and future assets of the property development project of a subsidiary;

(iv) deed of assignment over the Project Account of the property development project of a subsidiary; and

(v) a corporate guarantee of the Company.

33. BANK OVERDRAFTS (CONT'D)

The remaining bank overdrafts of approximately RM12,814,000 (2020 - RM13,492,000) are secured by an assignment by a subsidiary of the Company on the facilitation fund and proceeds receivable from a project awarded by the Government of Malaysia. The bank overdraft facilities are obtained in accordance with conventional terms.

34. REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Gross dividends from subsidiaries	-	-	13,500	-
Management fees from subsidiaries	-	-	6,780	6,780
Maintenance services	740,083	634,688	-	-
Construction contracts	9,192	16,827	-	-
Property development	2,101	21,595	-	-
Engineering services	22,584	25,138	-	-
Trading and manufacturing	290,762	262,432	-	-
Education	30,925	32,949	-	-
Clean energy	7,835	2,552	-	-
Hotel and hospitality	9,364	-	-	-
	1,112,846	996,181	20,280	6,780

Other than the contracts for original periods of one year or less, the transaction price allocated for the remaining performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period in relation to maintenance and clean energy services amounting to approximately RM11,346,000 (2020 - RM20,997,000) are expected to be recognised as revenue within 1 to 2 (2020 - 1 to 2) years.

35. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Impairment losses:				
- trade receivables (Note 14)	8,199	22,526	-	-
- other receivables (Note 16)	-	1,609	-	1
- amount owing by Subsidiary (Note 17)	-	-	185	-
Reversal of impairment losses:				
- trade receivables (Note 14)	(6,824)	(5,092)	-	-
- other receivables (Note 16)	(47)	(1,077)	-	-
	1,328	17,966	185	1

36. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Audit fee:				
- for the financial year	715	718	88	89
- under/(over)provision in the previous financial year	(21)	17	(1)	(4)
Bad debts written off	-	64	-	-
Depreciation:				
- property, plant and equipment	11,896	10,487	31	25
- investment properties	1,823	1,823	-	-
- right-of-use assets	3,215	3,276	170	-
Property, plant and equipment written off	9	26	-	-
Direct operating expenses on investment properties	1,474	1,641	-	-
Directors' remuneration (Note 37)	5,848	5,210	2,333	1,963
Interest expense:				
- bank overdrafts	1,869	2,602	387	363
- bills payable	807	934	-	-
- lease liabilities	576	641	20	-
- revolving credit	2,812	2,795	-	-
- term loans	4,031	12,163	-	-
- others	36	57	-	-
Lease expenses:				
- short-term leases	1,217	1,507	12	49
- low-value leases	12	20	-	-
Property development costs written off	-	8,068	-	-

36. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Staff costs:				
- salaries, wages, bonuses and allowances	73,778	65,276	4,412	3,682
- defined contribution plan	7,740	7,281	518	437
- other benefits	5,353	3,178	143	239
Gain on disposal of:				
- property, plant and equipment	(278)	(193)	-	-
- right-of-use assets	(5)	-	-	-
Income from short-term investments	(323)	(574)	-	(1)
Interest income:				
- financial institutions	(1,911)	(1,252)	(24)	(27)
- subsidiaries	-	-	(571)	-
Government grant	(1,130)	(914)	(61)	(44)
Net foreign exchange loss/(gain):				
- realised	190	(9)	-	-
Lease income:				
- property, plant and equipment	(342)	(91)	-	-
- others	(125)	(115)	-	-

37. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the Directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive Directors' remuneration:				
- Other emoluments	2,985	2,447	2,079	1,169
Non-executive Directors' remuneration:				
- Fees	265	290	230	255
- Other emoluments	29	29	24	539
	294	319	254	794
Directors of the Subsidiaries				
Executive Directors' remuneration:				
- Fees	103	363	-	-
- Other emoluments	2,466	2,081	-	-
	2,569	2,444	-	-
Total Directors' emoluments	5,848	5,210	2,333	1,963
Estimated money value of benefits-in-kind	87	85	42	42
	5,935	5,295	2,375	2,005

37. DIRECTORS' REMUNERATION (CONT'D)

The aggregate amounts of remuneration received and receivable by the Directors of the Group and the Company during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Presented as follows:-				
Executive:-				
Short-term employee benefits	5,118	4,509	1,955	1,582
Defined contribution plan	436	382	124	102
Estimated money value of benefits-in-kind	87	85	42	42
	5,641	4,976	2,121	1,726
Non-Executive:-				
Short-term employee benefits	289	314	254	279
Defined contribution plan	5	5	-	-
	5,935	5,295	2,375	2,005

38. INCOME TAX EXPENSE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax expenses:				
- for the financial year	20,036	22,438	-	-
- overprovision in the previous financial year	(2,088)	(633)	-	-
	17,948	21,805	-	-
Deferred tax (Note 12):				
- relating to origination and reversal of temporary differences	63	(228)	-	-
- overprovision in the previous financial year	(2,036)	-	-	-
	(1,973)	(228)	-	-
	15,975	21,577	-	-

38. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) before taxation	54,381	14,551	11,301	(2,288)
Tax at the statutory rate of 24% (2020 - 24%)	13,051	3,492	2,712	(549)
Tax effects of:-				
Non-deductible expenses	6,181	14,965	404	353
Non-taxable income	(1,864)	(1,284)	(3,240)	-
Utilisation of deferred tax assets previously not recognised	(883)	(774)	-	-
Deferred tax assets not recognised during the financial year	3,614	5,811	124	196
Overprovision in the previous financial year:				
- current tax	(2,088)	(633)	-	-
- deferred tax	(2,036)	-	-	-
Income tax expense for the financial year	15,975	21,577	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year. The taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

Income tax savings during the financial year arising from:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Utilisation of deferred tax assets previously not recognised arising from:				
- excess of depreciation over capital allowances	351	-	-	-
- provisions	2,358	-	-	-
- tax losses	970	3,225	-	-
	3,679	3,225	-	-

39. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) for the financial year by the weighted average number of ordinary shares in issue excluding treasury shares during the financial year.

	The Group	
	2021	2020
Net profit/(loss) for the financial year (RM'000)	16,697	(25,233)
Weighted average number of ordinary shares in issue ('000)	481,740	482,369
Basic earnings/(loss) per share (sen)	3.47	(5.23)
Diluted earnings/(loss) per share (sen)	3.47	(5.23)

The potential conversion of Warrants is anti-dilutive as its exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the potential exercise of the warrants has been ignored in the calculation of dilutive earnings/(loss) per share and hence, the diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

40. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and addition of right-of-use assets are as follows:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 7)	17,948	41,847	39	27
Right-of-use assets				
Cost of right-of-use assets (Note 9)	2,062	2,930	816	-
Less: Addition of new lease liabilities (Note 28)	(2,012)	(2,690)	(816)	-
	50	240	-	-

40. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

	Term Loans RM'000	Lease Liabilities RM'000	Other Short-term Borrowings RM'000	Total RM'000
The Group				
2021				
At 1 January	107,804	8,801	113,814	230,419
Changes in Financing Cash Flows				
Net proceeds from	5,368	-	8,062	13,430
Repayment of principal	(21,996)	(2,931)	-	(24,927)
Repayment of interests	(4,031)	(576)	(3,619)	(8,226)
	(20,659)	(3,507)	4,443	(19,723)
Non-cash Changes				
Acquisition of new leases	-	2,012	-	2,012
Disposal of a subsidiary	(687)	(48)	-	(735)
Interest expense recognised in profit and loss	4,031	576	3,619	8,226
	3,344	2,540	3,619	9,503
At 31 December	90,489	7,834	121,876	220,199

40. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loans RM'000	Lease Liabilities RM'000	Other Short-term Borrowings RM'000	Dividend Payables RM'000	Total RM'000
The Group					
2020					
At 1 January	292,705	8,751	80,728	2,910	385,094
Changes in Financing Cash Flows					
Net proceeds from	28,467	-	33,086	-	61,553
Repayment of principal	(213,368)	(2,640)	-	-	(216,008)
Repayment of interests	(12,163)	(641)	(3,729)	-	(16,533)
Dividends paid	-	-	-	(2,910)	(2,910)
	(197,064)	(3,281)	29,357	(2,910)	(173,898)
Non-cash Changes					
Acquisition of new leases	-	2,690	-	-	2,690
Interest expense recognised in profit and loss	12,163	641	3,729	-	16,533
	12,163	3,331	3,729	-	19,223
At 31 December	107,804	8,801	113,814	-	230,419

40. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	2021			2020
	Amount owing to subsidiaries RM'000	Lease Liabilities RM'000	Total RM'000	Amount owing to subsidiaries RM'000
The Company				
At 1 January	3,247	-	3,247	3,217
Changes in Financing Cash Flows				
Repayment to	(9)	-	(9)	-
Advances from	-	-	-	30
Repayment of principal	-	(300)	(300)	-
Repayment of interests	-	(20)	(20)	-
	(9)	(320)	(329)	30
Non-cash Changes				
Acquisition of new leases	-	816	816	-
Interest expense recognised in profit and loss	-	20	20	-
	-	836	836	-
At 31 December	3,238	516	3,754	3,247

(c) The total cash outflows for a lease as a lessee are as follows:-

	The Group	
	2021 RM'000	2020 RM'000
Payment of short-term leases	1,223	1,507
Payment of low-value assets	5	20
Interest paid on lease liabilities	576	641
Payment of lease liabilities	(2,931)	2,640
	(1,127)	4,808

40. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term investments	32,789	47,133	-	-
Deposits with licensed banks	28,660	21,516	1,564	1,540
Cash and bank balances	137,976	187,350	965	568
Bank overdrafts	(28,392)	(29,636)	(3,773)	(5,775)
	171,033	226,363	(1,244)	(3,667)
Less: Deposits pledged to licensed banks	(4,231)	(4,326)	(1,564)	(1,540)
Cash and bank balances pledged to a licensed bank	(2,269)	(1,402)	-	-
Short-term investments with maturity periods more than three months	(1,213)	(875)	-	-
	163,320	219,760	(2,808)	(5,207)

41. CAPITAL COMMITMENTS

	The Group	
	2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	162	1,075

42. RELATED PARTY DISCLOSURES

42.1 IDENTITIES OF RELATED PARTIES

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its Directors, associates, key management personnel and entities within the same group of companies.

42. RELATED PARTY DISCLOSURES (CONT'D)

42.2 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiaries:				
- Gross dividends received/receivable	-	-	(13,500)	-
- Management fees received/receivable	-	-	(6,780)	(6,780)
- Rental expense paid/payable	-	-	10	13
Associates:				
- Management fees received/receivable	(342)	(342)	-	-
- Rental income received/receivable	(128)	(112)	-	-
- Service rendered to	(2,119)	(616)	-	-
- Service rendered by	1,880	2,307	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

42.3 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company includes Executive Directors and Non-Executive Directors of the Group and of the Company.

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term employee benefits	5,494	4,960	2,251	1,956
Defined contribution plan	441	387	124	102
	5,935	5,347	2,375	2,058

43. OPERATING SEGMENTS

BUSINESS SEGMENTS

The Group is organised into six major business segments:-

Business Segment	**Principal activities**
Maintenance	The maintenance of federal and state roads.
Construction	The construction of buildings and other infrastructures.
Property development	The development of commercial and residential properties.
Engineering services	The provision of full spectrum of civil engineering work and related services.
Trading and manufacturing	Trading and manufacturing of construction materials.
Education	The provision of tertiary education.
Clean energy	Solar panel installation contract works and supply of power and electricity derived from solar power plant.
Hotel and hospitality	Management operation of hotels.

Other business segment mainly represents investment holding and management services activities.

The key management personnel assess the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4 to the financial statements.

(a) Segment Revenue and Results

Segment results represent profit before taxation of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned. The effects of such inter-segment transactions are eliminated on consolidation.

(b) Segment Assets

Segment assets are measured based on all assets (including goodwill) of the segment, excluding current tax assets and deferred tax assets.

(c) Segment Liabilities

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

Income taxes are managed on a group basis and are not allocated to operating segments.

Assets and liabilities which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly tax-related assets and liabilities.

43. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2021	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Clean Energy RM'000	Hotel and Hospitality RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
Revenue											
External sales	740,083	9,192	2,101	22,584	290,762	30,925	7,835	9,364	-	-	1,112,846
Inter-segment sales	-	10	1,352	6,059	18,367	-	-	-	20,280	(46,068)	-
Total revenue	740,083	9,202	3,453	28,643	309,129	30,925	7,835	9,364	20,280	(46,068)	1,112,846
Represented by revenue recognised:											
- at a point of time	-	-	2,101	-	290,762	-	4,007	9,364	-	-	306,234
- over time	740,083	9,192	-	22,584	-	30,925	3,828	-	-	-	806,612
	740,083	9,192	2,101	22,584	290,762	30,925	7,835	9,364	-	-	1,112,846
Results											
Profit/(Loss) from operations	58,084	4,615	(6,531)	3,694	4,413	(3,139)	1,824	2,029	11,617	(13,727)	62,879
Finance costs	(198)	(2,021)	(1,896)	(1,705)	(959)	(779)	(1,523)	(938)	(407)	571	(9,855)
Net impairment losses on financial assets	(15)	4,813	-	(8,781)	(104)	(1,754)	-	-	-	4,513	(1,328)
Share of profit in associates	2,658	16	-	11	-	-	-	-	-	-	2,685
Segment results	60,529	7,423	(8,427)	(6,781)	3,350	(5,672)	301	1,091	11,210	(8,643)	54,381
Income tax expense											(15,975)
Profit after taxation											38,406
Non-controlling interests											(21,709)
Net profit attributable to owners of the Company											16,697

43. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2021	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Clean Energy RM'000	Hotel and Hospitality RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
Assets											
Segment assets	277,991	165,426	187,874	182,216	109,976	58,587	39,539	5,793	270,845	(409,509)	888,738
Unallocated corporate assets											16,566
Consolidated total assets											905,304
Liabilities											
Segment liabilities	159,838	92,828	176,936	174,188	84,643	37,543	41,881	2,951	10,140	(242,832)	538,116
Unallocated corporate liabilities											6,453
Consolidated total liabilities											544,569
Other Information											
Depreciation and amortisation	6,880	529	2,245	2,296	505	2,285	1,340	819	201	(166)	16,934
Impairment losses on:											
- trade and other receivables	15	-	-	9,541	1,401	1,754	-	-	-	(4,512)	8,199
Interest expenses	1,691	185	1,877	2,786	960	779	1,446	-	407	-	10,131
Gain on disposal of property, plant and equipment	(255)	(11)	-	(2)	(10)	-	-	-	-	-	(278)
Interest and investment income	(1,211)	(214)	(639)	(75)	(1)	(44)	(26)	-	(24)	-	(2,234)
Writeback of impairment losses on:											
- trade and other receivables	-	(4,813)	-	(761)	(1,297)	-	-	-	-	-	(6,871)
Capital expenditure	10,782	6,456	101	580	357	713	167	-	854	-	20,010

43. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2020	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Clean Energy RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
Revenue										
External sales	634,688	16,827	21,595	25,138	262,432	32,949	2,552	-	-	996,181
Inter-segment sales	-	12,850	1,239	8,701	17,963	-	-	6,780	(47,533)	-
Total revenue	634,688	29,677	22,834	33,839	280,395	32,949	2,552	6,780	(47,533)	996,181
Represented by revenue recognised:										
- at a point of time	-	-	21,595	-	262,432	-	-	-	-	284,027
- over time	634,688	16,827	-	25,138	-	32,949	2,552	-	-	712,154
	634,688	16,827	21,595	25,138	262,432	32,949	2,552	-	-	996,181
Results										
Profit/(Loss) from operations	57,026	4,567	(13,737)	(9,617)	6,099	(1,543)	(177)	(2,052)	(331)	40,235
Finance costs	(279)	(1,494)	(3,472)	(2,047)	(1,156)	(813)	(861)	(363)	56	(10,429)
Net impairment losses on financial assets	407	(5,519)	(409)	(8,356)	(3,074)	(1,014)	-	(1)	-	(17,966)
Share of profit in associates	2,988	(136)	-	(141)	-	-	-	-	-	2,711
Segment results	60,142	(2,582)	(17,618)	(20,161)	1,869	(3,370)	(1,038)	(2,416)	(275)	14,551
Income tax expense										(21,577)
Profit after taxation										(7,026)
Non-controlling interests										(18,207)
Net profit attributable to owners of the Company										(25,233)

43. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2020	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Clean Energy RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
Assets										
Segment assets	241,109	185,474	205,407	197,237	89,342	66,650	37,964	260,565	(416,559)	867,189
Unallocated corporate assets										10,054
Consolidated total assets										877,243
Liabilities										
Segment liabilities	132,087	107,407	209,686	183,673	64,399	34,010	39,795	11,072	(253,025)	529,104
Unallocated corporate liabilities										9,883
Consolidated total liabilities										538,987
Other Information										
Depreciation and amortisation	6,390	782	2,110	2,820	659	2,818	311	25	(329)	15,586
Impairment losses on:										
- trade and other receivables	-	5,915	409	13,722	3,074	1,014	-	1	-	24,135
Interest expenses	279	10,559	2,816	2,390	1,156	813	819	360	-	19,192
Gain on disposal of property, plant and equipment	(152)	(6)	-	(35)	-	-	-	-	-	(193)
Interest and investment income	(1,259)	(141)	(44)	(108)	(7)	(233)	(5)	(29)	-	(1,826)
Writeback of impairment losses on:										
- trade and other receivables	(407)	(396)	-	(5,366)	-	-	-	-	-	(6,169)
Capital expenditure	6,608	-	6	12,712	287	229	27,258	27	(2,350)	44,777

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segment is not presented.

43. OPERATING SEGMENTS (CONT'D)

MAJOR CUSTOMER

The following are major customers with revenue equal to or more than 10% of Group revenue:-

Customer Name	Revenue		Segment
	2021 RM'000	2020 RM'000	
Customer A	692,563	589,723	Maintenance

44. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

44.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily, Libyan Dinar, Euro, South African Rand, Sri Lanka Rupee and United States Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group 2021	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
Financial Assets							
Long-term investments	-	-	-	-	-	145	145
Trade receivables	-	-	-	-	-	247,617	247,617
Other receivables	-	-	-	-	180	3,444	3,624
Amount owing by associates	-	-	-	-	-	1,646	1,646
Short-term investments	-	-	-	-	-	32,789	32,789
Deposits with licensed banks	-	-	-	299	-	28,361	28,660
Cash and bank balances	1,102	6	178	597	1	136,092	137,976
	1,102	6	178	896	181	450,094	452,457

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group 2021	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
Financial Liabilities							
Trade payables	53	-	-	-	-	189,417	189,470
Other payables and accruals	98	-	4	-	-	93,763	93,865
Amount owing to associates	-	-	-	-	-	1,390	1,390
Lease liabilities	-	-	-	-	-	7,834	7,834
Borrowings	-	-	-	-	-	212,365	212,365
Bank overdrafts	-	-	-	-	-	28,392	28,392
	151	-	4	-	-	533,161	533,316
Net financial assets/ (liabilities)	951	6	174	896	181	(83,067)	(80,859)
Less: Net financial (assets)/liabilities denominated in the respective entities functional currencies	(951)	(6)	(174)	(896)	(181)	83,067	80,859
Currency exposure	-	-	-	-	-	-	-

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group 2020	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
Financial Assets							
Long-term investments	-	-	-	-	-	145	145
Trade receivables	-	-	-	-	-	149,154	149,154
Other receivables	-	-	-	-	132	5,364	5,496
Amount owing by associates	-	-	-	-	-	1,287	1,287
Short-term investments	-	-	-	-	-	47,133	47,133
Deposits with licensed banks	-	-	-	299	-	21,217	21,516
Cash and bank balances	4,318	7	2,184	618	1	180,222	187,350
	4,318	7	2,184	917	133	404,522	412,081

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group 2020	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
Financial Liabilities							
Trade payables	178	-	-	-	-	168,173	168,351
Other payables and accruals	306	-	-	-	-	92,776	93,082
Amount owing to associates	-	-	-	-	-	1,992	1,992
Lease liabilities	-	-	-	-	-	8,801	8,801
Borrowings	-	-	-	-	-	221,618	221,618
Bank overdrafts	-	-	-	-	-	29,636	29,636
	484	-	-	-	-	522,996	523,480
Net financial assets/ (liabilities)	3,834	7	2,184	917	133	(118,474)	(111,399)
Less: Net financial (assets)/liabilities denominated in the respective entities functional currencies	(3,834)	(7)	(2,184)	(917)	(133)	118,474	111,399
Currency exposure	-	-	-	-	-	-	-

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the profit or loss after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Exposure to Interest Rate Risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period are as follows:-

	The Group	
	2021 RM'000	2020 RM'000
Fixed Rate Instruments		
Deposits with licensed banks	28,660	21,516
Lease liabilities	(7,834)	(8,801)
Bills payable	(51,119)	(37,057)
Revolving credit	(70,757)	(76,757)
	(101,050)	(101,099)
Floating Rate Instruments		
Term loans	(90,489)	(107,804)
Bank overdrafts	(28,392)	(29,636)
	(118,881)	(137,440)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Exposure to Interest Rate Risk (Cont'd)

	The Company	
	2021 RM'000	2020 RM'000
Fixed Rate Instrument		
Deposits with licensed bank	1,564	1,540
Lease liabilities	(516)	-
	1,048	1,540
Floating Rate Instrument		
Bank overdrafts	(3,773)	(5,775)

Interest Rate Risk Sensitivity Analysis

The interest rate risk sensitivity analysis on the fixed rate instruments is not disclosed as these financial instruments are measured at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021 Increase/ (Decrease) RM'000	2020 Increase/ (Decrease) RM'000
Effects on Profit/(Loss) After Taxation/Other Comprehensive Income/(Expenses)		
Increase of 100 basis points (bp)	(903)	(1,045)
Decrease of 100 bp	903	1,045

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis (Cont'd)

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant (Cont'd):-

	The Company	
	2021 Increase/ (Decrease) RM'000	**2020 Increase/ (Decrease) RM'000**
Effects on (Loss)/Profit After Taxation/Other Comprehensive (Expenses)/Income		
Increase of 100 bp	(29)	(44)
Decrease of 100 bp	29	44

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risks relates to the amount owing by the Government of Malaysia which constituted a significant amount of its total trade receivables at the end of the reporting date.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all 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 contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than a year, are deemed credit impaired and assesses their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 (2020 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

For construction services, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2021			
Not past due	40,982	(3,826)	37,156
Past due:			
- less than 6 months	174,565	(1,364)	173,201
- 6 to 12 months	17,770	(797)	16,973
- 1 to 2 years	16,601	(4,134)	12,467
- more than 2 years	10,154	(2,334)	7,820
	260,072	(12,455)	247,617
Credit impaired:			
- individually impaired	34,715	(34,715)	-
Trade receivables	294,787	(47,170)	247,617
Contract assets	5,813	-	5,813
	300,600	(47,170)	253,430

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The Group	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2020			
Not past due	62,380	(292)	62,088
Past due:			
- less than 6 months	38,002	(1,150)	36,852
- 6 to 12 months	4,987	(1,086)	3,901
- 1 to 2 years	5,700	(963)	4,737
- more than 2 years	43,189	(1,613)	41,576
	154,258	(5,104)	149,154
Credit impaired:			
- individually impaired	44,842	(44,842)	-
Trade receivables	199,100	(49,946)	149,154
Contract assets	28,690	-	28,690
	227,790	(49,946)	177,844

The movements in the loss allowances in respect of trade receivables are disclosed in Note 14 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for other receivables. At the end of the reporting period, there was no indication that the amount owing is not recoverable other than those which had already impaired in the previous financial year.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for other receivables are summarised as below:-

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2021			
Low credit risk	3,624	-	3,624
Credit impaired	89,535	(89,535)	-
	93,159	(89,535)	3,624
2020			
Low credit risk	5,496	-	5,496
Credit impaired	91,129	(91,129)	-
	96,625	(91,129)	5,496
The Company			
2021			
Low credit risk	6	-	6
Credit impaired	84,644	(84,644)	-
	84,650	(84,644)	6
2020			
Low credit risk	4	-	4
Credit impaired	84,644	(84,644)	-
	84,648	(84,644)	4

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated for amount owing by subsidiaries are summarised below:-

The Company	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2021			
Low credit risk	96,103	-	96,103
2020			
Low credit risk	95,696	-	95,696

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Or Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2021						
Non-derivative Financial Liabilities						
Trade payables	-	189,470	189,470	189,470	-	-
Other payables and accruals	-	93,865	93,865	93,865	-	-
Amount owing to associates	-	1,390	1,390	1,390	-	-
Lease liabilities	2.56 to 6.03	7,834	9,196	2,792	6,355	49
Term loans	3.77 to 4.97	90,489	94,996	24,022	70,340	634
Bills payable	2.01 to 4.05	51,119	51,119	51,119	-	-
Revolving credit	2.97 to 4.96	70,757	70,757	70,757	-	-
Bank overdrafts	6.45 to 6.57	28,392	28,392	28,392	-	-
		533,316	539,185	461,807	76,695	683

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Or Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2020						
Non-derivative Financial Liabilities						
Trade payables	-	168,351	168,351	168,351	-	-
Other payables and accruals	-	93,082	93,082	69,298	12,544	11,240
Amount owing to associates	-	1,992	1,992	1,992	-	-
Lease liabilities	3.22 to 6.54	8,801	9,003	2,690	3,524	2,789
Term loans	2.20 to 7.35	107,804	122,697	22,925	95,320	4,452
Bills payable	2.01 to 2.90	37,057	37,057	37,057	-	-
Revolving credit	2.94 to 5.05	76,757	76,757	76,757	-	-
Bank overdrafts	6.45 to 7.79	29,636	29,636	29,636	-	-
		523,480	538,575	408,706	111,388	18,481

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On Demand Or Within 1 Year RM'000	1 - 5 Years RM'000
2021					
Non-derivative Financial Liabilities					
Other payables and accruals	-	1,313	1,313	1,313	-
Amount owing to subsidiaries	-	3,238	3,238	3,238	-
Lease liabilities	6.03	516	549	439	110
Bank overdrafts	6.50	3,773	3,773	3,773	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries #	-	-	334,052	334,052	-
		8,840	342,925	342,815	110
2020					
Non-derivative Financial Liabilities					
Other payables and accruals	-	884	884	884	-
Amount owing to subsidiaries	-	3,247	3,247	3,247	-
Bank overdrafts	6.50	5,775	5,775	5,775	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries #	-	-	337,895	337,895	-
		9,906	347,801	347,801	-

- *The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.*

44. FINANCIAL INSTRUMENTS (CONT'D)

44.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt (total interest-bearing borrowings less cash and cash equivalents) divided by total equity.

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

	The Group	
	2021 RM'000	2020 RM'000
Lease liabilities	7,834	8,801
Term loans	90,489	107,804
Bills payable	51,119	37,057
Revolving credit	70,757	76,757
Bank overdrafts	28,392	29,636
	248,591	260,055
Less: Short-term investments	(32,789)	(47,133)
Deposits with licensed banks	(28,660)	(21,516)
Cash and bank balances	(137,976)	(187,350)
Net debt	49,166	4,056
Total equity	360,375	338,256
Debt-to-equity ratio	0.14	0.01

There was no change in the Group's approach to capital management during the financial year.

Notes to the Financial Statements
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(Continued)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial Assets				
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition				
Long-term investments	145	145	-	-
Amortised Cost				
Trade receivables	247,617	149,154	-	-
Other receivables	3,624	5,496	6	4
Amount owing by subsidiaries	-	-	96,103	95,696
Amount owing by associates	1,646	1,287	-	-
Deposits with licensed banks	28,660	21,516	1,564	1,540
Cash and bank balances	137,976	187,350	965	568
	419,523	364,803	98,638	97,808
Fair Value Through Profit or Loss				
Short-term investments	32,789	47,133	-	-
Financial Liabilities				
Amortised Cost				
Trade payables	189,470	168,351	-	-
Other payables and accruals	93,865	93,082	1,313	884
Amount owing to subsidiaries	-	-	3,236	3,247
Amount owing to associates	1,390	1,992	-	-
Lease liabilities	7,834	8,801	516	-
Term loans	90,489	107,804	-	-
Bills payable	51,119	37,057	-	-
Revolving credit	70,757	76,757	-	-
Bank overdrafts	28,392	29,636	3,773	5,775
	533,316	523,480	8,838	9,906

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial Assets				
Amortised Cost				
Net (losses)/gains recognised in profit or loss	583	(16,778)	595	26
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	323	574	-	1
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	(10,131)	(19,192)	(407)	(363)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2021								
Financial assets								
Long-term investments	-	-	145	-	-	-	145	145
Short-term investments	-	32,789	-	-	-	-	32,789	32,789
Financial liabilities								
Term loans	-	-	-	-	90,489	-	90,489	90,489

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2020								
Financial assets								
Long-term investments	-	-	145	-	-	-	145	145
Short-term investments	-	47,133	-	-	-	-	47,133	47,133
Financial liabilities								
Term loans	-	-	-	-	107,804	-	107,804	107,804

44. FINANCIAL INSTRUMENTS (CONT'D)

44.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values above have been determined using the following basis:-

(aa) The fair value of golf club memberships is determined based on enquiry made to the respective golf clubs; and

(bb) The fair value of short-term investment is determined by reference to statements provided by the respective financial institution, with which the investments were entered into.

(ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair value of term loans, which are for disclosure purpose, are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2021 %	2020 %
Term loans	3.77 to 4.97	2.20 to 7.35

45. MATERIAL LITIGATIONS

The following are the material litigations involving the Group and the Company during the financial year:-

(a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant:-

On 28 December 2012, the Company entered into a conditional Sale and Purchase Agreement ("Conditional SPA") with PT ASU to acquire 95,000,000 ordinary shares of IDR1,000 each in PT Anglo Slavic Indonesia ("PT ASI"), representing 76% equity interest in PT ASI for a proposed purchase consideration of USD55,000,000.

PT ASI holds 95% equity interest in PT Firman Andalan Sakti ("PT FAS") which in turn holds 70% equity interest in PT Hase Bumou Aceh ("PT Haseba") ("PT ASI Group"). PT ASU as vendor represented in the Conditional SPA that PT Haseba had a 10-year production management partnership agreement ("PMP Agreement") with PT Pertamina (PERSERO) ("Pertamina") to develop and to produce oil and gas in the Kuala Simpang Timur Field from 14 December 2004.

45. MATERIAL LITIGATIONS (CONT'D)

(a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (Cont'd):-

On 29 January 2014, the Company entered into an Amended and Restated Sale and Purchase Agreement ("Restated SPA") with PT ASU to amend vary and restate, in its entirety, the Conditional SPA. With the execution of the Restated SPA, the Company agreed to acquire 78,750,000 ordinary shares of IDR1,000 each in PT ASI representing 63% equity interest in PT ASI from PT ASU for a total purchase consideration of USD22,000,000 (RM68,393,170) ("Purchase Consideration"). Parties thereto agreed that the Purchase Consideration was to be settled by way of setting off the deposit of USD16,340,563 (equivalent to RM50,000,000 based on the agreed exchange rate of USD1:RM3.05987 as at 28 December 2012) initially paid by the Company to PT ASU pursuant to the Conditional SPA and the balance thereof in cash.

The Restated SPA was subject to, among others, the following conditions subsequent to the completion of the Restated SPA which were to be fulfilled within six months from the date of the Restated SPA ("Conditional Period"):-

(i) Consent of Pertamina for the sale and purchase of the shares pursuant to the Restated SPA;

(ii) Extension of the PMP Agreement for a further 10-year period; and

(iii) Issuance of Surat Keterangan Terdaftar Minyak & Gas license by the Ministry of Energy and Mineral Resources' General of Oil and Gas Indonesia to PT Haseba.

Upon execution of the Restated SPA, the Company paid the balance Purchase Consideration amounting to USD5,659,437 (RM18,393,170) to PT ASU. In February 2014, pursuant on the terms of the Restated SPA, the Company made a further advance of USD5,000,000 (RM16,250,000) to PT ASI for working capital purposes ("Advance"). The total amounts paid to PT ASU and PT ASI collectively amounted to USD27,000,000 being the Purchase Consideration and the Advance.

On 5 August 2014, the Company announced that the conditions subsequent pursuant to the completion of Restated SPA had not been fulfilled by PT ASU within the Conditional Period and accordingly, the Restated SPA lapsed on 28 July 2014. The Company terminated the Restated SPA on 4 August 2014 and 14 August 2014.

On 22 September 2014, the Company filed a legal suit against PT ASU and the two former Directors, namely the 2nd and the 3rd defendant for, among others, the refund of the Purchase Consideration and Advance.

The total amount claimed against PT ASU and the two former Directors ("2nd and 3rd Defendants") are as follows:-

<u>Against PT ASU</u>

(i) A payment of USD22,000,000;

(ii) Pre-judgement interest on USD22,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;

(iii) Post-judgement interest on USD22,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum; and

(iv) Damages for the breach of the Restated SPA.

45. MATERIAL LITIGATIONS (CONT'D)

(a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (Cont'd):-

Against the 2nd and 3rd Defendants

(i) A payment of USD27,000,000 (including the Advance);

(ii) Pre-judgement interest on USD27,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;

(iii) Post-judgement interest on USD27,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum;

(iv) Damages for fraud and conspiracy; and

(v) General damages, aggravated and exemplary.

The status of this suit is as follows:-

PT ASU's application to stay this legal proceeding pending arbitration was dismissed by the KL High Court on 11 August 2015. Thereafter, PT ASU filed an appeal to the Court of Appeal Malaysia (Appeal Jurisdiction) at Wilayah Persekutuan Putrajaya ("Court of Appeal") which was allowed on 25 February 2016. Pursuant to the decision of the Court of Appeal, the action against PT ASU is now stayed pending the referral of the matter to arbitration in accordance with the rules of the Kuala Lumpur Regional Centre of Arbitration.

Following the decision of the Court of Appeal on 25 February 2016, the 2nd and 3rd Defendants have filed their stay application pending the disposal of the arbitration between PT ASU and our Company. This application has been granted on 20 December 2016. The Company had then filed an appeal against the said High Court decision to the Court of Appeal. The Court of Appeal had on 29 January 2019, allowed the Company's appeal and remitted the case back to the High Court against the 2nd and 3rd Defendants. The 2nd and 3rd Defendants had on 28 February 2019 respectively filed an application by way of motion for leave to appeal to the Federal Court ("2nd and 3rd Defendants' Motion"). The 2nd and 3rd Defendants' Motion were dismissed on 25 March 2019. Both the 2nd and 3rd Defendants filed an application to the Court of Appeal for stay of the High Court proceedings pending the hearing of the said 2nd and 3rd Defendants' Motion. The stay application has been dismissed by the Court of Appeal on 28 January 2019.

The 2nd and the 3rd Defendants had on 20 September 2019 filed an application to strike out the Kuala Lumpur High Court Suit No.: 22NCC-362-09/2014 ("Strike Out Application"). The Strike Out Application has been fixed for Hearing on 27 August 2020. The Strike Out Application was heard on 27 August 2020 and dismissed by the High Court Judge on 10 September 2020 with costs of RM25,000 to be paid by the 2nd and the 3rd Defendants to the Company. The 2nd and 3rd Defendants had filed an appeal at the Court of Appeal against the decision of the High Court on 10 September 2020 dismissing the Strike Out Application. The appeal has been fixed for continued Hearing on 11 January 2022 and the appeal has been dismissed by the Court of Appeal with costs of RM30,000 to be paid to the Company by both the 2nd and 3rd Defendant. The 2nd and 3rd Defendant had on 10 February 2022 filed an application for leave via notice of motion at the Federal Court ("Leave Application") seeking leave to appeal to the Federal Court against the decision of the High Court on 10 September 2020 dismissing the Strike Out Application and the decision of the Court of Appeal on 11 January 2022 dismissing the appeal. The Leave Application is fixed for Hearing on 27 June 2022.

45. MATERIAL LITIGATIONS (CONT'D)

(a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (Cont'd):-

The Company had on 13 May 2020 filed 3 applications for leave to appeal to the Federal Court ("Federal Court Applications") against the judgment of the Court of Appeal dated 6 March 2020 (appeals in relation to Bankers' Books (Evidence) Act 1949). The said applications are fixed for Case Management on 28 July 2020 and for Hearing on 25 August 2020 at the Federal Court. The Federal Court Applications were granted by the Federal Court on 25 August 2020. As such, the Company has filed its appeal at the Federal Court. The appeal to the Federal Court was fixed for hearing on 5 January 2021 and the Federal Court has fixed 23 August 2021 for Decision. The appeal was allowed by the Federal Court on 23 August 2021 and therefore, the judgment of the Court of Appeal dated 6 March 2020 is set aside. With that, the Company is allowed to use the documents obtained from the banks as part of its evidence. However, the Company will still need to prove the documents in accordance with the standard of proof as set out in the provisions of the BBEA and the Evidence Act, 1950.

On 19 January 2021, the 2nd and 3rd Defendants had filed an application to stay the proceedings at the Kuala Lumpur High Court pending the disposal of their appeal at the Court of Appeal. The said application for a stay of proceedings which was fixed for hearing before the learned High Court Judge on 2 March 2021 has been dismissed with costs of RM8,500 to be paid by the 2nd and 3rd Defendant to the Company.

The Full Trial for the Kuala Lumpur High Court Suit No.: 22NCC-362-09/2014 has commenced on 15 and 27 October 2021, 8, 10, 11, 12 and 26 November 2021, 6 and 17 December 2021, 19 January 2022 and on 2, 3 and 4 March 2022 whereas the Full Trial scheduled on 22, 23, and 25 March 2022 have been vacated.

The Court has fixed more Full Trial dates on 15 April 2022, 5, 6, 13, 26, 30 and 31 May 2022, 16 and 17 June 2022.

Notwithstanding the above litigation, the purchase consideration paid and advance made amounting to RM68,393,170 and RM16,250,000 respectively have been fully impaired in the financial year ended 31 December 2014.

(b) High Court of Malaya at Shah Alam ("SA High Court") Suit No. 22NCVC-561-11/2014 between Protasco Trading Sdn Bhd ("PTSB") as plaintiff against PT Goldchild Integritas Abadi ("Goldchild") and Ooi Kock Aun ("OKA") as defendants:-

PTSB, a wholly owned subsidiary of the Company, had entered into an agreement dated 4 February 2013 ("Agreement") to undertake coal trades with Goldchild.

Pursuant to the terms of the Agreement and to facilitate coal purchases, a deposit ("Deposit") of USD5,161,290 (approximately RM16,000,000) was paid by PTSB to Goldchild on 4 February 2013. The Deposit is to be deducted in stages against future coal trades.

On 19 July 2013, PTSB entered into a Coal Stockpile Joint Venture Agreement with Goldchild to provide a sum of not exceeding USD900,000 (approximately RM2,904,000) for the purpose of the joint venture to purchase coal in Indonesia and resell the coal to potential buyers, subject to such terms and conditions as stipulated in the Coal Stockpile Joint Venture Agreement.

45. MATERIAL LITIGATIONS (CONT'D)

(b) High Court of Malaya at Shah Alam ("SA High Court") Suit No. 22NCVC-561-11/2014 between Protasco Trading Sdn Bhd ("PTSB") as plaintiff against PT Goldchild Integritas Abadi ("Goldchild") and Ooi Kock Aun ("OKA") as defendants (Cont'd):-

On 21 November 2014, PTSB filed a legal suit against Goldchild and one of the former Directors of the Company, OKA, when the Company uncovered that OKA has an undisclosed interest in Goldchild.

OKA filed an application to strike out the legal suit against him and the application was dismissed on 19 October 2015. Thereafter, OKA filed an appeal against the SA High Court decision to the Court of Appeal. OKA's appeal has been struck off with liberty to file afresh and with no order as to costs by the Court of Appeal on 17 May 2018.

Goldchild's application to stay this legal proceeding pending arbitration was allowed by the SA High Court on 19 October 2015. Thereafter, PTSB filed an appeal against the SA High Court decision to the Court of Appeal. This appeal was withdrawn by PTSB on 24 August 2016.

Since the legal suit against Goldchild has been stayed pending arbitration, OKA filed an application for stay pending arbitration between PTSB and Goldchild which was allowed on 13 January 2016. PTSB then filed an appeal against the SA High Court decision to the Court of Appeal. This application was dismissed by the Court of Appeal on 24 August 2016. PTSB had on 23 September 2016 filed an application for leave via notice of motion seeking leave to appeal to the Federal Court of Malaysia at Wilayah Persekutuan Putrajaya ("Federal Court"). The Motion has been dismissed by the Federal Court on 11 January 2018.

Pursuant to the decision of the Federal Court, the action against PT Goldchild and OKA in the SA High Court is now stayed pending the arbitration proceedings between PT Goldchild and PTSB in Jakarta, Indonesia in accordance with the rules of Badan Arbitrase Nasional Indonesia ("BANI").

Notwithstanding the above litigation, the coal trade deposits made to Goldchild amounted to RM18,904,000 had been fully impaired in the financial year ended 31 December 2014.

(c) Notice of Adjudication pursuant to Section 8 of the Construction Industry Payment and Adjudication Act 2012 served on HCM Engineering Sdn Bhd ("HCM"):-

On 6 July 2018, HCM was served with Adjudication Decision dated 4 July 2018 whereby HCM shall pay Kuasatek Sdn Bhd ("Kuasatek") the sum of RM2,959,440 within 14 days from the date of the Adjudication Decision.

HCM had on 8 August 2018 filed the following applications in the High Court of Malaya at Kuala Lumpur ("KL High Court"):-

(a) An application by way of Originating Summons to set aside the Adjudication Decision pursuant to Section 15(b) and Section 15(d) of the Construction Industry Payment Adjudication Act 2012 ("the Setting Aside Application"). The Setting Aside Application was dismissed;

(b) An application by way of Originating Summons to stay the Adjudication Decision pursuant to Section 16 of the Construction Industry Payment Adjudication Act 2012 pending arbitration ("the Stay Application"). The Stay Application was dismissed.

In addition, HCM has served a Notice to Request for Arbitration dated 6 August 2018 to Kuasatek to refer the claim to arbitration pursuant to Article 3, Part II of the Asian International Arbitration Rules 2018.

45. MATERIAL LITIGATIONS (CONT'D)

(c) Notice of Adjudication pursuant to Section 8 of the Construction Industry Payment and Adjudication Act 2012 served on HCM Engineering Sdn Bhd ("HCM") (Cont'd):-

Meanwhile, Kuasatek had, on 9 August 2018, served on HCM, an application by way of Originating Summons for an order that the Adjudication Decision dated 4 July 2018 be enforced as a judgement against HCM in the KL High Court pursuant to Section 28(1) of the Construction Industry Payment Adjudication Act 2012 ("the Enforcement Application"). The Enforcement Application was allowed. HCM has on 2 November 2018 filed an application for stay of the enforcement allowed by the High Court. At the Hearing on 22 November 2018, the parties have entered into Consent Order based on the following terms:-

(i) HCM will pay the Adjudicated Sum amounting to RM3,116,428 by 27 November 2018;

(ii) Kuasatek undertakes not to commence winding up proceedings and any other execution proceedings;

(iii) Kuasatek undertakes to refund any monies paid under (i), in excess of the sum which the HCM is liable to pay pursuant to the outcome of the current appeal to Court of Appeal by HCM, any arbitration or litigation involving current dispute between the parties.

On 29 October 2018, HCM filed an appeal to the Court of Appeal against the decision of the High Court in dismissing the Setting Aside Application and allowing the Enforcement Application. The hearing date is fixed on 17 June 2019 and it has been further rescheduled to 23 September 2019 wherein the appeals have been dismissed with costs of RM5,000. With the dismissal, all appropriate actions pursuant to the Construction Industry Payment and Adjudication Act 2012 have been exhausted and concluded.

Meanwhile, HCM had on 8 March 2019 filed a legal suit at the Kuala Lumpur High Court against Kuasatek ("Legal Proceeding").

HCM's claim against Kuasatek is premised on breach of contract by Kuasatek pursuant to a Letter of Appointment for Mechanical and Electrical Works Packages (Contract No: HCM/P48-AFC/LA/C/16/V1(07) dated 15 March 2016, a work package under a project previously awarded to HCM known as "The Design And Built Contract For The Proposed Additional Of A 4 Storey Office Building With Basement Car Parking To The Existing Facilities On Lot No. 38627, Bukit Jalil, Mukim Petaling, Daerah Kuala Lumpur, Malaysia For Asian Football Confederation." Kuasatek was the mechanical and electrical works sub-contractor for HCM.

The Legal Proceeding is to finally determine the liability of Kuasatek under the contract and for the refund of the Adjudicated Sum paid to Kuasatek pursuant to the Adjudication Decision dated 4 July 2018.

HCM's claims against Kuasatek are as follows:-

(a) A declaration that the contract dated 13 May 2016 between HCM and Kuasatek is for the sum of RM9,500,000;

(b) A declaration that Kuasatek has breached the contract;

(c) A declaration that HCM is allowed to set off the sum of RM288,205 as the costs to rectify the defectives works and/or work done on behalf;

(d) A declaration that HCM is allowed to set off the sum of RM930,000 as Liquidated Ascertained Damages;

(e) A declaration that HCM is allowed to withhold the sum of RM475,000 as the performance bond until the issuance of the Certificate of Making Good Defects by Asian Football Confederation;

45. MATERIAL LITIGATIONS (CONT'D)

(c) Notice of Adjudication pursuant to Section 8 of the Construction Industry Payment and Adjudication Act 2012 served on HCM Engineering Sdn Bhd ("HCM") (Cont'd):-

(f) Kuasatek shall pay the sum of RM12,889 to HCM;

(g) Kuasatek shall refund the sum of RM2,968,457 to HCM forthwith being the excess payment paid by HCM to Kuasatek for work done;

(h) Kuasatek shall refund the sum of RM106,572 to HCM forthwith being the sum paid by HCM to Kuasatek for legal costs, adjudication costs and expenses;

(i) General damages to be assessed by this Honourable Court;

(j) Interest at the rate of 5% p.a. on the amount in (f), (g), (h) and (i) above from the date of Judgement until date of full payment; and

(k) Costs.

On 16 April 2019, Kuasatek filed its defence and counterclaim against HCM for a sum of RM733,548.

KL High Court had fixed the following dates in respect of the legal proceeding filed by HCM against Kuasatek on 11 March 2019, claiming the sum of RM3,087,917.74 for breach of contract by Kuasatek:-

1. It has been fixed for case management on 3 September 2020.
2. It has been fixed for full trial from 5 October 2020 until 9 October 2020.

The trial has been partially completed on the 5th, 6th and 7th October 2020. The KL High Court has fixed 13 January 2021 for continued trial. Due to the Movement Control Order imposed by the Government of Malaysia, the continued trial which was fixed on 13 January 2021 has been vacated. The KL High Court has further fixed 11 October 2021 for continued Full Trial.

The Full Trial for the legal proceeding has been concluded on 11 October 2021. The Court has fixed 17 February 2022 for oral submission/clarification before the Court Judge. At the conclusion of the oral submission/clarification, the Legal Proceeding is fixed for Decision on 30 March 2022.

The Court had on 30 March 2022 ("Judgment Date") ruled the following judgment ("Judgment") in favour of HCM on the legal proceeding, the details of which are as follows:

(i) HCM has been awarded a judgment sum of RM584,280 ("Judgment Sum") being an overpayment made to Kuasatek;
(ii) Kuasatek is to remit the said Judgment Sum from the Judgment Date, failing which an interest at the rate of 5% per annum will be imposed from the Judgment Date until full and final settlement of the Judgment Sum; and
(iii) Legal costs of RM60,000 is awarded to HCM due to the complexity, amount of works and time used for the entire legal proceeding.

Kuasatek has a time limit of one (1) month from the Judgment Date to file an appeal to the Court of Appeal to appeal against the Judgment.

45. MATERIAL LITIGATIONS (CONT'D)

(d) High Court of Malaya at Penang ("Penang High Court") Suit No: PA-22NCVC-155-09/2020 between Tenaga Nasional Berhad ("TNB") as Plaintiff against Kumpulan Ikram Sdn Bhd ("KISB") as the Defendant:-

TNB had, vide an agreement dated 13 July 2015 ("TNB Agreement"), appointed KISB to carry out construction works known as "The Construction and Commission of Retention Pond at Gelugor Power Station" ("Project") whereby the scope of works includes amongst others designing flow system improvements, drainage system expansion and replacing U-drain size from 600mm to 750mm in Loji Kuala Gelugor ("Works").

KISB had in turn, vide a Letter of Award dated 26 May 2015 ("LOA"), appointed Qemudi Nekad Resources as sub-contractor ("Sub-Contractor"): -

(i) to identify the utilities within the Project site and further prepared a utility mapping to be approved by TNB; and
(ii) to carry out the entire Works.

TNB alleged that upon KISB carried out the drain breaking for the existing U-drain, the workers of KISB had carried out the picking up of the surplus and remnants debris of the broken U-drain left in the drain by using a backhoe ("Picking up the U-drain surplus and remnants works").

TNB further alleged that due to the picking up the U-drain surplus and remnants works by KISB, the same had caused the TNB's cable 2 ("TNB's Cable") destroyed. It was alleged that the bucket of the backhoe had caused damage on TNB's Cable. Subsequent to that, TNB lodged a police report on the said damage. TNB then terminated KISB's permit to work certificate and issued a stop-work order on KISB on the reason that the damage caused by KISB is a breach under Section 37(11) (b) and/or 37(12) (a) of the Electricity Supply Act 1990 ("Act").

TNB had managed to recover RM150,000 only from the Construction All Risks Insurance taken by KISB for this Project from TNB's panel insurance company, QBE Insurance (Malaysia) Berhad. The policy limit is RM150,000 only. The said insurance does not have "principal existing property" cover which will protect the insured against loss or damage to property located on or surrounding the site belonging to or held in care, custody or control by the insured.

In view thereof, TNB filed a suit against KISB pursuant to Section 41(1) of the Act under the strict liability tort on the reason that KISB's workers have neglected during the carrying out of the picking up the U-drain surplus and remnants works and caused damage on the TNB's cable. The damage on the TNB's Cable had caused the followings: -

(i) a power outage to TNB's customers hence, TNB suffered loss of income during the period of the power outage; and
(ii) rectification cost incurred to rectify the damage and replace the new cable.

TNB further alleged that TNB had issued a Notice of Claim for damages by way of letter dated 23 March 2016 and also a Letter of Demand dated 11 January 2018 to KISB to inform on the damage and to claim on the rectification cost amounting to RM6,799,962.

45. MATERIAL LITIGATIONS (CONT'D)

(d) High Court of Malaya at Penang ("Penang High Court") Suit No: PA-22NCVC-155-09/2020 between Tenaga Nasional Berhad ("TNB") as Plaintiff against Kumpulan Ikram Sdn Bhd ("KISB") as the Defendant (Cont'd):-

TNB's claims are as follows:-

1. General damages to be assessed;
2. Special damages amounting to RM6,799,962;
3. General damages to be assessed together with interest of 5% per annum calculated from the date of the filing of the writ until full settlement;
4. Economic damages to be assessed together with interest of 5% per annum calculated from the date of the filing of the writ until full settlement;
5. Interest of 5% per annum on the sum of RM6,799,962 calculated from the date of the filing of the writ until full settlement;
6. Aggravated and exemplary damages;
7. Cost; and
8. Any other relief court deems fit.

KISB had filed its Defense on 2 October 2020. TNB had filed its Reply on 9 November 2020. The Mediation which was fixed on 6 April 2021 was unsuccessful as the parties have failed to reach a settlement. The Case Management date which was fixed on 15 December 2021 was postponed to a further date.

KISB had on 25 January 2022 filed an application for the discovery of the Project documents from TNB pursuant to Order 24, Rules 12, 13 and 16 of the Rules of Court 2022 ("Discovery Application").

The Court has fixed 11 May 2022 as Hearing date for the Discovery Application.

Notwithstanding the above litigation, the provision for the claim amount has been fully provided for in the financial year ended 31 December 2020.

APPENDIX A FOR THE FINANCIAL YEAR
Ended 31 December 2021

DIRECTORS OF SUBSIDIARY COMPANIES OF THE GROUP

The following is the list of Directors who served on the boards of the subsidiary companies of the Group since the beginning of the current financial year to the date of the Directors' Report:-

Adlin Masood
Ahmad Farid Bin Ghazali
Asri Bin Ramli
Azran Amin Bin Mazlan (Resigned on 14 December 2021)
Cheong Kah Wang (Appointed on 9 February 2022)
Chong Ther Shern
Chong Ther Vern
Dato Ir. Ts. Wan Nazri Bin Haji Wan Aria
Dato' Akram Ali Al Agil
Dato' Jamal Bin Nasir
Dato' Mohd Ibrahim Bin Mohd Nor
Dato' Ronnie Yap Kee Tian
Dato' Sri Salleh Bin Mat Rasid (Appointed on 20 September 2021)
Dato' Wan Imran Bin Wan Omar
Dato' Wan Mohamed Yaacob
Eddy Nur Hasly Bin Abd Latib (Resigned on 20 September 2021)
Edward Khoo Mong Wei
Hiew Vun Heng
Hon Jok Hun
Hon Sun Ho
Idham Bin Mustafa (Appointed on 14 December 2021)
Johari Bin Zainal
Kamaljeet Kaur
Kenneth Lim Wei Sen (Appointed on 19 January 2022)
Lee Geok Chai
Low Kian Seng (Resigned on 13 July 2021)
Mac Chung Jin
Marina Binti Jaal
Mat Zin Bin Hussain
Mohammad Nasriff Bin Daud@ Daud Yatimee
Mohd Akhir Bin Abdullah
Mohd Taufik Bin Haron
Mohd Yazip Bin Matori
Mokhtar Bin A. Rashid (Resigned on 19 January 2022)
Nafisah Binti Abdul Aziz (Appointed on 3 June 2021)
Nik Kamil Amirah Bin Nik Ab. Rahman
Nik Nur Aini Nik Abdullah
Nora Binti Amir (Appointed on 20 September 2021)
Nordin Bin Kasiran (Appointed on 20 September 2021)
Pon Tiam Wee
Rameli Bin Ismail (Appointed on 3 June 2021)
Tan Chong Seng
Tan Heng Kui
Taufik Bin Abd Rahim
Ting Choon Fook
Wong Chun Wei
Wong Meng Jinn
Wong Wirry @ Wong Wee Chong
Zainal Abidin Bin Abu Bakar
Zulkifli Bin Ibrahim

LIST OF PROPERTIES

No	Location	Description/ Existing Use	Age of Buildings	Tenure	Approx. Land Area sq. ft.	Net Book Value at 31.12.2021 RM'000	Date of Revaluation*/ Acquisition#
1	Lot No. 52500,52501, 52502, 52503, 52504 & 52518, Bandar Baru Bangi, District of Sepang State of Selangor Darul Ehsan.	Institutional, commercial and residential	Between 13 - 39 years	Freehold	3.411 million	94,053	18.04.02*
2	Lot No. P.T. 172, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	38 years	Leasehold 99 years expiring in 2076	1,760	545	01.03.02#
3	Lot No. P.T. 166, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	38 years	Leasehold 99 years expiring in 2076	1,760	453	11.06.02#
4	Lot No. P.T. 167, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	38 years	Leasehold 99 years expiring in 2076	1,760	453	11.06.02#
5	Lot No. P.T. 168, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	38 years	Leasehold 99 years expiring in 2076	1,760	453	11.06.02#
6	Lot No. P.T. 169, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Corner lot four-storey shophouse	38 years	Leasehold 99 years expiring in 2076	2,208	649	11.06.02#
7	Country Lease No. 075356580, Sungai Tinosan, Sandakan, Sabah.	Land for future development	N/A	Leasehold 99 years expiring in 2074	291,850	541	10.03.05#
8	HS (M) 1156, Blok 7, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Workshop	16 years	Leasehold 99 years expiring in 2080	126,300	1,477	05.08.05#
9	HS (M) 3647, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Vacant Land	N/A	Leasehold 99 years expiring in 2091	79,100	603	25.06.08#
10	No. Hakmilik Geran 79109, Lot 3223 Mukim of Beranang District of Ulu Langat State of Selangor Darul Ehsan.	Factory	10 years	Freehold	185,566	2,187	07.10.10#

List of Properties (Continued)

No	Location	Description/ Existing Use	Age of Buildings	Tenure	Approx. Land Area sq. ft.	Net Book Value at 31.12.2021 RM'000	Date of Revaluation*/ Acquisition#
11	Parcel No #17-16, Level 17, Type A Lot No HS(D) 452849 PTD 198871 Mukim of Plentong District of Johor Bahru State of Johor Darul Takzim.	Service Apartment	10 years	Leasehold 99 years expiring in 2105	609	264	18.10.12#
12	HS(D) 478361, No. Lot PTD 204275 Mukim of Plentong District of Johor Bahru State of Johor Darul Takzim.	Vacant Land	N/A	Leasehold 99 years expiring in 2084	78,792	3,733	11.05.14#
13	De Centrum Mall Jalan Ikram-Uniten 43690 Kajang State of Selangor Darul Ehsan.	Retail mall	6 years	Freehold	197,327	33,837	31.12.15#
14	C-13-1 till C-13-10 C-14-1 till C-14-10 C-15-1 till C-15-10 C-16-1 till C-16-10 D-13-1 till D-13-10 D-14-1 till D-14-10 D-15-1 till D-15-10 D-16-1 till D-16-10 Kondominium Unipark Jalan US 1, Taman Unipark Suria Off Jalan Ikram-Uniten 43690 Kajang State of Selangor Darul Ehsan.	Condominiums	5 years	Freehold	208,000	41,262	21.11.16#
15	Lot No. 52518 Bandar Baru Bangi District of Sepang State of Selangor Darul Ehsan.	Twelve-storey academic block	5 years	Freehold	42,688	37,817	06.04.16#
16	Park Inn by Radisson Hotel Taman Unipark Suria 43000 Kajang Selangor	Hotel	2 years	Freehold	131,277	41,663	20.2.2020
17	45-3A, The Residence St Regis Kuala Lumpur 6, Jalan Stesen Sentral 2 50470 Kuala Lumpur	Condominiums	9 months	Freehold	2,408	4,900	26.3.2021

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2022

Issued Share Capital : RM249,436,954
Class of Shares : Ordinary Shares
Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	544	8.13	25,517	0.01
100 – 1,000	347	5.19	126,970	0.02
1,001 – 10,000	2,624	39.23	12,855,634	2.67
10,001 – 100,000	2,667	39.88	85,130,156	17.67
100,001 to less than 5% of issued shares	503	7.52	252,339,270	52.38
5% and above of issued shares	3	0.05	131,257,863	27.25
***TOTAL**	**6,688**	**100.00**	**481,735,410**	**100.00**

Remarks:
* *Excluding 13,656,900 treasury shares*

SUBSTANTIAL SHAREHOLDERS

	Direct Shareholdings		Indirect Shareholdings	
Name	No. of Shares Held	%	No. of Shares Held	%
Dato' Sri Ir Chong Ket Pen	93,626,376	19.44	45,597,197[(1)]	9.47
Penmacorp Sdn Bhd	45,597,197	9.47	-	-
Gan Chun Hui	35,814,100	7.43	-	-

Notes:
(1) Deemed interested pursuant to Section 8 of the Company's Act 2016 by virtue of his shareholdings in Penmacorp Sdn Bhd

DIRECTORS' SHAREHOLDINGS

	Direct Shareholdings		Indirect Shareholdings	
Name	No. of Shares Held	%	No. of Shares Held	%
Dato' Sri Ir Chong Ket Pen	93,626,376	19.44	49,564,861[(a)]	10.29
Dato' Ir Kenny Chong Ther Nen	2,866,458	0.60	2,095,800[(b)]	0.44
Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman	875,000	0.18	3,645,833[(c)]	0.76
Dato' Tan Yee Boon	-	-	-	-
Suhaimi Bin Badrul Jamil	105,832	0.02	-	-
Tham Wei Mei	-	-	-	-
Celine Chan Hooi Li	-	-	-	-

Notes:
(a) by virtue of his interest via his spouse, children and Penmacorp Sdn Bhd
(b) by virtue of his interest via spouse
(c) by virtue of his interest in Rencana Berkat Sdn Bhd

Analysis of Shareholdings
as at 30 March 2022
(Continued)

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHONG KET PEN (PB)	57,777,816	11.99
2	UOBM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PENMACORP SDN BHD (PCB)	43,943,447	9.12
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GAN CHUN HUI (PB)	29,536,600	6.13
4	CHONG KET PEN	22,152,290	4.60
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KET PEN (8093834)	13,696,270	2.84
6	MAR WOOI LIENG	9,091,100	1.89
7	FEDERLITE HOLDINGS SDN BHD	8,538,454	1.77
8	TAN HENG KUI	7,656,250	1.59
9	GAN CHUN HUI	6,277,500	1.30
10	ADDEEN HOLDINGS SDN BHD	4,899,999	1.02
11	KENANGA NOMINEES (ASING) SDN BHD RAKUTEN TRADE SDN BHD FOR YANG JIAYUAN	4,048,800	0.84
12	RENCANA BERKAT SDN BHD	3,645,833	0.76
13	LIM SIM KEE	3,519,400	0.73
14	MAGDALEN KHOO MONG CHEEN	2,896,083	0.60
15	RONNIE YAP KEE TIAN	2,755,307	0.57
16	LEE WEE MIEN	2,452,000	0.51
17	LEE BOON KIAN	2,291,479	0.48
18	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TACK PENG (LBU 1031)	2,275,966	0.47
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSEMARY KHOO MONG SAN	2,095,800	0.44
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHEAH KOK FAH (7000808)	1,950,000	0.40
21	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YAP OON NEO (PB)	1,937,083	0.40
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI SEE CHEH	1,881,250	0.39
23	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING YI EN	1,828,800	0.38
24	PENMACORP SDN BHD	1,653,750	0.34
25	KHOR KENG SAW @ KHAW AH SOAY	1,505,000	0.31
26	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR QUEK SEE KUI	1,500,000	0.31

Analysis of Shareholdings
as at 30 March 2022
(Continued)

LIST OF TOP 30 SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares Held	%
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG THER NEN	1,500,000	0.31
28	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	1,370,000	0.28
29	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (MAYBANK SG PWM)	1,366,458	0.28
30	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	1,359,000	0.28
	TOTAL	**247,401,735**	**51.33**

Note:
Without aggregating securities from different securities accounts belonging to the same person.

ANALYSIS OF WARRANTHOLDINGS

as at 30 March 2022

Number of Issued Warrants	: 106,051,448
Number of Unexercised Warrants	: 106,051,448
Exercise Price	: RM0.75 per Warrant
Maturity Date	: 25 April 2023

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	737	14.51	27,172	0.03
100 – 1,000	1,448	28.50	777,707	0.73
1,001 – 10,000	2,215	43.59	7,349,676	6.93
10,001 – 100,000	521	10.25	18,670,237	17.60
100,001 to less than 5% of issued warrants	158	3.11	59,132,578	55.76
5% and above of issued warrants	2	0.04	20,094,078	18.95
TOTAL	**5,081**	**100.00**	**106,051,448**	**100.00**

DIRECTORS' WARRANTHOLDINGS

	Direct Warrantholdings		Indirect Warrantholdings	
Name	No. of Warrant Held	%	No. of Warrant Held	%
Dato' Sri Ir Chong Ket Pen	16,527,669	15.58	10,620,828[(a)]	10.29
Dato' Ir Kenny Chong Ther Nen	292,812	0.28	449,100[(b)]	0.42
Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman	187,500	0.18	781,250[(c)]	0.74
Dato' Tan Yee Boon	-	-	-	-
Suhaimi Bin Badrul Jamil	16,250	0.02	-	-
Tham Wei Mei	-	-	-	-
Celine Chan Hooi Li	-	-	-	-

Notes:
(a) by virtue of his interests via his spouse, children and Penmacorp Sdn Bhd
(b) by virtue of his interest via his spouse
(c) by virtue of his interest via Rencana Berkat Sdn Bhd

Analysis of Warrantholdings
as at 30 March 2022
(Continued)

LIST OF TOP 30 WARRANTHOLDERS

No.	Name	Holdings	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHONG KET PEN (PB)	10,677,625	10.07
2	UOBM NOMINEES (TEMPATAN) SON BHD PLEDGED SECURITIES ACCOUNT FOR PENMACORP SDN BHD (PCB)	9,416,453	8.88
3	CHONG KET PEN	4,746,919	4.48
4	TAN HENG KUI	1,640,625	1.55
5	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR HENG HUA CHUANG	1,430,151	1.35
6	NURUL IZUDDIN BIN A RAHMAN	1,340,000	1.26
7	FEDERLITE HOLDINGS SDN BHD	1,300,618	1.23
8	FAKHRUL AZWAN BIN MOHAMAD	1,200,000	1.13
9	FOO FOOK MIN	1,162,200	1.10
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KET PEN (8093834)	1,103,125	1.04
11	JASWANT SINGH A/L GURDIAL SINGH	1,000,000	0.94
12	ANG SIEN KEAT	950,000	0.90
13	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG SENG FOH	917,800	0.87
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GANESAN A/L SOUNDRAPANDIAN (E-SKN/SCA)	910,000	0.86
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW CHENG HORNG	864,500	0.82
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ADLAN BIN ABDUL RAHMAN	810,000	0.76
17	RENCANA BERKAT SDN BHD	781,250	0.74
18	AGENSI PEKERJAAN KEMBARA MESRA SDN. BHD.	700,000	0.66
19	GOH LEE HIAN	700,000	0.66
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEA JIAN KAI (E-TAI/STW)	700,000	0.66
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD KUA SONG TUCK	693,900	0.65
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD MUHAMAD ARAFAT BIN AB AZIZ	690,000	0.65
23	KHOR KENG SAW @ KHAW AH SOAY	667,500	0.63
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NGU TING TONG (LBU)	640,000	0.60
25	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YAP OON NEO (PB)	629,375	0.59
26	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHOOI CHUNG CHIH	625,000	0.59

Analysis of Warrantholdings
as at 30 March 2022
(Continued)

LIST OF TOP 30 WARRANTHOLDERS (CONT'D)

No.	Name	Holdings	%
27	SIAW TECK SIONG	600,000	0.57
28	RONNIE YAP KEE TIAN	590,423	0.56
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KAI MING (E-TSA)	580,000	0.55
30	CHAN HUAN SHONG	551,500	0.52
	TOTAL	**48,618,964**	**45.87**

Note: Without aggregating securities from different securities accounts belonging to the same person.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting of the Company will be conducted virtually from the Broadcast Venue at Bilik Dahlia, 2nd Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor on Wednesday, 1 June 2022 at 11.00 a.m. to transact the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of Directors and Auditors thereon.

2. To approve the payment of Directors' fees and benefits of up to RM500,000 for the period from the day after the Annual General Meeting to the next Annual General Meeting. — Ordinary Resolution 1

3. To re-elect the following Directors retiring in accordance with Article 107(1)(b) of the Company's Constitution:

   (i) Dato' Sri Chong Ket Pen — Ordinary Resolution 2
   (ii) Dato' Tan Yee Boon — Ordinary Resolution 3

4. To appoint auditors of the Company and authorise the Directors to determine their remuneration. — Ordinary Resolution 4

5. To consider and if thought fit, to pass the following resolution, with or without modifications:

   ORDINARY RESOLUTION - AUTHORITY TO ALLOT SHARES

   "THAT pursuant to Section 75 of the Companies Act 2016 and subject to the approvals of the relevant authorities, the Directors be empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 10% of the total number of issued shares of the Company for the time being and that the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." — Ordinary Resolution 5

6. To consider and if thought fit, to pass the following resolution, with or without modifications:

   ORDINARY RESOLUTION
   - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

   "THAT subject to the Companies Act 2016 ("Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and requirements of any other relevant authorities, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Securities, subject to the following: — Ordinary Resolution 6

   (a) The maximum number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;

   (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company;

(c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:

(i) the conclusion of the next Annual General Meeting ("AGM"), at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Act; or
(iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first;

(d) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt in the following manner as the Directors of the Company may decide:

(i) cancel the shares so purchased; or
(ii) retain the shares so purchased as treasury shares; or
(iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
(iv) distribute the treasury shares as dividends to shareholders; or
(v) resell the treasury shares or any of the shares in accordance with the relevant rules of Bursa Securities; or
(vi) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme; or
(vii) transfer the treasury shares, or any of the shares as purchase consideration; or
(viii) cancel the treasury shares or any of the treasury shares; or
(ix) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

THAT the Directors of the Company be authorised to take all such steps as are necessary and enter into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

7. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:

APPROVAL TO CONTINUE IN OFFICE AS AN INDEPENDENT DIRECTOR

"THAT Dato' Tan Yee Boon who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director of the Company." Ordinary Resolution 7

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

BY ORDER OF THE BOARD

KHOR HOOI LING (SSM PC No. 202008000854)
SEOW FEI SAN (SSM PC No. 201908002299)
Secretaries

Petaling Jaya
29 April 2022

NOTES TO NOTICE OF THE 21ST ANNUAL GENERAL MEETING:

1. The 21st Annual General Meeting ("AGM") will be conducted virtually through live streaming and online voting. All shareholders are advised to participate in the 21st AGM remotely by registering yourself at Boardroom Smart Investor Portal through webpages at https://investor.boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the 21st AGM in order to register, participate and vote through Boardroom Share Registrars Sdn Bhd ("Boardroom")'s website at https://meeting.boardroomlimited.my.

2. The Broadcast Venue of the 21st AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 ("Act") which requires the Chairman of the Meeting to be present at the main venue. No shareholders/ proxy(ies) from the public should be physically present at the Broadcast Venue.

3. Only members whose names appear on the Record of Depositors as at 25 May 2022 shall be entitled to attend, speak (in the form of real time submission of typed text) and vote at the 21st AGM.

4. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak (in the form of real time submission of typed text) and vote in his stead. A proxy may but need not be a member of the Company.

5. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.

6. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

8. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised or in some other manner approved by Directors.

9. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan or by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid. Kindly refer to the Administrative Guide for further details on proxy lodgement via electronic means.

10. Explanatory notes:

    Ordinary Resolution 1 - The proposed Ordinary Resolution 1 is to approve the Directors' fees and benefits payable to the Non-Executive Directors ("NED") of up to an amount of RM500,000 with effect from the day after the AGM to the next AGM of the Company.

    The fees and benefits payable to the NEDs of the Company are as follows:
    - Monthly fixed fees for discharging duties as Director; and
    - Meeting allowance for each Board/Board Committee/General Meeting attended.

    The shareholders at the Twentieth ("20th") AGM held on 29 June 2021 approved the Directors' fees and benefits of up to RM600,000 for the period from 30 June 2021 until the AGM for year 2022. The actual Directors' fees and benefits paid to the NEDs for the period from 30 June 2021 until the 21st AGM is RM232,750.

Notice of Annual General Meeting (Continued)

Details of the fees and benefits paid to the Non-Executive Directors for the financial year ended 31 December 2021 are disclosed on page 79 of the Overview Statement on Corporate Governance in the 2021 Annual Report.

The Directors' fees and benefits for the Non-Executive Directors for the period from the day after the AGM to the next AGM in year 2023 are estimated not to exceed RM500,000. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and on assumption that the number of the Non-Executive Directors will remain the same until the next AGM in year 2023.

The Board will seek shareholders' approval at the next AGM in the event the Directors' fees and benefits proposed is insufficient.

Ordinary Resolution 5 - The proposed Ordinary Resolution 5, if passed, will give the Directors of the Company, from the date of the 21st AGM, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisitions.

As at the date of printing of the Annual Report, no new share was issued by the Company pursuant to the authority granted to the Directors at the 20th Annual General Meeting held on 29 June 2021 and the said authority will lapse at the conclusion of the 21st AGM.

Ordinary Resolution 6 - The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the Proposed Shares Buy-Back is set out in the Share Buy-Back Statement to Shareholders dated 29 April 2022.

Ordinary Resolution 7 - The proposed Ordinary Resolution 7, if passed, will allow Dato' Tan Yee Boon ("Dato' Tan") to be retained and continue to act as Independent Non-Executive Director of the Company.

Dato' Tan possesses more than 19 years of experience in contentious and non-contentious legal matters with specialisation in corporate, commercial, litigation and advisory works. He has focused more on matters such as initial public offering, transactions involving public listed companies, mergers and acquisitions and has acted for various listed companies in matters relating to listing requirements and the takeover code. Dato' Tan also has vast experience in compliance and advisory works for listed companies in Malaysia as well as general commercial work such as corporate restructuring and cross-border matters.

The Board of Directors has via the Nomination and Remuneration Committee conducted an annual performance evaluation and assessment of Dato' Tan. Based on the following justifications, the Board is of the opinion that Dato' Tan is committed to bringing his independent and objective judgements to Board deliberations, and recommends him to continue to act as Independent Director of the Company:

a. Complied with independence criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
b. possessed sufficient self-esteem and confidence to stand up for an independent point of view;
c. approached any transaction that requires Board's approval with a watchful eye and an inquiring mind;
d. unafraid to express an unpopular stance on issues or express disagreement on matters and actively pursues them with the rest of the Board; and
e. did not shy away from asking hard and uncomfortable questions during board deliberations.

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PROTASCO BERHAD

FORM OF PROXY

Registration No. 200101012322 (548078-H)
(Incorporated in Malaysia)

I/We ____
(Full Name)

NRIC/Passport/Company No. ____

of ____
(Full Address)

being a member/members of **Protasco Berhad** hereby appoint ______________________________
(Full Name)

NRIC/Passport No. ____

of ____
(Full Address, Email Address & Contact Number)

or failing him/her ____
(Full Name)

NRIC/Passport No. ____

of ____
(Full Address, Email Address & Contact Number)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the 21st Annual General Meeting of the Company to be conducted virtually from the Broadcast Venue at Bilik Dahlia, 2nd Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor on Wednesday, 1 June 2022 at 11.00 a.m. and at any adjournment thereof and to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits.		
2.	To re-elect Dato' Sri Chong Ket Pen as a director of the Company.		
3.	To re-elect Dato' Tan Yee Boon as a director of the Company.		
4.	To appoint auditors of the Company and authorise the Directors to determine their remuneration.		
5.	To approve the authority to allot shares.		
6.	To approve the proposed renewal of share buy-back authority.		
7.	To approve the retention of office of Dato' Tan Yee Boon as an Independent Non-Executive Director.		

Please indicate with a "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this ____________ day of _________________, 2022

No. of Shares Held	
CDS Account No.	
Proportion of shareholdings to be represented	1st Proxy: 2nd Proxy:

____
Signature/Seal of Member

Notes:

1. The 21st Annual General Meeting ("AGM") will be conducted virtually through live streaming and online voting. All shareholders are advised to participate in the 21st AGM remotely by registering yourself at Boardroom Smart Investor Portal through webpages at https://investor.boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the 21st AGM in order to register, participate and vote through Boardroom Share Registrars Sdn Bhd ("Boardroom")'s website at https://meeting.boardroomlimited.my.
2. The Broadcast Venue of the 21st AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 ("Act") which requires the Chairman of the Meeting to be present at the main venue. No shareholders/ proxy(ies) from the public should be physically present at the Broadcast Venue.
3. Only members whose names appear on the Record of Depositors as at 25 May 2022 shall be entitled to attend, speak (in the form of real time submission of typed text) and vote at the 21st AGM.
4. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak (in the form of real time submission of typed text) and vote in his stead. A proxy may but need not be a member of the Company.
5. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
6. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised or in some other manner approved by Directors.
9. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan or by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid. Kindly refer to the Administrative Guide for further details on proxy lodgement via electronic means.

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STAMP

The Company Secretaries

PROTASCO BERHAD
802, 8th Floor, Block C, Kelana Square
17, Jalan SS7/26, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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