TALAM TRANSFORM BERHAD
(Incorporated in Malaysia)
192001000012 (1120-H)

Adaptability and Resilience

ANNUAL REPORT 2021

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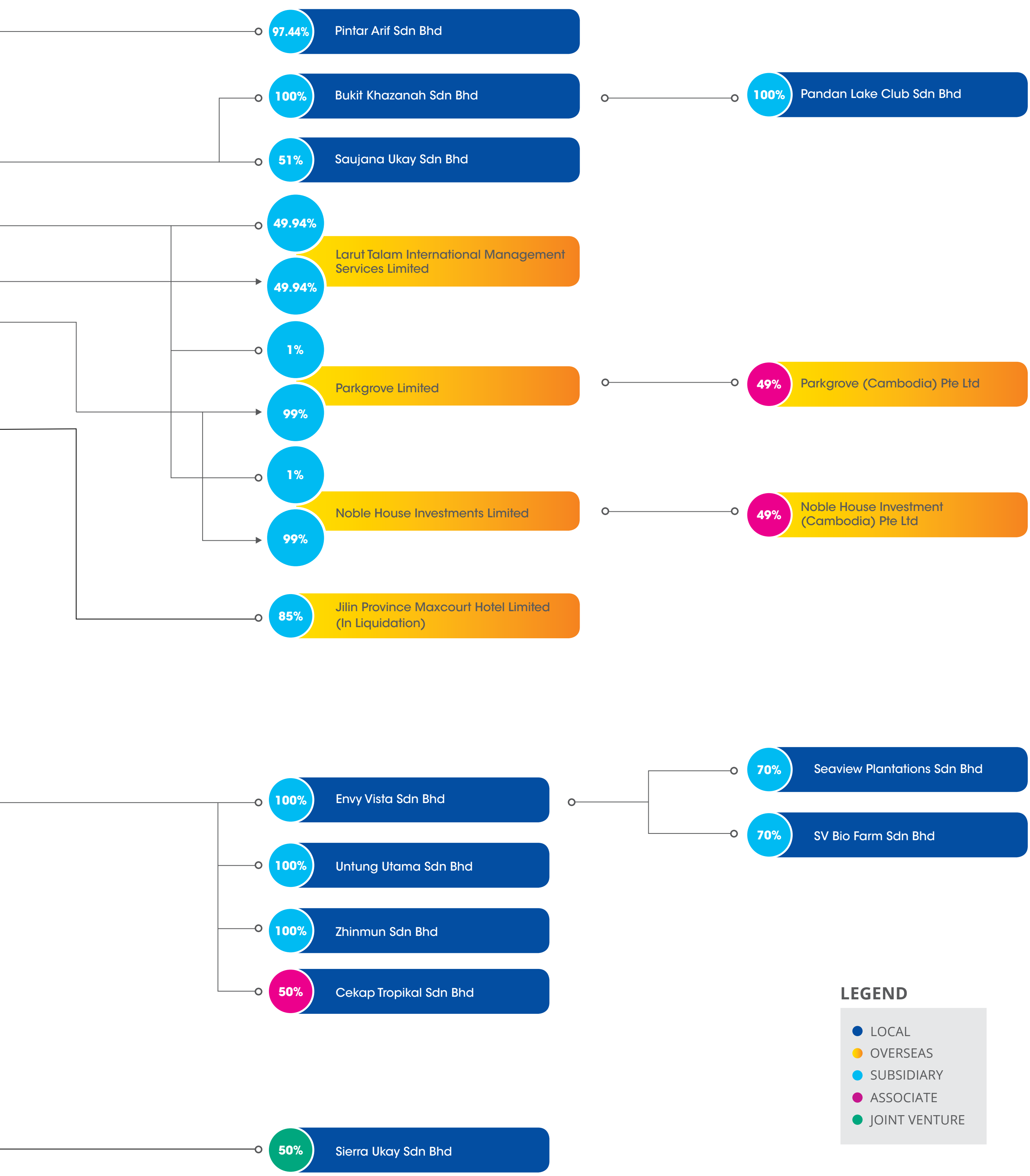
CORPORATE STRUCTURE

AS AT 2 AUGUST 2021

TALAM TRANSFORM BERHAD
192001000012 (1120-H)

- 100% Europlus Berhad
  - 100% Lambang Wira Sdn Bhd
  - 100% Biltradex Sdn Bhd
  - 100% Venue Venture Sdn Bhd
- 100% Talam Plantations Sdn Bhd
  - 100% Larut Overseas Ventures Sdn Bhd
  - 0.001% Malim Enterprise (HK) Limited
- 100% Era-Casa Sdn Bhd
  - 99.999% Malim Enterprise (HK) Limited
- 100% Abra Development Sdn Bhd
- 100% Maxisegar Realty Sdn Bhd
- 100% Inti Johan Sdn Bhd
- 100% Zillion Development Sdn Bhd
  - 25% Oaxis Sdn Bhd
- 100% Winax Development Sdn Bhd
  - 100% Mutual Prosperous Sdn Bhd
  - 40% Trident Treasure Sdn Bhd
- 100% G.L. Development Sdn Bhd
  - 50% Crest Envy Sdn Bhd (In Members' Voluntary Winding Up)
  - 50% Good Debut Sdn Bhd
- 100% L.C.B. Management Sdn Bhd
- 100% Talam Leisure Development Sdn Bhd
- 100% Larut Management Services Sdn Bhd
  - 100% Terang Tanah Sdn Bhd
- 100% Talam Management Services Sdn Bhd
- 100% Winax Engineering Sdn Bhd

CORPORATE STRUCTURE
(CONT'D)



CORPORATE INFORMATION

BOARD OF DIRECTORS

TSEN KENG YAM
Chairman
Senior Independent Non-Executive Director

TAN SRI DATO' (DR) IR CHAN AH CHYE @ CHAN CHONG YOON
Non-Independent Non-Executive Director

DATO' KAMARUDDIN BIN MAT DESA
Independent Non-Executive Director

DATUK DR NG BEE KEN
Independent Non-Executive Director

CHUA KIM LAN
Executive Director

YAW CHUN SOON
Executive Director

CHAN TET EU
Executive Director

AUDIT COMMITTEE

Tsen Keng Yam
Chairman
Member of the Malaysian Institute of Accountants
Dato' Kamaruddin Bin Mat Desa
Member
Datuk Dr Ng Bee Ken
Member

NOMINATION COMMITTEE

Datuk Dr Ng Bee Ken
Chairman
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon
Member
Tsen Keng Yam
Member
Dato' Kamaruddin Bin Mat Desa
Member

REMUNERATION COMMITTEE

Dato' Kamaruddin Bin Mat Desa
Chairman
Tsen Keng Yam
Member
Datuk Dr Ng Bee Ken
Member

COMPANY SECRETARY

Soo Kah Pik (MIA 8102)
SSM Practicing Certificate
No. 201908004099

PRINCIPAL BANKER

Malayan Banking Berhad

REGISTERED OFFICE

Unit 17.02, Level 17
Menara Maxisegar
Jalan Pandan Indah 4/2
Pandan Indah
55100 Kuala Lumpur
Tel No. : +603-42962000
Fax No. : +603-42977220
Website : www.ttransform.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel No. : +603-20849000
Fax No. : +603-20949940 / +603-20950292

AUDITORS

Baker Tilly Monteiro Heng PLT
(AF 0117)
201906000600 (LLP0019411-LCA)
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel No. : +603-22971000
Fax No. : +603-22829980

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Code : 2259
Stock Name : TALAMT

PROFILE OF DIRECTORS

TSEN KENG YAM

Tsen Keng Yam, aged 71, male, Malaysian, Chairman/Senior Independent Non-Executive Director, joined the Board of Talam Transform Berhad ("the Company") on 30 April 2004 and became the Chairman on 22 January 2009. He is also the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company.

He is a Fellow of the Institute of Chartered Accountants (England and Wales) and a member of the Malaysian Institute of Accountants.

In 1978, he joined Hanafiah Raslan & Mohamed as a consultant and was subsequently promoted to Senior Consultant in 1980. He was a principal of Hanafiah Raslan & Mohamed from 1984 to 1987 and was a partner of Arthur Andersen & Co. for more than 14 years from 1988 to 2003. He was formerly a Director of Riverview Rubber Estates Berhad and Narborough Plantations Plc.

TAN SRI DATO' (DR) IR CHAN AH CHYE @ CHAN CHONG YOON

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon, aged 75, male, Malaysian, Non-Independent Non-Executive Director, joined the Board of the Company on 6 November 1990. He was formerly the Executive Chairman of the Company prior to his re-designation as Non-Independent Non-Executive Director on 22 January 2009. He is a member of the Nomination Committee of the Company.

He graduated with a Bachelor Degree in Civil Engineering from the University of Malaya in 1970 and is a member of the Institution of Engineers, Malaysia since 1974 and was subsequently made a Fellow in 1984. He has over 50 years of experience in the property and construction industry since he started his career with Messrs Binnie & Partners (M) Sdn Bhd and later joined Perbadanan Kemajuan Negeri Selangor in 1971 as a Project Manager handling project designs, management and property development. He was formerly the Executive Director (President/Chief Executive) and former Major Shareholder of Kumpulan Europlus Berhad (now known as WCE Holdings Berhad).

Tan Sri Chan was awarded the prestigious "Property Man of the Year 1998" by the Federation Internationale Des Professions Immobilieres ("FIABCI") in recognition of his achievements in property development. Tan Sri Chan was conferred the Honorary Doctorate of Science (Engineering) by the University Malaya on 11 August 2003.

His son, Mr Chan Tet Eu is an Executive Director and Major Shareholder of the Company. His spouse, Puan Sri Datin Thong Nyok Choo and daughter, Ms Chan Siu Wei are Major Shareholders of the Company.

PROFILE OF DIRECTORS
(CONT'D)

DATO' KAMARUDDIN BIN MAT DESA

Dato' Kamaruddin Bin Mat Desa, aged 70, male, Malaysian, Independent Non-Executive Director, joined the Board of the Company on 1 October 2007. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company.

He holds a Bachelor of Laws (Hons) from International Islamic University, Petaling Jaya, Selangor (1993).

Dato' Kamaruddin had extensive experience in the Royal Malaysian Police Force. During his distinguished career, he held positions such as General Duty/Traffic, Platoon Commander, Police Field Force, Officer in-charge of Police Sub-District, Area Inspector, State Traffic Chief Selangor, Deputy OCPD, Staff Officer (Prosecution) Session Court (Selangor), Staff Officer (Admin) CID Selangor, Police Secretary/Special Officer to IGP, Officer in-charge of Criminal Investigation Department, Deputy Chief Police Officer and Deputy Director, Commercial Crime Investigation Department.

DATUK DR NG BEE KEN

Datuk Dr Ng Bee Ken, aged 66, male, Malaysian, joined the Board of the Company on 21 May 2010 as an Independent Non-Executive Director. He is Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company.

Datuk Ng holds a Bachelor of Law (Hons) from the University of Wales, Cardiff; a Master of Laws from King's College, University of London; and a Barrister-at-Law from Lincoln's Inn. He is also an Advocate and Solicitor of the High Court of Malaya since 1987, and presently is the Managing Partner of the law firm of Azri, Lee Swee Seng & Co where he specializes in corporate law.

Datuk Ng also holds a Master of Science (Corporate Communication) from Universiti Putra Malaysia, an ACEA and is a Certified Mediator at the Malaysian Mediation Centre as accredited by the Malaysian Bar. He was conferred the Doctor of Divinity by Millenium International University in conjunction with Asia Pacific Seminary in October, 2016.

Besides legal practice, he is also the Chairman and an Independent Non-Executive Director of Pertama Digital Berhad (formerly known as Sinotop Holdings Berhad) and an Independent Non-Executive Director of Widetech (Malaysia) Berhad, Yong Tai Berhad and Opensys (M) Berhad.

PROFILE OF DIRECTORS (CONT'D)

CHUA KIM LAN

Chua Kim Lan, aged 57, female, Malaysian, Executive Director, joined the Board of the Company on 1 October 2007.

Ms Chua Kim Lan graduated from Tunku Abdul Rahman University College in Building Technology in 1984 and holds a Master of Business Administration from Honolulu University, Hawaii in 2000. She was previously attached to Brisdale (M) Sdn Bhd for 5 years from 1984 to 1989 and the Company for 1 year prior to joining Europlus Berhad as a Quantity Surveyor in 1991. She was transferred back to the Company subsequent to the merger exercise in 2003 and was formerly the Deputy President of the Company before her appointment to the Board.

YAW CHUN SOON

Yaw Chun Soon, aged 59, male, Malaysian, Executive Director, joined the Board of the Company on 24 July 2014.

Mr Yaw Chun Soon was admitted as a Solicitor and Barrister of the High Court of New Zealand in 1986 and he was called to the Malaysian Bar in 1987. He practiced law as an Advocate & Solicitor of the High Court of Malaya. He attended the Management Development Program at the Asian Institute of Management, Philippines in 1995.

Mr Yaw has over 35 years of experience in the legal, financial services, broadcasting and property development industry. He joined TA Securities Berhad in November 1993. In May 1996, he was the General Manager-Operations of Botly Securities Sdn Bhd ("Botly"), a wholly-owned subsidiary of TA Enterprise Berhad and subsequently as the Executive Director of Botly. From May 1998 till October 1998, he was the Corporate Finance Director of TA Bank of the Philippines Inc. and the Director of TA Securities Philippines and TA Properties Development, Philippines Inc. On 19 November 1999, he was appointed to the Board of TA Securities Berhad and subsequently the Executive Director-Operations of TA Securities Holdings Berhad from 14 August 2004 until 30 November 2011. He was also appointed as Executive Director of TA Enterprise Berhad, a public listed company listed on Bursa Malaysia Securities Berhad from 7 October 2009 to 30 November 2011. He was appointed as Director of TA Global Berhad on 30 September 2020 and subsequently resigned on 18 February 2021. He is also a director of Asian Outreach (Malaysia) Bhd.

PROFILE OF DIRECTORS
(CONT'D)

CHAN TET EU

Chan Tet Eu, aged 36, male, Malaysian, Executive Director, joined the Board of the Company on 24 July 2014. He was formerly a Non-Independent Non-Executive Director prior to his re-designation as Executive Director (Business Development) on 1 May 2019.

Mr Chan Tet Eu holds a Bachelor of Arts and Media (with Hons) from Lim Kok Wing University and a Certificate of Excellence in mechanical engineering and a Diploma in accounting.

Mr Chan worked in a media outlet and production house, prior to joining a property development company.

His father, Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon is also a Director and Major Shareholder of the Company. His mother, Puan Sri Datin Thong Nyok Choo and sister, Ms Chan Siu Wei are Major Shareholders of the Company.

Notes:-

1. *Save as disclosed, none of the Directors have:-*

   (i) Any directorships in public companies and listed issuers;
   (ii) Any family relationship with any directors and/or major shareholders of the Company;
   (iii) Any conflict of interest with the Company;
   (iv) Any conviction for offences within the past 5 years other than traffic offences; and
   (v) Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2021.

2. *The details of the Directors' attendances at Board of Directors' Meetings held during the financial year ended 31 March 2021 are set out in the Corporate Governance Overview Statement on page 41 of this Annual Report.*

3. *The Directors' and Group Chief Executive Officers' shareholdings in the Company are disclosed in the Statement on Directors' and Group Chief Executive Officer's Interests of this Annual Report.*

PROFILE OF GROUP CHIEF EXECUTIVE OFFICER

DATO' MOHAMAD RAZALI BIN MOHAMAD RAHIM

Dato' Mohamad Razali bin Mohamad Rahim, aged 61, male, Malaysian, joined Talam Transform Berhad ("the Company") on 22 March 2019 as Group Chief Executive Officer.

Dato' Razali worked for a number of organisations both multi-national and local. On his return from the United States with a Masters in Business Administration in 1981, he started at Pernas-Sime Darby where he went through the Finance Department, Marketing and Operations in the Trading Company and Motor Division. He was also stationed in Japan for a year with Nichimen Corporation. In 1984, he joined Citibank NA where he rose to the position of Vice President and Area Director. He was also the Real Estate Specialist for Asia and Oceania. In 1997 he joined SP Setia as Executive Director and was responsible for the construction of the Prime Ministers' Office and the Prime Ministers' Residence in Putrajaya as well as all the housing units under the joint venture. After SP Setia, he went into Islamic Banking with Abrar Discounts Berhad. Dato' Razali was also with the MIDF group where he headed the Group's Business Development Division. He also had stints in Premier Nalfin Berhad and Wembley Industries Berhad.

He does not hold any directorships in public companies and listed issuers. He has no family relationship with any directors and/or major shareholders of the Company. There is no conflict of interest with the Company. Within the past 5 years, he has no conviction for offences other than traffic offences. During the financial year ended 31 March 2021, there was no public sanction or penalty imposed on him by the relevant regulatory bodies.

PROFILE OF KEY SENIOR MANAGEMENT

The Key Senior Management of Talam Transform Berhad ("the Company") is headed by the Executive Directors, Ms Chua Kim Lan, Mr Yaw Chun Soon and Mr Chan Tet Eu together with the Group Chief Executive Officer, Dato' Mohamad Razali bin Mohamad Rahim whose profiles are disclosed in the Profile of Directors and Profile of Group Chief Executive Officer respectively.

Ms Chua oversees the Operations of the Group which covers Finance, Project, Contract, Sales & Marketing, Planning, Authority & Land Matters and Complex while Mr Yaw oversees the Corporate Affairs Department which covers Corporate Finance, Human Resource, Administration & Purchasing, Legal and Secretarial Services. Mr Chan oversee the Business Development portfolio of the Group.

Dato' Mohamad Razali bin Mohamad Rahim works together with the Executive Directors to meet the objectives and goals of the Company.

TAN BAK HAI

Senior Vice President I of Sales & Marketing

Tan Bak Hai, aged 61, male, Malaysian, was appointed as Senior Vice President I of Talam Transform Berhad ("the Company") on 1 January 2004. He oversees the day-to-day operation of the Sales & Marketing Department.

Mr Tan graduated from University of Malaya in 1983.

Mr Tan started his career with Rahim & Co. Chartered Surveyors Sdn Bhd for 5 years prior to joining Europlus Berhad as a Sales and Administration Executive. He was promoted as Marketing Manager and followed by the position as General Manager. He was transferred back to the Company subsequent to the merger exercise in 2003.

SOO KAH PIK

Chief Financial Officer

Soo Kah Pik, aged 59, male, Malaysian, joined the Company on 1 August 2014 as Vice President of Group Finance.

Mr Soo is a qualified accountant by profession and a member of the Malaysian Institute of Accountants.

He has a total of 36 years of broad experience in the fields of audit, accounting, secretarial and tax with 7 years working in Chartered Accountancy firms in the United Kingdom. In Malaysia, he served 12 years in the Hong Leong Group before departing as Group Financial Controller of Malaysian Pacific Industries Berhad. A further 11 years were spent in various other business sectors such as construction, information technology and broadcasting before he joined the Company. He also assumed the position of Company Secretary from 1 November 2014 and was subsequently appointed as the Chief Financial Officer on 1 March 2015.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

LIM LAY HONG

Vice President of Planning, Authority, Land Matters & Business Development

Lim Lay Hong, aged 56, female, Malaysian, joined the Company on 15 February 1993 as Project Development Executive and was appointed as Vice President of Planning, Authority & Land Matters ("PAALM") and Business Development in August 2014. She oversees the day-to-day operation of the PAALM and Business Development Department.

Ms Lim obtained a Diploma in Business Administration (ABE) from the School of Marketing Ipoh in 1986 and holds a Master of Business Administration in Management from Greenwich University, Norfolk Island, Australia in 2002. She was with Europlus Berhad Group for 8 years, prior to her transfer back to the Company subsequent to the merger exercise in 2003.

NG GIAK LIAN

Deputy Vice President of Finance

Ng Giak Lian, aged 60, female, Malaysian, joined the Company in 1989 and was appointed as Deputy Vice President of Finance in 2012 and is currently assisting the Chief Financial Officer on all day-to-day finance and accounting matters.

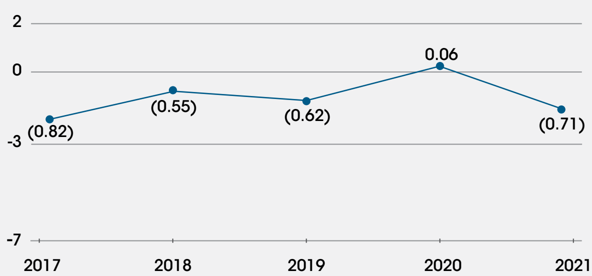
Ms Ng has more than 34 years of management experience in finance and accounting in construction and property development industry. Prior to joining the Company, she was attached to a construction company. She started her career in the Company as an Account Executive. Subsequently, she was promoted as Finance Manager followed by Senior Finance Manager and eventually to the current position as the Deputy Vice President of Finance.

She graduated from Tunku Abdul Rahman University College in Cost and Management Accounting in 1986.

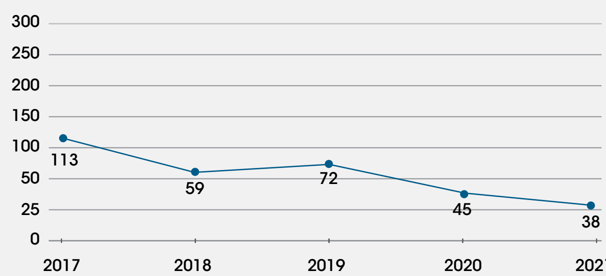
FINANCIAL HIGHLIGHTS

TALAM TRANSFORM BERHAD		2021	2020	2019	2018	2017
GROUP						
Total Assets	RM'000	708,172	780,143	824,002	900,588	956,452
Total Liabilities	RM'000	425,640	425,831	474,233	525,834	556,297
Equity attributable to owners of the Group	RM'000	280,967	361,735	356,392	384,498	409,813
Revenue	RM'000	38,086	44,857	71,939	58,750	112,993
Profit/(Loss) before tax	RM'000	(30,882)	1,758	(27,471)	(23,757)	(36,172)
Profit/(Loss) after tax attributable to owners of the Group	RM'000	(30,479)	2,582	(26,071)	(23,404)	(34,503)
Earnings/(Loss) per share	Sen	(0.71)	0.06	(0.62)	(0.55)	(0.82)
Return on Assets	%	-4.4%	0.2%	-3.3%	-2.6%	-3.6%
Return on Equity	%	-11.0%	0.5%	-7.7%	-6.2%	-8.4%
Gearing Ratios		0.25	0.20	0.17	0.27	0.21
COMPANY						
Total Assets	RM'000	638,854	668,015	729,475	803,879	950,638
Total Liabilities	RM'000	368,887	349,930	421,305	476,915	592,666
Equity attributable to owners of the Company	RM'000	269,967	318,085	308,170	326,964	357,934
Revenue	RM'000	6,939	33,638	29,829	51,690	465
Profit/(Loss) before tax	RM'000	(48,118)	6,915	(18,794)	(30,970)	(112,346)
Profit/(Loss) after tax attributable to owner of the Company	RM'000	(48,118)	6,915	(18,794)	(30,970)	(112,320)
Return on Assets	%	-7.5%	1.0%	-2.6%	-3.4%	-11.8%
Return on Equity	%	-17.8%	2.2%	-6.1%	-8.4%	-31.4%
Gearing Ratios		0.16	0.13	0.16	0.18	0.19

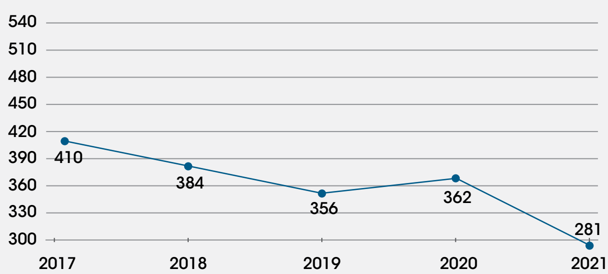
Earnings/(Loss) per share (Sen)



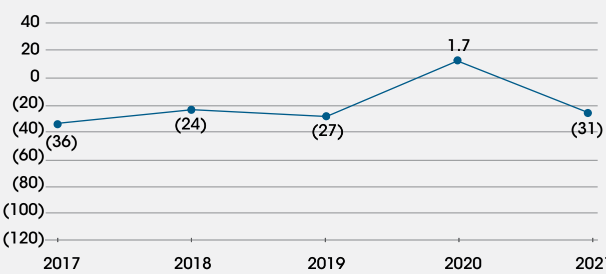
Revenue(RM'Million)



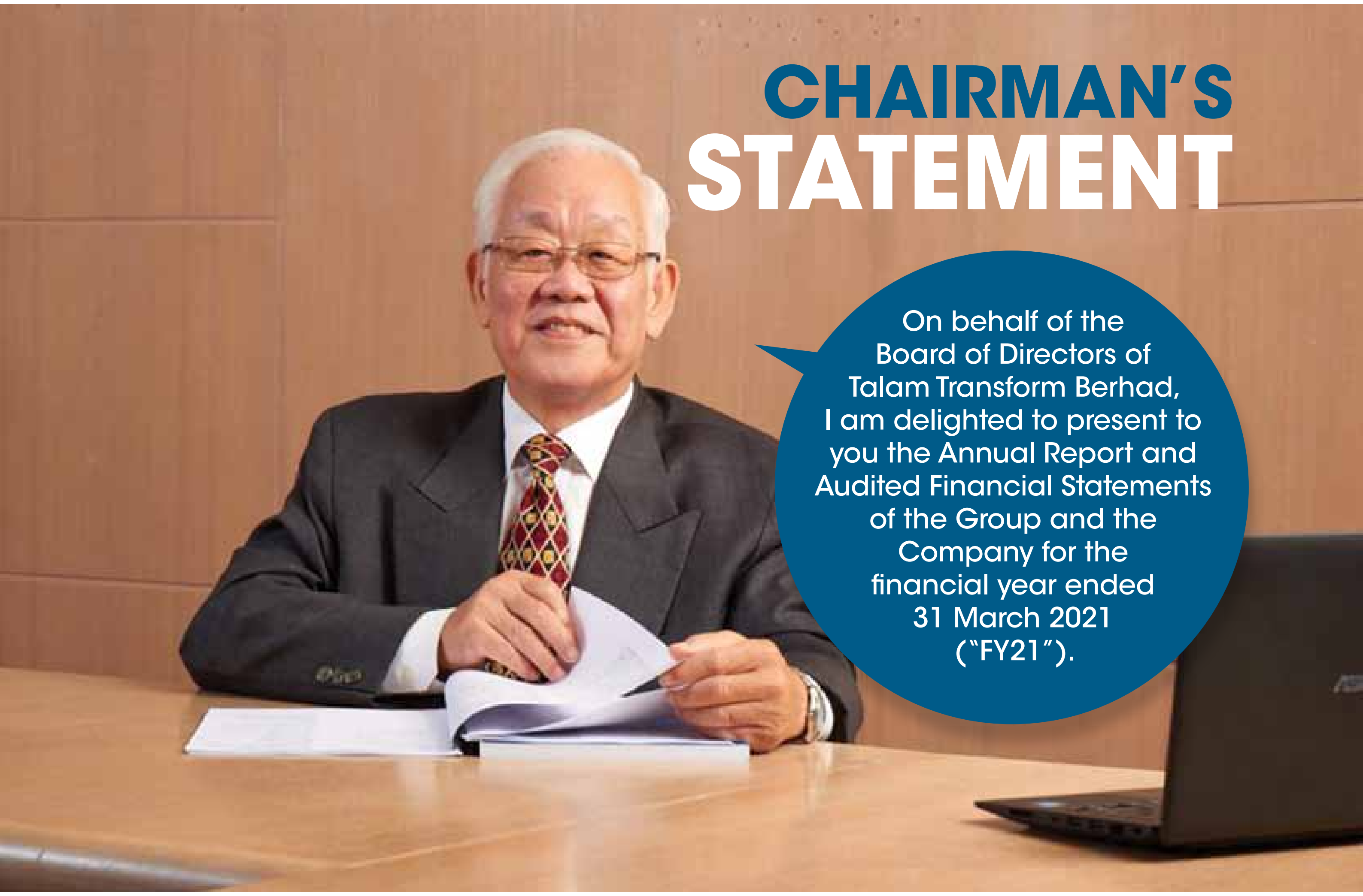
Equity attributable to owners of the Group (RM'Million)



Profit/(Loss) before tax (RM'Million)



CHAIRMAN'S STATEMENT



On behalf of the Board of Directors of Talam Transform Berhad, I am delighted to present to you the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2021 ("FY21").

2021 was a tumultuous period for Malaysia and the world as the Global Covid-19 pandemic ravages the global economy. The Malaysian economy was not spared and registered a Gross Domestic Product growth of -5.6% in 2020 compared to 4.3% in 2019.

The Movement Control Order ("MCO") in Malaysia was implemented for the first time on 18 March 2020. With lowering of infections, there was an easing of restrictions in 2020 but further outbreaks led to the re-introduction of various phases of the MCO by the Malaysian government in 2021 and the country is now undergoing various MCO that started on 1 June 2021 and is still ongoing.

MCO brought many challenges to the Group and has drastically affected our property development and construction business activities. However, the Group has remained resilient and adaptable under very difficult operating environment.

The construction sector saw a -19.4% growth in 2020, the lowest among all sectors. With the lingering uncertainty looming over the economic environment, the property market sentiment was soft with less new property launches with a cautious stance of a challenging 2021 soft property market.

To mitigate the impact of the MCO, the government implemented five fiscal stimulus packages, Prihatin, Prihatin SME+, Penjana, Kita Prihatin and Permai, with a total value of RM322.5 billion to sustain the economy.

CHAIRMAN'S STATEMENT
(CONT'D)

FINANCIAL HIGHLIGHTS

The Group achieved a revenue of RM38.09 million in FY21 compared to RM44.86 million of the preceding financial year.

I am pleased to report that the Group's gross profit rose to RM10.27 million from RM5.85 million as compared to last year.

Group loss after tax of RM30.90 million was recorded by the Group, (which is a decrease of RM32.66 million from the gain of RM1.76 million for the preceding financial year).

During the financial year, the Group's total borrowings decreased by 4.0% from RM75.61 million to RM72.6 million as at 31 March 2021 with a marginal increase in the Group's gearing ratio from 0.20 to 0.25.

As at the end of this financial year, the Group recorded total current assets of RM155.28 million against total current liabilities of RM133.70 million resulting in a net current assets position of RM21.58 million.

PROSPECTS

The prospects for 2021 remains challenging with a subdued recovery in the second half of the year as the Covid-19 infections continue to soar. While vaccine rollouts started in February 2021, the lockdown containment measures are still in place and has a dampening effect on the recovery of the economy. While Bank Negara Malaysia ("BNM") is projecting between 6.0% and 7.5% Malaysia's GDP growth in 2021, the Minister of Finance has recently lowered it to 4%.

With the continuation of the full MCO coupled with the slow start of the National Immunisation Programme and increasing rise in infections and with increased business insolvencies resulting in loss of income and rising unemployment rate at an all-time high of 4.5% in 2020, consumer spending is expected to remain subdue.

With the prevailing economic and challenging market conditions and a weak property market in the middle term, and to ensure the Group is sustainable during the pandemic, the Group has demonstrated adaptability and resilience by embarking into agriculture and horticultural commercial farming and embrace food security as a new business opportunity to generate new cash flow and profitability for the Group.

We have been successful in our pilot greenhouse Golden Melon fruits with 2 harvests to-date. We have monetised our existing abundant landbanks for large scale commercial farming and have obtained the development order for the commercial green houses in our lands in Bukit Beruntung and are now awaiting approval for the infrastructure and green house building plan approval.

At the same time, the Group will continue to leverage on the Group's existing 688 acres strategic development lands in choice locations in Selangor to strengthen its sustainable long term housing development business to provide affordable homes when the property market environment is conducive with purchasers' accessibility to lower and better financing options.

Going forward, the Group is always on the lookout for new synergistic and collaborative partnerships or joint ventures to unlock the value of our assets through new business ventures or new investments while rationalising our business and enhancing operational efficiencies to improve its financial performance.

ACKNOWLEDGEMENT

In difficult and testing times like these, we are fortified by the support and contribution shown by our various stakeholders to help the Group navigate through this challenging unprecedented Covid-19 pandemic business environment .

To our valued shareholders, I extend my sincere heartfelt gratitude for your unceasing support and understanding. To our esteemed customers, business partners, lenders, contractors, suppliers and creditors, your unwavering support and contribution to the Group is invaluable as we navigate our way through the challenging times of Covid-19 and the economic downturn and for that I am thankful and appreciative of your efforts.

To my fellow Board members, your advice, diligence and leadership coupled with your commitment and determination have sustained the Group to stay the course and be adaptable and resourceful to overcome existing challenges and to explore new frontiers of business opportunities as we operate in a new normal and a road less travelled.

My special thanks to the frontliners, the Management and staff for their dedication, efforts and unwavering commitment in supporting and sustaining the Group.

Last but not least, my heartfelt appreciation to the Securities Commission, Bursa Malaysia Securities Berhad and all the relevant authorities for their continuing support and guidance.

TSEN KENG YAM
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

(A) OVERVIEW OF GROUP'S BUSINESS

Property development, property investment, construction, property management and provision of management services remain as the main core business segments of Talam Transform Berhad ("TTB") and its subsidiaries ("the Group") with the additional foray into agriculture business in 2020.

The Covid-19 pandemic brought about an unprecedented global health crisis which spiraled into a global economic downturn. In Malaysia, the pandemic affected economic activities and growth in all sectors of the economy. The Malaysian economy registered a Gross Domestic Product growth of -5.6% in 2020 due to the Government's implementation of the movement control order ("MCO") between March to May 2020 which caused major disruptions to our businesses and operations. Social isolation restrictions to curb infection rates and the lockdown had severely affected our property development retail businesses.

The magnitude of the Covid-19 outbreak is severe and unprecedented and the containment measures implemented to contain the spread resulted in non-essential industries which included property and construction ceasing operations for an extended and prolonged period with adverse effects on the economy.

Our construction was curtailed and our sales and marketing activities were slowed down and these in turn impacted the Group's overall revenue contribution and profitability. MCO mandated that construction works be suspended for an extended period and were allowed to resume under the conditional MCO on 4 May 2021 and companies were required to apply for approval from the Ministry of International Trade and Industry to operate critical construction works with stringent provisions of strict safety and health measures coupled with the testing of workers for Covid-19, which proved to be costly and time consuming. As a result, slow construction progress led to slow progress billings and low revenue recognition.

The Group had to quickly shift our focus on business recovery and remain resilient by rapidly adapting and responding to the disruptions brought on by the Covid-19 pandemic by developing a new business stream in agriculture while actively managing the construction of the Group's first "build and then sell" concept in its Putra Perdana's development project comprising of 192 apartment units.

The Group is re-shaping its business strategies and action plans to further the Company's goals and future aspirations by planning for the future property development of the existing land bank of approximately 688 acres of strategic development lands with an estimated Gross Development Value of RM8 billion over a period of 10 years.

(B) GROUP FINANCIAL REVIEW

The Group financial year under reporting is from 1 April 2020 to 31 March 2021 ("FY21").

The Covid-19 pandemic and the frequent and prolonged lockdowns have adversely affected the business and drastically reduced the revenues of the Group. The Group's assets and inventories were also affected by the impact of the current environment which now have lower net realisable value, requiring appropriate impairment provisions.

For the financial year ended 31 March 2021, the Group registered a revenue of RM38.09 million compared to RM44.86 million of the preceding financial year. The Group's revenue decreased by 15.1% largely due to the movement control orders which had resulted in frequent stoppages of construction activities at site and the weak property market which has affected the sales of inventories.

Group loss after tax was RM30.90 million compared to a profit of RM1.76 million for the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

REVENUE

Total revenue of the Group decreased by 15.1% to RM RM38.09 million, compared to RM44.86 million generated last year. The decrease is mainly due to lower revenue from sales of stocks which had dropped from RM16.78 million to RM1.13 million.

Other revenues from property management, sales of land and construction accounted for RM5.49 million, RM13.49 million and RM17.97 million respectively.

GROSS PROFIT

The Group's gross profit rose to RM10.27 million from RM5.85 million as compared to last year. The main reason is due to a better mix of contribution from business segments than last year, in particular from land sales.

LOSS AFTER TAX

Group loss after tax of RM30.90 million was recorded by the Group (which is a decrease of RM32.66 million from the gain of RM1.76 million for the preceding financial year) mainly due to the RM34.13 million impairment of the Group's investment in Jilin Province Maxcourt Hotel Limited, China, which is under liquidation and other prudent and cautious steps taken to impair some assets of the Group and MFRS 9 provisions which are non-operational and non-cash nature.

CURRENT ASSETS AND LIABILITIES

As at the end of this financial year, the Group recorded total current assets of RM155.28 million against total current liabilities of RM133.70 million resulting in a net current assets position of RM21.58 million. The Group's total borrowings decreased by 4.0% to RM72.6 million from RM75.6 million as at 31 March 2021.

During the financial year, the Group had successfully negotiated with IJM Properties Sdn Bhd to extend the repayment of RM205.15 million owing to them by two years to May 2022 with terms to incorporate an amicable arrangement to contra a property to IJM Properties Sdn Bhd to partially settle the amount and to charge certain properties to IJM Properties Sdn Bhd as collateral for the balance. Subsequent to the financial year end, a term loan facility of RM26 million due in June 2021 has been extended to June 2022.

GEARING

During the financial year, the Group's total borrowings decreased by 4.0% to RM72.6 million from RM75.6 million as at 31 March 2021. However, due to a drop in shareholders' equity from RM361.74 million to RM280.97 million, there was an increase in the Group's gearing ratio from 0.20 to 0.25.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

(C) REVIEW OF BUSINESS OPERATIONS

PROPERTY INVESTMENT AND DEVELOPMENT

As at 31 March 2021, the Group has an existing strategic land bank of approximately 688 acres of development lands in choice locations in the State of Selangor. The Group has several new housing projects that have been approved by the authorities. The strategic choice landbank of the Group positions it to propel the future growth of its property development for the next 10 years ahead.

(1) Existing Projects

(a) Taman Puncak Jalil

Taman Puncak Jalil, is located next to Technology Park along Sungai Besi-Puchong road. Adjacent developments are Lestari Perdana on the southeast, Taman Equine on the south, Bandar Kinrara on the northwest and Bukit Jalil Sports Complex on the north. The project has remaining land bank of approximately 30.11 acres, with estimated Gross Development Value of RM610 million with an expected development period of six years.

(b) Putra Perdana

Putra Perdana is located on the southern side of Puchong-Kajang trunk road, 5 km from Batu 14 Puchong, within Cyberjaya and adjacent to the Multimedia Super Corridor, 5 km west of Putrajaya and 13 km north of the Kuala Lumpur International Airport. The project has remaining land bank of approximately 66.78 acres, with an estimated Gross Development Value of RM3.2 billion.

(c) Bukit Sentosa III

Bukit Sentosa III forms an integrated township covering approximately 994 acres of freehold land in the Mukim of Serendah, approximately 47 km north of Kuala Lumpur. It is accessible through the North-South Expressway via the exit at Bukit Beruntung Interchange. The comprehensive new township comprises a mixed development of residential, commercial and industrial properties.

Bukit Sentosa III, with a balance land bank of approximately 71.98 acres is undertaken by TTB and Europlus Berhad, a wholly-owned subsidiary of TTB. The estimated Gross Development Value is about RM461 million.

(d) Bandar Bukit Beruntung

Bandar Bukit Beruntung, a converted 5,500 acres of freehold land, is located north-west of Rawang, approximately 40 km from Kuala Lumpur and will be developed by Europlus Berhad.

Bandar Bukit Beruntung has a balance land bank of approximately 177 acres and current market valuation of RM165 million.

(e) Bukit Beruntung III

Bukit Beruntung III is a mixed development project undertaken by Europlus Berhad. The project is located adjacent to the east of Bandar Bukit Beruntung within Bukit Beruntung Township off the East Side of the North-South Expressway, some 50km due north of Kuala Lumpur City Centre. The development has a balance land bank of 200 acres and estimated Gross Development Value of RM2.1 billion.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

(C) REVIEW OF BUSINESS OPERATIONS (CONT'D)

PROPERTY INVESTMENT AND DEVELOPMENT (Cont'd)

(1) Existing Projects (Cont'd)

(f) Berjuntai Bistari Land ("Shah Alam 2")

The proposed Shah Alam 2, currently known as Berjuntai Bistari land, originally consisted of 3,000 acres of leasehold land. The land is located adjacent to the Universiti Industri Selangor campus, about 44 km from the towns of Batang Kali and Kuala Selangor, approximately 30 km from Rawang and 20 km from Bukit Beruntung. The development is accessible via the coastal road to Kuala Selangor.

As at 31 March 2021, we have a remaining land of 91.39 acres which will be developed as a water front development when the area matures for development.

(2) Future Projects

Sierra Selayang

Sierra Selayang is a residential development project undertaken by Zhinmun Sdn Bhd. The project measures 50 acres and is located at Mukim of Batu, District of Gombak, State of Selangor. The Gross Development Value of Sierra Selayang is estimated to be RM737 million and implementation is expected to be over a period of eight years.

(3) Joint Venture Projects

(a) Serenia Garden

Serenia Garden is a residential development project undertaken by Sierra Ukay Sdn Bhd which is 50%-owned by the Group. The project measures 90 acres and is located in Mukim Ulu Kelang adjacent to the existing Ukay Perdana. The Gross Development Value of Serenia Garden is estimated to be RM920 million and is expected to be implemented over a period of ten years. Up to 31 March 2021, the project has achieved sales of 314 units valued at RM130.62 million.

(b) 184 Units Three Storey Semi-Detached House and 178 Units High Cost Apartments at Taman Puncak Jalil

This is a joint-venture development project undertaken by Trident Treasure Sdn Bhd, a 40%-associate of the Group. The development is part of Taman Puncak Jalil project and is located next to Technology Park along Jalan Sungai Besi, Puchong road. The Gross Development Value is estimated to be RM367 million. The development is currently awaiting authority's approval on the development order amendment.

(c) Selayang Green

Selayang Green is a residential development project undertaken by Cekap Tropikal Sdn Bhd. The project measures 50 acres and is located at Mukim of Batu, District of Gombak, State of Selangor. The Gross Development Value of Selayang Green is estimated to be RM700.59 million and implementation is expected to be over a period of six years. The development is currently awaiting the detail development planning approval.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

(C) REVIEW OF BUSINESS OPERATIONS (CONT'D)

PROPERTY INVESTMENT AND DEVELOPMENT (Cont'd)

(4) Other Businesses

(a) Commercial Complexes

(i) **Menara Maxisegar** – A 24-storey Commercial Complex comprising an 18-storey office tower, 3 levels of retail space and 3 levels of car park that fronts Jalan Pandan Indah 4/2 and is strategically located within the commercial centre of Pandan Indah. The complex contributed rental income of approximately RM2.189 million in the financial year ended 31 March 2021.

(ii) **Pandan Kapital** – A 2-storey Shopping Complex with one basement car park that fronts Jalan Pandan Utama is strategically located within the commercial centre of Pandan Indah. The Group currently own 86% of the retail space of the complex. The complex contributed rental income of RM2.02 million in the financial year ended 31 March 2021.

(b) Construction

L.C.B. Management Sdn Bhd ("LCBM"), a wholly-owned subsidiary of TTB, has a balance construction order book of RM90 million from Projek Alam 2012 Sdn Bhd, Wonderful Insights Sdn Bhd, Xtra Touch Sdn Bhd and Good Debut Sdn Bhd. Barring any unforeseen circumstances, the Group expects to be able to recognise between RM10 million to RM15 million as revenue in subsequent accounting periods.

On top of the construction contracts awarded, LCBM was also appointed by the abovementioned developers to provide sales and project management services for their projects namely, Alam Perdana Industrial Park, D'Seven at Lagoon Perdana, Laman Putra and Ukay Perdana with an estimated total gross sales value of RM991 million.

(D) OUTLOOK AND PROSPECTS

The World Bank has recently revised the GDP growth projection for Malaysia to 6% in 2021 in light of the increase in Covid-19 infections, prevailing political uncertainty, and slower-than-expected rollout of vaccines. The prospects for 2021 remains challenging with a subdued recovery in the second half of the year as the Covid-19 infections continue to soar. While vaccine rollouts started on 24 February 2021, the lockdown containment measures are still ongoing and coupled with the lingering political instability have a dampening effect on the recovery of the economy. While Bank Negara Malaysia ("BNM") has projected an economic recovery of between 6% to 7.5% in 2021, on the back of domestic demand growth, with private consumption to double to 8% from 4.3% in 2020, the Minister of Finance has recently lowered it to 4%.

To cushion and mitigate the lingering impact of the pandemic, the Malaysian government launched its largest-ever budget of RM322.5 billion for 2021. However, resurgent cases of Covid-19 saw the re-introduction of the MCO in January 2021 and again in May 2021 as well as the unprecedented declaration of a state of emergency on 11 January 2021 until 1 August 2021 to curb widespread community infection.

The Covid-19 pandemic has exacerbated existing challenges and uncertainties in the property development market. With the lingering uncertainty hovering over the domestic economic environment, the property market sentiment is soft in 2021 with less new property launches and a cautious stance of a challenging 2022 subdued property market.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

(D) OUTLOOK AND PROSPECTS (CONT'D)

To operate in the post-pandemic environment with a post Covid-19 recovery, the Group will strive for long-term sustainability by improving on the efficiency and effectiveness of operations resulting in improved cost effectiveness. Riding on our expertise and experience in the affordable homes segment, the Group seek to propel a new growth in property development to build a sustainable and profitable long term business to target the lower middle income segment.

Focus will be on attractive innovative affordable product offerings and focusing on targeted, effective marketing to meet the purchasers' needs and to facilitate home ownership.

With the prevailing economic and challenging market conditions and a weak property market in the middle term, and to ensure the Group is sustainable during the pandemic, the Group has demonstrated adaptability and resilience by embarking into agriculture and horticultural commercial farming and embrace food security and food sustainability as a new business opportunity to supply essential and secure food supplies to generate new cash flow and profitability for the Group.

We have been successful in our pilot greenhouse Golden Melon fruits with 2 harvests todate. We have monetised our existing abundant landbanks for large scale commercial farming and have obtained the development order for the commercial greenhouses in our lands in Bukit Beruntung and now are awaiting approval for the infrastructure and greenhouse building plan approval which were delayed by the lockdown.

At the same time, the Group will continue to leverage on the Group's existing 688 acres strategic development lands in choice locations in Selangor to strengthen its sustainable long term housing development business to provide innovative affordable homes.

With the Group's ongoing joint venture projects, the Group has also secured approvals from the relevant authorities for its new development plans on various parcels of land. The Group has demonstrated resilience and continued to strengthen its operations to manage the challenges of the property market in the year ahead and is poised to launch the new housing development projects when the property market environment is conducive and with purchasers' accessibility to lower and better financing options.

In the construction sector, the Group has a balance order book of RM80 million to be completed over the next 2 years.

The Group has in place the Anti-Corruption Guidelines and supports the upholding of high standards of integrity and discourages any corrupt practices in our business conduct and operations regarding any improper solicitation, bribery, and other corrupt activities.

Going forward, the Group is always on the lookout for new synergistic and collaborative partnerships or joint ventures to unlock the value of our assets through new business ventures or new investments while rationalising our business and enhancing operational efficiencies to sustain our long term business.

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board of Directors ("Board") of Talam Transform Berhad ("TTB" or "the Company") recognises the importance of developing its businesses in a sustainable and responsible manner and has endeavoured to maintain a balance between economic performance to create values for its shareholders and its responsibility towards environment and social obligations. TTB and its subsidiaries ("the Group") are committed to ensure that the concept of business sustainability becomes an integral part of its organisation culture that inspires our employees to embrace sustainable changes through the work they do.

This Sustainability Statement ("Statement") formally sets out our approach to sustainability and includes the various sustainability initiatives and activities that we have undertaken for the financial year which have an impact on the economic, environmental and social ("EES") aspects. This Statement covers our core businesses comprising of property development, property investment, construction, property management and provision of management services all located in Malaysia.

On our new agriculture and horticulture business which we have embarked into recently via joint venture with Smart Hybrid Resources Sdn Bhd and Skyscraper Airhydro Industries Sdn Bhd in the third quarter of financial year ended 31 March 2021 ("FY2021"), we have built 3 greenhouses on the 9th floor roof-top of our corporate office at Menara Maxisegar as showcase, which also houses our research and development centre. The first few crops under research include golden melons, butternut squash, dragon fruits, mangoes, bananas, passion fruits, grapes, mangosteen, cauliflower, ginger, etc. We are also in the initial stage of commencing the commercial modern agriculture farming via greenhouse technology on our main plantation site measuring 19-acres at the Group's own land banks in Bukit Beruntung and as at 31 March 2021, we have obtained approval from the authorities on the development order for the commercial greenhouses and is awaiting approval for the infrastructure and green house building plans. Therefore, we will only report the sustainability initiatives and activities in more detail on the agriculture business in the next financial year.

The current reporting year will cover 12 months from 1 April 2020 to 31 March 2021.

REPORTING STANDARDS

Our sustainability reporting is in line with the new Global Reporting Initiative ("GRI") standards, prioritising our focus on reviewing our material issues and mapping out our route forward to embed sustainability throughout our business operations without compromising the environment for generations to come. In addition, we will also demonstrate our commitment to integrate sustainability practices and preparing this Statement according to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and Sustainability Reporting Guide and Toolkits issued by Bursa Malaysia Berhad ("Bursa Malaysia").

SUSTAINABILITY STATEMENT
(CONT'D)

TALAM TRANSFORM BERHAD'S VISION, MISSION AND CORE VALUES

With the recent embarkation into the new agriculture and horticulture business, we have updated our Vision, Mission and Core Values as follows:-

Vision

To be a reliable property developer, contractor, agriculture food supplier of choice by delivering quality, affordable housing and high quality and healthy agriculture produces.

Mission

To achieve profitable growth through the development and construction of properties as well as adopt sustainable modern agriculture farming that meets the needs of the market and embrace the fostering of sustainable communities.

Core Values

To deliver value, fostering teamwork, maintaining integrity and building relationships.

REVIEW OF OPERATION

The detailed review of the Group's operations is elaborated in the "Management Discussion and Analysis" section of this Annual Report.

The following are the key financial highlights of the Group for the financial year ended 31 March 2021:-

1	**Revenue (RM'000)**	**38,086**
2	Loss Before Tax (RM'000)	(30,882)
3	Loss after Tax attributable to owners of the Company (RM'000)	(30,479)
4	Basic Loss Per Share (Sen)	(0.71)
5	Net Tangible Assets per Share (RM)	0.07

Our property development division continues to be the mainstay of the Group followed by the construction division. TTB endeavours to deliver improved results to its shareholders through proactive implementation of various strategies including enhancing its existing land bank's values to reposition itself for growth, driven by TTB's experienced and committed management team.

As for our new agriculture business, the Group has during the last quarter of FY2021 been encouraged by a successful first harvest of 952 kg of golden melons from our 9th floor roof-top corporate office at Menara Maxisegar. The Group was able to sell them to associates, staff and to supermarket through our joint venture partner due to small quantities from the trial pots. The division recorded a pre-tax loss of RM0.11 million for the current quarter and RM0.18 million for the year-to-date, arising from seeds and other raw materials costs, professional fees, regulatory expenses, salaries and other maintenance costs.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY STRATEGY

As a public listed company, TTB is committed and guided by its corporate policies, operational strategies and corporate governance with the objective of improving its shareholders' value in the long term. Despite the present challenging operating environment, TTB continues to practice prudence and stay focused on delivering profitable growth, while being mindful of emerging risks. Therefore, the Group is committed to uphold proactive and prudent financial management to sustain its business.

Our approach to driving sustainability is based on our core values. Accordingly, relevant policies and procedures were established throughout the Group to support such move towards sustainability. Whenever practical and required, we will incorporate further relevant sustainability factors in our businesses.

SUSTAINABILITY GOVERNANCE STRUCTURE/FRAMEWORK

The Board has the ultimate responsibility to ensure that sustainability efforts are embedded in the strategic direction of the Company. We have therefore established a Sustainability Committee which oversees the formulation, implementation and effective management of our sustainability matters and also ensure that they are in line with our business strategies. The Sustainability Committee is also supported by various working groups responsible for implementing the initiatives within the organisation. The Executive Directors and the Group Chief Executive Officer ("CEO") will update the Board of key EES risks and opportunities.

The governance of our sustainability agenda is important to the Group as it enables its businesses to effectively embed sustainability. Good governance structures also ensure that TTB is aligned to its core principles and standards. Demonstrating its commitment from the top, the Group's sustainability agenda is governed by the Sustainability Committee which comprises of TTB's Executive Directors, Group CEO and key senior management.

MATERIALITY ASSESSMENT PROCESS

TTB defines material sustainability matters as those that impact our businesses as well as our stakeholders and influence how our stakeholders make decisions, which in turn affect our ability to achieve our long term goals and thrive as a sustainable business.

TTB periodically reviews its identified material sustainability matters to determine if they continue to be relevant to our business. The process is conducted by the Sustainability Committee and supported by the various working groups, which take into account the updated feedback from both internal and external stakeholders.

During the financial year, we have determined that the following material sustainability matters as identified shall continue to remain relevant to our businesses for the forthcoming financial year:-

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT PROCESS (CONT'D)

Material Matters

Economic

No.	Material Matters	Why Material
1	Corporate Governance and Compliance	To be a transparent, accountable and ethical business entity
2	Innovative and Shared Development	To develop competitive advantage in business and create value for customers, investors and shareholders
3	Customer Satisfaction and Product Quality	To create customer loyalty and satisfaction
4	Procurement Practice and Supply Chain Management	To stay competitive and enhance local economic development
5	Branding and Reputation	To impart confidence to customers and stakeholders for recurring business
6	Customer Data Privacy and Security Protection	To build up customers' trust and safeguard confidential information of the Company

Environmental

No.	Material Matters	Why Material
1	Environmental Pollution Management and Compliance	To preserve a sustainable environment for the future generation
2	Water & Energy Management and Consumption and Green House Gas ("GHG") Emission and Management	To minimise resources depletion and increase cost saving
3	Waste Management and Recycling	To reduce wastage of resources, thereby reduce cost and help to preserve the environment by minimising pollution

Social

No.	Material Matters	Why Material
1	Employee Benefit, Welfare, Well-Being, Career Advancement & Development and Recreation	To build a productive and healthy workforce, raise standard of living as well as job security and satisfaction
2	Occupational Health and Workplace Safety	Reducing the impact on financial and casualty arising from workplace injuries
3	Neighbourhood and Sustainable Community	To create a conducive environment for community interaction and connectivity through well planned property development in terms of its layout designs and services
4	Welfare and Corporate Social Responsibility ("CSR")	Engage in charitable act of giving and volunteering effort within our community especially for the needy segment

MATERIALITY ASSESSMENT PROCESS (CONT'D)

Material Matters (Cont'd)

Stakeholder Feedback Channels

Stakeholder	Stakeholder Feedback Channels
Customer	Customer Satisfaction Survey Company Website Sales & Promotion Activities Social Media
Supplier/Contractor	Client and Consultant Meeting Site Meeting
Investor/Shareholder	Annual General Meeting Investor & Analyst Briefing Company Website
Regulator/Authorities	Dialogue Seminar
Community	CSR Engagement Company Website Social Media
Media	Press Interaction Social Media
Employee	Training Seminar Town Hall Meeting Departmental Meeting Performance Appraisal
Non-Governmental Organisation	Dialogue Engagement

ECONOMICS

The Group's activities are based on responsible development with the aim of improving the lives of local communities and focusing on winning customers' confidence through trust and reliability.

(1) Corporate Governance and Compliance

Establishing good corporate governance in a company is the key to ensuring the success of its business and provides a framework for structured decision making process to occur. Through this, the Board of Directors and employees can better understand the most practical and proactive steps to take towards achieving good economic, environmental and societal outcomes for our business.

Hence, the establishment of the Sustainability Committee is to oversee the formulation, implementation and effective management of our sustainability matters. It also sets out the strategic direction of the Group's agenda and to approve sustainability strategy and framework. Routine reports on management targets and performance of processes and controls as well as strong governance enables effective oversight of business compliance. With sound policies, systems, processes and internal controls in place, we will be able to adhere to all applicable laws and regulatory requirements.

The Sustainability Committee champions and governs all environmental and social initiatives across the organisation and is responsible for revising and formulating our sustainability strategy as well as to communicate with the Heads of Department on implementing the initiatives. With the implementation of corporate governance and adherence to best business practices, there have been no reports of non-compliance issues during the reporting year.

SUSTAINABILITY STATEMENT
(CONT'D)

MATERIALITY ASSESSMENT PROCESS (CONT'D)

ECONOMICS (CONT'D)

(2) Innovative and Shared Development

New creative ideas and proper planning throughout the development stages were initiated to create added value which includes new design, technology, services and processes. The emphasis on constructing buildings to a higher standard required significant investments in innovative building technologies. The landscape of building products, materials, components and systems have increased substantially in recent years. This advancement has paved the way for new design and construction methods that make buildings stronger, safer, more durable and more efficient. During the initial stage of development, we have identified four different phases of project management structure namely, conceptual, scoping, design and implementation.

Conceptual phase	-	identify funding source and scope based on market demand
	-	identify any requirements tied to funding
Scoping phase	-	identify "must have/want to have" items and perform prioritisation based on market demand
	-	plan size of project based on available budget
Design phase	-	review cost/benefit analysis, methodology options and perform analysis
	-	perform cost optimisation
Implementation phase	-	To monitor budget effectiveness and sustainable construction methodology.
	-	plan for effective system maintenance.

However, it is important to highlight that economic feasibility and performance considerations are critical throughout the life cycle of a project.

(3) Customer Satisfaction and Product Quality

Customer satisfaction is critical for our business to be a success and for further improvement. Therefore, we will keep striving to deliver quality workmanship and values to meet customers' rising expectations.

Stringent quality control checks and procedures are necessary and require standards like Qlassic to be implemented in the near future. It will set out the standard on quality of workmanship for various elements of building construction work such as structural, architectural, mechanical, electrical and external works. Hence, having a well-executed Product Quality Management Plan is crucial to uphold the Group's reputation as a committed and responsible developer. As part of the quality management system, surveys are taken from customers for quality monitoring of projects delivered. Post mortem studies on completed stages of the projects will be implemented to understand ways to improve further on our project and service quality.

Customer engagement is equally important whereby understanding and knowing their expectations will strengthen our insights into their "wants and needs". Periodical customer satisfaction surveys will be carried out to enable us to constantly develop and deliver better products and services to the market.

MATERIALITY ASSESSMENT PROCESS (CONT'D)

ECONOMICS (CONT'D)

(3) Customer Satisfaction and Product Quality (Cont'd)

On agriculture, we as provider of food security will have to ensure the safety and quality of our food produces as we are accountable to public safety where food consumption is concerned. Therefore, we have adopted the Malaysian Good Agriculture Practice ("MGAP") as our agriculture industry standard as it is a comprehensive certification scheme which emphasises on EES obligations to ensure each produce is safe and of good quality, and also adopt the best practices in protecting our workers' safety and welfare as well as the environment. In addition , we adopt sustainable farming by using quality seeds such as F1 hybrid seed to maximise economic value while improving social and environmental conditions as this type of seed will consistently produce the same type/quality agriculture crops/food and reduces pesticides and chemical treatments dependency.

(4) Procurement Practice and Supply Chain Management

Our commitment is to procure more resources locally and to support capable local vendors which in turn will generate local job creation. This will encourage consistent delivery of quality products and timely services. With effective management, it helps to create value, efficiencies, competitiveness which reduce the risk of business disruptions, conserve resources and ensures compliance to regulations. We select contractors, suppliers and other supply chain partners who share our values and work innovatively.

Different requirements and guidelines are set for new suppliers at the pre-qualification stage depending on the goods or services offered. Sustainability clauses are also included in contracts to raise the standards of our suppliers' base and also to ensure that our supply chain is robust and exceeds our high standards.

Our sustainable supply chain core principles are:-

(i) Compliance with applicable laws including all environmental, health and safety and labour legislation. On labour issues, we have stated in all our letters of award to contractors that the engagement of illegal workers are strictly prohibited at our project sites. As a result, there were no reported cases of illegal workers caught in our project sites during the financial year.

(ii) Harmful environmental impacts to be reduced and to promote environmental friendly policies in the areas of waste and disposal, improved resources efficiency, biodiversity protection, controls to minimise the release of harmful emissions into the environmental. Also, to minimise the negative impact on society and the environment such as noise, dust and other pollution.

On agriculture, we source our agriculture materials mainly from local suppliers which will help promote growth for our local economy. We also sell our crops/food to the local vendors at a slightly lower price than the market to assist them in gaining more profit for their retail sales and hence, have better livelihood.

SUSTAINABILITY STATEMENT
(CONT'D)

MATERIALITY ASSESSMENT PROCESS (CONT'D)

ECONOMICS (CONT'D)

(5) Branding and Reputation

In order to restore the Group's reputation as a reliable property developer, we strive to maintain good controls throughout the construction phases until the end of the project in order to ensure consistent quality products.

On the Group's branding, we have re-focused our property portfolio into building more quality and affordable homes based on market demands in line with the soft property market, tight credit and financing conditions. Therefore, the Group has embarked into "build and then sell" concept development on smaller scale land banks and has implemented its first project of 192 apartment units in Putra Perdana, Sepang. The construction works of this project is now completed and in the final stages of undergoing inspection by authorities in order to obtain the Certificate of Completion and Compliance ("CCC"). Unfortunately, it was delayed due to the re-introduction of full movement control order ("FMCO") in Selangor and is now only expected to be obtained by the third quarter of FY2021. Sales will be launched once the CCC is obtained.

(6) Customer Data Privacy and Security Protection

The emphasis on Information and Communication Technology and adequate data security management is utmost essential in this digital environment. Compliance with the Personal Data Protection Act 2010 is important to safeguard confidential details of our customers and business partners against any personal data leakages.

Investment in the latest firewall systems to safeguard against any cyber security risks is very much necessary. Aside from digital security measures, installation of closed circuit television systems to monitor crowd movements within the office premises will safeguard against any form of unwarranted risks and dangers.

Cyber Security Framework involves the following parameters:-

Identify	-	understanding the cyber security risks in relation to systems, assets, data and capabilities
Protect	-	measures to protect and maintain critical infrastructure services
Detect	-	processes to identify the occurrence of a cybersecurity threat
Respond	-	arrangements to act regarding the detection of any possible cyber security threat
Recover	-	plans and restoration procedures to reinstate capabilities or services impaired due to cyber security events

ENVIRONMENTAL

We are mindful of the environmental impact of our activities and maintain full compliance with the environmental regulations. We take responsibility for the management of our environmental impact seriously and will continue to develop effective environmental initiatives to protect the environment. The industry we are in have extensive direct and indirect impact on the environment and by aligning ourselves with the sustainable development goals, we will be able to design and construct buildings sustainably. Our emphasis is to grow the business without compromising the quality of the environment that we live in.

The Group integrates environmental concerns within its operations and practices at different levels of the organisation. It also ensures that there are sufficient measures at all its construction sites and workplaces to prevent any adverse impact on the environment. For the financial year, there were no cases of compound penalty or non-monetary sanction imposed on our business entities by the government authorities for non-compliance in environmental issues.

Under the Property Division, designs of energy-efficient equipment and rainwater harvesting features were introduced into our projects to save on energy and water consumption. We encourage adequate landscaping and tree planting for our projects to help create a serene and green environment for the residents. As for the site clearing and earthwork for the development, we have adopted the design with minimum cutting of earthworks to protect the environment.

Under the new Agriculture Division, we have adopted greenhouse agriculture farming technology which also has water recycling system and rain harvesting feature to capture rain water for its usage instead of treated water from the water provider which is not suitable for our crops. In doing so, we will not contribute to an increase in the water discharge to the river which may cause severe flooding.

(1) Pollution Management

The Group is concerned about the impact of pollution to the environment. We discourage all types of open burning in our construction site as it will further increase the pollution to the surrounding air. We also wash all our vehicles before leaving our construction site to ensure that the access roads are not dirtied with mud. Silt traps are also installed at the washing point near the exit to contain the mud from flowing into the nearby drain. For the construction sites which are nearby existing buildings, we are also mindful of the noise pollution created and therefore, we ensure that minimum noise pollution activities are to be carried out after working hours.

On agriculture, by adopting the greenhouse agriculture farming, we have eliminated pollution to the surrounding air and water by using air-hydro pots to plant our crops. Hence, we will only contribute to better air and water quality during photosynthesis process when our crops release more oxygen into the environment after taking in carbon dioxide out from the air. Our fertilisers are mixed in the nutrient tank and then flow into the hydro-pot, hence, it will all be contained in the pot and no wastewater will flow to the land.

SUSTAINABILITY STATEMENT
(CONT'D)

ENVIRONMENTAL (CONT'D)

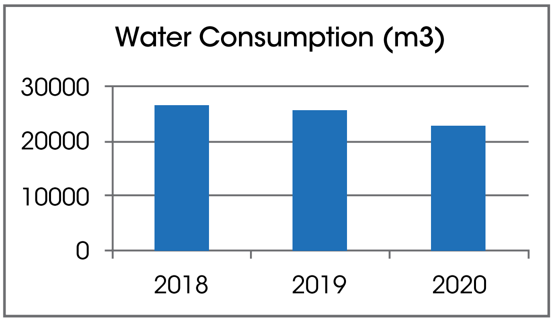
(2) Water & Energy Management and GHG Emission

The data presented below shows the water and electricity management and GHG emission statistics in our head office in Kuala Lumpur for the past 3 calendar years:-

Water Management

Water Consumption for Building – Menara Maxisegar

Year	2018	2019	2020
Water Consumption (m3)	26,233	25,982	22,298

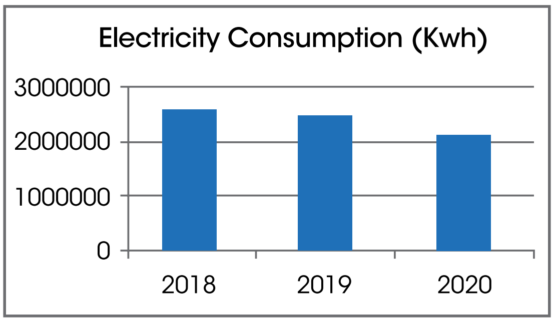


As water is a critical resource, we have implemented water conservation management by installing self-closing tap in most of our toilets in the building and also conduct daily inspection with prompt corrective action.

Energy Management

Electricity Consumption for Building – Menara Maxisegar

Year	2018	2019	2020
Electricity Consumption (Kwh)	2,642,873	2,425,799	2,006,873



Electricity is an essential cost component and it account for 50% of our building operating cost.

In our effort to minimise electricity consumption, we have equipped all common areas with timers and sensors besides changing all the lighting to energy saving and LED type. All escalators and lifts are switched off at night and on non-working days. Air-conditioners are being maintained at comfortable temperature to obtain the optimal electricity consumption. There was a drop in the electricity consumption partly due to the MCO enforced.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

(2) Water & Energy Management and GHG Emission (Cont'd)

GHG Emission

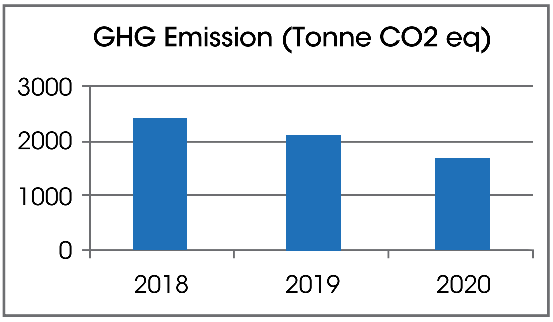
GHG Emissions can be divided into 2 types namely Direct GHG Emissions and Indirect GHG Emissions.

For Direct GHG Emissions, it covered vehicle and site machinery emission. The Group in its effort to reduce Direct GHG Emissions had ensured that all their vehicles and site machineries are tested and undergo maintenance according to planned schedules.

For Indirect GHG Emissions which covered emissions through electricity usage, we have established a data base on the electricity usage for our office as below:-

GHG Emission through Electricity Usage for Building - Menara Maxisegar

Year	2018	2019	2020
GHG Emission (Tonne CO2 eq)	2,352	2,159	1,786



The Group is mindful of climate changes due to GHG emission. We have taken the initiative to reduce the GHG emission through electricity usage by maintaining our yearly electricity usage at its minimum.

(3) Waste Management and Recycling

The Group acknowledge that waste disposal is one of the major impacts to the environment. We have always ensured that our waste disposals are managed by licensed accredited contractors who dispose off the waste in accordance with regulations and local authorities' requirements. We also emphasise on reducing paper waste through paperless and electronic email implementation.

For our construction site, we practice separation of non-hazardous and hazardous material for recycling and disposal according to the authority requirement. Extending the life-cycle of scaffolding and aluminium frameworks by reusing them in other projects are also being practised. Our designs are also equipped with Industrial Building System technology which helped to reduce usage of timber frameworks and labours.

At our greenhouse located on the 9th floor, we manage our waste pollution by reusing our air hydro pots as they can last up to 15 years and we also compost our crops' leaves / vines into fertiliser as they are organic and biodegradable. By composting, methane emissions will be significantly reduced and it also eliminates the need for expensive chemical fertilisers. On top of that, we can even sell the compost and generating some additional income to the business.

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL

(1) Value Our Employees

The employees are the most important assets of an organisation as a business cannot be successful without effectively managing its human resources and sustainability of the Company. The Group had constantly engaged, inspired and motivated employees in accomplishing its short term and long term objectives.

We practice Annual Performance Appraisal to evaluate each and every employee and target their relevant skill development needs to improve their efficiency and productivity. We provide appropriate in-house training and external training to assist our employee to perform their jobs and excel in their abilities as well as equipped them with the right skills to assume higher roles of responsibilities as part of their career development. During the financial year, the Company has conducted 1 in-house training for our Directors and Management team while some employees have attended various external trainings/ seminars in areas such as presentation of Financial Statements by the Malaysian Accounting Standards Board, anatomy of a company, roles & responsibilities of Company Secretary, key role-players in a Company involving Directors, Officers, Shareholders and Auditors, management of company meetings, navigating compliance and key offences under Companies Act 2016 and integrity and code of ethics of a contractor.

Our efforts are guided by a robust governance framework and updates from the Malaysian Employers Federation and other applicable regulatory organisation.

(2) Health and Safety

In our efforts to create a safe and conducive working environment, we uphold safety and health precautions strictly and recognise our employees as valuable human assets. Hence, we have complied with all applicable statutory requirements and regulations related to health and safety set by the Department of Safety & Health ("DOSH") with checks by DOSH official to ensure compliance are met. There were no injuries or casualties recorded at all our construction sites during the financial year under review.

With the implementation of the Movement Control Order ("MCO") on 18 March 2020 by the Government of Malaysia ("Government") for the first time due to the global Covid-19 pandemic and further outbreaks which led to the re-introduction of various phases of the MCO by the Government in 2021 and is still ongoing, the Group had been adhering strictly to the health measures and actions imposed by the Government. We have also advised all our employees to constantly follow the standard operating procedures ("SOP") implemented by the Government in order to stay safe and prevent any untoward injury or ill health to them.

On agriculture, we ensure our workers' safety by ensuring that personal protective equipment ("PPE") such as 3M masks/goggles are worn by them when they sanitise and disinfect the greenhouse before every new season's planting. Furthermore, we use sanitiser in liquid form instead of gas form as it is less damaging to the lungs when exposed. During this time, the workers do not enter the greenhouse for 3 days to do any operational works and thus, safeguard the health and safety of our workers working at the site.

SOCIAL (CONT'D)

(3) The Work Place

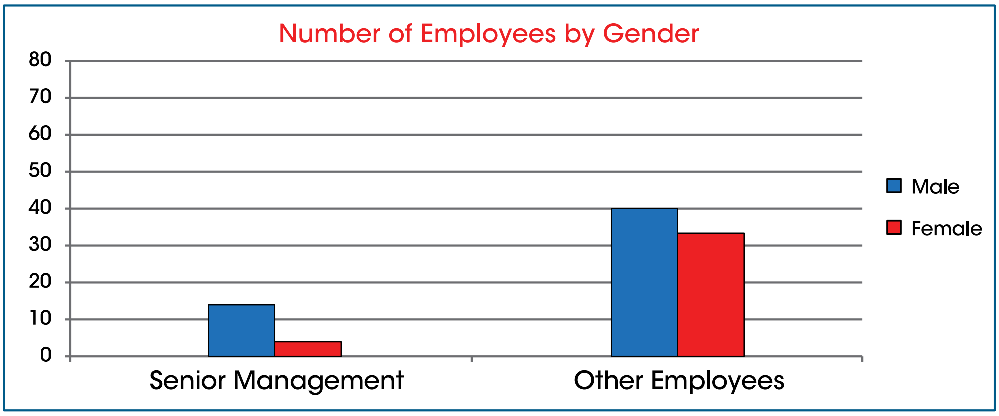
We promote a friendly culture in our organisation and have frequent fellowship lunch gatherings to foster closer working relationships and strengthen the bonding among employees by organising get-togethers and festive celebrations. However, due to the outbreak of the Covid-19 pandemic and implementation of the various MCO by the Government, we did not organise any gatherings during the financial year in order to avoid any infections among the employees and to adhere strictly to the SOP implemented by the Government to help curb the rise in infection rate.

We also emphasise teamwork and professionalism amongst our employees and strive to promote a culture of integrity and mutual trust in the work place. Following the implementation of a Voluntary Separation Scheme ("VSS") in October 2020 to reduce operating costs, there was a reduction in our workforce of 18 headcounts and our remaining work force for FY2021 consists of 89 employees out of which 79% are under permanent contract. Employees' turnover for FY2021 excluding those under the VSS, was higher at 15% compared to 4% in FY2020.

We are proud of the loyalty of our remaining employees and a total number of 64 employees equivalent to 71.9% have worked for more than 10 years of service in the Group.

Employment Diversity in terms of Gender in the Group

	Male	Female	Total
1. Senior Management	12	4	16
2. Other Employees	40	33	73



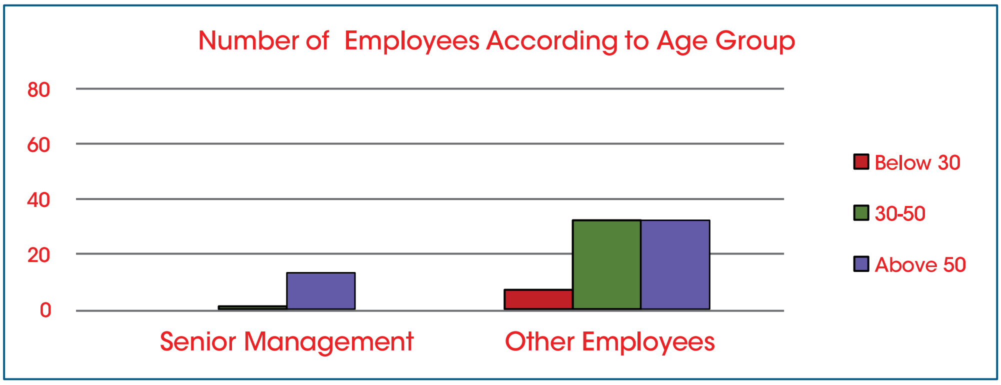
SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL (CONT'D)

(3) The Work Place (Cont'd)

Employment Diversity in terms of Age in the Group

	Below 30	30 - 50	Above 50	Total
Senior Management	0	1	15	16
Employees	5	34	34	73



(4) Neighbourhood and Sustainable Community & CSR

As a responsible corporation, the Group strives to continuously give back to the community as well as contribute to charitable organisations on a yearly basis. During the financial year, several events were organised as follows:-

- **Blood Donation Campaign at Concourse Area, Pusat Beli Belah Pandan Kapital**

  In collaboration with Pusat Darah Negara, a blood donation campaign was organised on 22 November 2020 (Sunday) at the Concourse Area (First Floor), Pusat Beli Belah Pandan Kapital.

  The blood donation campaign is aimed at helping the National Blood Bank to replenish its blood supply, helping patients who are in need of blood and to save lives. The event has brought more than 101 participants with 80 successful donors.

- **Community Welfare**

  In line with our aim in contributing to the well-being of our communities, we had participated in the "Organic Vegetable Terrarium Adoption Program 2020" by adopting 12 units of HOPE Boxes organised by PWD Smart Farmability to benefit the marginalised and indigent communities who have low food budget and have been receiving monthly food aid from the Daily Bread Food Bank.

- **Legal Aid Services**

  In collaboration with Messrs Ricky Tan & Co. in providing legal aid services to the community in need, the Company had participated by offering one of our premises in Menara Maxisegar for this CSR initiative.

SUSTAINABILITY STATEMENT
(CONT'D)

LOOKING AHEAD

As we continue in our sustainability journey, we will constantly look for ways to improve our sustainability structure, both in terms of initiatives undertaken and our reporting structure to achieve our ultimate goal of building a sustainable business for generations to come. To achieve this, we will continuously keep abreast of developments in our industry, actively and regularly engage with our stakeholders, build upon our existing sustainability framework, and seek to further embed sustainable practices within our businesses so as to improve our overall sustainability performance.

Moving forward, it is our hope that we will continue to introduce new and good quality affordable homes for our customers, enrich our local communities, create value for our stakeholders, and be an organisation that people will be proud to associate with. In addition, we are also looking forward to our new business in agriculture and horticulture which will contribute to healthy and safe food to our community besides generating new cash flow and profitability for the Group.

This Statement was approved by the Board of Directors of the Company on 26 August 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Talam Transform Berhad ("TTB" or "the Company") recognises the importance of good corporate governance and fully supports the principles and best practices as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG"). The Board is therefore, committed towards instilling a high level of corporate governance throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to enhance shareholders' value and the financial performance of the Group. The Board will apply the principles and best practices as set out in the MCCG and evaluate the Group's practices and procedures from time to time in response to the evolving practices and changing requirements.

This statement provides an overview of the Group's application of the principles of the MCCG pursuant to Chapter 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") during the financial year ended 31 March 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(1) Board Responsibilities

The Board is fully responsible for the overall governance of the Group by promoting good corporate governance culture, providing strategic plans on business performance and sustainability, overseeing the proper conduct of business, risk management, internal control, succession planning, shareholders' communication, adequacy and integrity of financial and non-financial reporting, while the Management is accountable for the execution of the expressed policies and attainment of the Group's expressed corporate objectives. This demarcation complements and reinforces the supervisory role of the Board. Nevertheless, the Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its duties as follows:-

Duties and Responsibilities of the Board

(i) promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
(ii) review and adopt the overall strategic plans and programmes for the Group and ensure that the strategic plan supports long term value creation and includes strategies on economic, environmental and social consideration underpinning sustainability;
(iii) oversee and evaluate the conduct of business of the Group which includes supervision and assessment of the Management's performance to determine whether the business is being managed properly;
(iv) ensure there is a sound framework for internal controls and risk management;
(v) identify the principal risks of the Group, set the risk appetite within which the Management is expected to operate and ensure there is appropriate risk management framework to identify, analyse, manage and monitor significant financial and non-financial risks;
(vi) ensure the senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and senior management;
(vii) ensure the Company has in place procedures to enable effective communication with stakeholders; and
(viii) review the adequacy and the integrity of the financial and non-financial reporting of the Group.

The matters reserved for the Board include the approval of the corporate plans and programmes, annual budgets and major capital commitments, new ventures, material acquisitions and disposals of undertakings and properties, changes to the Management and control structure within the Group including key policies and delegated authority limits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(1) Board Responsibilities (Cont'd)

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to the following Committees with each operating within clearly defined terms of reference that provide independent oversights of the Management and to ensure that there are appropriate checks and balances:-

(i) Audit Committee
(ii) Nomination Committee
(iii) Remuneration Committee
(iv) Executive Committee

The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and for action by the Board where appropriate.

The Board shall at all times exercise collective oversight of the Committees and Management to an extent that would not significantly hinder or reduce the Board's ability to discharge its functions. Regular reviews on the roles and responsibilities of the Committees would be conducted, when the need arises, to ensure that the Company is able to adapt to changing business circumstances.

(2) Board Charter

The Board Charter was established to ensure that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need to safeguard the interests of the shareholders, customers and other stakeholders and that a high standard of corporate governance is applied in all their dealings on behalf of the Company. The Board Charter also serves as a source of reference and primary induction literature to provide insights to prospective Board members and senior management. The Board Charter clearly sets out the division of responsibility and powers of duties between the Board and Management, between the Chairman and Executive Directors/Group Chief Executive Officer and the different Board Committees established by the Board.

The Board Charter is available on the Company's website at www.ttransform.com.my and was last reviewed and updated on 11 March 2021. The Board will periodically review and update the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities, and all the relevant standards of corporate governance.

(3) Board Composition

The Board currently consists of 7 members comprising 3 Executive Directors, 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The current composition of the Board complies with Chapter 15.02 of the MMLR of Bursa Securities which requires that at least 2 Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. The 3 Independent Directors represented 43% of the Board composition. In line with the MCCG, the Board shall endeavor that at least half of the Board members are independent directors.

The Board consists of qualified individuals with diverse set of skills, experience, knowledge and independent elements that are necessary to govern the Company. The Non-Executive Directors are professionals in the fields of engineering, property and construction, finance, accounting and legal. The profiles of the Directors are set out on pages 5 to 8 of this Annual Report and is also available on the Company's website at www.ttransform.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

(3) Board Composition (Cont'd)

The Board is chaired by Mr Tsen Keng Yam who is also the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed. He can be contacted via email at adrian@ttransform.com.my.

There is a clear division of roles and responsibilities between the Independent Non-Executive Chairman and Executive Directors/Group Chief Executive Officer which are undertaken by separate persons to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision making. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Executive Directors/Group Chief Executive Officer have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Executive Directors together with the Group Chief Executive Officer are responsible to ensure due execution of the strategic goals, effective operations within the Group and to explain, clarify and inform the Board on matters pertaining to the Group.

The responsibilities of the Chairman, amongst others, are as follows:-

(i) lead the Board in establishing and monitoring good corporate governance practices in the Company;
(ii) lead the Board and ensure effectiveness in all aspects of its role;
(iii) ensure an efficient organisation and conduct of the Board's function and meetings;
(iv) facilitate the effective contribution of all Directors at Board meetings;
(v) chair Board meetings and encourage active participation and allowing dissenting views to be freely expressed and discussed;
(vi) chair general meetings of the Company and provides clarification on issues that may be raised by the shareholders;
(vii) promote constructive and respectful relations between Directors, and between the Board and Management; and
(viii) ensure effective communication with shareholders and relevant stakeholders.

The responsibilities of the Executive Directors/Group Chief Executive Officer, amongst others, are as follows:-

(i) develop and implement corporate strategies for the Group;
(ii) supervise heads of divisions/departments who are responsible for all functions contributing to the success of the Group;
(iii) ensure the efficiency and effectiveness of the operation for the Group;
(iv) assess business opportunities which are of potential benefit to the Group; and
(v) bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

The Non-Executive Directors provide the necessary balance of power and authority to the Board with a mix of industry-specific knowledge and broad business and commercial experience. They ensure that all proposals by the Management are fully deliberated and examined, after taking into account the interest of shareholders and stakeholders.

The Independent Non-Executive Directors are independent of the Management and free from any business relationship which could materially interfere with the exercise of their judgment. They play a crucial role in providing unbiased and independent views, advice and judgment to the Board to safeguard the interests of minority shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(3) Board Composition (Cont'd)

According to the Company's Board Diversity Policy, the Board recognises diversity as an important criteria to determine the optimum composition which can enhance decision making capability and quality of the Board's performance. Increasingly, diversity at the Board level is considered an essential element in supporting the attainment of the Company's strategic objectives and sustainable development as it leverages on the differences in perspective, knowledge, skill, industry experience, background, age, ethnicity, race and gender between the Directors. The Board would consider appropriate targets in the achievement of the Board Diversity Policy including gender balance on the Board and would take the necessary measures to meet these targets from time to time as appropriate. The Board will consider more women representation in the composition of the Board for boardroom diversity when suitable female candidate becomes available. In identifying candidates for appointment of Directors, the Board (through Nomination Committee) will also explore independent sources to identify suitably qualified candidates other than relying on the recommendations from the existing Board members, Management and/or major shareholders.

Presently, Ms Chua Kim Lan is the only female Director on the Board, representing approximately 14% women participation on the Board.

The Board and Nomination Committee, in reviewing and assessing suitable candidates for the Board and performing annual assessment on each Director, would be guided by the above policy on diversification.

Practice 4.2 of the MCCG states that the tenure of an independent director shall not exceed a cumulative term of 9 years. However, upon completion of the 9 years' tenure in office, the director may continue to serve on the Board as an independent director subject to shareholders' approval on an annual basis. In line with the recommendation of the MCCG, the Company has adopted this best practice in its Board Charter. The Company will also apply the two-tier voting process in seeking shareholders' approval to retain the Independent Director who exceeded 12 years' tenure in office.

The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service. The extended service should not affect their independence, as they are still able to provide independent judgment, experience and objectivity without being subordinated to operational considerations.

Mr Tsen Keng Yam and Dato' Kamaruddin Bin Mat Desa have both served on the Board as Independent Non-Executive Directors for more than 12 years while Datuk Dr Ng Bee Ken has served for more than 9 years. Accordingly, the Nomination Committee and the Board, have determined at the annual performance evaluation and assessment of all the independent directors, that Mr Tsen Keng Yam, Dato' Kamaruddin Bin Mat Desa and Datuk Dr Ng Bee Ken shall remain and continue to act as Independent Non-Executive Directors of the Company based on the following justifications and will seek shareholders' approval to retain them in that capacity at the forthcoming 96th Annual General Meeting ("AGM") of the Company:-

(i) All of them have fulfilled the criteria under the definition of Independent Directors as stated in the MMLR of Bursa Securities, and therefore, are able to bring independent and objective judgment to the Board;

(ii) Mr Tsen and Datuk Ng's experience in the various industries enables them to provide the Board with a diverse set of experience, expertise, skills and competence;

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

(3) Board Composition (Cont'd)

(iii) Mr Tsen, Dato' Kamaruddin and Datuk Ng have been with the Company for more than 17 years, 13 years and 11 years respectively. Therefore, they understand the Company's business operations which enable them to participate actively and contribute during deliberations or discussions at the Board and Board Committees' meetings;

(iv) All of them have contributed sufficient time and effort to attend the Board and Board Committees' meetings for the financial year ended 31 March 2021 to obtain independent information required for a balanced decision making. All of them have attended all the Board and Board Committees' meetings held during the financial year except for Dato' Kamaruddin who had attended 3 out of 5 meetings due to his personal commitment.

(v) All of them have exercised due care during their tenure as Independent Non-Executive Directors of the Company and carried out their duties in the interest of the Company and its shareholders.

(4) Code of Ethics and Conduct and Whistle Blowing Policy

The Board has established the Code of Ethics and Conduct ("CEC") to create a corporate culture within the Group to operate the businesses in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The CEC which sets out the principles and standards of business ethics and conduct of the Group is applicable to all Directors and employees of the Group.

The main principles of the CEC include the following:-

(i) avoid conflict of interest;
(ii) exercise caution and due care to safeguard confidential information;
(iii) avoid insider trading;
(iv) ensure accuracy and reliability of records;
(v) avoid discrimination or prejudice in the workplace; and
(vi) avoid acts of misconduct.

The CEC which is subject to regular review and updates is also made available on the Company's website at www.ttransform.com.my.

In addition, the Company recognises that any genuine commitment of detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees can report their concerns freely without fear, reprisal or intimidation. Accordingly, the Company has adopted a Whistle Blowing Policy which has been disseminated to all Directors and employees of the Group. The Whistle Blowing Policy is available on the Company's website at www.ttransform.com.my and was last reviewed and updated on 11 March 2021.

(5) Board Meetings and Supply of Information to the Board

Board meetings for subsequent financial year are scheduled in advance before the end of current financial year so as to enable the Directors to plan accordingly and fit the year's Board meetings into their respective schedules. The Board conducted at least 5 regular scheduled meetings annually, with additional meetings convened as and when necessary, to consider all matters relating to the overall control, business performance and strategy of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(5) Board Meetings and Supply of Information to the Board (Cont'd)

In fostering the commitment of the Board, the Directors shall devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. All the Directors hold not more than 5 directorships in public listed companies.

During the financial year ended 31 March 2021, there were 5 Board meetings held and the attendance record of the Directors were satisfactory as evidenced in the table set out below:-

	Directors	Number of meetings attended
1.	Tsen Keng Yam (Chairman)	5 out of 5
2.	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	5 out of 5
3.	Dato' Kamaruddin Bin Mat Desa	3 out of 5
4.	Datuk Dr Ng Bee Ken	5 out of 5
5.	Chua Kim Lan	5 out of 5
6.	Yaw Chun Soon	5 out of 5
7.	Chan Tet Eu	5 out of 5

All the Directors have complied with the minimum requirements on the attendance at Board meetings held during the financial year ended 31 March 2021 as stipulated in the MMLR of Bursa Securities. In the intervals between Board meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through written resolutions. The resolutions passed by way of such written resolutions are then noted at the next Board meeting.

A full agenda of the meeting and all Board papers are distributed on a timely manner of 5 clear days prior to Board Meetings to ensure that the Directors have sufficient time to review and consider the agenda items to be discussed at the meeting and where necessary, to obtain further explanations in order to be fully briefed before the meeting. The Board papers include reports relevant to the issues of the meeting, covering the areas of strategic, financial, operational and regulatory compliance matters.

In discharging their duties, the Directors have access to all information within the Company and to the advice and services of senior management staff and Company Secretary. If necessary, the Directors may seek independent professional advice and information in furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions. Any such request is presented to the Board for approval.

Senior management staff, as well as advisers and professionals appointed on corporate proposals, may be invited to attend Board meetings to provide the Board with their views and explanations and to furnish clarification on issues that may be raised by the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

(5) Board Meetings and Supply of Information to the Board (Cont'd)

The Directors are notified of any corporate announcements released to Bursa Securities. Minutes of each Board meeting were circulated to all Directors before the Board meeting for their perusal prior to confirmation of the minutes at the commencement of the Board meeting. The Directors can then request for clarifications or raise comments before the minutes are tabled for confirmation as a correct record of proceedings of the Board meeting. Apart from the Board minutes, the Chairman of the respective Board Committees will report to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

The Company Secretary plays an important advisory role and is a source of information and advice to the Board and its Committees on issues relating to corporate governance matters, compliance with laws, rules, procedures, regulations, board policies and procedures and compliance with the relevant regulatory requirements affecting the Company and Group. The Board is supported by a suitably qualified and competent Company Secretary who is a member of a professional body and also of senior position in the Company. The Company Secretary has attended trainings and seminars to keep abreast of relevant statutory and regulatory requirements.

Every Board member has ready and unrestricted access to the advice and services of the Company Secretary who is capable of carrying out the duties and responsibilities, to which the post entails. The roles and responsibilities of the Company Secretary include the following:-

(i) advise the Board and Management on their roles and responsibilities;
(ii) advise the Board and Management on governance issues and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation;
(iii) advise and continuously update the Board on corporate disclosures and compliance with listing requirements, company and securities legislations and related regulations;
(iv) attend all Board, Committees and general meetings, and ensure the proper recording of minutes of the meetings;
(v) ensure proper upkeep of statutory registers and records;
(vi) assist Chairman in the preparation for and conduct of meetings;
(vii) assist Chairman in determining the annual Board plan and the administration of other strategic issues;
(viii) assist in the induction of new directors, and assist in directors' training and development; and
(ix) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(6) Criteria for Recruitment and Assessment

The Nomination Committee has been formed to assist the Board in ensuring that the Board comprises of Directors with the appropriate mix of skills and experience, as well as to ensure a proper balance between Executive Directors and Independent Non-Executive Directors.

The Nomination Committee currently comprises the following 4 Non-Executive Directors, the majority of whom are Independent Directors:-

Members	Designation
Datuk Dr Ng Bee Ken (Chairman)	Independent Non-Executive Director
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	Non-Independent Non-Executive Director
Tsen Keng Yam	Independent Non-Executive Director
Dato' Kamaruddin Bin Mat Desa	Independent Non-Executive Director

Although the Chairman of the Nomination Committee is not the Senior Independent Non-Executive Director, the Board is of the view that the Nomination Committee is able to perform its duties transparently and independently.

The terms of reference of the Nomination Committee is available on the Company's website at www.ttransform.com.my.

During the financial year ended 31 March 2021, there were 2 meetings held and attended by all the members except for Dato' Kamaruddin who had attended one of the meetings.

The Nomination Committee is responsible for making recommendations to the Board of suitable candidates for appointment as Director/Group Chief Executive Officer, after which the Company Secretary ensures that all appointments are properly made and all legal and regulatory compliance are met. In making these recommendations, the Nomination Committee considers, inter-alia, their skills, knowledge, expertise and experience, professionalism, integrity, commitment (including time commitment) and diversity including gender, ethnic, age and race, where appropriate, which the Director/Group Chief Executive Officer should bring to the Board. In the case of candidates proposed for appointment as Independent Non-Executive Director, the Nomination Committee will evaluate their ability to discharge such responsibilities/functions as expected from an independent director. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

During the financial year ended 31 March 2021, the Nomination Committee conducted an assessment of the required mix of skills, experience and other qualities including core competencies which the Non-Executive Directors should bring to the Board and identified areas for improvement. It also conducted an assessment of the Directors/Group Chief Executive Officer and the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director including the Independent Non-Executive Directors and the Group Chief Executive Officer. The Board further agreed with the assessment of the Nomination Committee that the Independent Directors bring independent and objective judgment to the Board and this mitigates risks arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest in any matter under deliberation, he is required to disclose his interest and abstain from participating or discussion on the matter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(6) Criteria for Recruitment and Assessment (Cont'd)

The concept of independence adopted by the Board is in line with the definition of an Independent Director in Section 1.01 of the MMLR of Bursa Securities and Practice Note 13. The main element for fulfilling the criteria is the appointment of an Independent Director who is not a member of the Management and free from any relationship which could interfere in the exercise of independent judgment or the ability to act in the best interest of the Company. The Nomination Committee and Board have upon their annual assessment, concluded that each of the Independent Non-Executive Directors had demonstrated in conduct and behavior that indicate independence and each of them continues to fulfill the definition of independence as set out in the MCCG and MMLR of Bursa Securities.

The Board evaluation conducted comprised of Directors' Evaluation Form, Board Skills Matrix Form, Board & Board Committee Evaluation Form and Independent Directors' Self-Assessment Checklist. The assessment criteria include contributions to interaction, roles and duties, knowledge and integrity, governance and risk management whilst the criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Group, tenure of independence and his involvement in any significant transaction with the Group. The Board Committees are evaluated based on assessment criteria which include the right size and composition, effective recommendation and timely reporting to the Board, expertise, competence, experience and communication skill. All assessments and evaluations carried out by the Nomination Committee in discharging its functions have been properly documented.

The Board studied the results of the evaluation and is generally satisfied with the performance and effectiveness of the Board and Board Committees as well as the individual directors and Group Chief Executive Officer, the size of the Board, composition as well as the mix of skill sets, core competencies and the independence of its Independent Non-Executive Directors.

(7) Appointment to the Board/Re-election of Directors

The proposed appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the Nomination Committee and Remuneration Committee. There was no new appointment of Directors during the financial year. The Board would consider using independent sources in identifying suitable candidates for appointment of directors in the future such as directors' recruitment agencies.

In accordance with the Constitution of the Company, all Directors who are newly appointed to the Board, are subject to re-election by shareholders subsequent to their appointment at the immediate AGM. The Constitution also provides that at least 1/3 of the Directors shall retire from office and be eligible for re-election at every AGM. All Directors shall submit themselves for re-election at least once every 3 years.

The Nomination Committee carries out annual assessment of each Director's contribution to the Company and recommends the Directors who will be subject to re-election at the next AGM, to the Board and shareholders for approval. The Nomination Committee had recommended Datuk Dr Ng Bee Ken, Mr Yaw Chun Soon and Mr Chan Tet Eu to retire by rotation at the forthcoming 96th AGM of the Company pursuant to the Constitution of the Company and being eligible, have offered themselves for re-election.

The re-election of each Director is voted on separately. To assist shareholders in their decision, sufficient information, such as personal profile, meetings' attendance and the shareholding of the Director standing for re-election, are furnished in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(8) Directors' Training and Continuing Education Programme

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. The Company is aware of the importance of continuous training for its Directors to enable them to effectively discharge their duties and sustain active participation in the Board deliberations and will continuously evaluate and determine the training needs of its Directors. Accordingly, the Company organises at least 1 in-house training every year for the Directors to ensure they are kept up-to-date on the relevant developments.

The Directors are also aware of their duty to continuously update their knowledge and enhance their skills through appropriate continuing education programmes. They are provided with the opportunity, and are encouraged, to attend training to keep themselves updated on relevant new legislation, financial reporting requirements, best practices and changing commercial and other risks.

During the financial year, all Directors have attended the following seminar organised by an external professional:-

Directors	Training Programmes/Seminars/Forums
Tsen Keng Yam (Chairman)	• In-house seminar on Land Matters, Law and Regulations
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	• In-house seminar on Land Matters, Law and Regulations
Dato' Kamaruddin Bin Mat Desa	• In-house seminar on Land Matters, Law and Regulations
Datuk Dr Ng Bee Ken	• In-house seminar on Land Matters, Law and Regulations
Chua Kim Lan	• In-house seminar on Land Matters, Law and Regulations
Yaw Chun Soon	• In-house seminar on Land Matters, Law and Regulations
Chan Tet Eu	• In-house seminar on Land Matters, Law and Regulations

The Company Secretary has also circulated the relevant guidelines on statutory and regulatory requirements to the Board for reference. The external auditors have also briefed the Audit and Board members on the changes to the Malaysian Financial Reporting Standards that affect the Company's financial statements during the year.

(9) Directors' Remuneration Policies and Procedures

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long term objectives and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain directors of such calibre to provide the necessary skills and experience to commensurate with the responsibilities of an effective Board. The Remuneration Committee is primarily responsible for recommending the remuneration policy and reward framework for the Executive Directors and Group Chief Executive Officer which are aligned with the business strategy and long term objectives of the Company and also fairly guided by market norms and industry practices, to the Board for approval. The Remuneration Committee also recommends the Executive Directors' and Group Chief Executive Officer's remuneration and benefits based on their individual performance and that of the Group to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

(9) Directors' Remuneration Policies and Procedures (Cont'd)

The Remuneration Committee carries out annual review of the Executive Directors' and Group Chief Executive Officer's remuneration packages whereupon the recommendation will be submitted to the Board for approval. Such annual review shall ensure that the remuneration packages for the Executive Directors remain sufficiently attractive to attract and retain them.

The remuneration packages for the Executive Directors and Group Chief Executive Officer should involve a balance between fixed and performance-linked elements. The relative weightage of fixed and variable remuneration for target performance varies with level of responsibility, complexity of the role and typical market practice. The executive remuneration should be set at a competitive level for similar roles within comparable markets to recruit and retain high quality senior executives. Individual pay levels should reflect the performance, skills and experience of the Directors and Group Chief Executive Officer as well as responsibility undertaken and is structured so as to link the short and long-term rewards to both corporate and individual performance.

The determination of the remuneration package for the Non-Executive Directors is a matter for the Board as a whole following the relevant recommendation made by the Remuneration Committee, with the Director concerned abstaining from deliberation and voting on his own remuneration. The remuneration of the Non-Executive Directors comprises of director's fee, fixed monthly allowance and meeting allowance which are determined by the Board. The remuneration of the Non-Executive Directors reflects the contribution, time commitment, level of responsibilities undertaken by the particular Non-Executive Director and trends for similar positions in the market.

The Remuneration Committee comprises the following 3 Non-Executive Directors, all of whom are Independent Directors:-

Members	Designation
Dato' Kamaruddin Bin Mat Desa (Chairman)	Independent Non-Executive Director
Tsen Keng Yam	Independent Non-Executive Director
Datuk Dr Ng Bee Ken	Independent Non-Executive Director

During the financial year ended 31 March 2021, there were 2 meetings held and attended by all the members except for Dato' Kamaruddin who had attended one of the meetings.

The terms of reference of the Remuneration Committee is available on the Company's website at www.ttransform.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(9) Directors' Remuneration Policies and Procedures (Cont'd)

Details of the remuneration received by each Director of the Company during the financial year ended 31 March 2021 are set out below:-

	Fees (RM)	Salaries (RM)	Fixed Monthly Allowance (RM)	Benefits in kind (RM)(1)	Defined Contribution (RM)(2)	Other emoluments (RM)(3)	Total (RM)
Executive							
Chua Kim Lan	25,000	247,000	-	17,400	29,640	923	319,963
Yaw Chun Soon	25,000	247,000	-	6,500	29,640	923	309,063
Chan Tet Eu	25,000	97,500	-	-	11,700	923	135,123
Non-Executive							
Tsen Keng Yam	25,000	-	76,000	-	-	-	101,000
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	25,000	-	49,000	-	-	-	74,000
Dato' Kamaruddin Bin Mat Desa	25,000	-	49,000	-	-	-	74,000
Datuk Dr Ng Bee Ken	25,000	-	49,000	-	-	-	74,000
Total	**175,000**	**591,500**	**223,000**	**23,900**	**70,980**	**2,769**	**1,087,149**

Notes:
(1) Benefits-in-kind comprises of car allowance.
(2) Defined contribution comprises of employees' provident fund.
(3) Other emoluments comprise of driver allowance, employee social security organisation ("SOCSO") and employment insurance system ("EIS").

The Remuneration Committee had carried out the following activities during the financial year:-

(i) reviewed and recommended the Directors' fees for the financial year ended 31 March 2020.
(ii) reviewed and recommended the payment of additional Non-Executive Directors' remuneration (excluding Directors' fees) from 1 August 2020 to 29 September 2020 following the change in the financial year end of the Company.
(iii) reviewed and recommended the payment of Non-Executive Directors' remuneration (excluding Directors' fees) from 30 September 2020 until the next Annual General Meeting of the Company to be held in the year 2021.
(iv) reviewed the remuneration framework for the Executive Directors and Group Chief Executive Officer.
(v) reviewed the Executive Directors' and Group Chief Executive Officer's remuneration packages for the financial year 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(10) EXECUTIVE COMMITTEE

The Executive Committee consists of the Group Chief Executive Officer, Executive Directors and senior management staff of the Group. The Executive Committee supports the Board in the operations of the Group and assists in the implementation of operational matters of the Group. The Executive Committee meets every month to review the performance of the Group's operating divisions/departments. During the financial year ended 31 March 2021, there were 10 meetings held and details of the members and their attendance are as follows:-

Members	Designation	Number of meetings attended
Dato' Mohamad Razali Bin Mohamad Rahim (Chairman)	Group Chief Executive Officer	10 out of 10
Yaw Chun Soon	Executive Director	10 out of 10
Chua Kim Lan	Executive Director	10 out of 10
Tan Bak Hai	Senior Vice President I (Sales & Marketing)	10 out of 10
Soo Kah Pik	Chief Financial Officer	10 out of 10
Lim Lay Hong	Vice President (PAALM & Business Development)	10 out of 10
Ng Giak Lian	Deputy Vice President (Finance)	10 out of 10

The terms of reference of the Executive Committee are available at the Company's website at www.ttransform.com.my.

(11) Remuneration Policy For Employees

The Remuneration Policy for Employees shall enable the furtherance of the Group's vision and mission. Remuneration to the employees of the Group shall be used to align individual performance with the Group's short and long term goals. Employee remunerations shall be supported by a robust performance management system underpinned by the fundamentals of sound risk management, ethics and corporate responsibility. This policy will be reviewed periodically by the Remuneration Committee and shall apply to all levels and segments of employees within the Group including the senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(11) Remuneration Policy For Employees (Cont'd)

Details of the remuneration of the top 5 senior management staff of the Company (including salary, benefits in-kind and other emoluments) during the financial year ended 31 March 2021 are disclosed on an aggregate basis and in each successive band of RM50,000 as follows:-

Range of Remuneration	Number of Top 5 senior management staff
RM50,000 to RM100,000	2
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM350,000 to RM400,000	1
TOTAL	**5**

The Company chose not to disclose the remuneration of the individual senior management staff on named basis as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance, and may also pose security risks.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(1) Financial Reporting

The Board is responsible to ensure that the annual audited financial statements and quarterly announcements of financial results of TTB Group presents a fair, balanced and meaningful assessment of the Group's financial position, performance and prospects. The Board ensures that the Group's financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Board is assisted by the Audit Committee to oversee the financial reporting processes and the quality of the financial reporting by TTB Group. The Audit Committee reviews and scrutinise the information of the Group's annual and quarterly financial statements in terms of the overall accuracy, adequacy and completeness of disclosure and ensuring the Group's financial statements comply with applicable financial reporting standards.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements of TTB and its Group is set out on page 62 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

(2) Audit Committee

The Group's financial reporting, audit, risk management and internal control system are reviewed by the Audit Committee which comprises 3 Independent Non-Executive Directors. The Audit Committee is chaired by Mr Tsen Keng Yam and the other members are Dato' Kamaruddin Bin Mat Desa and Datuk Dr Ng Bee Ken.

All members of the Audit Committee are financially literate and are able to understand matters under the purview of the Audit Committee including financial reporting process to effectively discharge their duties. They have been briefed by our external auditors of the latest accounting and audit standards applicable to the Group and during the financial year, they have all attended the in-house seminar entitled Land Matters, Law and Regulations.

The Board noted that the Chairmanship of both the Audit Committee and Board are assumed by the same person, Mr Tsen Keng Yam. However, it is of the view that Mr Tsen is suitable to hold both positions as he can still bring objective judgement during the Board meetings with regards to the findings and recommendations made by the Audit Committee. Furthermore, he possesses the relevant experience and qualification such as being a member of the Malaysian Institute of Accountants, to ensure an efficient conduct of the Board and Audit Committee's functions and meetings.

The composition, attendance of meetings, training and summary of the activities carried out by the Audit Committee during the financial year are disclosed in the Audit Committee Report on pages 60 to 61 of this Annual Report. The activities of the Audit Committee are governed by the terms of reference that is approved by the Board.

The Audit Committee meets no fewer than 5 times a year. During the financial year ended 31 March 2021, a total of 5 Audit Committee meetings were held.

The Audit Committee meeting is always held before the Board's meeting. This is to ensure that all critical issues highlighted can be brought to the attention of the Board on a timely basis. The Chairman of the Audit Committee will report to the Board on the outcome of the Audit Committee meeting and for action by the Board where appropriate.

The Audit Committee meets with the Group's external auditors to review the scope and adequacy of the audit processes, the annual financial statements and their audit findings. In line with the good corporate governance practices, the Audit Committee also meets with the external auditors at least twice a year to discuss audit plans, audit findings and the financial statements of the Company. The Audit Committee also meets with the external auditors whenever it deems necessary.

The Company has adopted the policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee and this has been incorporated into the terms of reference of the Audit Committee. The terms of reference of the Audit Committee is available on the Company's website at www.ttransform.com.my and was last reviewed and updated on 11 March 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

(3) External Auditors

Through the Audit Committee, the Board has a direct relationship with the external auditors. The external auditors were invited and have also attended all the Audit Committee meetings of the Company during the financial year.

On an annual basis, the Audit Committee will review the suitability and independence of the existing external auditors which had been with the Company for 13 years based on the External Auditors Performance and Independence Checklist's criteria such as their calibre, quality of services, sufficiency of resources, communication and interaction, independence, objectivity and audit fees. The Audit Committee will also review and approve the provision of non-audit services by the external auditors and noted that for the financial year ended 31 March 2021, the non-audit fees incurred by the Group and Company amounted to RM16,000.00 each respectively.

The Audit Committee had obtained written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee and the Board is satisfied with the performance, competence and independence of the external auditors and the Board had recommended the re-appointment of the external auditors to the shareholders at the 96th AGM. The external auditors are invited to attend all annual general meetings of the Company so that they are available to answer shareholders' questions on matters with regard to the audit, its preparation and content of the audit report.

(4) Risk Management and Internal Control

The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of management to identify, evaluate, monitor, manage and mitigate the risks that may affect the achievement of the Group's business and corporate objectives.

The Board has the overall responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. There is an on-going process for the Board to identify, evaluate and manage significant risks faced by the Group on a regular basis for the financial period under review. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives of the Group. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control incorporates, inter alia, risk management, financial, operational and compliance controls as well as the governance process.

The Company has established the Risk Management Committee ("RMC") which is tasked to develop and maintain an effective risk management system for the Group. It reviews matters such as responses to significant risks identified, changes to internal control system and output from monitoring processes. The RMC reports to the Audit Committee, which dedicates separate time for discussion of this subject. Significant issues related to risk management and internal controls are highlighted to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

(4) Risk Management and Internal Control (Cont'd)

The RMC comprises the following members:-

Members	Designation
Yaw Chun Soon (Chairman)	Executive Director
Chua Kim Lan	Executive Director
Tan Bak Hai	Senior Vice President I (Sales & Marketing)
Soo Kah Pik	Chief Financial Officer
Ng Giak Lian	Deputy Vice President (Finance)

The Statement on Risk Management and Internal Control which provides an overview of the state of risk management, framework, internal control and processes within the Group are set out on pages 57 to 59 of this Annual Report.

(5) Internal Audit Function

The Board has an overall responsibility for maintaining a sound system of internal controls to safeguard the Group's assets and shareholders' investment. As the system of internal controls is designed to mitigate rather than eliminate the likelihood of errors or fraud, the system can only provide reasonable assurance against material misstatement or loss.

The Group has established an in-house Internal Audit Department which performs regular reviews of business processes, appraisal on the effectiveness of governance, risk management and internal controls processes and reports regularly to the Audit Committee. The internal audit engagement is focused on areas of priority according to their risk assessment and in accordance with the annual audit plans approved by the Audit Committee. The Internal Audit Department also reviews the nature of related party transactions within the Group to ascertain any conflict of interest situations that would raise question of management integrity. The result of this review is tabled at the Audit Committee meeting and thereafter, report to the Board. Details of these related party transactions are disclosed in the Notes to the Financial Statements on pages 150 to 151 of this Annual Report.

The Head of Internal Audit reports independently to the Audit Committee. The Audit Committee reviews and approves the internal audit plan on an annual basis. The Head of Internal Audit provided reports on key findings and progress on areas audited to the Audit Committee.

During the financial year, the Internal Audit Department has issued internal audit reports to the Audit Committee and the Management with regards to audit findings on the weaknesses in the system and controls of the operations. Areas of improvement were highlighted and implemented by the Management.

The activities of the internal auditors during the financial year are set out in the Audit Committee Report on page 61 of this Annual Report.

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

(1) Effective Communications with Stakeholders

The Board is aware of the need to establish corporate disclosure policies and procedures to enable a comprehensive, accurate and timely disclosures relating to the Company, to the regulators, shareholders and stakeholders. The Company has identified the personnel authorised and responsible to approve and disclose material information to shareholders and stakeholders to ensure compliance with the MMLR of Bursa Securities. The Board has delegated the authority to the Executive Directors to approve all announcements for release to Bursa Securities. The Executive Directors work closely with the Board, senior management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.

The Company continues to recognise the importance of transparency and accountability to its shareholders which are the key elements of good corporate governance. The Board ensures that shareholders are informed of the financial performance and major developments in the Group. Such information is communicated to shareholders by timely release of quarterly financial results, circulars, annual reports, announcements and press releases.

Apart from the mandatory announcements through Bursa Securities, other corporate information on the Company is available on the Company's website at www.ttransform.com.my.

The Board also recognises the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group and Company's performance and major developments via appropriate channels of communications. Dissemination of information includes the distribution of Annual Report and relevant circulars, material information by way of announcements, issuance of quarterly financial results of the Group to Bursa Securities and the public as well as through press conferences. In addition, stakeholders who wish to reach the Group or Company can do so through the "Contact Us" page in our website. The Group believes that by consistently maintaining a high level of disclosure and extensive communication with its shareholders, the shareholders and investors will be able to make informed investment decision.

The AGM is another principal forum for communication and dialogue with shareholders. The notices of meetings and the annual reports are sent out to shareholders at least 21 days before the date of the meetings in accordance with the Constitution of the Company. However, in line with the recommendation of the MCCG, the notice period for the Company's 96th AGM is more than 28 days to allow shareholders sufficient time to make the necessary arrangements to attend and participate in person or by proxies. Besides the usual agenda for the AGM, the Board presents the progress and performance of the business as contained in the Annual Report including the responses to questions raised by the Minority Shareholder Watchdog Group ("MSWG") in relation to the strategy and financial performance of the Group and corporate governance issues which were submitted by MSWG prior to the AGM. The Board also provides opportunities for shareholders to raise questions pertaining to the business activities of the Group and Company. Members of the Board, Chairmen of the Audit Committee, Nomination Committee, Remuneration Committee, Executive Committee and Risk Management Committee as well as the external auditors of the Company are present to provide responses to questions from the shareholders during these meetings. Shareholders' suggestions received during the AGMs are reviewed and considered for implementation wherever possible.

A press release is normally held after each AGM and/or general meetings of the Company to provide the media an opportunity to receive an update from the Board on the proceedings at the meetings, the Group's business progress and development, and to address any queries or areas of interest.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

(2) Shareholders' Conduct and Participation at General Meetings

The Company provides information to the shareholders with regards to, amongst others, details of the AGM, their entitlements to attend the AGM, the right to appoint proxy and also, the qualifications of a proxy via its Annual Report which contains the Notice of AGM. The Notice of AGM which sets out the business to be transacted at the AGM is also published in a major local newspaper. Items of special business included in the Notice of AGM will be accompanied by an explanation of the proposed resolutions.

General meetings are an important avenue through which the shareholders can exercise their rights. The Board would ensure suitability of venue and timing of meeting to encourage shareholders' participation in the meetings. Hence, the Company's general meetings are always held near the city centre and not in a remote location. However, due to the recent full Movement Control Order, the Company will be holding its 96th AGM on a fully virtual basis via online meeting platform.

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in the notice of any general meetings shall be voted by poll. An independent scrutineer shall be appointed to undertake the polling process. Therefore, the Company shall be conducting poll voting for all resolutions set out in the Notice of the 96th AGM.

This Statement is made in accordance with a resolution of the Board of Directors dated 26 August 2021.

A copy of the Corporate Governance Report on disclosure of the application of each practice in the MCCG, can be downloaded from TTB's website under the Corporate Governance section at www.ttransform.com.my.

ADDITIONAL COMPLIANCE INFORMATION
AS AT 31 MARCH 2021

1. UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposal during the financial year ended 31 March 2021.

2. AUDIT AND NON-AUDIT FEES OF TTB GROUP

During the financial year, the amount of audit and non-audit fees paid to the external auditors of the Group and of the Company are as tabulated below:-

	Group (RM'000)	Company (RM'000)
Audit fees	409	226
Non-audit fees	16	16
	425	**242**

3. MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors, Group Chief Executive Officer or Major Shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial period.

4. MATERIAL CONTRACTS RELATING TO LOANS

During the financial year, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving the interests of its Directors, Group Chief Executive Officer or Major Shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial period.

ADDITIONAL COMPLIANCE INFORMATION
(CONT'D)

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of the recurrent related party transactions made during the financial year ended 31 March 2021 pursuant to the shareholders' mandate obtained by the Company at the Annual General Meeting held on 29 September 2020 are as follows:-

Nature of transactions undertaken by Talam Transform Berhad ["TTB"] and/or its subsidiaries		Transacting Company	Amount Transacted (RM'000)	Interested Related Party
(A)	Procurement of construction contract from Wonderful Insights Sdn Bhd ("WISB")			
	L.C.B. Management Sdn Bhd	WISB	11,094	Yaw Chun Soon ("YCS") & Chua Kim Lan ("CKL") (Note 1)

NOTES:-

1. YCS is a Director and Shareholder of TTB. YCS is also a Director and Substantial Shareholder of WISB.

   CKL is a Director and Shareholder of TTB. Her spouse, Chin Chee Meng is a Substantial Shareholder of WISB.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board"), guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies, is pleased to provide the following statement pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Bursa Securities MMLR") which outlines the key elements of risk management and internal control system within the Group for the financial year ended 31 March 2021.

RESPONSIBILITY

The Board recognises its responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. There is an on-going process for the Board to identify, evaluate and manage significant risks faced by the Group on a regular basis for the financial year under review. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives of the Group. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control incorporates, inter alia, risk management, financial, operational and compliance controls as well as the governance process.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit Committee to include the work of reviewing the adequacy and the integrity of the system of internal control, with the assistance of the internal audit function.

The Group has put in place a Risk Management Committee ("RMC"), which is chaired by the Group's Executive Director, and includes participation from representatives from all the departments including the Internal Audit Department. Each department's risk management function is led by the respective head of department. The RMC is tasked to develop and maintain an effective risk management system for the Group. It reviews matters such as responses to significant risks identified, changes to internal control system and output from monitoring processes. It reports to the Audit Committee, which dedicates separate time for discussion on this subject.

The risk management framework encompasses the Group's subsidiaries, jointly controlled entities and associated companies.

RISK MANAGEMENT PROCESS

The Group maintains a database of key risks specific to the Group together with their corresponding controls which are categorised, amongst others, as follows:-

- Strategic Risk - risks which affect the overall direction of the business
- Internal Business Risk - risks that have an impact on the delivery of the Group's products and services which includes development activities
- External Risk - risks associated with market conditions
- Financial Risk - risks associated with loans exposure and interest rates

The respective departments identify emerging risks on an ongoing basis. The risks are then consolidated into the database. The database which contains identified emerging risks and existing risks represents the Group risk profile.

Annually, all departments of the Group undertake to input their identified emerging risks and update their existing risks into the database. Such updates will also require the respective department heads to review existing controls and if needed, to propose additional controls to mitigate the identified risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT PROCESS (CONT'D)

The updated Group risk profile is then presented to the Executive Committee ("EXCO") for further assessment. The EXCO will review and re-assess the identified risks including the corresponding controls identified by the respective department heads. The EXCO may vary the risks assessment by the respective departments and may propose further controls to be put in place to further mitigate the identified risks. These processes were facilitated by the RMC.

Upon completion of the review by the EXCO, the RMC then prepares the risk management report summarising the Group's identified high risks and moderate risks together with existing controls and proposed controls which are then presented to the Audit Committee for review and deliberation for recommendation and endorsement by the Board.

INTERNAL CONTROL PROCESS

Key elements of the Group's system of internal control are as follows:-

- Regular review of business processes to assess the effectiveness of internal controls and reports are made regularly to the Audit Committee.
- Review of operational organisation structure with defined lines of responsibilities and delegation of authority. A process of hierarchical reporting has been established, which provides for a documented and auditable trail of accountability.
- Regular Management Committee and EXCO meetings are convened to discuss the Group's operations and performance. The meetings enable the regular monitoring of results against budget, with significant variance explained and appropriate action taken.
- Defined limits of authority for various transactions, including purchasing and payments.
- Standing Instructions and Standard Operating Procedures of all departments are regularly reviewed and updated to ensure effective management of the Group's operations.
- Monitoring of financial results by the Audit Committee and the Board every quarter through quarterly management reports presented that provides financial information as well as information of significant changes in accounting standards and reporting.
- Review of the risk database and its corresponding controls.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Department reports independently to the Audit Committee. The Audit Committee reviews and approves the internal audit plan, which was developed based on the finalised key risk profile of the Group, on an annual basis. The Internal Audit Department provided reports on key findings and progress of areas audited to the Audit Committee on a regular basis.

All recommendations to improve internal controls were acted upon by the Management. Proposed corrective and preventive measures have been implemented by the Management to rectify the identified shortcomings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW BY THE EXTERNAL AUDITORS

As required by paragraph 15.23 of Bursa Securities MMLR, the external auditors have conducted a limited assurance review on this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their limited assurance engagement was performed in accordance with ISAE3000 (Revised 2015), Assurance Engagement other than Audits or Review of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 and Guidance for Auditors on the Review of Directors' Statement on Internal Control.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material aspects, in accordance with the disclosure required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate. AAPG3 does not require the external auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

CONCLUSION

The risk management processes and internal control system of the Group have been reviewed and found to be operating adequately and the Board has received such assurances from the Executive Directors and the Chief Financial Officer.

The processes as outlined on this statement have been in place for the year under review and up to the date of approval of this statement.

The Board is of the opinion that there are no significant weaknesses in the system of internal control during the financial year. The Board and the Management will continue to take measures to strengthen the internal control environment to safeguard shareholders' investment and the Group's assets.

This Statement was approved by the Board of Directors of the Company on 26 August 2021.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises the following members:-

Members of the Committee	Designation
1. Tsen Keng Yam (Chairman)	Independent Non-Executive Director
2. Dato' Kamaruddin Bin Mat Desa	Independent Non-Executive Director
3. Datuk Dr Ng Bee Ken	Independent Non-Executive Director

The terms of reference of the Audit Committee is available on the Company's website at www.ttransform.com.my.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

During the financial year ended 31 March 2021, there were 5 Audit Committee meetings held and the number of meetings attended by each Audit Committee member are as follows:-

Audit Committee Member	Number of meetings attended
1. Tsen Keng Yam	5 out of 5
2. Dato' Kamaruddin Bin Mat Desa	3 out of 5
3. Datuk Dr Ng Bee Ken	5 out of 5

The Chief Financial Officer and the Head of Internal Audit would normally attend all Audit Committee meetings at the invitation of the Audit Committee.

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

During the financial year ended 31 March 2021, the Audit Committee carried out its duties, amongst others, in accordance with its terms of reference, as follows:-

(i) Reviewed the quarterly financial results prior to recommending them for consideration and approval by the Board of Directors;
(ii) Reviewed and discussed with the external auditors the audit planning memorandum before commencement of the annual audit;
(iii) Reviewed and discussed with the external auditors on their findings during the course of their audit and the Management's response;
(iv) Evaluated the performance of the external auditors and made recommendations to the Board on their reappointment and audit fee;
(v) Reviewed the annual financial statements and recommend for approval by the Board of Directors;
(vi) Reviewed and deliberated the recurrent related party transactions;
(vii) Reviewed and approved the internal audit plan;
(viii) Reviewed and deliberated the internal audit reports; and
(ix) Reviewed the Risk Management Committee's reports and assessment.

The reviews and deliberations were conducted during the 5 meetings of the Audit Committee held during the financial year ended 31 March 2021.

AUDIT COMMITTEE REPORT
(CONT'D)

TRAINING

During the financial year, all the Audit Committee members attended the relevant training to assist them in discharging their duties effectively. They were also briefed by the external auditors of the latest accounting and audit standards applicable to the Group.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported in its duties by an in-house internal audit function. The Committee is aware of the fact that the internal audit function is essential to assist in obtaining the assurance and consulting services it requires, regarding the effectiveness of the system of internal control in the Group. Total staff cost incurred in respect of the internal audit function during the financial year ended 31 March 2021 was RM96,426.

A summary of the internal audit cost distribution is as follows:-

Cost category	% of total cost
Manpower	99.9
Training (in-house)	-
Overheads	negligible

During the financial year, the following main internal audit activities were carried out:-

(i) Conducted internal audit in accordance with the risk based/driven internal audit plan. 3 routine audits and 1 special audit were carried out during the financial year. The areas reviewed by the Internal Audit Department were the Complex Department, Finance Department's disbursement of transactions and maintenance function of IT Department.

(ii) Reviewed the internal control procedures as stipulated in the Group's Standing Instructions and Standard Operating Procedures. During the same period, Standing Instructions and Standard Operating Procedures of the departments were being jointly reviewed and updated, and practical internal control procedures were incorporated;

(iii) Reviewed the recurrent related party transactions of the Company and its Group; and

(iv) Attended the Management Committee and Risk Management Committee meetings.

All internal audit reports, which were deliberated by the Audit Committee and recommended to the Board of Directors and/or the Management, were acted upon.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year in accordance with the provisions of the Act and applicable approved accounting standards to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the financial year then ended. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements accordingly.

In preparing the financial statements for the financial year ended 31 March 2021, the Directors have:-

(1) adopted appropriate accounting policies which were consistently applied;
(2) made judgments and estimates that are reasonable and prudent;
(3) ensure that all applicable approved accounting standards have been followed; and
(4) prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company keeps accounting records, which discloses with reasonable accuracy the financial position of the Group and the Company and comply with the provisions of the Act. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and Company and to prevent and detect material fraud and other irregularities.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of Talam Transform Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year are that of the provision of management services, investment holding and property development.

The principal activities of the subsidiaries of the Company are stated in Note 30 to the financial statements.

There were no significant changes in the nature of these principal activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Loss for the financial year	(30,900)	(48,118)
Attributable to:		
Owners of the Company	(30,479)	(48,118)
Non-controlling interests	(421)	–
	(30,900)	(48,118)

DIVIDENDS

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

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

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.

DIRECTORS' REPORT
(CONT'D)

BAD AND DOUBTFUL DEBTS

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

Other than as disclosed in Note 27 to the financial statements, the directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

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

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

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

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

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT
(CONT'D)

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that were repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 March 2021, the Company held as treasury shares a total of 2,635,800 of its 4,295,279,562 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM492,848 as disclosed in Note 17 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Tsen Keng Yam
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon
Dato' Kamaruddin Bin Mat Desa*
Datuk Dr Ng Bee Ken
Chua Kim Lan*
Yaw Chun Soon*
Chan Tet Eu*

* Directors of the Company and certain subsidiaries.

DIRECTORS' REPORT
(CONT'D)

DIRECTORS (CONT'D)

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

Rudzas Binti Saim	
Cheng Keng Boo	
Tan Bak Hai	
Ong Jit Kiat	
Hew Mok Kim @ Hew Mook Hin	
Li Wenshuo	
Dato' Mohamad Razali Bin Mohamad Rahim	(Appointed on 3 September 2020)
Anizam Bin Wan Hassan	(Appointed on 3 September 2020)
Fatin Natasha Ellyna Binti Norhizam	(Appointed on 3 September 2020)
Lee Soon Cheong	(Resigned on 16 November 2020)
Yang Kian Sin	(Resigned on 16 November 2020)
Dan Ning	(Resigned on 16 November 2020)

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	At 1.4.2020	**Bought**	**Sold**	**At 31.3.2021**
Direct interests				
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon	1,007,710,694	–	–	1,007,710,694
Chua Kim Lan	90,039	–	–	90,039
Yaw Chun Soon	445,000	–	–	445,000
Indirect interests				
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon	258,760,772	–	–	258,760,772 #
Chua Kim Lan	28,125	–	–	28,125 ^
Chan Tet Eu	1,266,471,466	–	–	1,266,471,466 *

Indirect interest held through his spouse, Puan Sri Datin Thong Nyok Choo, his daughter, Chan Siu Wei and deemed interested by virtue of his interest in Pengurusan Projek Bersistem Sdn. Bhd., Sze Choon Holdings Sdn. Bhd. and Jejak Progresif Sdn. Bhd. pursuant to Section 59(11)(c) and Section 8 of the Companies Act 2016 in Malaysia respectively.

^ Indirect interest held through her spouse, Chin Chee Meng pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

* Deemed interested through his father Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon, his mother Puan Sri Datin Thong Nyok Choo, his sister Chan Siu Wei and by virtue of his interest in Pengurusan Projek Bersistem Sdn. Bhd., Sze Choon Holdings Sdn. Bhd. and Jejak Progresif Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' INTERESTS (CONT'D)

Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon and Chan Tet Eu, by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors shown in Note 29 and Note 31(b) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 30 to the financial statements.

Other than those subsidiaries with modified opinions in the auditors' reports as disclosed in Note 30 to the financial statements, the available auditors' reports on the accounts of the remaining subsidiaries do not contain any qualification.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity was given to or insurance effected for, any director or officer of the Company.

AUDITOR'S REMUNERATION

The details of the auditors' remuneration are disclosed in Note 27 to the financial statements.

AUDITOR'S INDEMNITY

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

DIRECTORS' REPORT
(CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 36 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 37 to the financial statements.

AUDITORS

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

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

CHUA KIM LAN
Director

YAW CHUN SOON
Director

Date: 30 August 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		GROUP		COMPANY	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
ASSETS					
Non-current assets					
Property, plant and equipment	5	874	1,108	545	713
Inventories	6	320,316	350,432	44,411	55,225
Investment properties	7	73,478	187,465	–	–
Investment in subsidiaries	8	–	–	470,571	485,680
Investment in associates	9	18,413	18,449	–	–
Interest in joint ventures	10	–	303	–	–
Amount owing by associates	9(b)	114,146	31,818	111,815	31,818
Other investment	11	–	2	–	–
Trade receivables	12(a)	25,665	23,878	–	–
Other receivables	12(b)	–	7,501	–	–
Total non-current assets		552,892	620,956	627,342	573,436
Current assets					
Inventories	6	49,829	49,430	7,024	7,091
Contract assets	13	1,437	63	–	–
Amount owing by subsidiaries	8(a)	–	–	2,096	2,524
Amount owing by associates	9(b)	517	85,550	–	82,353
Trade receivables	12(a)	9,403	6,618	–	358
Other receivables and deposits	12(b)	90,432	13,243	2,076	2,032
Prepaid expenses		176	171	–	–
Tax recoverable		191	176	–	–
Sinking funds held by trustees	14	4	4	4	4
Other investment	11	68	247	26	204
Cash and bank balances	15	3,223	3,685	286	13
Total current assets		155,280	159,187	11,512	94,579
TOTAL ASSETS		708,172	780,143	638,854	668,015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	859,086	859,086	859,086	859,086
Treasury shares	17	(493)	(493)	(493)	(493)
Reserves	18	(577,626)	(496,858)	(588,626)	(540,508)
		280,967	361,735	269,967	318,085
Non-controlling interests		1,565	(7,423)	–	–
Total equity		282,532	354,312	269,967	318,085
Non-current liabilities					
Borrowings	19(a)	72,488	393	43,788	393
Other payables	22	219,448	579	219,448	–
Amount owing to subsidiaries	8(a)	–	–	13,792	14,154
Total non-current liabilities		291,936	972	277,028	14,547
Current liabilities					
Trade payables	20	44,272	42,738	26,090	26,593
Other payables and accruals	22	88,566	305,374	14,750	220,755
Contract liabilites	13	4	470	–	–
Provision for liabilities	21	731	731	–	–
Borrowings	19(b)	114	75,220	114	40,117
Amount owing to subsidiaries	8(a)	–	–	50,905	47,918
Amount owing to associates	9(b)	–	325	–	–
Current tax liabilities		17	1	–	–
Total current liabilities		133,704	424,859	91,859	335,383
Total liabilities		425,640	425,831	368,887	349,930
TOTAL EQUITY AND LIABILITIES		708,172	780,143	638,854	668,015

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	GROUP 1.4.2020 to 31.3.2021 RM'000	GROUP 1.2.2019 to 31.3.2020 RM'000	COMPANY 1.4.2020 to 31.3.2021 RM'000	COMPANY 1.2.2019 to 31.3.2020 RM'000
Revenue	23	38,086	44,857	6,939	33,638
Cost of sales	24	(27,813)	(39,006)	(3,921)	(19,513)
Gross profit		10,273	5,851	3,018	14,125
Other income		46,460	57,144	97	45,920
Administrative expenses		(37,124)	(24,514)	(16,159)	(7,167)
Other expenses		(19,966)	(11,696)	(15,888)	(526)
Net impairment losses on financial assets and contract assets		(10,852)	4,240	228	(30,901)
Finance income	25	3,936	6,793	1	6,787
Finance costs	25	(23,573)	(30,490)	(19,415)	(21,323)
Share of results of associates		(36)	(80)	–	–
Share of results of joint ventures		–	(5,490)	–	–
(Loss)/profit before tax		(30,882)	1,758	(48,118)	6,915
Income tax expense	26	(18)	(1)	–	–
(Loss)/profit for the financial year/period	27	(30,900)	1,757	(48,118)	6,915
Other comprehensive (loss)/income, net of tax					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign entities		–	(214)	–	–
Reclassification of foreign currency translation reserve to profit or loss upon deconsolidation of a subsidiary		(48,628)	–	–	–
Total comprehensive (loss)/income for the financial year/period		(79,528)	1,543	(48,118)	6,915

STATEMENTS OF COMPREHENSIVE INCOME
(CONT'D)

		GROUP		COMPANY	
	Note	1.4.2020 to 31.3.2021 RM'000	1.2.2019 to 31.3.2020 RM'000	1.4.2020 to 31.3.2021 RM'000	1.2.2019 to 31.3.2020 RM'000
(Loss)/profit for the financial year/period attributable to:					
Owners of the Company		(30,479)	2,582	(48,118)	6,915
Non-controlling interests		(421)	(825)	–	–
		(30,900)	1,757	(48,118)	6,915
Total comprehensive (loss)/income for the financial year/period attributable to:					
Owners of the Company		(79,107)	2,343	(48,118)	6,915
Non-controlling interests		(421)	(800)	–	–
		(79,528)	1,543	(48,118)	6,915
(Loss)/earning per share attributable to owners of the Company (sen):					
- Basic (sen)	28	(0.71)	0.06		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

GROUP	← Attributable to owners of the Company				→		
	Share Capital RM'000	Capital Reserves RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Sub Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 February 2019	856,086	49,667	(493)	(548,868)	356,392	(6,623)	349,769
Total comprehensive income for the financial period	-	(239)	-	2,582	2,343	(800)	1,543
Transaction with owners							
Issuance of new ordinary shares	3,000	-	-	-	3,000	-	3,000
At 31 March 2020	859,086	49,428	(493)	(546,286)	361,735	(7,423)	354,312
Total comprehensive loss for the financial year	-	(48,628)	-	(30,479)	(79,107)	(421)	(79,528)
Changes in a subsidairy's ownership interest that do not result in a loss of control	-	-	-	(1,661)	(1,661)	1,661	-
Deconsolidation of a subsidiary	-	-	-	-	-	7,748	7,748
At 31 March 2021	859,086	800	(493)	(578,426)	280,967	1,565	282,532

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

COMPANY	Share Capital RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 February 2019	856,086	(493)	(547,423)	308,170
Total comprehensive income for the financial period	–	–	6,915	6,915
Transaction with owners				
Issuance of new ordinary shares	3,000	–	–	3,000
At 31 March 2020	859,086	(493)	(540,508)	318,085
Total comprehensive loss for the financial year	–	–	(48,118)	(48,118)
At 31 March 2021	859,086	(493)	(588,626)	269,967

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	GROUP 1.4.2020 to 31.3.2021 RM'000	GROUP 1.2.2019 to 31.3.2020 RM'000	COMPANY 1.4.2020 to 31.3.2021 RM'000	COMPANY 1.2.2019 to 31.3.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before tax		(30,882)	1,758	(48,118)	6,915
Adjustments for:					
Interest expenses		21,216	21,097	17,030	17,286
Interest income		(124)	(197)	(1)	(51)
Impairment loss on:					
- receivables - trade		402	93	–	–
- receivables - non trade		12,814	1,883	–	1,429
- amount owing by subsidiaries		–	–	2,118	45,276
- other investment		2	–	–	–
- investment in subsidiaries		–	–	15,023	–
- investment properties		19,102	–	–	–
Depreciation:					
- property, plant and equipment		250	312	168	126
- investment properties		3,401	5,545	–	–
Bad debts written off		–	395	–	–
Inventories written down		7,237	5,946	7,189	900
Gain on disposal of property, plant and equipment		–	(58)	–	–
Gain on settlement with WCE Group		–	(33,391)	–	(33,360)
Gain on deconsolidation of a subsidiary		(46,000)	–	–	–
Loss on disposal of investment in a joint venture		13	–	–	–
Loss/(gain) through amortisation of finance assets		568	1,581	29	(3,732)
Loss/(gain) through amortisation of financial liabilities		(1,456)	1,215	2,356	1,032
Impairment loss no longer required					
- amount owing by subsidiaries		–	–	(2,019)	(10,580)
- receivables - trade		–	(317)	–	–
- receivables - non trade		(2,360)	(5,884)	(2,327)	(5,224)
Sub total carried forward		(15,817)	(22)	(8,552)	20,017

STATEMENTS OF CASH FLOWS
(CONT'D)

	Note	GROUP 1.4.2020 to 31.3.2021 RM'000	GROUP 1.2.2019 to 31.3.2020 RM'000	COMPANY 1.4.2020 to 31.3.2021 RM'000	COMPANY 1.2.2019 to 31.3.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Sub total brought forward		(15,817)	(22)	(8,552)	20,017
Waiver of debt		-	(15,061)	-	(12,339)
Dividend income		-	-	-	(12,300)
Share of results of associates		36	80	-	-
Share of results of joint ventures		-	5,490	-	-
Inventories written back		-	(7,782)	-	-
Operating loss before working capital changes		(15,781)	(17,295)	(8,552)	(4,622)
Changes in working capital					
Contract assets/ liabilities		(1,840)	(191)	-	-
Subsidiaries balances		-	-	2,925	(30,560)
Inventories		5,421	16,172	3,692	19,495
Receivables		(3,774)	42,487	2,641	40,574
Payables		30,315	(47,117)	12,940	(27,539)
Prepayment		-	(78)	-	-
Cash generated from operations		14,341	(6,022)	13,646	(2,652)
Interest received		124	197	1	51
Income taxes paid		(17)	(11)	-	-
Income taxes refund		18	-	-	-
Interest paid		(21,216)	(21,097)	(17,030)	(17,286)
Net Cash (Used In)/Generated From Operating Activities		(6,750)	(26,933)	(3,383)	(19,887)

STATEMENTS OF CASH FLOWS
(CONT'D)

	Note	GROUP 1.4.2020 to 31.3.2021 RM'000	GROUP 1.2.2019 to 31.3.2020 RM'000	COMPANY 1.4.2020 to 31.3.2021 RM'000	COMPANY 1.2.2019 to 31.3.2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Net change in associates balances		25	11,853	–	12,339
Disposal of subsidiaries (Note 8(c))		(107)	–	–	–
Dividend received		–	–	–	12,300
Proceeds from disposal of property, plant and equipment		–	73	–	–
Proceeds from issuance of share capital		–	3,000	–	3,000
Proceeds from disposal of investments in a joint venture		290	–	–	–
Proceeds from disposal/ (purchase) of other investments		179	3,356	178	2,034
Investment in subsidiaries		–	–	86	(3,064)
Purchase of property, plant and equipment		(191)	(964)	–	(839)
Net Cash Generated From/(Used In) Investing Activities		196	17,318	264	25,770
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings	(a)	(108)	(10,939)	(108)	(10,939)
Drawdown of					
- term loan	(a)	6,200	13,000	3,500	–
- lease liabilities	(a)	–	469	–	502
Changes in balances pledged as security		1,245	359	–	–
Net Cash Generated From/ (Used In) Financing Activities		7,337	2,889	3,392	(10,437)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		783	(6,726)	273	(4,554)
EFFECTS OF EXCHANGE DIFFERENCES		–	123	–	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD		2,440	9,043	13	4,567
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/ PERIOD(Note 15)		3,223	2,440	286	13

STATEMENTS OF CASH FLOWS
(CONT'D)

(a) Reconciliation of liabilities arising from financing activities:

GROUP	1 April 2020 RM'000	Cash flows RM'000	Non-cash: Foreign exchange movement RM'000	Non-cash: Fair value changes RM'000	31 March 2021 RM'000
Borrowings (Note 19)					
Term loans	26,000	6,200	–	–	32,200
Lease liabilities	502	(108)	–	–	394
Other borrowings	49,111	(9,103)	–	–	40,008
	75,613	(3,011)	–	–	72,602
COMPANY					
Borrowings (Note 19)					
Lease liabilities	502	(108)	–	–	394
Other borrowings	40,008	3,500	–	–	43,508
	40,510	3,392	–	–	43,902

GROUP	1 February 2019 RM'000	Cash flows RM'000	Non-cash: Foreign exchange movement RM'000	Non-cash: Fair value changes RM'000	31 March 2020 RM'000
Borrowings (Note 19)					
Term loans	13,000	13,000	–	–	26,000
Lease liabilities	33	469	–	–	502
Other borrowings	59,745	(10,939)	(46)	351	49,111
	72,778	2,530	(46)	351	75,613
COMPANY					
Borrowings (Note 19)					
Lease liabilities	–	502	–	–	502
Other borrowings	50,596	(10,939)	–	351	40,008
	50,596	(10,437)	–	351	40,510

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1. CORPORATE INFORMATION

Talam Transform Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 17.02, Level 17, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur. The principal place of business of the Company is located at Level 21, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur.

The principal activities of the Company during the financial year were those of the provision of management services, investment holding and property development. The principal activities of the subsidiaries of the Company are stated in Note 30 to the financial statements.

There were no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 August 2021.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of amendments/improvements to MFRSs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. BASIS OF PREPARATION(CONT'D)

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

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

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 April 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. BASIS OF PREPARATION(CONT'D)

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

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

		Effective for financial years beginning on or after
Amendments/Improvements to MFRSs (Cont'd)		
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018-2020*
\# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

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

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:
- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

2. BASIS OF PREPARATION(CONT'D)

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

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

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

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

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

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases

The *Interest Rate Benchmark Reform—Phase* 2 amends some specific requirements in MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. BASIS OF PREPARATION(CONT'D)

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

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

Amendments to MFRS 116 Property, Plant and Equipment

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

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

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

2.4 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

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

The areas which involve a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

The Group applies the acquisition method to account for business combinations from the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

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

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus

- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less

- the net fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

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

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

(b) Non-controlling interests

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

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

(c) Associates

Associates are entities over which the Group has significant influence, but not control over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investments in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(c) Associates (Cont'd)

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 Investments in Associates and Joint Ventures.

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

(e) Transactions eliminated on consolidation

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Separate financial statements

In the Company's statement of financial position, investments in subsidiaries, joint ventures and associates are measured at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b).

"Contribution to subsidiaries" are amounts on which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign currency transactions and operations (Cont'd)

(b) Translation of foreign operations

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

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

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

3.4 Financial instruments

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(a) Subsequent measurement

(i) Financial assets

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

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

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

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

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classifies their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (FVOCI)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

(i) Financial assets (Cont'd)

Debt instruments (Cont'd)

- **Fair value through profit or loss (FVPL)**

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

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

Equity instruments

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

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

(ii) Financial liabilities

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

(ii) Financial liabilities (Cont'd)

Financial liabilities at fair value through profit or loss

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

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

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

Financial liabilities at amortised cost

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

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(c) Regular way purchase or sale of financial assets (Cont'd)

Trade date accounting refers to:

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

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

(d) Derecognition

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

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

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

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(e) Offsetting of financial instruments

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

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

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition of measurement of impairment losses is in accordance with Note 3.12(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17.

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

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

(b) Subsequent cost

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, plant and equipment

(c) Depreciation

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:

	Useful lives (years)
Renovation	10 years
Plant, machinery and equipment	5 – 10 years
Motor vehicles	5 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate.

Fully depreciated assets are retained in the financial statements until the assets are no longer in use.

(d) Derecognition

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

3.6 Leases

(a) Definition of lease

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(b) Lessee accounting

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

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

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

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset.The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

<u>Lease liability</u>

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 and the Company use their incremental borrowing rate.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(b) Lessee accounting (Cont'd)

Lease liability (Cont'd)

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

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

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

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

Short-term leases and leases of low value assets

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

(c) Lessor accounting

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

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b), then it classifies the sub-lease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(c) Lessor accounting (Cont'd)

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

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

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

3.7 Investment properties

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

Investment properties on freehold land are stated at cost less accumulated impairment losses, if any, and are not depreciated as it has an indefinite life. Other investment properties are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Other investment properties are depreciated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful life at an annual rate of 1% to 2.5%.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17.

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value, cost being determined based on specific identification.

Property under development

Cost includes:
- freehold and leasehold rights for land
- amounts paid to contractors for construction
- planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

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

3.9 Contract assets/(liabilities)

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

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a).

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

3.10 Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal group are measured at the lower of carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Non-current assets or disposal groups held for sale (Cont'd)

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss that has been recognised.

Property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

3.11 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and bank balances which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdraft.

3.12 Impairment of assets

(a) Impairment of financial assets and contract asset

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of assets (Cont'd)

(a) Impairment of financial assets and contract asset (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of assets (Cont'd)

(a) Impairment of financial assets and contract asset (Cont'd)

At each reporting date, the Group assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

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

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of assets (Cont'd)

(b) Impairment of non-financial assets (Cont'd)

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

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

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

3.13 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

(b) Redeemable convertible preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend is discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(c) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Certain foreign subsidiaries make contributions to their respective countries' statutory pension scheme. Such contributions are recognised as an expense in the profit or loss in the year in which the employees render their services.

3.15 Provisions

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

Provisions are determined by discounting the expected future cash flows at a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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

3.16 Revenue and other income

Revenue is measured based on the consideration specified in contract with a customer in exchange for transferring goods or services to a customer, excluding amount collected on behalf of third parties. 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 the assets.

The Group transferred control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue and other income (Cont'd)

(a) Property development

The Group develops and sells residential and commercial properties, including development lands. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. If the contract with customer contains more than one performance obligation, where the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus margin.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group has an enforceable right to payment for performances completed to date. Revenue is recognised over the year of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

(b) Sales of inventories and land

Revenue is recognised at a point in time when control of the inventories and land has been transferred.

(c) Management fee

Management fee is recognised on an accrual basis, net of service taxes.

(d) Interest income

Interest income other than interest income from late payment by house buyers and other trade receivables are recognised on an accrual basis unless collectability is in doubt in which recognition will be on a receipt basis.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue and other income (Cont'd)

(e) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(f) Revenue from construction contracts

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

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

(g) Sale of goods

Revenue from sales of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 to 60 days, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Where consideration is collected from customer in advance for sale of good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of goods to the customer.

3.17 Borrowing costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Borrowing costs (Cont'd)

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.18 Taxes

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

(a) Current tax

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

(b) Deferred tax

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither the taxable profit nor the accounting profit.

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

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

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

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

(c) Sales and services tax ("SST")

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

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

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

3.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the executive director of operations who is responsible for allocating resources and assessing performance of the operating segments and recommends strategic decisions to the Board.

3.20 Fair value measurements

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Fair value measurements (Cont'd)

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. Active markets refer to a market in which the transactions for the assets take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. In market conditions where properties are actively purchased and sold and there is a stock of sufficient comparable (but not identical) properties, the fair value may be classified as Level 2. However, this is based on the fact and circumstances that no significant adjustments have been made to the observable data.

Level 3: Unobservable inputs for the asset or liability, especially in inactive or less transparent real property markets.

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

3.21 Contingencies

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

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

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.22 Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.23 Related parties

A party is related to an entity if:

(i) directly, or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Impairment of financial assets (Note 9(b) and 12)

The impairment of financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation as forward-looking estimates at the end of each reporting year. The forward-looking estimate include the possible impact of COVID-19 pandemic on risk of default and expected loss rate of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(a) Impairment of financial assets (Note 9 (b) and 12) (Cont'd)

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

(b) Inventories (Note 6)

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

Significant judgement is required in arriving at the net realisable value, particularly the estimated selling price of property inventories in the ordinary course of the business. The Group has considered all available information, including but not limited to expected sales prices, property market conditions, locations of property inventories and target buyers. The economic uncertainties resulting from COVID-19 pandemic may continue to impact the saleability of inventories. Where expectation differ from the original estimates, the difference will impact the carrying amount of inventories.

Inventories are reviewed on a regular basis and the Group has made allowances for excess or obsolete inventories based on the factor above.

(c) Construction revenue and expenses (Note 23 and 24)

The Group recognised construction revenue and expenses in profit or loss by measuring the progress towards complete satisfaction of its performance obligations. The progress towards complete satisfaction of performance obligations is determined by the proportion of construction costs incurred for work performed to-date that bears to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligations, the extent of the construction costs incurred and the estimated total construction revenue, expenses and profitability of the construction projects, as well as the recoverability of billings. In making the judgement, the Group evaluates based on past experiences and by relying on the input of specialists.

(d) Impairment of investments in subsidiaries (Note 8)

The Group assess whether there is any indication that the cost of investment in subsidiaries is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use involves exercise of judgement on the discount rate applied and the assumptions supporting the underlying cash flow projection which includes future sales, gross profit margin and operating expenses.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	Renovation RM'000	Plant, Machinery and Equipment RM'000	Motor Vehicles RM'000	Right-of-use Assets RM'000	Total RM'000
Cost					
At 1 February 2019	873	1,568	1,121	–	3,562
Additions	–	11	114	839	964
Disposals	–	–	(201)	–	(201)
Write offs	(68)	–	–	–	(68)
At 31 March 2020	805	1,579	1,034	839	4,257
Additions	–	191	–	–	191
Deconsolidation of a subsidiary	–	(219)	–	–	(219)
At 31 March 2021	805	1,551	1,034	839	4,229
Accumulated Depreciation					
At 1 February 2019	842	1,233	1,016	–	3,091
Charge for the financial period	4	72	110	126	312
Disposals	–	–	(186)	–	(186)
Write offs	(68)	–	–	–	(68)
At 31 March 2020	778	1,305	940	126	3,149
Charge for the financial year	4	55	23	168	250
Deconsolidation of a subsidiary	–	(44)	–	–	(44)
At 31 March 2021	782	1,316	963	294	3,355
Carrying Amount					
At 31 March 2020	27	274	94	713	1,108
At 31 March 2021	23	235	71	545	874

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	Renovation RM'000	Right-of-use Asset RM'000	Total RM'000
Cost			
At 1 February 2019	733	–	733
Additions	–	839	839
Written off	(68)	–	(68)
At 31 March 2020	665	839	1,504
At 31 March 2021	665	839	1,504
Accumulated Depreciation			
At 1 February 2019	733	–	733
Depreciation charged during the period	–	126	126
Written off	(68)	–	(68)
At 31 March 2020	665	126	791
Depreciation charged during the year	–	168	168
At 31 March 2021	665	294	959
Carrying Amount			
At 31 March 2020	–	713	713
At 31 March 2021	–	545	545

Right-of-use assets

The Group and the Company lease motor vehicles with lease term of 5 years under lease arrangements as disclosed in Note 19 (iii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVENTORIES

	Group 2021 RM'000	Group 2020 RM'000
Non-current		
At lower of cost and net realisable value:		
Properties held for development		
- Freehold land	144,360	144,360
- Leasehold land	120,686	146,422
- Development costs	55,270	59,650
	320,316	350,432
Current		
At lower of cost and net realisable value:		
Completed properties	20,431	20,989
Properties under development		
- Freehold land	7,898	7,898
- Leasehold land	1,061	1,061
- Development costs	20,439	19,482
	49,829	49,430
Total	370,145	399,862

	Company 2021 RM'000	Company 2020 RM'000
Non-current		
At lower of cost and net realisable value:		
Properties held for development		
- Freehold land	16,945	16,945
- Leasehold land	26,898	37,608
- Development costs	568	672
	44,411	55,225
Current		
At lower of cost and net realisable value:		
Completed properties	7,024	7,091
	7,024	7,091
Total	51,435	62,316

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. INVENTORIES (CONT'D)

(a) Properties held for development

(i) Certain properties held for development of the Group and the Company are charged as security for credit facilities as disclosed in Note 19(ii) to the financial statements as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Properties held for development	73,638	73,638	13,619	13,619

(ii) Certain properties held for development of the Group and the Company amounting to RM126.35 million (2020: RM 91.50 million) and RM18.52 million (2020: RM 18.52 million) respectively are pledged as security to IJM Group as disclosed in Note 22 (ii) to the financial statements.

(iii) The leasehold lands of the Group have remaining lease terms ranging from 73 to 92 years.

(iv) The properties held for development of the Group and the Company amounting to RM5.91 million and RM3.63 million (2020: RM4.43 million and RM12.24 million) respectively were sold during the financial year and are accordingly recognised as expenses in cost of sales.

(v) The legal titles for certain properties held for development have yet to be transferred to the Group.

(vi) Certain properties held for development of the Group amounting to RM1.13 million respectively are pledged as security to Pengurusan Projek Bersistem Sdn. Bhd. as disclosed in Note 19 (ii) to the financial statements.

Pengurusan Projek Bersistem Sdn. Bhd. is a related party as disclosed in Note 31(a).

(b) Completed properties

(i) Certain completed properties of the Group amounting to RM0.13 million (2020: RM0.13 million) are pledged as security and earmarked as part of the settlement to IJM Group as disclosed in Note 22(ii) to the financial statements.

(ii) Completed properties of the Group and the Company amounting to RM0.70 million and RM0.20 million (2020: RM14.43 million and RM7.27 million) respectively, were sold during the financial year and are accordingly recognised as an expense in cost of sales.

(iii) The legal titles for certain completed properties have yet to be transferred to the Group.

(iv) Certain completed properties of the Group and Company amounting to RM0.76 million are pledged as security to Pengurusan Projek Bersistem Sdn. Bhd. as disclosed in Note 19 (ii) to the financial statements.

Pengurusan Projek Bersistem Sdn. Bhd. is a related party as disclosed in Note 31(a).

(v) Certain completed properties of the Group and the Company amounting to RM1.43 million which are charged as securities for credit facilities as disclosed in Note 19(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. INVESTMENT PROPERTIES

	GROUP RM'000
Cost	
At 1 February 2019	284,437
Foreign exchange differences	(885)
At 31 March 2020	283,552
Deconsolidation of a subsidiary	(173,345)
At 31 March 2021	110,207
Accumulated Depreciation	
At 1 February 2019	90,925
Charge for the financial period	5,545
Foreign exchange differences	(383)
At 31 March 2020	96,087
Charge for the financial year	3,401
Deconsolidation of a subsidiary	(81,861)
At 31 March 2021	17,627
Less: Impairment Loss	
At 1 April 2020	–
Additional	19,102
At 31 March 2021	19,102
Carrying Amount	
At 31 March 2020	187,465
At 31 March 2021	73,478

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

(a) Certain investment properties of the Group amounting to RM48.24 million (2020: RM48.92 million) are charged as security for credit facilities as disclosed in Note 19(ii) to the financial statements.

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

	GROUP	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**
Rental income	5,425	7,992
Direct operating expenses:		
- income generating investment properties	(4,017)	(5,255)

(c) **Fair value information**

Fair values of investment properties are categorised as follows:

	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Group				
2021				
Land and buildings	–	–	116,631	116,631
Group				
2020				
Land and buildings	–	–	382,572	382,572

<u>Valuation of investment properties</u>

Level 3 fair value

The fair values of certain investment properties of the Group are derived from references to market indication of recently transacted similar properties or asking prices of those that are currently offered for sale in the vicinity or other comparable localities and were performed by a registered independent valuer with an appropriate recognised professional qualification.

The fair values for certain investment properties of the Group are determined based on sales comparison approach. Sales price of comparable properties in the same location or close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

(c) Fair value information (Cont'd)

The following table shows the other valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in valuation models.

Description	Valuation technique	Significant unobservable input	Relationship of unobservable input to
Lots in commercial complex	Sales comparison approach	Valuation price per square foot are ranging from RM185 to RM1,151 (31.3.2020: RM314 to RM1,172)	The higher the price per square foot, the higher the fair value
Lots in Shopping Mall	Sales comparison approach	Valuation price per square foot RM498 (31.3.2020: RM498)	The higher the price per square foot, the higher the fair value

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES

	COMPANY	
	2021 RM'000	2020 RM'000
Unquoted shares at cost	399,670	399,670
Loans that are part of net investments	391,711	391,797
Less: Accumulated impairment losses		
At 1 April/1 February	(305,787)	(305,787)
Additions	(15,023)	–
At 31 March	(320,810)	(305,787)
	470,571	485,680

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(a) Amount owing by/(to) subsidiaries

	COMPANY	
	2021 RM'000	2020 RM'000
Current		
Amount owing by subsidiaries	243,273	243,602
Less: Accumulated impairment losses		
At 1 April/1 February	(241,078)	(206,382)
Addition	(2,118)	(45,276)
Reversal	2,019	10,580
At 31 March	(241,177)	(241,078)
	2,096	2,524
Non-current		
Amount owing to subsidiaries	(13,792)	(14,154)
Current		
Amount owing to subsidiaries	(50,905)	(47,918)

The amount owing to subsidiaries classified as non-current are unsecured, interest free and requires a notice of demand for repayment of more than 12 months in order for the Company to settle the indebtedness amount.

The current amount owing by/(to) subsidiaries are unsecured, interest free and repayable on demand.

(b) Non-Controlling Interest ("NCI") in subsidiaries

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

Equity interest held by non-controlling interests:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Jilin Province Maxcourt Hotel Limited	The People Republic of China	–	15
Seaview Plantations Sdn. Bhd.	Malaysia	30	–
Saujana Ukay Sdn. Bhd.	Malaysia	49	49
Larut Talam International Management Services Limited	Hong Kong	0.12	0.12

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(b) Non-Controlling Interest ("NCI") in subsidiaries (Cont'd)

Carrying amount of material non-controlling interests:

Name of company	2021 RM'000	2020 RM'000
Jilin Province Maxcourt Hotel Limited	–	(7,365)
Seaview Plantations Sdn. Bhd.	1,623	–

Profit or loss allocated to material non-controlling interests:

Name of company	2021 RM'000	2020 RM'000
Jilin Province Maxcourt Hotel Limited	(383)	(823)
Seaview Plantations Sdn. Bhd.	(38)	–

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

	Seaview Plantations Sdn. Bhd. RM'000	Jilin Province Maxcourt Hotel Limited RM'000
Summarised statement of financial position		
As at 31 March 2021		
Assets and liabilities		
Non-current assets	5,967	–
Current assets	4	–
Total assets	5,971	–
Current liabilities	555	–
Total liabilities	555	–
Revenue	1	1,215
Loss for the year	(125)	(2,555)
Total comprehensive loss	(125)	(2,555)
Other information		
Dividend paid to NCI	–	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(b) Non-Controlling Interest ("NCI") in subsidiaries (Cont'd)

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows: (Cont'd)

	Jilin Province Maxcourt Hotel Limited RM'000
Summarised statement of financial position	
As at 31 March 2020	
Assets and liabilities	
Non-current assets	94,091
Current assets	101
Total assets	94,192
Current liabilities	112,940
Total liabilities	112,940
Revenue	2,223
Loss for the period	(5,490)
Total comprehensive loss	(5,313)
Other information	
Dividend paid to NCI	-

(c) Changes in the composition of the Group

For the financial year ended 31 March 2021

(i) As notified to Bursa Malaysia on 25 November 2020, the Company was notified on that date that a liquidation order was granted by Jilin Province City of Changchun Intermediate People's Court via a Civil Ruling and was served on Jilin Province Maxcourt Hotel Limited ("JPMHL") at its office address in Changchun, Jilin Province by Beijing Ding Yuen Group ("the Plaintiff") and Jilin Province Yangtze River Bankruptcy Liquidation Services Co. Ltd was appointed as the administrator of JPMHL. Thus, the company has entered into involuntary liquidation.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVESTMENT IN SUBSIDIARIES AND AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

(c) Changes in the composition of the Group (Cont'd)

For the financial year ended 31 March 2021 (Cont'd)

(i) The summary effects of the disposal of the investment in subsidiaries on the financial results of the Group are as follows:

	Jilin Province Maxcourt Hotel Limited RM'000
Revenue	1,215
Cost of sales	–
Gross profit	1,215
Other income	2
Administrative and other expenses	(3,260)
Finance cost	(512)
Loss before taxation	(2,555)
Taxation	–
Loss for the financial year attributable to the Group	(2,555)

The summary effects of the disposal of the investment in subsidiaries on the financial position of the Group are as follows:

	Jilin Province Maxcourt Hotel Limited 2021 RM'000
Non-current assets	109,221
Current assets	848
Current liabilities	(115,189)
Translation reserve	(48,628)
Minority interest	7,748
Fair value of net liabilities identified	(46,000)
Gain on disposal of subsidiary	(46,000)
Cash flows	
Less: Cash and cash equivalents of subsidiaries disposed	(107)
Net cash flow on disposal	(107)

(ii) On 23 September 2020, the Company had disposed off its 30% equity investment in Seaview Plantation Sdn. Bhd. for a total consideration of RM 10 representing total ordinary shares of 1,662,000 ordinary shares. The Company's effective ownership in Seaview Plantation Sdn. Bhd. decreased from 100% to 70% because of the shares disposed.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES

	GROUP 2021 RM'000	GROUP 2020 RM'000
Unquoted shares, at cost	26,485	26,485
Less: Accumulated impairment losses		
At 1 April/1 February	(5,739)	(9,958)
Written off	-	4,219
At 31 March	(5,739)	(5,739)
	20,746	20,746
Share of post-acquisition reserves	(2,333)	(2,297)
	18,413	18,449

(a) Details of the associates are as follows:

Name of Companies	Principal place of business/ country of incorporation	Financial Year End	Effective Equity Interest and Voting Interest 2021 %	Effective Equity Interest and Voting Interest 2020 %	Nature of relationship
Trident Treasure Sdn. Bhd. ^	Malaysia	31 December	40	40	Property development. The activities contribute to the Group's property development segment.
Good Debut Sdn. Bhd.	Malaysia	31 March	50	50	Property development. The activities contribute to the Group's property development segment.
Cekap Tropikal Sdn. Bhd. *	Malaysia	31 March	50	50	Property development. The activities contribute to the Group's property development segment.
Oaxis Sdn. Bhd. * ^	Malaysia	31 January	25	25	Property development. The activities contribute to the Group's property development segment

* Audited by firms other than Messrs Baker Tilly Monteiro Heng PLT.

^ The financial year end of these associates are not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management financial statements of these associates for the financial year ended 31 March 2021 have been used.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES (CONT'D)

(b) Amount owing by/(to) associates

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current				
Amount owing by associates	114,146	31,818	111,815	31,818
Current				
Amount owing by associates	517	85,550	–	82,353
Less: Accumulated impairment losses				
At 1 April/1 February	–	(21)	–	–
Written off	–	21	–	–
At 31 March	–	–	–	–
	517	85,550	–	82,353
Total	114,663	117,368	111,815	114,171
Current				
Amount owing to associates	–	325	–	–

(c) The amount owing by an associate of the Group and the Company of RM29.46 million as at 31 March 2021 is in relation to an advances for property development project. The assessment of impairment losses on these balances requires significant judgement made by the directors on the expected credit losses. The Group is of the view that no impairment was required for the amount owing by the associate.

(d) The amount owing by associates classified as non-current are to be repaid from proceeds of future development projects.

(e) The Company is in midst of discussion on the settlement agreement with IJM Properties Sdn. Bhd. ("IJMP"), whereby the Company is obliged to assume the debts owed by Good Debut Sdn. Bhd. and Cekap Tropikal Sdn. Bhd. to IJMP. This arrangement would enable both of these companies to eventually become whollyowned subsidiaries of the Group upon full settlement of abovementioned debt due to IJMP.

The remaining balance of amounts owing (to)/by associates are unsecured, interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES (CONT'D)

(f) The Group's share of results of the material associates and the summarised financial information are as follows:

GROUP 2021	Trident Treasure Sdn. Bhd. RM'000	Oaxis Sdn. Bhd. RM'000	Other individually immaterial assocaites RM'000	Total RM'000
Summary of financial information				
Assets and liabilities				
Non-current assets	4,558	299	29,996	34,853
Current assets	39,164	52,394	33,621	125,179
Total assets	43,722	52,693	63,617	160,032
Non-current liabilities	21,000	83	520	21,603
Current liabilities	26,227	46,197	102,714	175,138
Total liabilities	47,227	46,280	103,234	196,741
Results				
Revenue	–	–	600	600
(Loss)/ profit after taxation	(76)	(23)	197	98
Reconciliation of net assets to carrying amount				
Share of the net assets at the acquisition date	8,462	1,624	510	10,596
Goodwill on acquisition	338	15,551	–	15,889
Cost of investment	8,800	17,175	510	26,485
Impairment loss	–	(5,739)	–	(5,739)
Share of post-acquisition (losses)/profits	(1,802)	(21)	(510)	(2,333)
Carrying amount in the statement of financial position	6,998	11,415	–	18,413
Group's share of loss				
Group's share of total comprehensive loss	(30)	(6)	–	(36)
Other information				
Dividend received	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES (CONT'D)

(f) The Group's share of results of the material associates and the summarised financial information are as follows: (Cont'd)

GROUP 2020	**Trident Treasure Sdn. Bhd. RM'000**	**Oaxis Sdn. Bhd. RM'000**	**Other individually immaterial assocaites RM'000**	**Total RM'000**
Summary of financial information				
Assets and liabilities				
Non-current assets	4,559	269	29,996	34,824
Current assets	39,144	52,337	33,595	125,076
Total assets	43,703	52,606	63,591	159,900
Non-current liabilities	21,000	18	20	21,038
Current liabilities	26,127	46,151	102,886	175,164
Total liabilities	47,127	46,169	102,906	196,202
Results				
Revenue	–	–	1,780	1,780
(Loss)/profit after taxation	(110)	(143)	(3,433)	(3,686)
Reconciliation of net assets to carrying amount				
Share of the net assets at the acquisition date	8,462	1,624	510	10,596
Goodwill on acquisition	338	15,551	–	15,889
Cost of investment	8,800	17,175	510	26,485
Impairment loss	–	(5,739)	–	(5,739)
Share of post-acquisition (losses)/ profits	(1,772)	(15)	(510)	(2,297)
Carrying amount in the statement of financial position	7,028	11,421	–	18,449
Group's share of loss				
Group's share of total comprehensive loss	(45)	(35)	–	(80)
Other information				
Dividend received	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. INVESTMENT IN ASSOCIATES AND AMOUNT OWING BY ASSOCIATES (CONT'D)

(f) The Group's share of results of the material associates and the summarised financial information are as follows: (Cont'd)

As at 31 March 2021, the Group has not recognised its share of losses of Good Debut Sdn. Bhd. and Cekap Tropikal Sdn. Bhd. amounting to RM3.73 million and RM16.27 million (2020: RM3.63 million and RM16.27 million) respectively because the Group's cumulative share of losses has already exceeded its interest in that associate and the Group has therefore no further obligation in respect of their losses. The Group's share of cumulative accumulated losses not recognised were RM20 million (2020: RM19.90 million).

10. INTEREST IN JOINT VENTURES AND AMOUNT OWING BY JOINT VENTURE

	GROUP	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	10,000	10,250
Share of post-acquisition reserves	(10,000)	(9,947)
	–	303

(a) Details of the joint ventures, which are incorporated in Malaysia, are as follows:

Name of Companies	Principal place of business/ country of incorporation	Financial Year End	Effective Equity Interest 2021 %	2020 %	Nature of relationship
Sierra Ukay Sdn. Bhd.	Malaysia	31 March	50	50	Property development. The activities contribute to the Group's property development segment
Crest Envy Sdn. Bhd.#	Malaysia	30 June	–	50	Property development. The activities contribute to the Group's property development segment

Being in process of liquidation

The financial statements of the joint ventures are audited by firms other than Messrs Baker Tilly Monteiro Heng PLT. The audited financial statements and auditor's reports of these joint ventures are not available in the current financial year. As such, for the purpose of applying equity method of accounting, the management financial statements of these joint ventures for the financial year ended 31 March 2021 have been used.

(b) All the rights and interest in and benefits to the Group's shareholding in Sierra Ukay Sdn. Bhd. ("SUSB") have been pledged as security to IJM Group as disclosed in Note 22(ii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

10. INTEREST IN JOINT VENTURES AND AMOUNT OWING BY JOINT VENTURE (CONT'D)

(c) The Group's share of results of the material joint ventures and the summarised financial information are as follows:

GROUP **2021**	**Sierra Ukay Sdn. Bhd.** **RM'000**
Reconciliation of net assets to carrying amount	
Group's share of net assets	-
Summary of financial information	
Assets and liabilities	
Non-current assets	8,381
Current assets	313,861
Total assets	322,242
Current liabilities	340,075
Total liabilities	340,075
Results	
Revenue	19,865
Loss after taxation	(1,486)
Group's share of loss	
Group's share of loss	(743)
Group's share of total comprehensive loss	(743)
Other information	
Dividend received	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

10. INTEREST IN JOINT VENTURES AND AMOUNT OWING BY JOINT VENTURE (CONT'D)

(c) The Group's share of results of the material joint ventures and the summarised financial information are as follows: (Cont'd)

GROUP 2020	Sierra Ukay Sdn. Bhd. RM'000	Crest Envy Sdn. Bhd. RM'000	Total RM'000
Reconciliation of net assets to carrying amount			
Group's share of net assets	–	303	303
Summary of financial information			
Assets and liabilities			
Non-current assets	7,614	–	7,614
Current assets	306,672	616	307,288
Total assets	314,286	616	314,902
Current liabilities	330,633	10	330,643
Total liabilities	330,633	10	330,643
Results			
Revenue	3,796	–	3,796
Loss after taxation	(27,317)	(10)	(27,327)
Group's share of loss			
Group's share of loss	(5,485)	(5)	(5,490)
Group's share of total comprehensive income	(5,485)	(5)	(5,490)
Other information			
Dividend received	–	–	–

The Group has not recognised its share of losses of Sierra Ukay Sdn. Bhd. which amounts to RM0.74 million because the Group's cumulative share of losses have already exceeded its interest in that joint venture and as such, the Group has no obligation in respect of these losses. The Group's share of cumulative accumulated losses not recognised were RM23.32 million (2020: RM 21.83 million).

11. OTHER INVESTMENT

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-Current				
Fair value through other comprehensive income ("FVOCI")				
At fair value:				
- Unquoted equity share	–	2	–	–
Current				
Financial assets at fair value through profit or loss ("FVTPL")				
At fair value:				
- Cash management fund investment	68	247	26	204
	68	249	26	204

The cash management fund investment carried at fair value through profit or loss represents an investment in short term variable income instrument issued and managed by an investment management company.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. TRADE AND OTHER RECEIVABLES

(a) Trade receivables

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current				
Trade receivables	25,665	23,878	–	–
Current				
Trade receivables	14,532	12,302	–	358
Less:				
Impairment loss				
At 1 April/1 February	(5,684)	(5,913)	–	–
Foreign exchange difference	–	5	–	–
Reversal	–	317	–	–
Additions	(402)	(93)	–	–
Written off	4	–	–	–
Deconsolidation of a subsidiary	953	–	–	–
At 31 March	(5,129)	(5,684)	–	–
	9,403	6,618	–	358
Total trade receivables (Non-current and current)	35,068	30,496	–	358

(i) Trade receivables are non-interest bearing and the Group's normal trade credit terms ranges from 14 days to 60 days (2020: 14 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

(ii) Included in non-current trade receivables is an amount of RM25.67 million (2020: RM23.88 million) that is to be received on 31 July 2023 and 31 July 2025.

(iii) As at 31 March 2021, approximately 94.55% (2020: 76.35%) of the Group's total trade receivables are due from 3 (2020: 1) significant receivables.

(iv) Based on the Group's assessment of the collectability of trade receivables, the directors believe that no further impairment is necessary in respect of trade receivables that are past due but not impaired.

(v) The information about the credit exposures is disclosed in Note 33(b)(i).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current				
Other receivables	–	7,501	–	–
Current				
Other receivables	155,319	68,630	43,583	43,866
Less:				
Impairment loss				
At 1 April/1 February	(56,247)	(87,455)	(41,835)	(57,110)
Foreign exchange difference	-	2	–	–
Additions	(12,814)	(1,857)	–	(1,403)
Reversals	2,360	5,884	2,327	5,224
Deconsolidation of a subsidiary	600	–	–	–
Written off	–	27,179	–	11,454
Transfer from amount owing by a subsidiary	–	–	(2,000)	–
At 31 March	(66,101)	(56,247)	(41,508)	(41,835)
	89,218	12,383	2,075	2,031
Refundable deposits	16,995	16,641	1,035	1,035
Less:				
Impairment loss				
At 1 April/1 February	(15,781)	(15,755)	(1,034)	(1,008)
Additions	–	(26)	–	(26)
At 31 March	(15,781)	(15,781)	(1,034)	(1,034)
	1,214	860	1	1
	90,432	13,243	2,076	2,032
Total other receivable (non-current and current)	90,432	20,744	2,076	2,032

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables (Cont'd)

(i) Included in other receivables of the Group amounting to RM9.53 million owing by Pintar Arif Sdn. Bhd. ("PA") to be repaid upon commencement of the development project.

During the financial year, PA proposed that this entire amount owing to the Group be capitalised into 9,525,000 ordinary shares in PA. The Group accepted the proposal of PA. Accordingly, PA became a 97.4% shareholding subsidiary of the Group in the next financial year.

(ii) Included in current other receivables of the Group are miscellaneous charges receivable from house purchasers of RM0.11 million (2020: RM0.11 million).

(iii) The other current receivable of RM67.63 million by the Group as at 31 March 2021 is in relation to an advanced to Jilin Province Maxcourt Hotel Limited under liquidation. The assessment of impairment losses on this balance requires significant judgements made by the directors on the expected credit losses. The valuation of investment properties conducted by the China administrator was much higher than the net book value of the investment properties. Accordingly, the Group is of the view that no impairment was required for this receivable.

13. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	2021 **RM'000**	**2020** **RM'000**
Contract assets relating to construction services contracts	1,437	63
Total contract assets	1,437	63
Contract liabilities relating to construction services contracts	4	470
Total contract liabilities	4	470

The contract assets primarily relate to the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

The contract liabilities primarily related to the advance consideration received from a customer for construction contract, where revenue is recognised overtime during the construction of a building. The contract liabilities are expected to be recognised as revenue over a year of 90 days.

13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Significant changes to contract assets and contract liabilities balances during the year are as follows:

	2021		2020	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year/period	–	470	–	135
Increases due to consideration received but revenue not recognised	–	(4)	–	–
Transfer from contract assets recognised at the beginning of the year/period to receivables	(63)	–	(7)	–
Increase due to revenue recognised for unbilled goods or services transferred to customers	1,437	–	63	–

14. SINKING FUNDS HELD BY TRUSTEES

The sinking funds are held by trustees for the redemption and/ or servicing of credit facilities.

15. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Housing development accounts ("HDA")	51	50	–	–
Deposits with licensed banks	1,404	2,856	–	–
Cash in hand and bank balances	1,768	779	286	13
Cash and bank balances	3,223	3,685	286	13
Less:				
Balances pledged as security to licensed banks	–	(1,245)	–	–
Cash and cash equivalents	3,223	2,440	286	13

The housing development accounts of the Group are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the Group upon the completion of the development projects and after all development costs have been fully settled.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

16. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of shares		Amounts	
	2021 '000 unit	2020 '000 unit	2021 RM'000	2020 RM'000
Issued and fully paid-up:				
At 1 April/ 1 February	4,295,280	4,220,280	859,086	856,086
Issued during the financial year/period	–	75,000	–	3,000
At 31 March	4,295,280	4,295,280	859,086	859,086

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

In the previous financial year, the Company issued 75,000,000 new ordinary shares via private placement at a price of RM0.04 per ordinary share for working capital purposes.

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

17. TREASURY SHARES

	GROUP AND COMPANY			
	2021 '000 unit	2020 '000 unit	2021 RM'000	2020 RM'000
Ordinary shares	2,636	2,636	(493)	(493)

18. RESERVES

		GROUP		COMPANY	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Capital reserves:					
Other capital reserve	(a)	792	792	–	–
Foreign exchange reserve	(b)	8	48,636	–	–
Total capital reserves		800	49,428	–	–
Accumulated losses		(578,426)	(546,286)	(588,626)	(540,508)
		(577,626)	(496,858)	(588,626)	(540,508)

(a) Other capital reserve

The capital reserve represents the capitalisation of retained earnings for bonus issue of ordinary shares by subsidiaries.

(b) Foreign exchange reserve

The foreign capital reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. BORROWINGS

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
(a) Long term borrowings				
Secured:				
BaIDS (Note 19(i))	40,008	–	40,008	–
Term and bridging loans (Note 19(ii))	32,200	–	3,500	–
Lease liabilities (Note 19(iii))	280	393	280	393
	72,488	393	43,788	393
(b) Short term borrowings				
Secured:				
BaIDS (Note 19(i))	–	40,008	–	40,008
Revolving credits	–	9,103	–	–
Term and bridging loans (Note 19(ii))	–	26,000	–	–
Lease liabilities (Note 19(iii))	114	109	114	109
	114	75,220	114	40,117
Total Borrowings	72,602	75,613	43,902	40,510

The Group's and of the Company's borrowings are denominated in Ringgit Malaysia.

(i) Al-Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")

The 10-year BaIDS was issued at 100% of its nominal value on 29 June 2009 and bears the following profit rates:

Year	Profit rate (per annum)
Year 1 - 3	Not applicable
Year 4 - 5	2%
Year 6 - 8	6%
Year 9	8%
Year 10	9%

The BaIDS of the Company consist of non-interest bearing primary notes together with non-detachable secondary notes. The redemption of the primary notes shall be made on 100% of its nominal value at maturity date while the redemption of the secondary notes shall be made on a semi-annual basis throughout the tenure of the BaIDS.

The BaIDS is secured by assets of the Group as disclosed in Note 6(b)(v) to the financial statements.

On 27 August 2020, the BaIDS's holders via an Extraordinary General Meeting have approved for the issuer to extend maturity date of the Settlement BaIDS for a further 18 months. Consequently, this amount will be due on 28 June 2022.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. BORROWINGS (CONT'D)

(ii) The term and bridging loans are secured on the assets of the Group as disclosed in Note 6(a)(i) and Note 7(a) to the financial statements. On 31 March 2021, TA Capital Sdn. Bhd. had resolved to increased and extend the facility of RM28.7 million by 12 months to 8 June 2022.

Included in the term and bridging loans is an amount of RM3.50 million which is secured on the assets of the Group as disclosed in Note 6(a)(vi) and Note 6(b)(iv) to the financial statements. Pengurusan Projek Bersistem Sdn. Bhd. is a related party and the nature of the relationship is disclosed in Note 31(a) to the financial statements.

(iii) Lease liabilities

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Future minimum finance lease payments				
- not later than one year	131	131	131	131
- later than one year and not later than two years	131	131	131	131
- later than two years but not later than five years	163	294	163	294
	425	556	425	556
Future interest charges	(31)	(54)	(31)	(54)
Present value of finance lease liability	394	502	394	502
Represented by:				
Current				
- not later than one year	114	109	114	109
Non-current				
- later than one year and not later than two years	121	115	121	115
- later than two years but not later than five years	159	278	159	278
	280	393	280	393
	394	502	394	502

The lease liability is effectively secured on the rights of the assets.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. BORROWINGS (CONT'D)

(iv) The range of effective interest and profit rates during the financial year for borrowings are as follows:

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
	%	**%**	**%**	**%**
Term and bridging loans	8.00 - 12.00	12.00	8.00	–
Lease liabilities	2.28 - 2.80	2.80	2.28 - 2.80	2.80
Revolving credits	–	10.00	–	–
BaIDS	9.00	9.00	9.00	9.00

20. TRADE PAYABLES

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Trade payables	38,760	37,748	24,543	25,046
Retention sum	3,882	3,447	4	4
Accrual	1,630	1,543	1,543	1,543
	44,272	42,738	26,090	26,593

(a) Included in trade payables of the Group and the Company is an amount of RM23.69 million (2020: RM23.69 million) payable to Menteri Besar Selangor (Incorporated) ("MBSI"). There are on-going negotiations between the Group and MBSI in respect of some replacement lands that MBSI had previously promised to the Group. The amount due to MBSI will be settled only upon the finalisation of these negotiations.

(b) The normal trade credit terms granted to the Group ranges from 30 days to 90 days (2020: 30 days to 90 days).

21. PROVISION FOR LIABILITIES

	Provision for Cost to Completion of Project	
	2021	**2020**
GROUP	**RM'000**	**RM'000**
At 31 March	731	731

Provision for cost to completion of project is recognised in respect of probable outflow of resources related to a development project undertaken by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. OTHER PAYABLES AND ACCRUED EXPENSES

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current				
Other payables	219,448	579	219,448	–
Current				
Other payables	49,942	263,984	11,131	214,685
Accrued expenses	38,624	41,390	3,619	6,070
	88,566	305,374	14,750	220,755
Total other payables	308,014	305,953	234,198	220,755

Included in other payables and accrued expenses of the Group and of the Company are the following:

		GROUP		COMPANY	
		2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Accrued interest expenses	(i)	917	6,259	917	949
Amount payable to authorities in relation to development project		6,062	3,986	357	250
Amount payable to IJM Group	(ii)	219,448	205,150	219,448	205,150
Amount payable to director	(iii)	222	222	222	222
Deposit received from purchasers of Malim Group		–	1,082	–	–
Refundable deposit received from purchasers of properties and tenants of complexes		1,780	1,856	18	12
Advance from Puan Sri Datin Thong Nyok Choo	(iv)	338	–	200	–
Advance from main contractor	(v)	3,183	–	–	–

(i) The accrued interest expenses are in respect of the secured BaIDS and amount owing to IJM Group.

(ii) The amount payable to IJM Group is interest bearing at 6.50% per annum (2020: 6.50% - 8.00%) and is secured on the assets of the Group as disclosed in Note 6(a)(ii), Note 6(b)(i), and Note 10(b) to the financial statements.

Under non-current other payables, there is an amount payable to IJM Group of RM219.45 million (2020: RM205.15 million (classified under current payables)). The Group had entered into a settlement arrangement with IJM Group to settle the owing to IJM by 21 May 2022 via contra of properties.

(iii) The amount payable to a director of the Company is unsecured, interest free and is payable on demand.

(iv) The amount payable to Puan Sri Datin Thong Nyok Choo, the spouse of director Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon is unsecured, interest bearing at 8% per annum and payable on demand.

(v) On 22 June 2020, the Group has entered into a agreement loan from the main contractor for the amount of RM3.18 million. The amount will be due on 22 December 2021 with an bearing interest of 8% per annum.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

23. REVENUE

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
Revenue from contract customers:				
(i) Recognised at a point in time				
Sale of land	13,489	4,530	6,391	13,350
Sale of inventories	1,135	16,777	548	7,988
Management fees and charges to third parties	65	–	–	–
(ii) Recognised over time				
Construction revenue	17,971	15,558	–	–
	32,660	36,865	6,939	21,338
Revenue from other sources:				
Rental income from investment properties	5,425	7,992	–	–
Other revenue	1	–	–	–
Dividend income	–	–	–	12,300
	5,426	7,992	–	12,300
	38,086	44,857	6,939	33,638

For contracts that exceed one year, the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of this financial year is RM84.57million, which the Group expects to recognise as revenue in 2022 and subsequent years.

24. COST OF SALES

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
Construction cost	17,090	14,886	–	–
Cost of rental	4,017	5,255	–	–
Cost of land	5,907	4,433	3,625	12,240
Cost of inventories sold	700	14,432	207	7,273
Others	99	–	89	–
	27,813	39,006	3,921	19,513

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

25. FINANCE INCOME AND COSTS

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
Finance Income:				
Interest income	124	197	1	51
Amortisation of financial instrument	3,812	6,596	–	6,736
	3,936	6,793	1	6,787
Finance cost:				
Interest expenses on:				
- term and bridging loans	3,758	2,748	84	–
- other borrowings	13,851	13,746	13,339	12,684
- finance lease liability	22	21	22	20
	17,631	16,515	13,445	12,704
Amortisation of financial instrument	2,356	9,393	2,385	4,037
Profit on Islamic debt securities	3,585	4,582	3,585	4,582
	23,572	30,490	19,415	21,323

26. INCOME TAX EXPENSE

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
Income tax:				
- current financial year/period	25	7	–	–
- prior financial period	(7)	(6)	–	–
	18	1	–	–

26. INCOME TAX EXPENSE (CONT'D)

Income tax is calculated at the statutory rate of 24% of the estimated taxable profit for the financial year.

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
(Loss)/profit before tax:	(30,882)	1,758	(48,118)	6,915
Taxation at Malaysian statutory tax rate of 24%	(7,412)	422	(11,548)	1,660
Income not subject to tax	(2,397)	(10,943)	(1,476)	(18,480)
Expenses not deductible for tax purposes	4,986	10,397	10,465	16,114
Origination of deferred tax assets not recognised in the financial statements	4,839	111	2,559	706
Share of results of associates	9	19	-	-
Share of results of joint venture	-	1	-	-
Overprovision of income tax expense in prior financial period	(7)	(6)	-	-
Tax expense for the financial year/period	18	1	-	-

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deductible temporary differences	12,580	4,138	(402)	(570)
Unused tax losses	202,457	190,738	51,812	41,316
	215,037	194,876	51,410	40,746
Potential deferred tax assets not recognised @ 24%	51,609	46,770	12,338	9,779

The unutilised tax losses and capital allowances of the Company and individual companies within the Group are available to be carried forward for a maximum year of 7 years from the year of assessment 2018 or year in which the losses arose, whichever is later, for offset against future profits of the respective companies. As such, they will expire in the following financial years.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. INCOME TAX EXPENSE (CONT'D)

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Year of assessments				
2025	145,717	148,973	11,650	11,650
2026	35,183	35,175	28,737	28,737
2027	7,578	6,590	929	929
2028	13,979	–	10,496	–
	202,457	190,738	51,812	41,316

27. (LOSS)/PROFIT FOR THE FINANCIAL YEAR/PERIOD

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
(Loss)/profit before tax is arrived at:				
Auditors' remuneration:				
- current year	409	466	226	230
- under accrual in prior years	19	21	–	–
Bad debts written off	–	395	–	–
Depreciation of:				
- property, plant and equipment	250	312	168	126
- investment properties	3,401	5,545	–	–
Impairment loss on:				
- investment in subsidiaries	–	–	15,023	–
- receivables - trade	402	93	–	–
- receivables - non trade	12,814	1,883	–	1,429
- amount owing by subsidiaries	–	–	2,118	45,276
- investment properties	19,102	–	–	–
- other investment	2	–	–	–
Inventories written down	7,237	5,946	7,189	900
Realised (gain)/loss on foreign exchange	–	5	–	–
Loss/(gain) on financial assets at amortised cost	(1,456)	1,582	2,356	(3,732)
Staff costs:				
- wages and salaries	3,792	7,517	–	–
- social security	60	86	–	–
- defined contribution	501	880	–	–
- other staff related expenses	100	519	–	–
Gain on deconsolidation of a subsidiary	(46,000)	–	–	–
Loss/(gain) on financial liabilities at amortised cost	–	1,215	30	1,032

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27 (LOSS)/PROFIT FOR THE FINANCIAL YEAR/PERIOD (CONT'D)

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	1.2.2019 to 31.3.2020 RM'000	1.4.2020 to 31.3.2021 RM'000	1.2.2019 to 31.3.2020 RM'000
(Loss)/profit before tax is arrived at: (Cont'd)				
Gain on disposal of property, plant and equipment	–	(58)	–	–
Impairment loss no longer required:				
- receivables - trade	–	(317)	–	–
- receivables - non trade	(2,360)	(5,884)	(2,327)	(5,224)
- amount owing by subsidiaries	–	–	(2,019)	(10,580)
Inventories written back	–	(7,782)	–	–
Waiver of debt	–	(15,061)	–	(12,339)
Gain on settlement with WCE Group	–	(33,391)	–	(33,360)

28. (LOSS)/PROFIT PER SHARE

(a) Basic (loss)/profit per ordinary share

Basic (loss)/profit per share is calculated by dividing the loss for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	GROUP	
	1.4.2020 to 31.3.2021	1.2.2019 to 31.3.2020
(Loss)/profit for the financial year attributable to owners of the Company (RM'000)	(30,479)	2,582
Weighted average number of shares (Units'000)	4,292,644	4,276,572
Basic (loss)/profit per share (sen)	(0.71)	0.06

(b) Diluted (loss)/profit per ordinary share

The Group has no potential dilutive of ordinary shares. As such, there is no dilution effect on the (loss)/profit per share of the Group.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

29. DIRECTORS' REMUNERATION

	GROUP AND COMPANY	
	1.4.2020 to 31.3.2021 RM'000	1.2.2019 to 31.3.2020 RM'000
Executive directors:		
- Fees	75	150
- Salaries	592	1,205
- Defined contribution	71	145
- Other emoluments	2	26
- Benefits-in-kind	24	35
	764	1,561
Non-executive directors:		
- Fees	100	200
- Other emoluments	223	352
	323	552
	1,087	2,113

The numbers of directors of the Group and the Company whose total remuneration during the financial year fall within the following bands are as follows:

	GROUP AND COMPANY	
	1.4.2020 to 31.3.2021	1.2.2019 to 31.3.2020
Executive directors:		
RM650,001 - RM700,000	–	1
RM600,001 - RM650,000	–	1
RM550,001 - RM600,000	–	–
RM500,001 - RM550,000	–	-
RM450,001 - RM500,000	–	–
RM400,001 - RM450,000	–	–
RM350,001 - RM400,000	–	–
RM300,001 - RM350,000	2	–
RM250,001 - RM300,000	–	1
RM200,001 - RM250,000	–	–
RM150,001 - RM200,000	–	–
RM100,001 - RM150,000	1	–
Below RM100,000	–	–
Non-Executive directors:		
RM150,001 - RM200,000	–	1
RM100,001 - RM150,000	1	3
Below RM100,000	3	–
	7	7

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. SUBSIDIARIES

Details of subsidiaries are as follows:

Name of Companies	Principal place of business/ country of incorporation	Effective Equity Interest and Voting Interest 2021 %	2020 %	Principal Activities
Abra Development Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Ample Zone Berhad @	Malaysia	–	100	Dormant
Biltradex Sdn. Bhd.	Malaysia	100	100	Property development, and investment holding
Bukit Khazanah Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Envy Vista Sdn. Bhd.	Malaysia	100	100	Dormant
Era-Casa Sdn. Bhd.	Malaysia	100	100	Investment holding
Europlus Berhad	Malaysia	100	100	Investment holding and property development
G.L. Development Sdn. Bhd.	Malaysia	100	100	Property investment and development
Inti Johan Sdn. Bhd.	Malaysia	100	100	Property investment and management
Lambang Wira Sdn. Bhd.	Malaysia	100	100	Investment holding
Larut Management Services Sdn. Bhd.	Malaysia	100	100	Investment holding
Larut Overseas Ventures Sdn. Bhd.	Malaysia	100	100	Investment holding
L.C.B. Management Sdn. Bhd.	Malaysia	100	100	Provision of management services and construction

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows: (Cont'd)

Name of Companies	Principal place of business/ country of incorporation	Effective Equity Interest and Voting Interest 2021 %	2020 %	Principal Activities
Maxisegar Realty Sdn. Bhd.	Malaysia	100	100	Dormant
Mutual Prosperous Sdn. Bhd.	Malaysia	100	100	Investment holding and money lending
Pandan Lake Club Sdn. Bhd.	Malaysia	100	100	Dormant
SV Bio Farm Sdn. Bhd. #	Malaysia	70	–	Not yet commence business operation
Seaview Plantations Sdn. Bhd.	Malaysia	70	100	Property development, investment holding and agriculture.
Saujana Ukay Sdn. Bhd.	Malaysia	51	51	Dormant
Talam Leisure Development Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Talam Management Services Sdn. Bhd.	Malaysia	100	100	Dormant
Talam Plantations Sdn. Bhd.	Malaysia	100	100	Investment holding
Terang Tanah Sdn. Bhd.	Malaysia	100	100	Investment holding
Untung Utama Sdn. Bhd.	Malaysia	100	100	Property development
Venue Venture Sdn. Bhd.	Malaysia	100	100	Investment holding, property investment and management
Winax Development Sdn. Bhd.	Malaysia	100	100	Investment holding
Winax Engineering Sdn. Bhd.	Malaysia	100	100	Investment holding
Zhinmun Sdn. Bhd.	Malaysia	100	100	Property development
Zillion Development Sdn. Bhd.	Malaysia	100	100	Property investment and development

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows: (Cont'd)

Name of Companies	Principal place of business/ country of incorporation	Effective Equity Interest and Voting Interest 2021 %	2020 %	Principal Activities
Larut Talam International Management Services Limited *	Hong Kong	99.88	99.88	Dormant
Malim Enterprise (HK) Limited * [1]	Hong Kong	100	100	Investment holding
Noble House Investments Limited * [2]	Hong Kong	100	100	Investment holding
Parkgrove Limited * [2]	Hong Kong	100	100	Investment holding
Jilin Province Maxcourt Hotel Limited * ¥	The People Republic of China	–	85	In liquidation

@ The subsidiary is in process of being struck off from the register of companies by the Companies Commission of Malaysia.

* Audited by firms other than Messrs Baker Tilly Monteiro Heng PLT.

¥ The audited financial statements of this subsidiary is not available. As such, management accounts had been used for the purpose of consolidation. This subsidiary is currently in liquidation.

The audited financial statements of this subsidiary is not available. As the subsidiary is newly incorporated on 5 January 2021 and had not commenced business.

[1] The auditors' reports of the subsidiary for the financial year ended 31 March 2021 contain a qualified opinion on the financial statements in view of the following:

- impairment review of amount due from subsidiary; and
- non preparation of group financial statements.

[2] The auditors' reports of these subsidiaries for the financial year ended 31 March 2021 contain a qualified opinion on these financial statements in view of the following:

- no equity accounting for investment in associates

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year under review, the significant related party transactions were as follows:

(a) Transactions with related parties

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
Interest expense paid/ payable:				
- Pengurusan Projek Bersistem Sdn. Bhd.	84	–	84	–
Construction services revenue:				
- WISB	11,094	7,030	–	–
Sales of properties				
- Europlus Berhad	–	–	–	12,350

The nature of the relationship with the related parties is as follows:

Related Parties	**Nature of Relationship**
Pengurusan Projek Bersistem Sdn. Bhd. ("PPBSB")	PPBSB is a corporate shareholder of the Company. Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon ("TSDCAC"), a director of the Company and his spouse, Puan Sri Datin Thong Nyok Choo ("PSDTNC"), are both substantial shareholders of the Company, have substantial financial interest in PPBSB.
Wonderful Insights Sdn. Bhd. ("WISB")	Yaw Chun Soon ("YCS") is a director and shareholder of the Company. YCS is also a director and substantial shareholder of WISB. Chua Kim Lan ("CKL") is a director and shareholder of the Company. Her spouse, Chin Chee Ming is a substantial shareholder of WISB.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Key management personnel compensation

The remuneration of key management personnel, which includes the directors' remuneration, is disclosed as follows:

	GROUP		COMPANY	
	1.4.2020 to 31.3.2021 RM'000	1.2.2019 to 31.3.2020 RM'000	1.4.2020 to 31.3.2021 RM'000	1.2.2019 to 31.3.2020 RM'000
Directors:				
Fees	75	150	75	150
Salaries	592	1,205	592	1,205
Defined contribution	71	145	71	145
Other emoluments	2	26	2	26
Benefits-in-kind	24	35	24	35
	764	1,561	764	1,561
Subsidiaries:				
Salaries	336	399	–	–
Defined contribution	41	58	–	–
Other emoluments	23	26	–	–
	400	483	–	–
Total	1,164	2,044	764	1,561

Included in the staff costs:

Key Management Personnel other than Directors:				
Salaries and other emoluments	585	1,060	–	–
Defined contribution	68	129	–	–
	653	1,189	–	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management practice is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value as well as to enable the Group to continue as going concern. To achieve this, the Group ensures that an optimal capital structure is maintained. The Group yearically reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The directors monitor and determine the optimal debt to equity ratio that complies with the debt covenants. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2021 and 31 March 2020.

	GROUP		**COMPANY**	
	1.4.2020 to 31.3.2021 RM'000	**1.2.2019 to 31.3.2020 RM'000**	**1.4.2020 to 31.3.2021 RM'000**	**1.2.2019 to 31.3.2020 RM'000**
Borrowings	72,602	75,613	43,902	40,510
Less: Cash and bank balances	(3,223)	(3,685)	(286)	(13)
Net debts	69,379	71,928	43,616	40,497
Equity attributable to owners of the Company	280,967	361,735	269,967	318,085
Net gearing ratio (times)	0.25	0.20	0.16	0.13

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

(i) Fair value through profit or loss ("FVPL")
(ii) Amortised cost
(iii) Fair value through other comprehensive income ("FVOCI")

	Carrying Amount RM'000	Amortised Cost RM'000	FVPL RM'000
2021			
Financial assets			
GROUP			
Amount owing by associates	114,663	114,663	–
Trade and other receivables	125,500	125,500	–
Sinking funds held by trustees	4	–	4
Other investment	68	–	68
Cash and bank balances	3,223	3,223	–
	243,458	243,386	72
COMPANY			
Amount owing by subsidiaries	2,096	2,096	–
Amount owing by associates	111,815	111,815	–
Trade and other receivables	2,076	2,076	–
Sinking funds held by trustees	4	–	4
Other investment	26	–	26
Cash and bank balances	286	286	–
	116,303	116,273	30
Financial liabilities			
GROUP			
Trade and other payables	352,286	352,286	–
Borrowings	72,602	72,602	–
	424,888	424,888	–
COMPANY			
Trade and other payables	260,288	260,288	–
Amount owing to subsidiaries	64,697	64,697	–
Borrowings	43,902	43,902	–
	368,887	368,887	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

	Carrying Amount RM'000	Amortised Cost RM'000	FVPL RM'000	FVOCI RM'000
2020				
Financial assets				
GROUP				
Amount owing by associates	117,368	117,368	–	–
Trade and other receivables	51,240	51,240	–	–
Sinking funds held by trustees	4	4	–	–
Other investment	249	–	247	2
Cash and bank balances	3,685	3,685	–	–
	172,546	172,297	247	2
COMPANY				
Amount owing by subsidiaries	2,524	2,524	–	–
Amount owing by associates	114,171	114,171	–	–
Trade and other receivables	2,390	2,390	–	–
Sinking funds held by trustees	4	4	–	–
Other investment	204	–	204	–
Cash and bank balances	13	13	–	–
	119,306	119,102	204	–
2020				
Financial liabilities				
GROUP				
Trade and other payables	348,691	348,691	–	–
Amount owing to associate	325	325	–	–
Borrowings	75,613	75,613	–	–
	424,629	424,629	–	–
COMPANY				
Trade and other payables	247,348	247,348	–	–
Amount owing to subsidiaries	62,072	62,072	–	–
Borrowings	40,510	40,510	–	–
	349,930	349,930	–	–

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

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

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit Risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its third party receivables and amount owing by associates. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables and contract assets

As at the end of the reporting year, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. Receivables are monitored on a going concern basis via Group's management reporting procedures and action will be taken for long outstanding debt. Majority of the receivables are from property development segment. The credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default.

<u>Credit risk concentration profile</u>

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

	GROUP	
	2021	**2020**
	RM'000	**RM'000**
Property development	25,692	24,242
Property investment and management	536	1,520
Construction	8,840	4,734
	35,068	30,496

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit Risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the group manages its debtor and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

For construction contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

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

Ageing analysis of the Group's and of the Company's trade receivables are as follow:

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Neither past due nor impaired	28,557	25,638	–	–
Past due but not impaired				
1-30 days past due	2,536	2,315	–	–
31-60 days past due	1,292	134	–	358
61-90 days past due	96	5	–	–
91-120 days past due	13	5	–	–
more than 121 days past due	7,703	8,083	–	–
	11,640	10,542	–	358
Impaired Individually	(5,129)	(5,684)	–	–
	35,068	30,496	–	358

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit Risk (Cont'd)

Other receivables and other financial assets

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

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

Refer to Note 3.12(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Inter-company loans and advances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay loans and advances on an individual basis.

At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by collateral or supported by other credit enhancements.

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 payment of 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity Risk

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

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met on timely basis. In addition, the Group and the Company maintain sufficient level of cash and available financing facilities at a reasonable level to its overall debt position to met their working capital requirement.

The following summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date on contractual undiscounted repayment obligations:

GROUP	Carrying Amount RM'000	Contractual Cashflow RM'000	On demand / within one year RM'000	Two to five years RM'000
2021				
Trade and other payables	352,286	368,177	133,093	235,084
Borrowings	72,208	80,493	–	80,493
Lease liabilities	394	425	131	294
Total undiscounted financial liabilities	424,888	449,095	133,224	315,871
2020				
Trade and other payables	348,691	350,762	350,183	579
Borrowings	75,111	82,742	82,742	–
Lease liability	502	556	131	425
Amount owing to associate	325	325	325	–
Total undiscounted financial liabilities	424,629	434,385	433,381	1,004

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity Risk (Cont'd)

COMPANY	Carrying Amount RM'000	Contractual Cashflow RM'000	On demand / within one year RM'000	Two to five years RM'000
2021				
Trade and other payables	260,288	275,925	40,841	235,084
Borrowings	43,508	48,349	–	48,349
Lease liabilities	394	425	131	294
Amount owing to subsidiaries	64,697	65,720	50,906	14,814
Total undiscounted financial liabilities	368,887	390,419	91,878	298,541
2020				
Trade and other payables	247,348	249,420	249,420	–
Borrowings	40,008	43,609	43,609	–
Lease liabilities	502	556	131	425
Amount owing to subsidiaries	62,072	63,123	47,918	15,205
Total undiscounted financial liabilities	349,930	356,708	341,078	15,630

Despite the uncertainty in the property development market, the Group will endeavour to undertake all necessary measures to mitigate the adverse effects on the liquidity position of the Group.

The Group has prepared a cash flow forecast to consider the availability of unutilised funding facilities in supporting the management of liquidity risk that the Group will have sufficient financial resources for a year of at least 12 months from the end of the financial year. Significant assumptions and judgement are used in the preparation of the cash flow forecast.

The Group will dispose of its inventories and excess land, if the need arises, to generate cash to meet its obligations.

Besides current development projects, cash will be generated by joint venture projects undertaken with other reputable corporations and construction projects.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

A subsidiary that had ceased operations in The People's Republic of China has assets and liabilities together with expected cash flows from anticipated transactions denominated in its functional currency that reduce its exposure to foreign exchange.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investment.

Where the Group's operations are overseas, the funding is sourced in that local currency in which the operations are carried out to hedge against any foreign exchange fluctuation.

No sensitivity analysis for foreign currency risk is prepared at the end of reporting year as the Group does not have significant exposure to foreign currency risk.

(iv) Market Risk

The market risk arises from changes in the state of domestic property prices, the cost of building materials, availability of labour and other related cost in property development.

The Group concentrates on development projects in carefully selected locations and this has resulted in resilience against softening of the property sector.

(v) Operational Risk

The operational risk arises from the daily activities of the Group as a property developer and contractor which includes legal, credit, reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approvals limits, clear reporting structure, segregation of duties, policies and procedures implemented and yearic management meetings.

In dealing with its stewardship, the Board of Directors recognises that effective risk management is an integral part of good business practice.

The Board of Directors will pursue an on-going process of identifying, assessing and managing key business risk areas, overall operational and financial risks faced by the business units as well as regularly review and enhancing risk mitigating strategies with its appointed and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement

The carrying amounts at cash and cash equivalents, sinking funds held by trustee, short-term receivables and payables and short-term borrowings reasonably approximately their fair values due to the relatively short-term nature at these financial instruments.

There have been no transfers between level 1 and level 2 during the financial year (2020: no transfer in either direction).

The fair value of non-current financial lease liability is estimated using discounted cash flow analysis, based on current lending rate for similar types of lease arrangements.

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP									
2021									
Non-current									
Financial assets									
Amount owing by associate	114,663	-	-	-	-	-	-	114,663	114,663
Trade receivables	25,665	-	-	-	-	-	-	25,665	25,665
Financial liabilities									
Borrowings	72,488	-	-	-	-	-	-	72,488	72,488
Other payables	219,448	-	-	-	-	-	-	219,448	219,448
2020									
Non-current									
Financial assets									
Other investment	2	-	-	2	2	-	-	-	-
Amount owing by associates	31,818	-	-	-	-	-	-	31,818	31,818
Trade receivables	23,878	-	-	-	-	-	-	23,878	23,878
Other receivables	7,501	-	-	-	-	-	-	7,501	7,501
Financial liabilities									
Lease liability	393	-	-	-	-	-	-	393	393
Other payables	579	-	-	-	-	-	-	579	579

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (Cont'd)

	Carrying amount	Fair value of financial instruments carried at fair value Fair value				Fair value of financial instruments not carried at fair value Fair value			
	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
COMPANY									
2021									
Non-current									
Financial asset									
Amount owing by associate	111,815	-	-	-	-	-	-	111,815	111,815
Financial liabilities									
Amount owing to subsidiaries	13,792	-	-	-	-	-	-	13,792	13,792
Other payables	219,448	-	-	-	-	-	-	219,448	219,448
Borrowings	43,788	-	-	-	-	-	-	43,788	43,788
2020									
Non-current									
Financial asset									
Amount owing by associates	31,818	-	-	-	-	-	-	31,818	31,818
Financial liabilities									
Amount owing to subsidiaries	14,154	-	-	-	-	-	-	14,154	14,154
Lease liabilities	393	-	-	-	-	-	-	393	393

There were no transfers between the levels during the financial year ended 31 March 2021 and financial year ended 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

34. OTHER COMMITMENT

The Group leases out several of its properties which have remaining lease terms of between one to five years and the leases are renewable upon expiry. The leases do not include any contingent rentals.

Future minimum rental receivable under the non-cancellable operating leases at the reporting date are as follows:

	GROUP	
	2021	**2020**
	RM'000	**RM'000**
- Not later than one year	3,136	3,300
- More than one year but not later than five years	1,692	2,135
	4,828	5,435

35. SEGMENTAL INFORMATION

Measurement of reportable segments

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

Transactions between reportable segments are measured on the basis that is similar to those external customers.

<u>Segment profit</u>
Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from previous financial years in the measurement methods used to determine reported segment statements of comprehensive income.

<u>Segment assets</u>
All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, investment in associates and joint ventures. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

<u>Segment liabilities</u>
All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated on proportion to the segment assets.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. SEGMENTAL INFORMATION (CONT'D)

Business Segments

The Group's operations comprise the following business segments:

Property development	:	Investment holdings, development of residential and commercial properties.
Property investment and management	:	Rental and disposal of properties and provision of management services.
Construction	:	Performance of construction activities.

	Property Development RM'000	Property Investment and Management RM'000	Construction RM'000	Others RM'000	Note	Total Before Elimination RM'000
2021						
Revenue	14,624	5,490	17,971	1	**A**	38,086
Results						
Depreciation of:						
- property, plant and equipment	218	18	-	14		250
- investment properties	-	3,401	-	-		3,401
Impairment loss on:						
- other investment	2	-	-	-		2
- receivables - trade	79	323	-	-		402
- receivables - non trade	2,005	10,809	-	-		12,814
Inventories written down	7,237	-	-	-		7,237
Gain on financial assets at amortised cost	(1,456)	-	-	-		(1,456)
Gain on deconsolidation of a subsidiary	-	(46,000)	-	-		(46,000)
Impairment loss no longer required:						
- receivables - non trade	(2,327)	(33)	-	-		(2,360)
Interest income	(3)	(121)	-	-		(124)
Share of results of associates	36	-	-	-		36
Results of segment profit/(loss)	(26,427)	(5,212)	881	(124)		(30,882)
Taxation	(18)	-	-	-		(18)
Profit/(loss) for the financial period	(26,445)	(5,212)	881	(124)		(30,900)
Other information						
Segment assets	533,948	145,341	10,278	192		689,759
Investment in associates	18,413	-	-	-		18,413
Segment liabilities	398,623	15,395	11,622	-		425,640
Capital expenditures	-	-	-	191	**B**	191

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. SEGMENTAL INFORMATION (CONT'D)

Business Segments (Cont'd)

	Property Development RM'000	Property Investment and Management RM'000	Construction RM'000	Note	Total RM'000
2020					
Revenue	21,308	7,991	15,558	A	44,857
Results					
Bad debts written off	395	-	-		395
Depreciation of:					
- property, plant and equipment	281	31	-		312
- investment properties	-	5,545	-		5,545
Impairment loss on:					
- receivables - trade	-	93	-		93
- receivables - non trade	1,450	433	-		1,883
Loss on financial assets at amortised cost	1,581	-	-		1,581
Inventories written down	5,946	-	-		5,946
Loss on financial liabilities at amortised cost	1,215	-	-		1,215
Impairment loss no longer required:					
- receivables - trade	(317)	-	-		(317)
- receivables - non trade	(5,853)	(31)	-		(5,884)
Interest income	(130)	(67)	-		(197)
Waiver of debt	(15,061)	-	-		(15,061)
Share of results of associates	80	-	-		80
Share of results of joint ventures	5,490	-	-		5,490
Results of segment profit/(loss)	9,630	(8,544)	672		1,758
Taxation	(1)	-	-		(1)
Profit/(loss) for the financial period	9,629	(8,544)	672		1,757
Other information					
Segment assets	582,899	173,694	4,798		761,391
Investment in associates	18,449	-	-		18,449
Investment in joint ventures	303	-	-		303
Segment liabilities	371,373	48,196	6,262		425,831
Capital expenditures	964	-	-	B	964

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. SEGMENTAL INFORMATION (CONT'D)

Business Segments (Cont'd)

Note: Nature of adjustments and elimination to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation

B Additions of capital expenditure consists of:

	GROUP	
	2021 **RM'000**	**2020** **RM'000**
Property, plant and equipment	191	964

Geographical information

With the cessation of the Group's overseas hotel and recreation business, all remaining operations are conducted in Malaysia. Hence, no geographical segment is presented.

Information about major customers

For property development segment, revenue from three (2020: two) customers represent approximately RM11.21 million (2020: RM13.98 million) of the Group's total revenue.

For construction segment, revenue from two (2020: two) customers represent approximately RM15.12 million (2020: RM12.27 million) of the Group's total revenue.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. Since 18 March 2020, the Malaysian Government has been imposing a series of movement control orders ("MCOs"), which is still on-going as at the date of this report, in attempts to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak had also resulted in travel restrictions, lock-downs and other precautionary measures imposed in many countries across the world.

The emergence of the Covid-19 outbreak has brought significant economic uncertainties to Malaysia where the Group primarily operates. The Group continuously assesses the overall impact of the situation on the Group's operations, including the recoverability of the carrying value of assets and measurements of assets and liabilities.

Notwithstanding the difficult and disruptive MCO environment, the Group continues to actively pursue new opportunities to develop, both, new and existing businesses, seeking out new partners and investors, as well as striving to implement cost optimisation efforts to ensure that the Group remains competitive in, what is expected to be, a challenging post-MCO business environment and endeavour to deliver sustainable growth in the long term.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) Liquidation of Jilin Province Maxcourt Hotel Limited

On 25 November 2020, the company was notified on that date that a liquidation order was granted by Jilin Province City of Changchun Intermediate People's Court via a Civil Ruling and was served on Jilin Province Maxcourt Hotel Ltd.("JPMHL") at its office address in Changchun, Jilin Province by Beijing Ding Yuen Group ("the Plaintiff") and Jilin Province Yangtze River Bankruptcy Liquidation Services Co. Ltd was appointed as the administrator of JPMHL.

JPMHL had already ceased operation since 2014 and is not a major subsidiary of the Group under the definition of Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Bhd.. As such, there is no material operational impact to the Group arising from this winding-up proceeding. The Group has accordingly deconsolidated JPMHL from the Group's accounts and fully impaired its investment in JPMHL.

In view that the latest available valuation of the assets of JPMHL showed that the recoverable value of the assets is expected to exceed the liabilities and barring any unexpected developments, the Group expects to be able to fully recover the amount owing by Jilin Province Maxcourt Hotel Limited amounted to RM67 million previously advanced to JPMHL to support its operations and refinance its loans.

As at the date of this report, the liquidator has made much progress on the liquidation process and based on their projected timeline, all the auction stages leading to the sale of JPMHL should be completed within the next financial year. While the liquidation process is ongoing, management is still working on alternative solutions.

37. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

During the financial year, Pintar Arif Sdn. Bhd.("PA") proposed that the entire amount owing to the Company amounting to RM9.53 million be capitalised into 9,525,000 ordinary shares in PA. The Company accepted and subsequent to the financial year, PA became a 97.4% subsidiary in May 2021.

38. MATERIAL LITIGATION

Save as disclosed below, neither the Group and the Company are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the business or financial position of the Group, and the Board of Directors has no knowledge of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the business or financial position of the Group:

A Writ of Summons and the Statement of Claim was filed in the Kuala Lumpur High Court by Universal Healthcare (R&D) Sdn. Bhd. ("UHSB") against TTB and 3 other Defendants who were Directors of Pandan Indah Medical Management Sdn. Bhd. (In Liquidation), a former subsidiary of TTB ("PIMM").

UHSB claims against TTB for the Declarations that TTB is a director of PIMM and that the business of PIMM was carried out by its Directors and/ or TTB and that the Directors of PIMM and/or TTB are personally liable to UHSB. Consequently, UHSB is seeking an order that the Directors of PIMM and/ or TTB pay jointly and/ or severally, the alleged debt arising from the judgment sum of RM23.82 million assessed by UHSB against PIMM together with interest at the rate of 8% per annum from the date of Writ of Summons until full settlement amounting to a total alleged claim of RM49.23 million (as at 12 October 2015) and/ or in the alternative, damages to be assessed.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

38. MATERIAL LITIGATION (CONT'D)

TTB has filed its Defence and also counterclaimed against UHSB and the 3 Directors of UHSB for general damages, exemplary damages and aggravated damages for the tort of abuse of process and/ or malicious prosecution.

The full trial of the Civil Suit commenced on 19, 23 and 24 January 2017 and continued to be partly heard on 19 and 20 June 2017, 1, 2 and 3 August 2017, 20 and 24 October 2017 and 27 and 28 November 2017. The Court further continued with the hearing on 18, 19 and 29 January 2018 and 9 and 12 February 2018 and 15 March 2018 and 5, 7 and 8 June 2018 for continued hearing and completed the full hearing on 25 June 2018. Both parties have put in their written submission on 20 August 2018 and the reply on 12 September 2018. The Court had on 10 January 2019 and 12th to 14th June 2019 heard oral submission and fixed 29 August 2019 to deliver its decision which was then deferred to 29 January 2020 and subsequently to 6 March 2020.

The High Court had on 6 March 2020 delivered its decision and dismissed UHSB's Civil Suit and also TTB's Counter Claim with no order as to costs. UHSB's Solicitors had on 14 May 2020 served a Notice of Appeal dated 1 April 2020 to appeal to the Court of Appeal against part of the decision of the High Court dismissing UHSB's High Court Civil Suit without cost. The date for the hearing of the Appeal is not fixed.

STATEMENT BY DIRECTORS

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

We, **CHUA KIM LAN** and **YAW CHUN SOON**, being two of the directors of **TALAM TRANSFORM BERHAD**, do hereby state that in the opinion of the directors, the financial statements set out on pages 70 to 168 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and of their financial performance and cash flows for the financial year then ended.

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

CHUA KIM LAN
Director

YAW CHUN SOON
Director

Kuala Lumpur

Date: 30 August 2021

STATUTORY DECLARATION

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

I, **SOO KAH PIK**, being the officer primarily responsible for the financial management of **TALAM TRANSFORM BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 70 to 168 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SOO KAH PIK
(MIA No. 8102)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 30 August 2021.

Before me,

HADINUR MOHD SYARIF W761
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TALAM TRANSFORM BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of **Talam Transform Berhad**, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 168.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of its financial performance and its cash flows for the 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 Qualified Opinion

As disclosed in Note 9(c) to the financial statements, the amount owing by an associate of the Group and the Company amounting to RM29.46 million is in relation to an advance for a property development project. This matter was remained unresolved since the preceding financial year and formed the basis for qualified opinion on the financial statements of the Group and the Company for the financial year ended 31 March 2020, and

As disclosed in Note 12(b)(iii) to the financial statements, the other receivable amounting to RM67.63 million is in relation to an advance to Jilin Province Maxcourt Hotel Limited under liquidation.

The assessment of impairment losses on these balances requires significant judgment made by the directors on the expected credit losses. The Group is of the view that no impairment was required for the amount owing by an associate and Jilin Province Maxcourt Hotel Limited.

We were unable to obtain sufficient appropriate audit evidence in relation to the assessment that no expected credit loss was required for the amount owing by an associate and Jilin Province Maxcourt Hotel Limited. Therefore, we could not determine whether any expected credit loss was necessary in accordance to MFRS 9 *Financial Instruments*.

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 qualified opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws")* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TALAM TRANSFORM BERHAD
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior the date of this auditor' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence in relation to the assessment that no expected credit loss was required for the amount owing by an associate and other receivable. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in Basis of Qualified Opinion, we have determined the matters below to be the key audit matters to be communicated in our report.

Group

Funding requirements and ability to meet short term obligations

The Group's policies and processes for the management of liquidity risk is disclosed in Note 33(b)(ii) to the financial statements. The directors have prepared the cash flow forecast for the next 12 months from the financial year to support the assertion that the Group will have sufficient funds to meet its cash flow obligations. We focus on this area due to significant judgement involved in determining the assumptions used by the directors in arriving at the Group's cash flow forecast for the next 12 months.

Our audit response:
Our audit procedures included, among others:

- reviewing the cash flow forecast over the next 12 months;
- comparing the Group's assumptions in the cash flow forecast to our understanding obtained during our audit in relation to key assumptions;
- agreeing sources of financing and uses of funds to relevant supporting documents; and
- testing the mathematical accuracy of the cash flow forecast calculation.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TALAM TRANSFORM BERHAD
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Inventories (Note 4(b) and 6 to the financial statements)

The Group and the Company have significant balances of completed properties and properties held for development as at 31 March 2021. We focused on this area because the assessment of the net realisable value of these completed properties and properties held for development requires the application of significant judgements made by the directors.

Our audit response:
Our audit procedures included, among others:
- understanding the assumption used by the directors in determining the value of properties held for development;
- comparing the recent transacted prices of comparable completed properties;
- performing site visit on selected completed properties and properties held for development to ascertain the condition; and
- reviewing subsequent sales and Group's assessment on estimated net realisable value on selected inventory items.

Revenue and corresponding cost recognition for construction activities (Note 23 and Note 24 to the financial statements)

The amount of revenue and corresponding costs of the Group's construction activities is recognised over the year of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date to the estimated total costs for each project.

We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of performance obligation, the extent of construction costs incurred and the estimated total construction contracts revenue and costs. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our audit response:
Our audit procedures included, among others:
- reading the terms and conditions of agreements with customers to determine that revenue recognition is consistent with the requirements of MFRS 15 *Revenue from Contracts with Customers;*
- discussing the progress of projects and expected outcome with project manager to obtain an understanding of the basis on which the estimates are made;
- reviewing the reasonableness of computed progress towards anticipated satisfaction of performance obligation for identified projects against architect or consultant certificate; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TALAM TRANSFORM BERHAD
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Company

Investment in subsidiaries (Note 4(d) and Note 8 to the financial statements)

The Company has significant balance of investment in subsidiaries. At the end of the financial year, the Company determined whether there is any indication of impairment of investment in subsidiaries.

We focused on this area because the directors' assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in subsidiaries was determined based on the fair value less cost to sell or value-in-use which involves exercise of significant judgement on the discount rates applied and the assumptions supporting the underlying cash flow projections which include future sales, gross profit margin and operating expenses.

Our audit response:
Our audit procedures included, among others:
- comparing the Group's assumptions to our understanding obtained during our audit in relation to key assumptions to assess their reasonableness; and
- testing the mathematical accuracy of the impairment assessment.

Responsibilities of the Directors for the Financial Statements

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TALAM TRANSFORM BERHAD
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TALAM TRANSFORM BERHAD (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that:

(a) the subsidiaries of which we have not acted as auditors, are disclosed in Note 30 to the financial statements.

(b) the accounting and other records for the matters as described in the Basis for Qualified Opinion section have not been properly kept by the Company in accordance with the provision of the Act.

(c) we have not obtained all the information and explanation that we required for the matter described in Basis for Qualified Opinion.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ong Teng Yan
03076/07/2023 J
Chartered Accountant

Kuala Lumpur

Date: 30 August 2021

LIST OF TOP 10 PROPERTIES

31 MARCH 2021

No.	@ Joint Venture + Registered # Beneficial Owner		Location	* Acreage/ ** Built up area (sq ft) (Nett Area)	Description/ proposed development	Date of Acquisition/ Joint Venture/ Completion	Tenure	Expiry	Approximate age of the building (Years)	Net Book Value/Net Carrying Value as at 31/03/2021 (RM'000)
1	Europlus Berhad	+, #	Mukim Serendah, Daerah Ulu Selangor, Bandar Bukit Beruntung, Negeri Selangor	* 176.51	Township Development Bukit Beruntung	17/02/2015	Freehold	N/A	N/A	40,085
		#	Mukim Serendah, Daerah Ulu Selangor, Bandar Bukit Sentosa, Negeri Selangor	* 15.13 * 6.29	Bukit Sentosa III Development of industrial, residential and commercial properties	13/05/2019 17/03/2020	Freehold Freehold	N/A N/A	N/A N/A	5,270 8,080
2	Talam Transform Berhad	+	Mukim Serendah, Daerah Ulu Selangor, Bandar Bukit Sentosa, Negeri Selangor	* 50.56	Bukit Sentosa III Development of industrial, residential and commercial properties	29/10/1994	Freehold	N/A	N/A	17,410
3	Europlus Berhad	+	Mukim Ulu Yam, Daerah Ulu Selangor, Bukit Beruntung 3, Negeri Selangor	* 200.12	Bukit Beruntung III Development of residential and industrial properties	18/12/1991	Freehold	N/A	N/A	89,806
4	Talam Leisure Development Sdn Bhd	#	Mukim Dengkil, Daerah Sepang, Taman Putra Perdana, Puchong, Selangor	* 66.78	Development of residential and commercial properties	05/02/2015	99 years Leasehold	19/10/2093	N/A	98,082
5	Talam Transform Berhad	+, #	Mukim Batang Berjuntai, Daerah Kuala Selangor, Negeri Selangor	* 91.39	Batang Berjuntai	04/07/2015	99 years Leasehold	21/01/2101	N/A	13,619
6	Abra Development Sdn Bhd	+	Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur	** 365,029	Menara Maxisegar 24-storey commercial complex	22/06/1995	99 years Leasehold	03/04/2094	22	48,245

LIST OF TOP 10 PROPERTIES
(CONT'D)

No.	@ Joint Venture + Registered # Beneficial Owner		Location	* Acreage/ ** Built up area (sq ft) (Nett Area)	Description/ proposed development	Date of Acquisition/ Joint Venture/ Completion	Tenure	Expiry	Approximate age of the building (Years)	Net Book Value/Net Carrying Value as at 31/03/2021 (RM'000)
7	Inti Johan Sdn Bhd	#	Pandan Kapital Shopping Mall, Jalan Pandan Utama, Pandan Indah, 55100 Kuala Lumpur	** 177,471	Pandan Kapital Shopping Mall	09/03/2005	99 years Leasehold	24/03/2101	21	25,842
8	Zhinmun Sdn Bhd	+	Mukim of Batu, District of Gombak, State of Selangor	* 50	Mixed Development	08/02/2006	99 years Leasehold	23/12/2103	N/A	36,000
9	Talam Leisure Development Sdn. Bhd.	#	Mukim Dengkil, Daerah Sepang, Taman Putra Perdana, Puchong, Selangor	** 142,936	192 units of Medium Cost Apartments	05/02/2015	99 years Leasehold	19/10/2093	N/A	22,770
10	Zillion Development Sdn Bhd	#	1 Tebrau Jalan Tebrau Kampung Setanggi, Johor Bahru Johor	** 13,925	Shops, Offices & Service Apartments	01/03/2017	99 years Leasehold	11/01/2109	4	3,000

Material Properties Owned By Associates (Refer to Note 9 of the Audited Financial Statements for further information)

11	Cekap Tropikal Sdn Bhd	#	Mukim of Batu, District of Gombak, State of Selangor	* 50	Mixed Development	05/03/2007	99 years Leasehold	24/02/2105	N/A	29,951

STATEMENT ON DIRECTORS' AND GROUP CHIEF EXECUTIVE OFFICER'S INTERESTS

AS AT 2 AUGUST 2021

DIRECTORS' AND GROUP CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

(Based on Register of Directors' and Register of Principal Officers' shareholdings as at 2 August 2021)

		No. of Ordinary Shares Held			
		Direct Interest	**%*5**	**Indirect Interest**	**%*5**
The Company					
1.	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	1,007,710,694	23.47	258,760,772*1	6.03
2.	Chua Kim Lan	90,039	0.002	28,125*2	0.001
3.	Yaw Chun Soon	445,000	0.01	–	–
4.	Chan Tet Eu	–	–	1,266,471,466*3	29.50
5.	Dato' Mohamad Razali Bin Mohamad Rahim	15	*4	–	–

Notes:-

*1 Held through his spouse, Puan Sri Datin Thong Nyok Choo ("PSDTNC"), his daughter, Chan Siu Wei ("CSW") and deemed interested by virtue of his interest in Pengurusan Projek Bersistem Sdn Bhd ("PPBSB"), Sze Choon Holdings Sdn Bhd ("SCHSB") and Jejak Progresif Sdn Bhd ("JPSB") pursuant to Section 59(11)(c) and Section 8 of the Companies Act 2016 ("Act") respectively.

*2 Held through her spouse, Chin Chee Meng pursuant to Section 59(11)(c) of the Act.

*3 Deemed interested through his father, TSDCAC, his mother, PSDTNC, his sister, CSW and by virtue of his interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*4 negligible

*5 % shareholding based on the total number of voting shares as at 2 August 2021 of 4,292,643,762.

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon and Chan Tet Eu, by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Save as disclosed above, none of the other Directors of the Company have any interests in the shares of the Company and its related corporations as at 2 August 2021.

ANALYSIS OF SHAREHOLDINGS
AS AT 2 AUGUST 2021

SHARE CAPITAL

Total Number of Issued Shares	:	4,295,279,562 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share
Total Number of Voting Shares	:	4,292,643,762 (excluding treasury shares of 2,635,800)

DISTRIBUTION OF ORDINARY SHAREHOLDINGS
(Based on Record of Depositors as at 2 August 2021)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 - 99	1,468	7.57	64,765	0.00
100 - 1,000	1,957	10.09	1,201,373	0.03
1,001 - 10,000	6,198	31.95	28,531,299	0.66
10,001 - 100,000	6,673	34.40	322,753,413	7.52
100,001 – 214,632,187 (*1)	3,102	15.99	3,016,092,912	70.26
214,632,188 and above (*2)	3	0.02	924,000,000	21.53
TOTAL (*3)	**19,401**	**100.00**	**4,292,643,762**	**100.00**

NOTES:

(*1) Less than 5% of the total number of voting shares
(*2) 5% and above of the total number of voting shares
(*3) Exclusive of treasury shares

THIRTY LARGEST ORDINARY SHAREHOLDERS
(Based on Record of Depositors as at 2 August 2021)

	Name	No. of Ordinary Shares Held	%
(1)	CHAN AH CHYE @ CHAN CHONG YOON	400,000,000	9.32
(2)	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHAN AH CHYE @ CHAN CHONG YOON (PB)	294,000,000	6.85
(3)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JEJAK PROGRESIF SDN BHD	230,000,000	5.36
(4)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN AH CHYE @ CHAN CHONG YOON	183,718,086	4.28
(5)	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	145,005,100	3.38

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

THIRTY LARGEST ORDINARY SHAREHOLDERS (CONT'D)
(Based on Record of Depositors as at 2 August 2021)

	Name	No. of Ordinary Shares Held	%
(6)	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	128,660,900	3.00
(7)	CHAN AH CHYE @ CHAN CHONG YOON	124,374,565	2.90
(8)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PROMINENT XTREME SDN BHD	107,849,781	2.51
(9)	AL WAKALAH NOMINEES (TEMPATAN) SDN BHD BANK ISLAM MALAYSIA BERHAD	103,373,494	2.41
(10)	WCE HOLDINGS BERHAD	79,670,967	1.86
(11)	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	49,691,379	1.16
(12)	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	31,110,000	0.72
(13)	TENGKU UZIR BIN TENGKU UBAIDILLAH	30,200,000	0.70
(14)	RESON SDN BHD	27,131,500	0.63
(15)	YEOH TEONG ENG	23,507,300	0.55
(16)	PENGURUSAN PROJEK BERSISTEM SDN BHD	21,000,404	0.49
(17)	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	18,000,000	0.42
(18)	NG LOO SOON	16,000,000	0.37
(19)	LIM SIEW KHEONG	15,700,000	0.37
(20)	TAN TIAM YEE	14,700,000	0.34
(21)	LIVEWERKZ SDN BHD	14,307,500	0.33
(22)	ONG YENG TIAN @ ONG WENG TIAN	13,934,470	0.32
(23)	GENERAL TECHNOLOGY SDN BHD	13,197,431	0.31
(24)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WCE HOLDINGS BERHAD	13,169,550	0.31
(25)	HONG ENG KWEE @ HONG ENG HWE	12,500,000	0.29
(26)	YEOH TEONG ENG	12,000,000	0.28
(27)	POS MALAYSIA BERHAD	11,637,000	0.27
(28)	TEO KWEE HOCK	11,308,400	0.26
(29)	ONG YEW BENG	10,900,000	0.25
(30)	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	10,504,497	0.24
	TOTAL	**2,167,152,324**	**50.49**

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

SUBSTANTIAL SHAREHOLDERS
(Based on Register of Substantial Shareholders as at 2 August 2021)

		No. of Ordinary Shares			
	Name of Substantial Shareholders	**Direct Interest**	**%*5**	**Indirect Interest**	**%*5**
1.	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	1,007,710,694	23.47	258,760,772*1	6.03
2.	Puan Sri Datin Thong Nyok Choo	600,145	0.01	1,265,871,321*2	29.49
3.	Chan Siu Wei	3,259,950	0.07	1,263,211,516*3	29.43
4.	Chan Tet Eu	–	–	1,266,471,466*4	29.50
5.	Jejak Progresif Sdn Bhd	230,000,000	5.36	–	–

NOTES:-

*1 Held through his spouse, Puan Sri Datin Thong Nyok Choo ("PSDTNC"), his daughter, Chan Siu Wei ("CSW") and deemed interested by virtue of his interest in Pengurusan Projek Bersistem Sdn Bhd ("PPBSB"), Sze Choon Holdings Sdn Bhd ("SCHSB") and Jejak Progresif Sdn Bhd ("JPSB") pursuant to Section 59(11)(c) and Section 8 of the Companies Act 2016 ("Act") respectively.

*2 Deemed interested through her spouse, TSDCAC, her daughter, CSW and by virtue of her interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*3 Deemed interested through her father, TSDCAC, her mother, PSDTNC and by virtue of her interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*4 Deemed interested through his father, TSDCAC, his mother, PSDTNC, his sister, CSW and by virtue of his interest in PPBSB, SCHSB and JPSB pursuant to Section 8 of the Act.

*5 % shareholding based on the total number of voting shares as at 2 August 2021 of 4,292,643,762.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 96th Annual General Meeting ("96th AGM") of TALAM TRANSFORM BERHAD ("the Company") will be held fully virtual via online meeting platform of Securities Services e-Portal at https://sshsb.net.my/ provided by SS E Solutions Sdn Bhd in Malaysia on Wednesday, 29 September 2021 at 11.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2021 and the Reports of the Directors and Auditors thereon. ***(Please refer to Explanatory Note 1)***

2. To approve the payment of Directors' fees of RM25,000 for each Director for the financial year ended 31 March 2021. ***(Resolution 1)***

3. To approve the payment of Non-Executive Directors' remuneration (excluding Directors' fees) up to an amount of RM312,000 from 30 September 2021 until the next Annual General Meeting of the Company to be held in the year 2022. ***(Resolution 2)***

4. To re-elect the following Directors who is retiring in accordance with Clause 110 of the Constitution of the Company:-

   (i) Datuk Dr Ng Bee Ken ***(Resolution 3)***
   (ii) Mr Yaw Chun Soon ***(Resolution 4)***
   (iii) Mr Chan Tet Eu ***(Resolution 5)***

5. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 6)***

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:-

6. **ORDINARY RESOLUTION** ***(Resolution 7)***
   Proposed Retention of Independent Non-Executive Director

   "**THAT** Mr Tsen Keng Yam be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting notwithstanding that he has been in that capacity for a cumulative term of more than twelve (12) years."

7. **ORDINARY RESOLUTION** ***(Resolution 8)***
   Proposed Retention of Independent Non-Executive Director

   "**THAT** Dato' Kamaruddin Bin Mat Desa be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting notwithstanding that he has been in that capacity for a cumulative term of more than twelve (12) years."

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

8. **ORDINARY RESOLUTION** ***(Resolution 9)***
Proposed Retention of Independent Non-Executive Director

"**THAT** Datuk Dr Ng Bee Ken be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting notwithstanding that he has been in that capacity for a cumulative term of more than nine (9) years."

9. **ORDINARY RESOLUTION** ***(Resolution 10)***
Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

"**THAT** subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities where such approval is necessary and the passing of the Special Resolution as contained herein in respect of the alteration of the Constitution of the Company, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021 as empowered by Bursa Malaysia Securities Berhad pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers and thereafter, does not exceed ten percent (10%), of the total number of issued shares of the Company for the time being, and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

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

10. **ORDINARY RESOLUTION** ***(Resolution 11)***
Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate I")

"**THAT** subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiary companies shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.4 (1) to (3) of the Circular to Shareholders dated 30 August 2021 subject further to the following:-

(i) the transactions are in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(ii) disclosure will be made in the Annual Report of the aggregate value of transactions of the Proposed Shareholders' Mandate I conducted during the financial year, including amongst others, the following information:-

    (a) the type of the recurrent transactions made; and

    (b) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiary companies.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

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

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

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

whichever is the earlier;

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

11. **ORDINARY RESOLUTION** ***(Resolution 12)***
Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate II")

"**THAT** subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiary companies shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.4 (4) to (5) of the Circular to Shareholders dated 30 August 2021 subject further to the following:-

(i) the transactions are in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(ii) disclosure will be made in the Annual Report of the aggregate value of transactions of the Proposed Shareholders' Mandate II conducted during the financial year, including amongst others, the following information:-

    (a) the type of the recurrent transactions made; and

    (b) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiary companies.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

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

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

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

whichever is the earlier;

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

13. **SPECIAL RESOLUTION** ***(Resolution 13)***
Proposed Alteration of the Constitution of the Company

"**THAT** Clause 14 of the Constitution of the Company be hereby amended and thereafter, Clause 14 shall be read as follows:-

Subject to the Listing Requirements and notwithstanding the existence of a resolution pursuant to Section 75(1) and Section 76(1) of the Companies Act 2016, the Company shall not issue any shares or convertible Securities if the total number of those shares or convertible Securities when aggregated with the total number of any such shares or convertible Securities issued during the preceding twelve (12) months, exceed ten per cent (10%) or any higher limit allowed by the Bursa Malaysia Securities Berhad from time to time, of the total number of issued shares of the Company, except where the shares or convertible Securities are issued with the prior approval of the Company in meeting of Members of the precise terms and conditions of the issue."

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

BY ORDER OF THE BOARD

SOO KAH PIK (MIA 8102)
SSM Practising Certificate No. 201908004099
Company Secretary

Kuala Lumpur
30 August 2021

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

NOTES:-

1. *The 96th AGM of the Company will be held fully virtual via online meeting platform of Securities Services e-Portal ("SS e-Portal") at https://sshsb.net.my/ provided by SS E Solutions Sdn Bhd ("SSESB") in Malaysia. Members/proxies are advised to follow the procedures provided in the Administrative Guide for this AGM in order to register, participate and vote remotely by using the remote participation and voting ("RPV") facilities provided by SSESB.*

2. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restrictions as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting.*

3. *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 but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

4. *Where a member appoints two (2) proxies, the member shall specify the proportions of his shareholdings to be represented by each proxy.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.*

6. *All Forms of Proxy may be deposited in the following manner:-*

   (i) *by electronic means through the SS e-Portal at https://sshsb.net.my/, by fax to +603-20949940 or by email to eservices@sshsb.com.my; or*

   (ii) *by hardcopy form via hand or post to SSESB's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.*

   The Form of Proxy must be received by SSESB no later than Monday, 27 September 2021 at 11.30 a.m.. A member who has appointed proxy/proxies to participate in this AGM must request his/her/their proxy/proxies to register himself/herself for the RPV facilities at the SS e-Portal.

7. *If you choose to deposit the Form of Proxy by hand or post, the instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or the hand of an officer or attorney duly authorised.*

8. *For the purpose of determining members who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 22 September 2021. Only members whose names appear therein shall be entitled to attend the said meeting or appoint a proxy to attend and vote on their behalf.*

9. *Pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of this Annual General Meeting will be put to vote by poll.*

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS

1. *Audited Financial Statements of the Company for the financial year ended 31 March 2021*

   This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. *Resolution 2: Payment of Directors' Remuneration (excluding Directors' Fees) from 30 September 2021 until the next Annual General Meeting of the Company to be held in the year 2022.*

   Pursuant to Section 230(i) of the Companies Act 2016, any fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting.

   Therefore, the Company is seeking shareholders' approval for the payment of the Non-Executive Directors' remuneration for the period commencing from 30 September 2021 (being the date immediately after the 96th AGM Annual General Meeting of the Company) until the next annual general meeting of the Company to be held in the year 2022.

   The Remuneration Committee had conducted a review of the Directors' remuneration and after taking in view of the ongoing global economic crisis due to the Covid-19 pandemic health crisis coupled with the present difficult property market and financial conditions, had recommended that the following estimated Directors' remuneration (excluding Directors' Fees) payable to the Non-Executive Directors to remain the same as per last year:-

No.	***Description***	***Designation***	***Amount***
(i)	*Fixed Monthly Allowance*	*Chairman*	*RM10,000 per month*
		Non-Executive Directors	*RM5,000 per month per director*
(iii)	*Meeting Allowance* • *Board Meeting (5 times per year)* • *General Meeting (1 time per year)*	*Non-Executive Directors*	*RM500 per meeting per director*

   The Non-Executive Directors have agreed to take a reduction in their fixed monthly allowance in tandem with the Group's Salary Reduction Implementation exercise by 50% for the Chairman and 20% for the other Non-Executive Directors since 1 May 2020 in order to give financial support to the Company in these difficult times. The Remuneration Committee shall in the meantime continuously review the financial situation and will reinstate back their fixed monthly allowance to original quantum when able to do so.

   The Board has reviewed and accepted the Remuneration Committee's proposal as it is of the view that it is fair and reasonable and was in the Company's best interest. However, the payment of the Directors' remuneration (excluding Directors' Fees) to the Non-Executive Directors will be made by the Company on a monthly basis and/or as and when incurred, given that they have duly discharged their responsibilities and provided their services to the Company and the Group for the said period, if the Proposed Resolution 2 has been passed at the 96th Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS (CONT'D)

3. Resolution 7, Resolution 8 and Resolution 9: Proposed Retention of Independent Non-Executive Director

Resolution 7, Resolution 8 and Resolution 9 are proposed pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017 and if passed, will allow Mr Tsen Keng Yam, Dato' Kamaruddin Bin Mat Desa and Datuk Dr Ng Bee Ken to be retained and continue to act as Independent Non-Executive Directors.

(a) Mr Tsen Keng Yam

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Mr Tsen Keng Yam who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years and recommended him to continue to act as an Independent Non-Executive Director of the Company, through a two-tier voting process, based on the following justifications:-

(i) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore is able to bring independent and objective judgment to the Board;
(ii) His experience in the various industries enables him to provide the Board with a diverse set of experience, expertise, skills and competence;
(iii) He has been with the Company for more than seventeen (17) years and therefore understands the Company's business operations which enables him to participate actively and contribute during deliberations or discussions at the Board and Board Committees' meetings;
(iv) He has contributed sufficient time and effort and attended all the Board and Board Committees' meetings for the financial year ended 31 March 2021 to obtain independent information required for a balanced decision making; and
(v) He has exercised due care during his tenure as an Independent Non-Executive Director of the Company and carried out his duties in the interest of the Company and its shareholders.

(b) Dato' Kamaruddin Bin Mat Desa

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Dato' Kamaruddin Bin Mat Desa who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years and recommended him to continue to act as an Independent Non-Executive Director of the Company, through a two-tier voting process, based on the following justifications:-

(i) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore is able to bring independent and objective judgment to the Board;
(ii) He has been with the Company for more than thirteen (13) years and therefore understands the Company's business operations which enables him to participate actively and contribute during deliberations or discussions at the Board and Board Committees' meetings;
(iii) He has contributed sufficient time and effort and attended 3 out of the 5 Board and Board Committees' meetings for the financial year ended 31 March 2021 to obtain independent information required for a balanced decision making; and
(iv) He has exercised due care during his tenure as an Independent Non-Executive Director of the Company and carried out his duties in the interest of the Company and its shareholders.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS (CONT'D)

3. Resolution 7, Resolution 8 and Resolution 9: Proposed Retention of Independent Non-Executive Director (Cont'd)

(c) Datuk Dr Ng Bee Ken

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Datuk Dr Ng Bee Ken who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

(i) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore is able to bring independent and objective judgment to the Board;
(ii) His experience in the various industries enables him to provide the Board with a diverse set of experience, expertise, skills and competence;
(iii) He has been with the Company for more than eleven (11) years and therefore understands the Company's business operations which enables him to participate actively and contribute during deliberations or discussions at the Board and Board Committees' meetings;
(iv) He has contributed sufficient time and effort and attended all the Board and Board Committees' meetings for the financial year ended 31 March 2021 to obtain independent information required for a balanced decision making; and
(v) He has exercised due care during his tenure as an Independent Non-Executive Director of the Company and carried out his duties in the interest of the Company and its shareholders.

4. Resolution 10: Authority to issue shares

The proposed Ordinary Resolution 10 is intended to renew the authority granted to the Directors of the Company at the 95th Annual General Meeting of the Company held on 29 September 2020, to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company for the time being as allowed or authorised by Bursa Malaysia Securities Berhad pursuant to its letter dated 16 April 2020 ("General Mandate"). The General Mandate granted by the shareholders at the 95th Annual General Meeting of the Company has not been utilised and hence, no proceed was raised therefrom.

The Ordinary Resolution 10, if passed, will give the Directors of the Company authority to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021 and thereafter, the 10% limit under Paragraph 6.03 of the MMLR of Bursa Malaysia Securities Berhad will be reinstated ("new General Mandate").

The new General Mandate will give the Company additional fund raising flexibility and will enable the Directors to take swift action for the allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions and to avoid delay and cost in convening general meetings to approve such issue of shares.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS (CONT'D)

5. *Resolution 11 and 12: Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature*

   The detailed information on the proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature, is set out in the Circular to Shareholders dated 30 August 2021 which is enclosed together with the Company's Annual Report 2021.

6. *Resolution 13: Special Resolution - Proposed Alteration to the Constitution of the Company*

   According to Bursa Malaysia Securities Berhad's letter dated 16 April 2020, one of the additional temporary reliefs ("Relief") granted to listed issuers is the increase of the general mandate limit for new issue of securities from 10% to 20% which will be valid up to 31 December 2021. Therefore, the Company has amended Clause 14 of the Constitution of the Company to seek higher general mandate limit for issuance of new shares up to 20% limit as allowed or authorised by Bursa Malaysia Securities Berhad.

   However, the Relief will be expiring by 31 December 2021 and therefore, this proposed alteration to the existing Constitution of the Company is to amend Clause 14 of the Constitution to revert back to the original general mandate limit of 10% after the expiry of the Relief and further authorise any higher limit as allowed by Bursa Malaysia Securities Berhad from time to time.

   The Board is of the opinion that the proposed alteration, if approved, will be in the best interest of the Company as well as its shareholders as it continues to give the Company additional fund raising flexibility to raise funds and/or issue new shares as part or full payment consideration for any viable and feasible acquisition quickly and in a more cost effective manner.

TALAM TRANSFORM BERHAD

[Company Registration No: 192001000012 (1120-H)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No. of ordinary shares held	

*I/We ....
(Full Name of Shareholder as per NRIC/Passport/Certificate of Incorporation in capital letters)

(NRIC/Passport/Company No. ....) of ....
(Full Address)

....
(Full Address)

.... being a *member/members of **TALAM TRANSFORM BERHAD** ("the Company")

hereby appoint .... (NRIC/Passport No. ....)
(Full Name of Proxy as per NRIC/Passport In capital letters)

of ....
(Full Address)

*and/ or .... (NRIC/Passport No. ....)
(Full Name of Proxy as per NRIC/Passport In capital letters)

of ....
(Full Address)

**or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the 96th Annual General Meeting ("96th AGM") of the Company to be held fully virtual via online meeting platform of Securities Services e-Portal at https://sshsb.net.my/ provided by SS E Solutions Sdn Bhd in Malaysia on Wednesday, 29 September 2021 at 11.30 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
As Ordinary Business			
1	To approve the payment of Directors' fees of RM25,000 for each Director for the financial year ended 31 March 2021.		
2	To approve the payment of Non-Executive Directors' remuneration (excluding Directors' fees) up to an amount of RM312,000 from 30 September 2021 until the next Annual General Meeting of the Company to be held in the year 2022.		
3	To re-elect the Director, Datuk Dr Ng Bee Ken, who is retiring in accordance with Clause 110 of the Constitution of the Company.		
4	To re-elect the Director, Mr Yaw Chun Soon who is retiring in accordance with Clause 110 of the Constitution of the Company.		
5	To re-elect the Director, Mr Chan Tet Eu who is retiring in accordance with Clause 110 of the Constitution of the Company.		
6	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
As Special Business			
7	Ordinary Resolution Proposed retention of Mr Tsen Keng Yam as Independent Non-Executive Director.		
8	Ordinary Resolution Proposed retention of Dato' Kamaruddin Bin Mat Desa as Independent Non-Executive Director.		
9	Ordinary Resolution Proposed retention of Datuk Dr Ng Bee Ken as Independent Non-Executive Director.		
10	Ordinary Resolution Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
11	Ordinary Resolution Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate I").		
12	Ordinary Resolution Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate II").		
13	Special Resolution Proposed Alteration of the Constitution of the Company.		

(Please indicate with an "X" in the appropriate spaces how you wish your vote to be casted. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstains from voting.)

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies must be indicated below:-	
	Percentage (%)
First proxy	
Second proxy	

....
Signature/Common Seal of Member(s)

Signed this .... day of ...., 2021.

* *Please delete if not applicable.*

** *If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "or failing him/her, the Chairman of the Meeting" and insert the name(s) of the proxy(ies) you wish to appoint in the blank space(s) provided.*

NOTES:-

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   - *(i) by electronic means through the SS e-Portal at https://sshsb.net.my/, by fax to +603-20949940 or by email to eservices@sshsb.com.my; or*
   - *(ii) by hardcopy form via hand or post to SSESB's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.*

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9. *Pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of this Annual General Meeting will be put to vote by poll.*

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STAMP

SS E Solutions Sdn Bhd

[Registration No: 202001010461 (1366781-T)]

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

2nd Fold Here

Fold This Flap For Sealing

TALAM TRANSFORM BERHAD
(Incorporated in Malaysia) 192001000012 (1120-H)

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