

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors of Bina Puri Holdings Bhd. hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

**Principal Activities**

The principal activities of the Company are contractor for earthworks and building, project management services and investment holding. The principal activities of the subsidiary companies are disclosed in Note 9 to the financial statements.

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

**Financial Results**

The results of the Group and of the Company for the financial year are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss for the financial year	<u>(126,143)</u>	<u>(70,377)</u>
Attributable to:		
Owners of the Parent	(122,956)	(70,377)
Non-controlling interests	<u>(3,187)</u>	<u>-</u>
	<u>(126,143)</u>	<u>(70,377)</u>

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

**Reserves and Provisions**

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

## **Dividends**

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

## **Issue of Shares and Debentures**

During the financial year, the Company issued:

- (a) 479,293,900 new ordinary shares at issue price of RM0.035 per ordinary share for a total cash consideration of RM16,775,287 through private placement;
- (b) 1,000 new ordinary shares through conversion of Warrants at an exercise price of RM0.10 for a total cash consideration of RM100; and
- (c) 1,292,772,689 new ordinary shares through rights issue at an issue price of RM0.035 per share for a total cash consideration of RM45,247,044.

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

There was no issuance of debentures during the financial year.

## **Share Options**

No options were granted to any parties by the Company during the financial year to take up unissued shares apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

Share Issuance Scheme ("SIS") was implemented on 1 March 2019 to enable the Company to grant new and additional SIS options to the eligible persons in accordance with the By-Laws of the SIS. The maximum number of shares which may be allocated under the SIS shall not exceed in aggregate fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the SIS or such other limit prescribed by any guidelines, rules and/or regulation of the relevant authorities from time to time throughout the duration of the SIS. The salient features and other terms of SIS are disclosed in Note 23(b) to the financial statements.

**Share Options (Cont'd)**

As at 30 June 2023, the options offered to take up unissued ordinary shares and the exercise price is as follows:

<b>Date of offer</b>	<b>Exercise price</b>	<b>Number of options over ordinary shares</b>			<b>At 30.6.2023</b>
		<b>At 1.7.2022</b>	<b>Exercised</b>	<b>Lapsed</b>	
17 February 2020	0.076	26,447,263	-	(1,573,000)	24,874,263

**Warrant 2019/2022**

On 30 December 2019, the Company issued 382,089,550 warrants on the basis of 1 warrant for 1 existing ordinary shares of the Company.

Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 28 November 2019 up to the date of expiry on 22 December 2022, at an exercise price of RM0.10 each or such adjusted price in accordance with the provisions in the Deed Poll.

During the financial year, 1,000 warrants were exercised at the exercise price of RM0.10 per warrant. The total number of warrants that remain unexercised of 328,028,550 units expired on 22 December 2022.

The warrants were constituted under deed poll dated as disclosed in the Note 23(c) to the financial statements.

**Warrant 2023/2028**

On 18 April 2023, the Company issued 258,554,471 warrants on the basis of 1 warrant for 1 existing ordinary shares of the Company.

Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 18 April 2023 up to the date of expiry on 17 April 2028, at an exercise price of RM0.04 each or such adjusted price in accordance with the provisions in the Deed Poll.

As at 30 June 2023, the total number of warrants that remain unexercised were 258,554,471.

The warrants were constituted under deed poll dated as disclosed in the Note 23(c) to the financial statements.

## Directors

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

Tan Sri Datuk Tee Hock Seng, JP *	
Dr. Tan Cheng Kiat *	
Datuk Matthew Tee Kai Woon *	
Chai Chan Tong	(Appointed on 19.1.2023)
Ooi Hee Kah *	(Appointed on 19.1.2023)
Lee Hui Zien	(Appointed on 16.5.2023)
Datuk Amar Jaul Anak Samion	(Appointed on 1.7.2023)
Ir. Azman Bin Bujang	(Appointed on 1.8.2023)
Chee Su Kyun	(Appointed on 29.9.2023)
Tan Sri Dato' Wong Foon Meng	(Retired on 30.6.2023)
Ir. Ghazali Bin Bujang	(Resigned on 1.8.2023)
Mohd Najib Bin Abdul Aziz	(Resigned on 28.2.2023)

\* *Director of the Company and of its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:

Mohd Azim Bin Latip	Dato' Gan Yeew Tian	Dato' Ng Kee Leen
Siti Shalwah Binti Hussain	Ling Hie Ai	David Ng Chee Hwa
Borhan Bin Othman Ali	Foong Yuen Fatt	Gan Choo Ann
Yam Huang Meng	Heap Wei Guan	Kue Wei Jun
Lee Poh Teng	Kittipat Songcharoen	Lai Hoong Kit
Yam Lee Ken	Lee Tong Leong	Mohamad Naim Bin Rosli
Muhammad Saleh Bin Jusman	Azhar Bin Muhammad	Nasir Bin Machingal Mamath
Ng Keong Wee	Norpaizah Binti Abdul Wahab	Ooi Tat Lean
Syed Sarfaraz H Rizvi	Tay Hock Lee	Ting Teck Kai
Kang Jimmi	Emil Malik Ibrahim	Hoong Leng Wai #
Ang Kiam Chai	Cheo Chet Lan @ Chow Sak Nam, KMN # (Deceased)	Chow Chee Seng #
Datuk Roslan Bin Datuk Hj. Ahmad #		

# Directors resigned during the financial year

**Directors (Cont'd)**

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

**Directors' Interests in Shares**

The interests and deemed interests in the shares and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouse or children) according to the Register of Directors' Shareholdings are as follows:

	<b>Number of ordinary shares</b>			
	<b>At 1.7.2022</b>	<b>Additions</b>	<b>Disposed</b>	<b>At 30.6.2023</b>
<b>Interests in the Company</b>				
<b>Direct interest</b>				
Tan Sri Datuk Tee				
Hock Seng, JP	129,131,504	144,087,669	-	273,219,173
Dr Tan Cheng Kiat	96,308,710	-	-	96,308,710
Datuk Matthew				
Tee Kai Woon	84,419,159	256,279,439	-	340,698,598
Chai Chan Tong	-	801,204,633	-	801,204,633
Ooi Hee Kah	-	114,142,858	-	114,142,858
<b>Indirect interest</b>				
Tan Sri Datuk Tee				
Hock Seng, JP	(1) 85,209,159	256,822,772	-	342,031,931
Datuk Matthew				
Tee Kai Woon	(2) 129,931,504	144,621,002	-	274,552,506

**Directors' Interests in Shares (Cont'd)**

	<b>Number of warrants</b>			
	<b>At 1.7.2022</b>	<b>Granted</b>	<b>Expired</b>	<b>At 30.6.2023</b>
<b>Interests in the Company</b>				
<b>Direct interest</b>				
Tan Sri Datuk Tee				
Hock Seng, JP	18,739,778	28,817,533	(18,739,778)	28,817,533
Datuk Matthew				
Tee Kai Woon	4,608,925	51,255,887	(4,608,925)	51,255,887
Chai Chan Tong	-	75,582,146	-	75,582,146
Ooi Hee Kah	-	11,428,571	-	11,428,571
<b>Indirect interest</b>				
Tan Sri Datuk Tee				
Hock Seng, JP	(1) 5,008,925	51,362,553	(5,008,925)	51,362,553
Datuk Matthew				
Tee Kai Woon	(2) 19,139,778	28,924,199	(19,139,778)	28,924,199
<b>Number of SIS options over ordinary shares</b>				
	<b>Number of SIS options over ordinary shares</b>			
	<b>At 1.7.2022</b>	<b>Granted</b>	<b>Expired</b>	<b>At 30.6.2023</b>
<b>Interests in the Company</b>				
<b>Direct Interest</b>				
Datuk Matthew				
Tee Kai Woon	840,000	-	-	840,000
Dr Tan Cheng Kiat	1,865,763	-	-	1,865,763

Notes:

- <sup>1</sup> *Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in the Company and Section 8 of the Companies Act 2016 by virtue of his direct interests in shares held through nominee company.*
- <sup>2</sup> *Deemed interests by virtue of shares held by Datuk Matthew Tee Kai Woon's father, Tan Sri Datuk Tee Hock Seng, JP and Section 8 of the Companies Act 2016 by virtue of his direct interests in shares held through Tee Hock Seng Holdings Sdn. Bhd..*

### Directors' Interests in Shares (Cont'd)

By virtue of his interest in the shares of the Company and pursuant to Section 8 of the Companies Act 2016, Tan Sri Datuk Tee Hock Seng, JP, is deemed to have an interest in the shares of the subsidiaries to the extent that the Company has an interest.

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

### Directors' Benefits

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors and disclosed in the 'Directors' Remuneration' of this report) 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 whose object was 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, other than those arising from the share options granted under the SIS and warrants.

### Directors' Remuneration

The details of the Directors' remuneration paid/payable to Directors of the Group and of the Company during the financial year are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Salary and other emoluments	1,454	1,454
Director's fees	412	352
Defined contribution plans	96	96
	<u>1,962</u>	<u>1,902</u>

### Indemnity and Insurance Costs

There were no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

### **Other Statutory Information**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) 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; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) 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; or
  - (iv) 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.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

**Other Statutory Information (Cont'd)**

- (d) In the opinion of the Directors: (Cont'd)
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in the notes to the financial statements; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely 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.

**DIFFERENT FINANCIAL YEAR END OF SUBSIDIARY**

Due to local requirements of the following indirect subsidiary (“Foreign Subsidiary”) of the Company, PT Megapower Makmur Tbk., the Foreign Subsidiary is adopting 31 December as their statutory financial year end, which do not coincide with that of its holding company of the Foreign Subsidiary.

Subsidiary of Bina Puri Holdings Berhad, which in turn, is a 57% owned subsidiary of the Company:

1. PT Megapower Makmur Tbk

The Directors of Bina Puri Holdings Berhad and the Company have requested for approval under Section 247(3) of the Companies Act 2016 from the Companies Commission of Malaysia for the Foreign Subsidiary to have different financial year end from that of Bina Puri Holdings Berhad and the Company for the financial year ended 30 June 2023.

**Subsidiary Companies**

The details of the subsidiary companies are disclosed in Note 9 to the financial statements.

### **Auditors' Remuneration**

The details of the auditors' remuneration for the financial year are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Auditor's remuneration		
- Statutory audit	469	220
- Non-statutory audit	45	45
	<u>514</u>	<u>265</u>

### **Auditors**

The Auditors, UHY, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

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TAN SRI DATUK TEE HOCK SENG, JP

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DATUK MATTHEW TEE KAI WOON

KUALA LUMPUR

31 October 2023

## **STATEMENT BY DIRECTORS**

The Directors of Bina Puri Holdings Bhd., state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors,

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TAN SRI DATUK TEE HOCK SENG, JP

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DATUK MATTHEW TEE KAI WOON

KUALA LUMPUR

31 October 2023

**DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY**

I, Datuk Matthew Tee Kai Woon (MIA Membership No: CA 19635), being the Director primarily responsible for the financial management of Bina Puri Holdings Bhd., do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

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DATUK MATTHEW TEE KAI WOON

Subscribed and solemnly declared by the abovenamed Datuk Matthew Tee Kai Woon at Kuala Lumpur in the Federal Territory, this 31 October 2023.

Before me,

ZAINUL ABIDIN BIN AHMAD  
NO. W790

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COMMISSIONER FOR OATHS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD.**

[Registration No.: 199001015515 (207184-X)]  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Bina Puri Holdings Bhd., which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 231.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Opinion**

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

**Independence and Other Ethical Responsibilities**

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

[Registration No.: 199001015515 (207184-X)]  
(Incorporated in Malaysia)

**Key Audit Matters**

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

Trade receivables, other receivables and amount owing by associates

Refer to Note 2(d) (Significant Accounting Judgements, Estimates and Assumptions), Notes 14 and 16 (Trade and other receivables) and Note 19 (Amount due from associates).

The total balances of trade and other receivables, and amount due by associates represented 32% of the Group's total assets as at 30 June 2023.

The management is required to exercise significant judgement, involving significant estimation, uncertainty subjective assumptions in impairment assessment of the receivables by determining the probability of default by receivables and adjusted with appropriate forward-looking information.

Our audit procedures performed in relation to management's impairment assessment included the following:

- Checked the expected timing and quantum of receipts of receivables by comparing to the historical payment trend of debtors and sighting of correspondences between the Group and the debtors;
- Assessed and considered the reasonableness of the forward-looking information included in management's assessment;
- Discussed with management to understand the status of the ongoing negotiation on the recovery of receivables and corroborated the key assumptions included in the ECL model; and
- Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Based on the procedures performed, we noted no significant exceptions.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD. (CONT'D)**

[Registration No.: 199001015515 (207184-X)]  
(Incorporated in Malaysia)

**Key Audit Matters (Cont'd)**

Revenue and cost recognition on construction contracts and property development activities

Refer to Note 2(d) (Significant Accounting Judgements, Estimates and Assumptions) and Note 29 (Revenue).

A significant proportion of the Group's and of the Company's revenues and profits are derived from construction contracts and property development projects which span more than one accounting period. The Group and the Company use percentage-of-completion method in accounting for construction contracts and property development activities. The stage of completion is measured by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project.

We focused on this area because management applies significant judgement in determining the stage of completion, extent of costs incurred and estimated total costs, as well as appropriateness of provision for liquidated ascertained damages.

Our audit procedures performed in this area included, among others:

- Selected a sample of costs incurred to date to invoice and/or progress claim such as sub-contractor claim certificates, verified by the Group's and Company's internal quantity surveyor or the employers and assessed the adequacy of accruals of costs made;
- Challenged the assumptions in deriving at the estimates of construction contract and property development costs and compared the estimated costs to supporting documentation such as approved budgets, quotations, contracts and variation orders with sub-contractors;
- In instances where projects have been delayed, we have tested management's estimates of the liquidated ascertained damages provisions required to supporting documentation such as signed sale and purchase agreements with unit buyers, correspondences with unit buyers or sub-contractors and extension of time approvals;
- Assessed management's workings on the computation of percentage-of-completion; and
- Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Based on the procedures performed, we noted no significant exceptions.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD. (CONT'D)**

[Registration No.: 199001015515 (207184-X)]

(Incorporated in Malaysia)

**Key Audit Matters (Cont'd)**

Fair value of investment properties

As at 30 June 2023, the Group's investment properties carried at fair value amounted to RM209.7 million.

The investment properties comprise various categories of properties such as shopping mall and commercial space. The valuations of the investment properties through investment methods were performed by independent external valuers.

We have identified the fair value of investment properties as a key audit matter due to complexities in determining the fair value of the investment properties, which involved significant estimates and judgements in determining the appropriate valuation methods and developing the underlying assumptions to be applied.

Our audit procedures performed in this area included, among others:

- We have assessed the capabilities, competency and objectivity of the independent external valuers through verification of their qualifications and registration;
- We assessed whether the valuation methodologies were consistent with those used in the prior year and commonly used for the types of investment properties being valued.
- We reviewed the external valuation reports of the investment properties from independent valuers and discussed the valuation methodologies and assumptions used in the valuation with the independent professional valuers;
- We assessed the reasonableness of the inputs underpinning the valuation and challenged the valuers on judgements and estimates used;
- We discussed with valuers to understand the basis of adjustments made to the significant unobservable inputs of the properties by considering factors related to the appropriateness of the rental rates, outgoings, term yield, and void rates used;
- We reviewed and assessed the appropriateness and adequacy of the disclosures in the financial statements; and

Based on the procedures performed, we noted no significant exceptions.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD. (CONT'D)**

[Registration No.: 199001015515 (207184-X)]

(Incorporated in Malaysia)

**Key Audit Matters (Cont'd)**

Investments in subsidiaries (at Company level)

As at 30 June 2023, the Company's investments in certain subsidiaries totalling RM93.6 million have indication of impairment due to continuous losses and the net assets of the subsidiaries are lower than their carrying amount of investments. Accordingly, management performed an impairment assessment on their investments in subsidiaries. Determining the recoverable amount requires management to estimate the future cash flows to be generated and to determine a suitable discount rate in order to calculate the present value of those cash flows. The bases and assumptions used in the calculation of discounted cash flows involve a significant degree of management judgement. Due to the significant management judgement involved and the significance of the carrying amount of the investment to the financial statements of the Company, therefore identified this as a key audit matter.

Our audit procedures performed in this area included, among others:

- We obtained understanding of the business and performance of the subsidiaries.
- We reviewed impairment assessment performed by management including whether any indicator of impairment being identified.
- We also tested and challenged the key assumptions and variables used by management in the discounted cash flows computation. We assessed the basis and reasonableness of the cash flows projection, including a retrospective review of past cash flows projection. We assessed the appropriateness of discount rate used by management in the computation of the discounted cash flows, taking into consideration of internal and external data.

Based on the procedures performed, we noted no significant exceptions.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD. (CONT'D)**

[Registration No.: 199001015515 (207184-X)]

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**Information Other Than the Financial Statements and Auditors' Report Thereon**

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD. (CONT'D)**

[Registration No.: 199001015515 (207184-X)]

(Incorporated in Malaysia)

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD. (CONT'D)**

[Registration No.: 199001015515 (207184-X)]  
(Incorporated in Malaysia)

**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: (Cont'd)

- 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, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BINA PURI HOLDINGS BHD. (CONT'D)**

[Registration No.: 199001015515 (207184-X)]

(Incorporated in Malaysia)

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY

Firm Number: AF 1411

Chartered Accountants

TAN GIM-HENG

Approved Number: 03595/09/2025 J

Chartered Accountant

KUALA LUMPUR

31 October 2023

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	36,835	56,258	345	518
Right-of-use assets	5	74,407	75,559	12,380	12,844
Investment properties	6	209,725	209,725	-	-
Intangible assets	7	174	1,350	-	-
Inventories	8	7,969	7,870	-	-
Investment in subsidiary companies	9	-	-	93,578	138,964
Investment in associates	10	1,184	1,416	30,000	30,050
Investment in joint venture	11	9,425	12,479	-	-
Other investments	13	2,781	2,781	2,832	2,832
Trade receivables	14	50	2,148	-	-
Other receivables	16	29,762	31,409	22,610	25,840
Deferred tax assets	15	1,392	380	-	-
		373,704	401,375	161,745	211,048
<b>Current Assets</b>					
Inventories	8	206,566	198,699	-	-
Trade receivables	14	123,700	134,320	-	1,574
Other receivables	16	150,131	179,245	37,031	35,618
Contract assets	17	118,343	169,856	-	-
Amount due from subsidiary companies	18	-	-	154,442	117,210
Amount due from associates	19	27,477	30,459	23,710	28,396
Tax recoverable		1,210	747	107	107
Fixed deposits with licensed banks	20	6,355	14,026	114	367
Cash and bank balances	21	19,014	23,300	1,466	724
		652,796	750,652	216,870	183,996
<b>Total Assets</b>		1,026,500	1,152,027	378,615	395,044

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>EQUITY</b>					
Share capital	22	299,458	246,521	299,458	246,521
Reserves	23	(195,229)	(78,993)	(12,654)	49,346
Equity attributable to owners of the parent		104,229	167,528	286,804	295,867
Non-controlling interests		104,280	107,169	-	-
<b>Total Equity</b>		<b>208,509</b>	<b>274,697</b>	<b>286,804</b>	<b>295,867</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Trade payables	24	1,772	1,767	-	-
Lease liabilities	25	274	446	-	-
Bank borrowings	26	190,256	234,810	48,971	55,680
Deferred tax liabilities	15	14,898	14,241	-	-
		<b>207,200</b>	<b>251,264</b>	<b>48,971</b>	<b>55,680</b>
<b>Current Liabilities</b>					
Contract liabilities	17	7,774	10,989	-	-
Trade payables	24	222,498	229,220	7,621	13,102
Other payables	27	162,794	161,333	14,058	13,531
Lease liabilities	25	237	270	-	-
Bank borrowings	26	184,741	189,482	14,024	11,463
Amount due to subsidiary companies	18	-	-	7,097	5,361
Amount due to associates	19	6	6	6	6
Amount due to a joint venture	28	34	34	34	34
Tax payable		32,707	34,732	-	-
		<b>610,791</b>	<b>626,066</b>	<b>42,840</b>	<b>43,497</b>
<b>Total Liabilities</b>		<b>817,991</b>	<b>877,330</b>	<b>91,811</b>	<b>99,177</b>
<b>Total Equity and Liabilities</b>		<b>1,026,500</b>	<b>1,152,027</b>	<b>378,615</b>	<b>395,044</b>

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

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	29	94,843	234,919	598	25,801
Cost of sales		(124,708)	(219,672)	(926)	-
Gross (loss)/profit		(29,865)	15,247	(328)	25,801
Other income		22,309	19,423	911	42
Administrative expenses		(68,514)	(68,779)	(54,170)	(11,213)
Net gain/(loss) on impairment of financial instruments		(14,828)	(16,228)	(9,722)	12,391
Finance costs	30	(32,691)	(26,516)	(7,068)	(6,626)
Share of results of associates and joint ventures		1,062	4,924	-	-
(Loss)/Profit before tax	31	(122,527)	(71,929)	(70,377)	20,395
Taxation	32	(3,616)	(8,556)	-	-
(Loss)/Profit for the financial year		(126,143)	(80,485)	(70,377)	20,395

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Other comprehensive (loss)/income, net of tax</b>					
<i>Item that is or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences for foreign operations		(1,359)	734	-	-
<b>Other comprehensive (loss)/income for the financial year, net of tax</b>		(1,359)	734	-	-
<b>Total comprehensive loss for the financial year</b>		(127,502)	(79,751)	(70,377)	20,395
<b>Loss for the financial year attributable to:</b>					
Owners of the parent		(122,956)	(74,749)	(70,377)	20,395
Non-controlling interests		(3,187)	(5,736)	-	-
		(126,143)	(80,485)	(70,377)	20,395

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent		(124,613)	(73,872)	(70,377)	20,395
Non-controlling interests		(2,889)	(5,879)	-	-
		<u>(127,502)</u>	<u>(79,751)</u>	<u>(70,377)</u>	<u>20,395</u>
<b>Earnings per share</b>					
Basic earnings					
per share (sen)	33(i)	<u>(5.9)</u>	<u>(4.8)</u>		
Diluted earnings					
per share (sen)	33(ii)	<u>(5.9)</u>	<u>(4.8)</u>		

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Attributable to Owners of the Parent								
	Note	Non-Distributable			Distributable			Non-Controlling Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Warrant Reserve RM'000	Employee Share Option Reserve RM'000	Accumulated Losses RM'000	Total RM'000		
<b>Group</b>									
At 1 July 2022		246,521	(10,444)	10,039	889	(79,477)	167,528	107,169	274,697
Loss for the financial year		-	-	-	-	(122,956)	(122,956)	(3,187)	(126,143)
Other comprehensive loss for the financial year		-	(1,657)	-	-	-	(1,657)	298	(1,359)
Total comprehensive loss for the financial year		-	(1,657)	-	-	(122,956)	(124,613)	(2,889)	(127,502)
<b>Transactions with owners:</b>									
Issuance of ordinary shares		-	-	-	-	-	-	-	-
- Private placement	22	16,775	-	-	-	-	16,775	-	16,775
- Rights issue	22	44,539	-	-	-	-	44,539	-	44,539
- Lapse of SIS options	23	-	-	-	(52)	52	-	-	-
- Issuance of warrants	23	(8,377)	-	8,377	-	-	-	-	-
- Expiration of warrants	23	-	-	(10,039)	-	10,039	-	-	-
- Conversion of warrants	*	-	-	-	-	-	-	-	-
Total transactions with owners		52,937	-	(1,662)	(52)	10,091	61,314	-	61,314
At 30 June 2023		299,458	(12,101)	8,377	837	(192,342)	104,229	104,280	208,509

\* denote RM100

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	Attributable to Owners of the Parent						Non-Controlling Interests RM'000	Total Equity RM'000
		Non-Distributable			Distributable				
		Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Warrant Reserve RM'000	Employee Share Option Reserve RM'000	Accumulated Losses RM'000	Total RM'000		
<b>Group</b>									
At 1 July 2021		236,435	(11,370)	10,039	1,819	(4,822)	232,101	133,331	365,432
Loss for the financial year		-	-	-	-	(74,749)	(74,749)	(5,736)	(80,485)
Other comprehensive income for the financial year		-	926	-	-	(49)	877	(143)	734
Total comprehensive income for the financial year		-	926	-	-	(74,798)	(73,872)	(5,879)	(79,751)
<b>Transactions with owners:</b>									
Issuance of ordinary shares									
- Private placement	22	7,519	-	-	-	-	7,519	-	7,519
- Exercise of SIS options	22	2,566	-	-	(787)	-	1,779	-	1,779
- Lapse of SIS options	23	-	-	-	(143)	143	-	-	-
- Conversion of warrants	22	1	-	*	-	-	1	-	1
Dividends paid to non-controlling interests		-	-	-	-	-	-	(20,283)	(20,283)
Total transactions with owners		10,086	-	-	(930)	143	9,299	(20,283)	(10,984)
At 30 June 2022		246,521	(10,444)	10,039	889	(79,477)	167,528	107,169	274,697

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	Attributable to Owners of the Parent					Total Equity RM'000
		Non-distributable			Distributable		
		Share Capital RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Employee Share Option Reserve RM'000	Retained Earnings RM'000	
Company At 1 July 2022		246,521	10,039	54	889	38,364	295,867
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	(70,377)	(70,377)
<b>Transaction with owners:</b>							
Issuance of ordinary shares							
- Private placement	22	16,775	-	-	-	-	16,775
- Rights issue	22	44,539	-	-	-	-	44,539
- Lapse of SIS options	23	-	-	-	(52)	52	-
- Issuance of warrants	23	(8,377)	8,377	-	-	-	-
- Expiration of warrants	23	-	(10,039)	-	-	10,039	-
- Conversion of warrants	22	*	-	-	-	-	-
Total transaction with owners		52,937	(1,662)	-	(52)	10,091	61,314
At 30 June 2023		299,458	8,377	54	837	(21,922)	286,804

\* denote RM100

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	Attributable to Owners of the Parent					Total Equity RM'000
		Non-distributable			Distributable		
		Share Capital RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Employee Share Option Reserve RM'000	Retained Earnings RM'000	
<b>Company</b>							
At 1 July 2021		236,435	10,039	54	1,819	17,826	266,173
Profit for the financial year representing, total comprehensive income for the financial year		-	-	-	-	20,395	20,395
<b>Transaction with owners:</b>							
Issuance of ordinary shares							
- Private placement	22	7,519	-	-	-	-	7,519
- Exercise of SIS options	22	2,566	-	-	(787)	-	1,779
- Lapse of SIS options	23	-	-	-	(143)	143	-
- Conversion of warrants	22	1	*	-	-	-	1
Total transaction with owners		10,086	-	-	(930)	143	9,299
At 30 June 2022		246,521	10,039	54	889	38,364	295,867

\*denote RM263

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

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash Flows From</b>				
<b>Operating Activities</b>				
(Loss)/Profit before tax	(122,527)	(71,929)	(70,377)	20,395
Adjustments for:				
Bad debts written off	200	36	110	-
Deposit written off	-	1,341	-	-
Inventories written off	-	3	-	-
Depreciation of:				
- property, plant and equipment	7,487	7,678	224	245
- right-of-use assets	2,586	2,506	464	465
Dividend income	(4,875)	(75)	(38)	(24,315)
Impairment loss on:				
- trade receivables	2,701	2,854	-	62
- other receivables	4,211	13,373	1,166	2,221
- amount due from subsidiary companies	-	-	7,471	9,630
- amount due from associate companies	8,116	-	8,116	-
- goodwill on consolidation	1,176	7,235	-	-
- property, plant and equipment	14,800	-	-	-
- investment in subsidiaries	-	-	45,385	-
- investment in associates	-	-	50	3,405
Bad debts recovered	(2,448)	-	-	-
Reversal on impairment loss of:				
- trade receivables	(417)	-	-	-
- other receivables	(1,232)	-	-	-
- amount due from subsidiary companies	-	-	(5,105)	(24,304)
Property, plant and equipment written off	2	-	-	-
Fair value gain on investment properties	-	(4,125)	-	-
Balance brought forward	(90,272)	(41,103)	(12,534)	(12,196)

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash Flows From Operating Activities (Cont'd)</b>					
Balance carried forward		(90,272)	(41,103)	(12,534)	(12,196)
Unwinding of discount on on trade receivables		(352)	(135)	-	-
Gain on disposal of:					
- right of use assets		-	(830)	-	-
- property, plant and equipment		(485)	(315)	-	-
- assets held for sale		-	(64)	-	-
Interest expenses		32,691	26,516	7,068	6,626
Interest income		(2,114)	(3,200)	(38)	-
Share of results of associates		232	2,423	-	-
Share of results of joint venture		(1,294)	(7,347)	-	-
Unrealised loss on foreign exchange		(33)	669	-	-
Operating loss before working capital changes		<u>(61,627)</u>	<u>(23,386)</u>	<u>(5,504)</u>	<u>(5,570)</u>
Changes in working capital:					
Contract assets		51,513	57,299	-	-
Contract liabilities		(3,215)	(12,368)	-	-
Inventories		(7,954)	70,948	-	-
Trade and other receivables		40,816	55,768	2,114	25
Trade and other payables		(5,255)	(99,524)	(4,952)	(6,184)
Exchange difference		-	(1,590)	-	-
		<u>75,905</u>	<u>70,533</u>	<u>(2,838)</u>	<u>(6,159)</u>
Cash generated from/ (used in) operations		14,278	47,147	(8,342)	(11,729)
Interest paid		(32,691)	(26,516)	(7,068)	(6,626)
Interest received		2,114	3,200	38	-
Tax paid		(6,459)	(5,329)	-	-
		<u>(37,036)</u>	<u>(28,645)</u>	<u>(7,030)</u>	<u>(6,626)</u>
Net cash (used in)/from operating activities		<u>(22,758)</u>	<u>18,502</u>	<u>(15,372)</u>	<u>(18,355)</u>

**BINA PURI HOLDINGS BHD.**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From</b>				
<b>Investing Activities</b>				
Purchase of property, plant and equipment	(328)	(212)	(51)	(23)
Purchase of right of use assets	-	(3,373)	-	-
Proceeds from disposal of:				
- property, plant and equipment	538	869	-	-
- right of use assets	-	462	-	-
- asset held for sale	-	175	-	-
Investment in joint venture	(490)	-	-	-
Additional investment in subsidiary companies	-	-	(1)	(250)
Advances to subsidiary companies	-	-	(37,860)	-
(Advances to)/Repayment from associates	(5,134)	1,604	(3,430)	3,360
Change in pledge deposits	7,015	(2,117)	-	-
Capital contribution to subsidiary companies	-	-	-	1,570
Dividend received	4,875	75	38	-
Net cash from/(used in) investing activities	<u>6,476</u>	<u>(2,517)</u>	<u>(41,304)</u>	<u>4,657</u>

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Group		Company	
	2023	2022	2023	2022
Note	RM'000	RM'000	RM'000	RM'000
<b>Cash Flows From</b>				
<b>Financing Activities</b>				
Dividends paid to				
non-controlling interests	(450)	(20,283)	-	-
Drawdown of bank borrowings	-	10,500	-	10,500
Repayment of bank borrowings	(48,789)	(19,769)	(3,289)	(1,100)
Advances from associates	-	(6)	-	-
Advances from subsidiary companies	-	-	-	1,072
Proceeds from exercise of				
- SIS options	-	1,779	-	1,779
- warrants	-	1	-	1
- private placement of shares	16,775	7,519	16,775	7,519
- issuance of right issues	44,538	-	44,538	-
Repayment of lease liabilities	(228)	(630)	-	-
Net cash from/(used in)				
financing activities	11,846	(20,889)	58,024	19,771
<b>Net (decrease)/increase in cash</b>				
<b>    and cash equivalents</b>	(4,436)	(4,904)	1,348	6,073
Effect of exchange				
translation differences on cash				
and cash equivalents	-	(575)	-	-
<b>Cash and cash equivalents at the</b>				
<b>    beginning of the financial year</b>	4,101	9,580	(3,509)	(9,582)
<b>Cash and cash equivalents at the</b>				
<b>    end of the financial year</b>	(335)	4,101	(2,161)	(3,509)

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

		<b>Group</b>		<b>Company</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>					
Cash and bank balances	21	19,014	23,300	1,466	724
Fixed deposits with licensed banks	20	6,355	14,026	114	367
Bank overdrafts	26	(19,349)	(19,855)	(3,734)	(4,593)
		<u>6,020</u>	<u>17,471</u>	<u>(2,154)</u>	<u>(3,502)</u>
Less: Fixed deposits pledged with licensed banks	20	(6,355)	(13,370)	(7)	(7)
		<u>(335)</u>	<u>4,101</u>	<u>(2,161)</u>	<u>(3,509)</u>
<b>Cash outflows for leases for a leasee</b>					
<b>Included in net cash from operating activities:</b>					
Interest paid in relation to lease liabilities		(12)	(31)	-	-
<b>Included in net cash from financing activities:</b>					
Payment of lease liabilities		(228)	(630)	-	-
<b>Total cash outflows for leases</b>		<u>(240)</u>	<u>(661)</u>	<u>-</u>	<u>-</u>

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

**BINA PURI HOLDINGS BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**

**1. Corporate Information**

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

The registered office and the principal place of business of the Company is located at Wisma Bina Puri, 88 Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan.

The principal activities of the Company are as contractor for earthworks and building, project management services and investment holding. The principal activities of the subsidiary companies are disclosed in Note 9. There have been no significant changes in the nature of these activities during the financial year.

**2. Basis of Preparation**

(a) Statement of compliance

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

**Adoption of amended standards**

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 16	Covid 19-Related Rent Concessions
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts- Cost of Fulfilling a Contract
Annual Improvement to MFRSs Standards 2018 - 2020	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

2. **Basis of Preparation (Cont'd)**

## (a) Statement of compliance (Cont'd)

**Standards issued but not yet effective**

The Group and the Company have not applied the following amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		<b><u>Effective dates for financial periods beginning on or after</u></b>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Disclosure of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107	Statement of Cash Flows	1 January 2024
Amendments to MFRS 7	Financial Instruments: - Disclosures	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 And MFRS 128	Sale or Contribution of Assets between an Investor and its Associates or Join Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned accounting standards or amendments are not expected to have any significant impacts on the financial statements of the Group and of the Company.

2. **Basis of Preparation (Cont'd)**

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis, unless otherwise indicated in the significant accounting policies in Note 3.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand except when otherwise stated.

(d) Significant accounting judgements, estimates and assumption

The preparation of the Group’s and the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Judgements**

The following are the judgements made by management in the process of applying the Group’s and the Company’s accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

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

2. **Basis of Preparation (Cont'd)**

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

**Judgements (Cont'd)**

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

2. **Basis of Preparation (Cont'd)**

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

**Judgements (Cont'd)**

Determining the lease term of contracts with renewal and termination options - Group as lessee (Cont'd)

The Group and the Company include the renewal period as part of the lease term for leases of land and building and office equipment with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

**Key sources of estimation uncertainty**

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

Useful lives/ depreciation of property, plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amounts at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Impairment of goodwill on consolidation

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in Note 3(p)(i) on impairment of non-financial assets.

When value-in-use calculations are undertaken, management estimates the expected future cash flows from the cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment losses.

The carrying amounts as at end of the reporting period and key assumptions applied in the impairment assessment of goodwill are given in Note 7.

2. **Basis of Preparation (Cont'd)**

- (d) Significant accounting judgements, estimates and assumption (Cont'd)

**Key sources of estimation uncertainty (Cont'd)**

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 9.

Impairment of investment in associates and joint ventures

The Group reviews its investments in associates and investments in joint ventures when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Group evaluates the recoverable amounts based on market performance, economic and political situation of the country in which the joint ventures and associates operate.

The carrying amounts at the reporting date for investments in associates and joint ventures are disclosed in Notes 10 and 11 respectively.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 15.

2. **Basis of Preparation (Cont'd)**

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

**Key sources of estimation uncertainty (Cont'd)**

Revenue and cost recognition on construction contracts and property development activities

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

Significant judgement is involved in determining the stage of completion, extent of costs incurred and estimated total costs, as well as appropriateness of provision for liquidated ascertained damages.

Where the total actual revenue and cost incurred are different from the total estimated revenue and cost incurred, such differences will impact the contract profit or losses recognised.

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to Liquidated Ascertained Damage ("LAD") based on the facts and circumstances of the relevant construction or development projects being delayed. In making these judgements, the Group and the Company evaluate based on experience and by relying on the work of specialists.

The carrying amount of property development costs and contract assets/liabilities arising from performance under construction contracts at the reporting date are disclosed in Notes 8 and 17 respectively.

Fair value of investment properties

The Group carries their investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to assess fair value as at 30 June 2023 for investment properties. For investment properties, valuation methodologies based on investment approach were used. The key assumptions used to determine the fair value of the properties are provided in Note 6.

2. **Basis of Preparation (Cont'd)**

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

**Key sources of estimation uncertainty (Cont'd)**

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies and associates at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and on the Company's past history, existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for their receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed, if any.

The assessment of the correlation between historical observed default rates, forecast economic condition and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Notes 14, 16, 18 and 19 respectively.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

2. **Basis of Preparation (Cont'd)**

- (d) Significant accounting judgements, estimates and assumption (Cont'd)

**Key sources of estimation uncertainty (Cont'd)**

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2023, the Group and the Company have tax recoverable of RM1,210,000 and RM107,000 (2022: RM747,000 and RM107,000) respectively and tax payable of RM32,707,000 and Nil (2021: RM34,732,000 and Nil) respectively.

3. **Significant Accounting Policies**

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

- (a) Basis of consolidation

- (i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

**3. Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

### 3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(i) **Subsidiary companies (Cont'd)**

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i).

(ii) **Changes in ownership interests in subsidiary companies without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) **Disposal of subsidiary company**

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) **Goodwill on consolidation**

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

### 3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation (Cont'd)

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

(b) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

### 3. **Significant Accounting Policies (Cont'd)**

#### (b) Investment in associates and joint ventures (Cont'd)

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are stated at cost less accumulated impairment losses. On disposal of such investments, the differences between net disposal proceeds and their carrying amounts are recognised in profit or loss. When an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

#### (c) Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

### 3. **Significant Accounting Policies (Cont'd)**

#### (d) Foreign currency

##### (i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

##### (ii) Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the 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 the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

**3. Significant Accounting Policies (Cont'd)**

(d) Foreign currency (Cont'd)

(ii) Foreign operations (Cont'd)

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

### 3. Significant Accounting Policies (Cont'd)

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

Freehold buildings	50 years
Plant, machinery and equipment	2 - 20 years
Renovations, electrical installation, furniture and fittings	5 - 10 years
Office equipment	10 years
Truck and motor vehicles	5 - 20 years

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in property, plant and equipment.

### 3. Significant Accounting Policies (Cont'd)

#### (f) Leases

##### (i) As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured 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 site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i).

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Building	Over the remaining lease period
Leasehold land and buildings	15 - 50 years
Truck and motor vehicles	5 - 20 years

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

### 3. Significant Accounting Policies (Cont'd)

(f) Leases (Cont'd)

(i) As lessee (Cont'd)

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The Group applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3. **Significant Accounting Policies (Cont'd)**

#### (g) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

### 3. Significant Accounting Policies (Cont'd)

#### (h) Intangible assets

##### (i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### (ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

##### (iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(p)(i) on impairment of non-financial assets for intangible assets.

#### (i) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amounts due from subsidiary companies and associate companies, fixed deposit with licensed banks and cash and bank balances.

### 3. Significant Accounting Policies (Cont'd)

#### (i) Financial assets (Cont'd)

##### (i) Finance assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### (ii) Finance assets through comprehensive income (“FVOCI”)

###### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

##### (iii) Finance assets through profit or loss (“FVTPL”)

The Group and the Company have not designated any financial assets at FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

### 3. Significant Accounting Policies (Cont'd)

#### (j) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### (k) 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 when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

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

#### (l) Offsetting of financial instruments

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

### 3. **Significant Accounting Policies (Cont'd)**

#### (m) Inventories

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

##### (i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

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

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and where development activities can be completed within the Group's and the Company's normal operating cycle.

##### (ii) Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

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

**3. Significant Accounting Policies (Cont'd)**

(m) Inventories (Cont'd)

(iii) Completed properties held for sale

The cost of completed properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

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

(n) Contract assets/Contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(ii).

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(o) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily converted to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

### 3. Significant Accounting Policies (Cont'd)

- (p) Impairment of assets
  - (i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

### 3. Significant Accounting Policies (Cont'd)

(p) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables, and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 3. **Significant Accounting Policies (Cont'd)**

(p) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

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.

(q) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Warrants

Warrants are classified as equity instruments. The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of the warrants, the proceeds are credited to share capital and the related warrant reserves are reversed. The warrant reserves in relation to unexercised warrants at the expiry of the warrants will be reversed into retained earnings.

(r) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

**3. Significant Accounting Policies (Cont'd)**

(r) Compound financial instruments (Cont'd)

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(s) Provisions

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

Provisions are reviewed at the end of each reporting period 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

3. **Significant Accounting Policies (Cont'd)**

(t) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group have no further payment obligations.

(iii) Equity-settled share-based payment transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company’s financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

**3. Significant Accounting Policies (Cont'd)**

(t) Employee benefits (Cont'd)

(iii) Equity-settled share-based payment transaction (Cont'd)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(v) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation (“PO”) by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

**3. Significant Accounting Policies (Cont'd)**

(v) Revenue recognition (Cont'd)

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

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group recognises revenue from the following major sources:

(a) Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's and the Company's performance does not create an asset with an alternative use to the Group and to the Company and the Group and the Company have an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

3. **Significant Accounting Policies (Cont'd)**

(v) Revenue recognition (Cont'd)

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

(b) Revenue from construction contracts

A contract with a customer is classified by the Group and by the Company as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's and the Company's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group and of the Company suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in Note 3(s).

(c) Sales of goods

Revenue from sale of goods is recognised when control of the products has transferred, being at the point the customer purchases the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. Payment of the transaction price is due immediately at the point the customer purchases the goods.

**3. Significant Accounting Policies (Cont'd)**

(v) Revenue recognition (Cont'd)

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

(d) Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Sale of electricity

Revenue is recognised when electricity is consumed by customer based on meter reading of the customer.

(v) Management fee

Management fee is recognised when services are rendered.

(w) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is 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.

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

**3. Significant Accounting Policies (Cont'd)**

(w) Income tax (Cont'd)

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3. **Significant Accounting Policies (Cont'd)**

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(y) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(z) Fair value measurement

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

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

4. **Property, Plant and Equipment**

	<b>Freehold land and buildings RM'000</b>	<b>Plant, machinery and equipment RM'000</b>	<b>Renovation, electrical installation, furniture and fittings RM'000</b>	<b>Office equipment RM'000</b>	<b>Trucks and motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>Group</b>						
<b>2023</b>						
<b>Cost</b>						
At 1 July	10,274	70,798	36,181	13,430	22,863	153,546
Additions	-	-	39	289	-	328
Disposals	-	(508)	(16)	(96)	(1,488)	(2,108)
Written off	-	-	-	(4)	(10)	(14)
Exchange differences	-	3,578	2,477	407	96	6,558
At 30 June	10,274	73,868	38,681	14,026	21,461	158,310
<b>Accumulated depreciation and Impairment losses</b>						
At 1 July	3,928	38,701	20,973	11,698	21,988	97,288
Depreciation charge for the financial year	187	3,902	2,054	1,148	208	7,499
Impairment loss for the financial year	-	14,800	-	-	-	14,800
Disposals	-	(473)	(16)	(96)	(1,470)	(2,055)
Written off	-	-	-	(2)	(10)	(12)
Exchange differences	-	1,968	2,830	(938)	95	3,955
At 30 June	4,115	58,898	25,841	11,810	20,811	121,475
<b>Carrying amount</b>						
At 30 June	6,159	14,970	12,840	2,216	650	36,835

4. **Property, Plant and Equipment (Cont'd)**

	<b>Freehold land and buildings RM'000</b>	<b>Plant, machinery and equipment RM'000</b>	<b>Renovation, electrical installation, furniture and fittings RM'000</b>	<b>Office equipment RM'000</b>	<b>Trucks and motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>Group</b>						
<b>2022</b>						
<b>Cost</b>						
At 1 July	10,274	70,677	35,430	12,180	26,437	154,998
Additions	-	21	84	104	3	212
Disposals	-	(256)	(43)	(291)	(4,054)	(4,644)
Reclassification	-	(1,751)	-	1,321	430	-
Exchange differences	-	2,107	710	116	47	2,980
At 30 June	10,274	70,798	36,181	13,430	22,863	153,546
<b>Accumulated depreciation</b>						
At 1 July	3,738	34,367	17,758	10,725	26,096	92,684
Charge for the financial year	190	3,942	2,505	849	264	7,750
Disposals	-	(244)	(32)	(275)	(4,054)	(4,605)
Reclassification	-	(301)	375	285	(359)	-
Exchange differences	-	937	367	114	41	1,459
At 30 June	3,928	38,701	20,973	11,698	21,988	97,288
<b>Carrying amount</b>						
At 30 June	6,346	32,097	15,208	1,732	875	56,258

4. **Property, Plant and Equipment (Cont'd)**

	<b>Renovation, electrical installation, furniture and fittings RM'000</b>	<b>Office equipment RM'000</b>	<b>Trucks and motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>Company</b>				
<b>2023</b>				
<b>Cost</b>				
At 1 July	2,360	3,393	915	6,668
Additions	14	37	-	51
At 30 June	2,374	3,430	915	6,719
<b>Accumulated depreciation</b>				
At 1 July	2,304	3,158	688	6,150
Charge for the financial year	19	133	72	224
At 30 June	2,323	3,291	760	6,374
<b>Carrying amount</b>				
At 30 June	51	139	155	345
<b>2022</b>				
<b>Cost</b>				
At 1 July	2,346	3,384	915	6,645
Additions	14	9	-	23
At 30 June	2,360	3,393	915	6,668
<b>Accumulated depreciation</b>				
At 1 July	2,278	3,023	604	5,905
Charge for the financial year	26	135	84	245
At 30 June	2,304	3,158	688	6,150
<b>Carrying amount</b>				
At 30 June	56	235	227	518

**4. Property, Plant and Equipment (Cont'd)**

(a) Assets held in trust

Included in property, plant and equipment of the Group is a freehold land with a net book value of RM934,690 (2022: RM935,000) which is held in trust by former director of the Company.

(b) Assets pledged as securities to licensed banks

The carrying amount of freehold land and buildings amounted to approximately RM2,650,131 (2022: RM2,714,132) is pledged as securities for bank borrowings as disclosed in Note 26.

(c) Included in depreciation charged of the Group for the financial year is RM12,636 (2022: RM71,529) being capitalised into construction and property development cost.

(d) Impairment loss

During the financial year, an impairment loss of RM14,799,959 was recognised in profit or loss under administrative expenses, representing the impairment of certain plant, machinery and equipment in the power supply division, in view of the significant change in business climate. The recoverable amount of RM39,669,030 as at 30 June 2023 was based on value-in-use and was determined at the level of cash generating unit. In determining the value-in-use for the cash generating unit, the cash flows were discounted at a rate of 8.09% on a pre-tax basis.

5. **Right-of-Use Assets**

	<b>Long leasehold land and buildings RM'000</b>	<b>Short leasehold land and buildings RM'000</b>	<b>Trucks and motor vehicles RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<b>Group</b>					
<b>2023</b>					
<b>Cost</b>					
At 1 July	92,503	1,738	1,730	558	96,529
Disposals	-	-	(61)	-	(61)
Exchange differences	1,902	-	13	32	1,947
At 30 June	94,405	1,738	1,682	590	98,415
<b>Accumulated depreciation</b>					
At 1 July	18,005	1,284	1,525	156	20,970
Charge for the financial year	2,325	54	73	134	2,586
Disposals	-	-	(61)	-	(61)
Exchange differences	585	-	(88)	16	513
At 30 June	20,915	1,338	1,449	306	24,008
<b>Carrying amount</b>					
At 30 June	73,490	400	233	284	74,407

5. **Right-of-Use Assets (Cont'd)**

	<b>Long leasehold land and buildings RM'000</b>	<b>Short leasehold land and buildings RM'000</b>	<b>Trucks and motor vehicles RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<b>Group</b>					
<b>2022</b>					
<b>Cost</b>					
At 1 July	88,012	1,738	2,615	307	92,672
Additions	3,373	-	-	240	3,613
Disposals	-	-	(885)	-	(885)
Exchange differences	1,118	-	-	11	1,129
At 30 June	<u>92,503</u>	<u>1,738</u>	<u>1,730</u>	<u>558</u>	<u>96,529</u>
<b>Accumulated depreciation</b>					
At 1 July	15,473	1,230	2,098	61	18,862
Charge for the financial year	2,275	54	165	92	2,586
Disposals	-	-	(738)	-	(738)
Exchange differences	257	-	-	3	260
At 30 June	<u>18,005</u>	<u>1,284</u>	<u>1,525</u>	<u>156</u>	<u>20,970</u>
<b>Carrying amount</b>					
At 30 June	<u>74,498</u>	<u>454</u>	<u>205</u>	<u>402</u>	<u>75,559</u>

	<b>Company</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>
<b>Long leasehold land and buildings</b>		
<b>Cost</b>		
At 1 July/30 June	<u>19,795</u>	<u>19,795</u>
<b>Accumulated depreciation</b>		
At 1 July	6,951	6,486
Charge for the financial year	464	465
At 30 June	<u>7,415</u>	<u>6,951</u>
<b>Carrying amount</b>		
At 30 June	<u>12,380</u>	<u>12,844</u>

**5. Right-of-Use Assets (Cont'd)**

## (a) Purchase of right-of-use assets

The aggregate cost of the purchase of right-of-use assets of the Group and of the Company during the financial year under the lease and cash payment are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Aggregate costs	-	3,613
Less: Finance lease financing	-	-
Less: Lease liabilities	-	(240)
	-	3,373
	-	3,373

## (b) Assets held under finance leases

Included in the above, trucks and motor vehicle with carrying amount of RM 232,670 (2022: RM204,923) of the Group are pledged as securities for the related lease liabilities as disclosed in Note 25.

## (c) Lease period for leasehold land

Leasehold land consists of:

- (i) Two pieces of land with unexpired lease period of 99 years, expiring on 4 June 2094 with remaining useful lives of 71 years (2022: 72 years).
- (ii) Two pieces of land with unexpired lease period of 99 years, expiring on 17 October 2089 with remaining useful lives of 66 years (2022: 67 years).
- (iii) One piece of land with unexpired lease period of 50 years, expiring on 8 July 2024 with remaining useful lives of 1 year (2022: 2 years).
- (iv) One piece of land with unexpired lease period of 50 years, expiring on 6 June 2055 with remaining useful lives of 32 years (2022: 33 years).
- (v) One piece of land with unexpired lease period of 50 years, expiring on 16 September 2027 with remaining useful lives of 4 years (2022: 5 years).
- (vi) One piece of land with unexpired lease period of 66 years, expiring on 7 July 2081 with remaining useful lives of 58 years (2022: 59 years).

**5. Right-of-Use Assets (Cont'd)**

- (c) Lease period for leasehold building

Leasehold building consists of:

- (vii) Three units of properties with unexpired lease period of 99 years, expiring on 31 December 2089 with remaining useful lives of 65 years (2022: 66 years).
- (viii) One units of properties with unexpired lease period of 91 years, expiring on 31 December 2108 with remaining useful lives of 85 years (2022: 86 years).
- (ix) Seventeen units of properties with unexpired lease period of 99 years, expiring on 11 December 2112 with remaining useful lives of 89 years (2022: 90 years).
- (d) Included in depreciation charged of the Group for the financial year is RM Nil (2022: RM79,946) being capitalised into property development cost.
- (e) The carrying amount of leasehold land and buildings amounted to approximately RM10,844,601 (2022: RM11,086,406) is pledged as securities for bank borrowings as disclosed in Note 26.

**6. Investment Properties**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 July/30 June	209,725	209,725
Included in the above are:		
<b>At fair value</b>		
Shopping mall	209,725	209,725

- (a) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by independent qualified valuers, Messrs KGV International Property Consultant, a real estate firm registered with the Board of Valuers, Malaysia, amounting to RM209,725,000 (2022: RM209,725,000). The independent professional qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segment of the investment properties valued. The fair value measurements of the investment properties are based on the highest and best use. The fair values are within level 3 of the fair value hierarchy.

There was no transfer between levels during current and previous financial year.

6. **Investment Properties (Cont'd)**

(a) Fair value basis of investment properties (Cont'd)

Level 3 fair value

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3 are as shown below:

<b>Investment properties</b>	<b>Valuation techniques</b>	<b>Range</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value</b>
Main Place Mall	Investment		<u>Shopping complex</u>	
Jalan USJ 21/10, 47640 UEP Subang Jaya, Selangor.	Method	1.90-32.00	Actual rental rate (RM/psf/month)	expected market rental growth were higher/(lower)
		2.38-40.00	Reversionary rental rate (RM/psf/month)	expected reversionary rental growth were higher/(lower)
		3.87	Outgoings (RM/psf/month)	expected outgoings rate were lower/(higher)
		3.6	Reversionary outgoings (RM/psf/month)	expected reversionary outgoings rate were lower/(higher)
		5.4	Term yield (%)	term yield rate were lower/(higher)
		5.9	Reversionary yield (%)	reversionary yield were lower/ (higher)
		10	Void rate (%)	void rate were lower/(higher)

6. **Investment Properties (Cont'd)**

(a) Fair value basis of investment properties (Cont'd)

Level 3 fair value (Cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3 are as shown below:  
(Cont'd)

<b>Investment properties</b>	<b>Valuation techniques</b>	<b>Range</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value</b>
Commercial lots	Investment		<u>Commercial lots</u>	
The Main Place Residences Jalan USJ 21/10, 47640 UEP Subang Jaya, Selangor.	Method	1.90-4.50	Actual rental rate (RM/psf/month)	expected market rental growth were higher/(lower)
		0.33	Outgoings (RM/psf/month)	expected outgoings rate were lower/(higher)
		6	Term yield (%)	term yield rate were lower/(higher)
		10	Void rate (%)	void rate were lower/(higher)
Car park	Investment			
The Main Place Residences Jalan USJ 21/10, 47640 UEP Subang Jaya, Selangor.	Method	139	Actual rental rate (RM/bay/month)	expected market rental growth were higher/(lower)
		0.33	Outgoings (RM/psf/month)	expected outgoings rate were lower/(higher)
		0.363	Reversionary outgoings (RM/psf/month)	expected reversionary outgoings rate were lower/(higher)
		6	Term yield (%)	term yield rate were lower/(higher)
		10	Void rate (%)	void rate were lower/(higher)

**6. Investment Properties (Cont'd)****(a) Fair value basis of investment properties (Cont'd)**

The following table provides the fair value measurement hierarchy of the Group's investment properties:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Level 3</b>		
Shopping mall	209,725	209,725

**(b) Income and expenses recognised in profit or loss**

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Lease income	13,027	12,082
Direct operating expenses:		
- Income generating investment properties	(10,645)	(9,873)

**(c) Investment properties pledged as securities to licensed banks**

Investment properties of the Group amounting to RM209,725,000 (2022: RM209,725,000) have been pledged to secure banking facilities granted to the Group as disclosed in Note 26.

**7. Intangible Assets**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Goodwill on consolidation</b>		
<b>Cost</b>		
At 1 July/30 June	15,858	15,858
<b>Accumulated impairment losses</b>		
At 1 July	14,508	7,273
Recognised for the financial year	1,176	7,235
At 30 June	15,684	14,508
<b>Carrying amount</b>		
At 30 June	174	1,350

**7. Intangible Assets (Cont'd)****(a) Impairment testing for cash-generating units (“CGU”) containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the Group’s operating divisions which represent the lowest CGU level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each cash-generating unit (“CGU”) are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Property division	174	1,000
Power supply division	-	350
	174	1,350

**(b) Key assumptions used to determine the recoverable amount**

The recoverable amounts of CGUs in respect of the goodwill were determined based on value-in-use (“VIU”) calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a three to five-year period. The key assumptions used for value in use calculations are based on future projection of the Group are as follows:

	<b>Property division</b>	
	<b>2023</b>	<b>2022</b>
Growth rate	0%	0%
Pre-tax discount rate (per annum)	6%	14%
	<b>Power supply division</b>	
	<b>2023</b>	<b>2022</b>
Growth rate	5%	0%
Pre-tax discount rate (per annum)	8%	14%

**7. Intangible Assets (Cont'd)**

(b) Key assumptions used to determine the recoverable amount

The key assumptions that the Directors have used in the cash flow projections to undertake impairment testing are as follows:

- (i) Growth rate - Not applicable for property division segment as the cash flow projections made is for a period of 5 years, in accordance with the expected life cycle of the CGU. Growth rate for power supply division does not exceed the growth rate of the industry and country it operates in at 5%.
- (ii) Pre-tax discount rate - Rate that reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

(c) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(d) Impairment loss recognised during the financial year

The Group recognised an impairment loss of RM1,176,000 (2022: RM7,235,000). The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

## 8. Inventories

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Land held for property development (Note a)	7,969	7,870
<b>Current</b>		
Property development cost (Note b)	195,425	186,840
Other inventories (Note c)	11,141	11,859
	206,566	198,699
	214,535	206,569

## (a) Land held for property development

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 July</b>		
- Land cost incurred to date	5,240	5,240
- Development costs incurred to date	2,630	2,247
	7,870	7,487
<b>Add: Costs incurred during the financial year</b>		
- Development costs	99	383
<b>At 30 June</b>		
- Land cost incurred to date	5,240	5,240
- Development costs incurred to date	2,729	2,630
	7,969	7,870

8. **Inventories (Cont'd)**

## (b) Property development costs

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cumulative property development costs</b>		
At 1 July		
- Land costs	84,825	84,725
- Development expenditure	102,015	147,159
	186,840	231,884
<b>Add: Costs incurred during the financial year</b>		
- Land costs	-	100
- Development expenditure	26,611	25,426
	26,611	25,526
<b>Less: Costs recognised in profit or loss</b>		
- Development expenditure	(18,026)	(70,570)
	(18,026)	(70,570)
<b>Carrying amount</b>		
At 30 June		
- Land costs	84,825	84,825
- Development expenditure	110,600	102,015
	195,425	186,840

- (i) The property development cost of the Group amounting to RM173,758,900 (2022: RM123,768,568) were charged to a licensed bank to secure a banking facility granted to the Group as stated in Note 26.
- (ii) Included in the Group's development cost is an amount of RM15,017,000 (2022: RM23,556,000) which relates to the construction costs incurred on a project. The Group is currently engaged in an arbitration process to recover the said amounts from the Government of Pakistan. The recoverability of the said amounts is dependent on the outcome of the mediation process which, based on the advice of the Group's solicitors, the directors are of the opinion that the outcome of the mediation amount is sufficient to recover the contract assets. The status of the arbitration is disclosed in Note 41.

**8. Inventories (Cont'd)****(b) Property development costs (Cont'd)**

- (iii) The depreciation of property, plant and equipment and right-of-use assets capitalised in property development cost during the financial year are as follow:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation of:		
- Property, plant and equipment	12	6
- Right-of-use assets	-	80
	12	86
	12	86

**(c) Other inventories**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Finished goods	4,208	4,001
Completed development unit	6,740	7,680
Spare parts	193	178
	11,141	11,859
	11,141	11,859

9. **Investment in Subsidiary Companies**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>In Malaysia</b>		
<b>At cost</b>		
Unquoted shares	101,078	101,080
Capital contribution to subsidiary companies, at cost	43,380	43,380
	<u>144,458</u>	<u>144,460</u>
Less: Accumulated impairment losses	(50,880)	(5,504)
	<u>93,578</u>	<u>138,956</u>
<b>Outside Malaysia</b>		
<b>At cost</b>		
Unquoted shares	1,845	1,845
Less: Accumulated impairment losses	(1,845)	(1,837)
	<u>-</u>	<u>8</u>
	<u>93,578</u>	<u>138,964</u>

Capital contribution represents unsecured, interest free non-trade advances given to subsidiary companies. The settlement of these advances is neither planned nor likely to occur in the foreseeable future and it is the Company's intention to treat them as a long-term source of capital to the subsidiary companies. As these advances are, in substance, a part of the Company's net investment in those subsidiary companies, they are stated at cost less impairment losses, if any.

During the current financial year, the Directors reviewed the Company's investment in subsidiary companies for indication of impairment and concluded that accumulated impairment losses of RM50,880,000 (2022: RM5,504,000) is deemed adequate in respect of investment in subsidiary companies.

i.) **Investment holding**

During the financial year, an impairment loss of RM20,094,833 was recognised in profit or loss under other expenses, representing the impairment of investment in subsidiary and capital contribution to Bina Puri Power Sdn Bhd, in view of unprofitable operation. The recoverable amount is in negative as at 30 June 2023 was based on value-in-use and was determined at the level of cash generating unit. In determining the value-in-use for the cash generating unit, the cash flows were discounted at a rate of 6.38% on a pre-tax basis.

9. **Investment in Subsidiary Companies (Cont'd)**

ii.) Investment holding

During the financial year, an impairment loss of RM3,780,985 was recognised in profit or loss under other expenses, representing the impairment of investment in subsidiary, Bina Puri Juara Sdn. Bhd., in view of lacking operation. The recoverable amount is RM4,719,015 as at 30 June 2023 was based on fair value less cost of disposal of the investment.

iii.) Contractor of earthworks, buildings and road construction

During the financial year, an impairment loss of RM21,500,000 was recognised in profit or loss under other expenses, representing the impairment of investment in subsidiary, Bina Puri Builder Sdn. Bhd., in view of high-speed rail operation in Thailand has not been approved, and projects mostly has low recovery. The recoverable amount is in negative as at 30 June 2023 was based on value-in-use and was determined at the level of cash generating unit. In determining the value-in-use for the cash generating unit, the cash flows were discounted at a rate of 6.38% on a pre-tax basis.

9. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows:

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<i>Direct holding:</i>				
Bina Puri Sdn. Bhd.	Malaysia	100	100	Contractor of earthworks, buildings and road construction
Aksi Bina Puri Sdn. Bhd. *	Malaysia	60	60	Investment holding
Bina Puri Ventures Sdn. Bhd. *	Malaysia	100	100	Investment holding and contractor of earthworks, buildings and road construction
Bina Puri Infrastructure Pte. Ltd. **	India	100	100	Inactive
Gugusan Murni Sdn. Bhd. *	Malaysia	100	100	Property developer and management
Maskimi Venture Sdn. Bhd. *	Malaysia	100	100	Commission agent
Bina Puri Power Sdn. Bhd. *	Malaysia	100	100	Investment holding
Puri Residence Management Sdn. Bhd. *	Malaysia	100	100	Investment holding
Bina Puri Juara Sdn. Bhd. *	Malaysia	100	100	Investment holding
Bina Puri Gah Sdn. Bhd. *^	Malaysia	-	60	Inactive
Bina Puri Pakistan Private Ltd. *	Malaysia	99.97	99.97	Builder of motorway

9. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<i>Direct holding: (Cont'd)</i>				
Bina Puri Properties (B) Sdn. Bhd. *	Brunei Darussalam	100	100	Renting of service apartment and property management
Bina Puri (B) Sdn. Bhd. *	Brunei Darussalam	90	90	Contractor of earthworks, buildings and road construction
Bina Puri Properties Sdn. Bhd.	Malaysia	100	100	Property developer and management
Bina Puri Hong Kong Ltd *	Hong Kong	100	100	Inactive
Bina Puri Cambodia Ltd. *	Cambodia	100	100	Inactive
BP Energy Sdn. Bhd. *	Malaysia	100	100	Inactive
Bina Puri Builder Sdn. Bhd.	Malaysia	100	100	Contractor of earthworks, buildings and road construction
BP Realty Sdn. Bhd. *	Malaysia	100	100	Project management consultancy services
Bina Puri Perkasa Sdn. Bhd. *	Malaysia	70	-	Inactive

9. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<b>Indirect holding:</b>				
<i>Subsidiary companies of Bina Puri Properties Sdn. Bhd.</i>				
Ascotville Development Sdn. Bhd. *	Malaysia	100	100	Property developer and management
BP S14 Sdn. Bhd. *	Malaysia	100	100	Inactive
BP Healthcare Development Sdn. Bhd. *	Malaysia	100	100	Inactive
Ideal Heights Properties Sdn. Bhd.	Malaysia	57	57	Property developer and management
<i>Subsidiary companies of Ideal Heights Properties Sdn. Bhd.</i>				
Ideal Heights Sdn. Bhd.	Malaysia	57	57	Inactive
Ideal Heights Property Management Sdn. Bhd.	Malaysia	57	57	Property development and property management
Ideal Heights Development Sdn. Bhd.	Malaysia	40	40	Property development
The Waterfront Sdn. Bhd.	Malaysia	40	40	Hotel management

9. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<i>Subsidiary company of Ideal Heights Development Sdn. Bhd.</i>				
Imperium Residence Property Management Sdn. Bhd.	Malaysia	40	40	Property development
<i>Subsidiary company of Bina Puri Sdn. Bhd.</i>				
Konsortium Syarikat Bina Puri-TA3 JV Sdn. Bhd. *^	Malaysia	-	70	Contractor for earthworks, building and road
<b>Indirect holding: (Cont'd)</b>				
<i>Subsidiary company of Bina Puri Ventures Sdn. Bhd.</i>				
Maskimi Polyol Sdn. Bhd. *	Malaysia	100	100	Manufacturer of polyol
<i>Subsidiary company of Bina Puri Power Sdn. Bhd.</i>				
PT Megapower Makmur *	Republic of Indonesia	51	51	Power supply building materials

9. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<i>Subsidiary companies of Bina Puri Juara Sdn. Bhd.</i>				
Bina Puri Mining Sdn. Bhd. *	Malaysia	100	100	Inactive
BP Solar Sdn. Bhd. *	Malaysia	100	100	Inactive
Sungai Long Industries Sdn. Bhd. *	Malaysia	51	51	Quarry operator and contractor of road paving projects
KM Quarry Sdn. Bhd.	Malaysia	70	70	Quarry operator and contractor of road paving projects
<i>Subsidiary companies of Aksi Bina Puri Sdn. Bhd.</i>				
Sumbangan Lagenda Sdn. Bhd. *	Malaysia	36	36	Property developer, management and investment holding
Karak Land Sdn. Bhd. *	Malaysia	42	42	Property developer and management
Semarak Semerah Sdn. Bhd. *	Malaysia	60	60	Investment holding

9. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<i>Subsidiary companies of Sumbangan Lagenda Sdn. Bhd.</i>				
Legasi Properties Sdn. Bhd. (Formerly known as Sumbangan Lagenda (T8 Fasiliti) Sdn. Bhd.) **	Malaysia	100	-	Dormant
T8 Gym Sdn. Bhd. (Formerly known as Sumbangan Lagenda (DLL Mall) Sdn. Bhd.) **	Malaysia	100	-	Dormant
<i>Subsidiary company of Semarak Semerah Sdn. Bhd.</i>				
Star Effort Sdn. Bhd. *	Malaysia	57	57	Property developer and management

\* *Subsidiary companies not audited by UHY*

\*\* *Subsidiary companies without audited financial statements and auditors' reports but the unaudited financial statements of the subsidiary companies were adopted by the Group for the purpose of the consolidated financial statements of the Group*

^ *Strike off during the financial year 2023*

9. **Investment in Subsidiary Companies (Cont'd)**

## (a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interest:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2023 %	2022 %	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Sumbangan Legenda Sdn. Bhd.	64	64	133	2,321	72,729	72,596
PT Megapower Makmur	49	49	(7,184)	602	7,908	15,092
					<u>80,637</u>	<u>87,688</u>
Individually immaterial subsidiary companies with non-controlling interests					<u>23,643</u>	<u>19,481</u>
Total non-controlling interests					<u>104,280</u>	<u>107,169</u>

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

	PT Megapower Makmur		Sumbangan Legenda Sdn. Bhd.	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<i>Summarised statements of financial position</i>				
Non-current assets	54,649	56,537	209,895	209,987
Current assets	4,514	5,735	12,128	12,259
Non-current liabilities	(22,264)	(26,719)	(72,979)	(76,209)
Current liabilities	(1,077)	(1,385)	(35,281)	(32,606)
Net assets	<u>35,822</u>	<u>34,168</u>	<u>113,763</u>	<u>113,431</u>

9. **Investment in Subsidiary Companies (Cont'd)**

## (a) Material partly-owned subsidiary companies (Cont'd)

	<b>PT Megapower Makmur</b>		<b>Sumbangan Lagenda Sdn. Bhd.</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>	<b>2023 RM'000</b>	<b>2022 RM'000</b>
<i>Summarised statements of profit or loss and other comprehensive income</i>				
Revenue	11,546	14,065	13,027	12,082
(Loss)/Profit for the financial year	(147)	435	333	3,626
Total comprehensive (loss)/income for the financial year	(110)	385	333	3,626
<i>Summarised statements of cash flows</i>				
Net cash from operating activities	5,108	4,831	3,243	2,192
Net cash used in investing activities	(19)	(18)	(4)	(12)
Net cash used in financing activities	(5,230)	(4,946)	(3,634)	(1,179)
Net (decrease)/increase in cash and cash equivalents	(141)	(133)	(395)	1,001

## (b) Acquisition of subsidiary companies

- (i) In the previous financial year, Bina Puri Properties Sdn. Bhd. ("BPPSB") disposed off 60% of its shareholdings in Aksi Bina Puri Sdn. Bhd. ("ABPSB") to the Company, for a total consideration of RM250,000 ("Internal Reorganisation"). Upon completion of Internal Reorganisation, ABPSB become direct subsidiary company of the Company.

The Internal Reorganisation did not have any effect on the issued and paid up share capital of the Company or its major shareholders' shareholding or material effect on the earnings, net assets or gearing of the Group on a consolidated basis.

**9. Investment in Subsidiary Companies (Cont'd)**

(b) Incorporation of subsidiary companies

- (i) During the financial year, the Company incorporated Bina Puri Perkasa Sdn. Bhd. (“BP Perkasa”) with an initial paid-up share capital of RM1,000 comprising of 1,000 ordinary shares. The Company subscribed 700 ordinary shares in BP Perkasa for a total cash consideration of RM700 only. Consequently, BP Perkasa became a 70% owned subsidiary of the Company.
- (ii) During the financial year, Sumbangan Lagenda Sdn. Bhd. (“SLSB”), a 60% owned subsidiary of Aksi Bina Puri Sdn. Bhd. (“ABSB”), a 60% owned subsidiary of the Company incorporated T8 Gym Sdn. Bhd. (formerly known as Sumbangan Lagenda (DLL Mall) Sdn. Bhd. (“T8”) with an initial paid-up share capital of RM10,000 comprising of 10,000 ordinary shares. SLSB subscribed 10,000 ordinary shares in T8 for a total cash consideration of RM10,000 only. Consequently, T8 became a wholly owned subsidiary of SLSB.
- (iii) During the financial year, Sumbangan Lagenda Sdn. Bhd. (“SLSB”), a 60% owned subsidiary of Aksi Bina Puri Sdn. Bhd. (“ABSB”), a 60% owned subsidiary of the Company incorporated Legasi Properties Sdn. Bhd. (formerly known as Sumbangan Lagenda (T8 Fasiliti) Sdn. Bhd. (“LPSB”) with an initial paid-up share capital of RM10,000 comprising of 10,000 ordinary shares. SLSB subscribed 10,000 ordinary shares in LPSB for a total cash consideration of RM10,000 only. Consequently, LPSB became a wholly owned subsidiary of SLSB.

(c) Strike off subsidiary companies

Below mentioned subsidiaries were struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016:

- (i) Konsortium Syarikat Bina Puri – TA 3 JV Sdn. Bhd., a 70% owned subsidiary of Bina Puri Sdn. Bhd., a wholly owned subsidiary of the Company was struck off on 17 May 2023.
- (ii) Bina Puri Gah Sdn. Bhd., a 60% owned subsidiary of the Company was struck off on 30 May 2023.

10. **Investment in Associates**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>In Malaysia</b>				
<b>At cost</b>				
Unquoted shares	30,495	30,495	30,250	30,250
Share of post-acquisition reserves	(28,851)	(28,619)	-	-
Acquisition during the financial year	-	*	-	-
	1,644	1,876	30,250	30,250
<b>Less: Accumulated impairment losses</b>				
At 1 July/30 June	(460)	(460)	(250)	(250)
	1,184	1,416	30,000	30,000
<b>Outside Malaysia</b>				
<b>At cost</b>				
Unquoted shares	3,916	3,916	3,916	3,916
Share of post-acquisition reserves	(3,455)	(3,455)	-	-
	461	461	3,916	3,916
<b>Less: Accumulated impairment losses</b>				
At 1 July/30 June	(461)	(461)	(3,866)	(461)
Impairment loss recognised	-	-	(50)	(3,405)
At 30 June	(461)	(461)	(3,916)	(3,866)
	-	-	-	50
	1,184	1,416	30,000	30,050

\* denote RM335

10. **Investment in Associates (Cont'd)**

Details of the associates are as follows:

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<b><i>Direct holding:</i></b>				
Bina Puri Holdings (Thailand) Ltd. **	Thailand	49	49	Investment holding
Bina Puri (Thailand) Ltd. **	Thailand	25	25	Contractor of earthworks, buildings and road construction
Bina Puri Saudi Co. Ltd. **	Arab Saudi	50	50	Inactive
KL-Kuala Selangor Expressway Berhad ("KLKSE") **	Malaysia	50	50	Builder and operator of an expressway
Bina Puri Amat Aramak Properties Sdn. Bhd. *	Malaysia	50	50	Inactive
Bina Puri Amat Aramak Sdn. Bhd. *	Malaysia	50	50	Inactive
<b><i>Indirect holding:</i></b>				
<b><i>Held through Bina Puri Juara Sdn. Bhd.</i></b>				
Dimara Building System Sdn. Bhd. **	Malaysia	30	30	Contractor in steel engineering works
Bina Puri Sentosa Venture Sdn. Bhd. *	Malaysia	50	50	Inactive
<b><i>Held through Bina Puri Power Sdn. Bhd.</i></b>				
Serambi Idaman Sdn. Bhd. **	Malaysia	10	10	Inactive
<b><i>Held through Bina Puri Properties Sdn. Bhd.</i></b>				
BP XA Sdn. Bhd. *	Malaysia	50	50	Inactive

10. **Investment in Associates (Cont'd)**

Details of the associates are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<i>Held through Karak Land Sdn. Bhd.</i>				
Karak Spring Sdn. Bhd. *	Malaysia	21	21	Durian Plantation
<i>Held through The Waterfront Sdn. Bhd.</i>				
Majesitc Bay Seafood Restaurant Sdn. Bhd. **	Malaysia	13	13	Business in restaurant activity

\* *Associates not audited by UHY*

\*\* *Associates without audited financial statements and auditors' reports but the unaudited financial statements of the associates were adopted by the Group for the purpose of the consolidated financial statements of the Group*

**10. Investment in Associates (Cont'd)**

The Group has not recognised its share of profit of KL-Kuala Selangor Expressway Berhad amounting to RM3,416,000 (2022: losses of RM7,746,000) because the Group's cumulative shares of losses has exceeded its interest in the associate and the Group has no obligation in respect of these losses. The Group cumulative losses not recognised were RM113,166,608 (2022: RM116,582,554).

In the previous financial year, the 40% owned subsidiary company of the Company, The Waterfront Sdn. Bhd. ("TWSB") had subscribed 335 ordinary shares, representing 33.5% equity interest in an associate, Majestic Bay Seafood Restaurant Sdn. Bhd. ("MBSSB").

Summarised financial informations of the Group's material associates, KL-Kuala Selangor Expressway Berhad ("KLKSE") is set out below:

	<b>KLKSE</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Summarised statements of financial position</i>		
Non-current assets	896,457	915,282
Current assets	79,279	91,064
Non-current liabilities	(1,183,887)	(1,218,533)
Current liabilities	(18,183)	(20,979)
Net liabilities	<u>(226,334)</u>	<u>(233,166)</u>
Interest in associate	50%	50%
Group's share of net assets	(113,167)	(116,583)
Carrying value of the Group's interest in associates	<u>(113,167)</u>	<u>(116,583)</u>
<i>Summarised statements of profit or loss and other comprehensive income</i>		
Revenue	104,350	49,290
Profit/(Loss) for the financial year	<u>6,832</u>	<u>(15,491)</u>
Total comprehensive loss for the financial year	<u>6,832</u>	<u>(15,491)</u>
Interest in associate	50%	50%
Group's share of profit or loss	<u>3,416</u>	<u>(7,746)</u>

There are no commitment nor contingent liabilities relating to the Group's interest in the associates.

11. **Investment in Joint Venture**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>In Malaysia:</b>		
<b>At cost</b>		
Unquoted shares	3,490	3,000
Share of post-acquisition reserves	5,935	9,479
	9,425	12,479

Details of the joint venture are as follows:

<b>Name of Company</b>	<b>Place of business/ Country of incorporation</b>	<b>Effective Interest</b>		<b>Principal Activities</b>
		<b>2023</b>	<b>2022</b>	
		<b>%</b>	<b>%</b>	
<b><i>Held through Bina Puri</i></b>				
<b><i>Sdn. Bhd.</i></b>				
PPESW BPSB JV Sdn. Bhd. *	Malaysia	30	30	Developing and upgrading the Pan Borneo Highway (WP06) from Sg. Awik Bridge to Bintangor Junction
<b><i>Held through Bina Puri</i></b>				
<b><i>Builder Sdn. Bhd.</i></b>				
Chunyang Bina Puri (JV) Sdn. Bhd. *	Malaysia	49	-	Construction and road work

\* Joint venture not audited by UHY

**11. Investment in Joint Venture (Cont'd)**

Summarised financial informations of the Group's joint venture, PPESW BPSB JV Sdn. Bhd. ("PPESW") is set out below: (Cont'd)

	<b>PPESW</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Summarised statements of financial position</i>		
Non-current assets	193	490
Current assets	106,566	79,165
Non-current liabilities	(183)	(113)
Current liabilities	(76,792)	(37,947)
Net (liabilities)/assets	<u>29,784</u>	<u>41,595</u>
Interest in associate	30%	30%
Group's share of net assets	8,935	12,479
Carrying value of the Group's interest in joint venture	<u>8,935</u>	<u>12,479</u>
<i>Summarised statements of profit or loss and other comprehensive income</i>		
Revenue	93,089	185,048
Profit for the financial year	<u>4,310</u>	<u>24,490</u>
Total comprehensive income for the financial year	<u>4,310</u>	<u>24,490</u>
Interest in associate	30%	30%
Group's share of profit or loss	<u>1,293</u>	<u>7,347</u>

**12. Investment in Joint Operations**

Details of the joint operations are as follows:

<b>Name of Company</b>	<b>Place of business/ Country of incorporation</b>	<b>Effective Interest</b>		<b>Principal Activities</b>
		<b>2023 %</b>	<b>2022 %</b>	
<i>Joint operation under the Company</i>				
SPK-Bina Puri Joint Venture	United Arab Emirates	30	30	Builder and contractor for general engineering and construction works
<i>Joint operation under Bina Puri Sdn. Bhd.</i>				
UEMC-Bina Puri Joint Venture	Malaysia	40	40	Builder and contractor for general engineering and construction works

The financial statements of the joint operations have been amalgamated with the financial statements of the Company and the wholly owned subsidiary company, Bina Puri Sdn. Bhd. for the year ended 30 June 2023 under their respective categories of income, expenses, assets and liabilities.

13. **Other Investments**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets at fair value through other comprehensive income</b>				
At 1 July/30 June	<u>6,085</u>	<u>6,085</u>	<u>6,136</u>	<u>6,136</u>
<b>Accumulated impairment losses</b>				
At 1 July/30 June	<u>(3,304)</u>	<u>(3,304)</u>	<u>(3,304)</u>	<u>(3,304)</u>
<b>Carrying amount</b>				
At 30 June	<u>2,781</u>	<u>2,781</u>	<u>2,832</u>	<u>2,832</u>
<b>Presented by:</b>				
Unquoted shares, in Malaysia	2,725	2,725	2,832	2,832
Transferable corporate membership in golf and country membership	56	56	-	-
	<u>2,781</u>	<u>2,781</u>	<u>2,832</u>	<u>2,832</u>

14. **Trade Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trade receivables:				
- Retention sum	10,196	15,247	-	-
- Third parties	122,276	127,721	-	1,636
	<u>132,472</u>	<u>142,968</u>	<u>-</u>	<u>1,636</u>
Less: Accumulated impairment losses	(8,722)	(6,500)		(62)
	<u>123,750</u>	<u>136,468</u>	<u>-</u>	<u>1,574</u>
<b>Presented as:</b>				
Non Current	50	2,148	-	-
Current	123,700	134,320	-	1,574
	<u>123,750</u>	<u>136,468</u>	<u>-</u>	<u>1,574</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Retention on contracts, included in trade receivables of the Group and the expected recovery are presented as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	10,146	13,099
More than one year	50	2,148
	<u>10,196</u>	<u>15,247</u>

**14. Trade Receivables (Cont'd)**

Movements in the allowance for impairment losses for trade receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	6,500	6,746	62	-
Disposal of subsidiary company	-	-	-	-
Impairment losses recognised	2,701	2,854	-	62
Reversal of impairment losses	(417)			
Written off	(62)	(3,100)	(62)	-
At 30 June	<u>8,722</u>	<u>6,500</u>	<u>-</u>	<u>62</u>

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within the credit term.

The Group applies the simplified approach to measure the impairment losses on trade receivables and contract assets at lifetime expected credit losses (“Lifetime ECL”). Expected credit losses of all other financial assets are measured at an amount equal to 12 month expected credit losses (“12 - month ECL”) if credit risk on a financial asset has not increased significantly. The Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition to ascertain whether there is a significant increase in credit risk. The assessment takes into consideration the macroeconomic information, credit rating and other supportable forward-looking information.

A significant increase in credit risk is presumed if a debt is more than 180 days past due. Where the credit risk has increased significantly, the impairment loss is measured at an amount equal to lifetime expected credit losses (“Lifetime ECL – Underperforming”).

Full impairment losses are made for financial assets and contract assets that are determined to be credit impaired (“Lifetime ECL - Credit Impaired”). These are debtor who have defaulted on payments and are in financial difficulties.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

14. **Trade Receivables (Cont'd)**

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	<b>Gross amount RM'000</b>	<b>Loss allowance RM'000</b>	<b>Net Amount RM'000</b>
<b>Group</b>			
<b>2023</b>			
Neither past due nor impaired	59,947	-	59,947
<i>Past due not impaired:</i>			
Less than 30 days	1,511	(26)	1,485
31 to 60 days	3,553	(42)	3,511
More than 90 days	63,543	(4,736)	58,807
	<u>68,607</u>	<u>(4,804)</u>	<u>63,803</u>
	128,554	(4,804)	123,750
<b>Credit impaired:</b>			
Individual impaired	3,918	(3,918)	-
	<u>132,472</u>	<u>(8,722)</u>	<u>123,750</u>
<b>2022</b>			
Neither past due nor impaired	45,794	(1)	45,793
<i>Past due not impaired:</i>			
31 to 60 days	8,320	(15)	8,305
61 to 90 days	9,514	(237)	9,277
More than 90 days	77,427	(4,334)	73,093
	<u>95,261</u>	<u>(4,586)</u>	<u>90,675</u>
	141,055	(4,587)	136,468
<b>Credit impaired:</b>			
Individual impaired	1,913	(1,913)	-
	<u>142,968</u>	<u>(6,500)</u>	<u>136,468</u>
<b>Company</b>			
<b>2022</b>			
<i>Past due not impaired:</i>			
More than 90 days	1,636	(62)	1,574

As at 30 June 2023, trade receivables of the Group and of the Company amounting to RM and RM63,803,000 and Nil (2022: RM90,675,000 and RM1,574,000) were past due but not impaired. These relate to a number of customers from whom there is no recent history of default.

Trade receivables of the Group that are individually determined to be impaired amounting to RM3,918,000 (2022: RM1,913,000) at the reporting date relate to debtors that are in financial difficulties, have defaulted on payments and/or dispute billings. These receivables are not secured by any collateral or credit enhancements.

15. **Deferred Tax Assets/(Liabilities)**Deferred tax assets

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	380	3,645	-	-
Acquisition of a subsidiary company	-	-	-	-
Recognised in profit or loss	458	(1)	-	-
Over provision in prior years	554	(3,264)	-	-
At 30 June	1,392	380	-	-

Deferred tax liabilities

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	(14,241)	(18,129)	-	-
Acquisition of a subsidiary company	-	-	-	-
Recognised in profit or loss	(92)	(424)	-	-
Over provision in prior years	(565)	4,312	-	-
At 30 June	(14,898)	(14,241)	-	-

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

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets	1,393	380	32	37
Deferred tax liabilities	(14,898)	(14,241)	(32)	(37)
	(13,505)	(13,861)	-	-

15. **Deferred Tax Assets/(Liabilities) (Cont'd)**

The movements and components of the deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	<b>Unabsorbed capital allowances RM'000</b>	<b>Unutilised tax losses RM'000</b>	<b>Other temporary difference RM'000</b>	<b>Total RM'000</b>
<b>Deferred tax assets</b>				
<b>Groups</b>				
At 1 July 2022	380	-	-	380
Recognised in profit or loss	(30)	(74)	562	458
Under/(Over) provision in prior years	208	257	89	554
At 30 June 2023	558	183	651	1,392
At 1 July 2021	84	1,364	2,197	3,645
Recognised in profit or loss	(1)	18	(18)	(1)
Under/(Over) provision in prior years	297	(1,382)	(2,179)	(3,264)
At 30 June 2022	380	-	-	380
		<b>Accelerated capital allowances RM'000</b>	<b>Revaluation of investment property RM'000</b>	<b>Total RM'000</b>
<b>Deferred tax liabilities</b>				
<b>Groups</b>				
At 1 July 2022		(11)	(14,230)	(14,241)
Recognised in profit or loss		(92)	-	(92)
Under/(Over) provision in prior years		(565)	-	(565)
At 30 June 2023		(668)	(14,230)	(14,898)
At 1 July 2021		(33)	(18,096)	(18,129)
Recognised in profit or loss		(11)	(413)	(424)
Under/(Over) provision in prior years		33	4,279	4,312
At 30 June 2022		(11)	(14,230)	(14,241)

15. **Deferred Tax Assets/(Liabilities) (Cont'd)**

The movements and components of the deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd)

	<b>Accelerated capital allowances</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Deferred tax liabilities</b>		
<b>Company</b>		
At 1 July	(37)	(43)
Recognised in profit or loss	5	6
At 30 June	<u>(32)</u>	<u>(37)</u>
<b>Deferred tax assets</b>		
<b>Company</b>		
At 1 July	37	43
Recognised in profit or loss	(5)	(6)
At 30 June	<u>32</u>	<u>37</u>

Deferred tax assets have not been recognised in respect of the following items:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unutilised tax losses	269,657	179,102	48,894	34,074
Unabsorbed capital allowances	1,226	1,084	396	269
Other temporary differences	1,475	5,504	-	-
	<u>272,358</u>	<u>185,690</u>	<u>49,290</u>	<u>34,343</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

16. **Other Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>				
Other receivables				
- Third parties	29,762	31,409	22,610	25,840
<b>Current</b>				
Other receivables				
- Third parties	146,542	161,252	40,807	21,614
- Related parties	4,061	6,737	-	273
	<u>150,603</u>	<u>167,989</u>	<u>40,807</u>	<u>21,887</u>
Less: Accumulated impairment losses	(15,711)	(13,797)	(3,877)	(2,711)
	<u>134,892</u>	<u>154,192</u>	<u>36,930</u>	<u>19,176</u>
Deposits	5,328	21,702	85	16,414
Prepayments	7,638	2,394	16	28
Contract costs	2,250	900	-	-
GST recoverable	23	57	-	-
	<u>150,131</u>	<u>179,245</u>	<u>37,031</u>	<u>35,618</u>
	<u>179,893</u>	<u>210,654</u>	<u>59,641</u>	<u>61,458</u>

The Group's and the Company's other receivables are non-trade, unsecured, interest-free and are repayable on demand.

The Groups' amount due by related parties represents interest receivable from companies in which certain Directors of the Group have interests. The amount is non-trade, unsecured, interest-free and are repayable on demand and is expected to be settled in cash.

The Company has entered into an authority liaison service agreement and engaged the service provider for the facilitation of obtaining necessary approvals and permits related to a property development project. These costs are amortised when the related revenue is recognised.

During the financial year, total costs to obtain contracts recognised by the Group as cost of sales in profit or loss amounting to RM Nil (2022: RM Nil).

There was no impairment loss in relation to the costs capitalised.

**16. Other Receivables (Cont'd)**

The Group is desirous to purchase land VN5 measuring approximately 4,249 sq. m. (hereinafter referred to as "the VN5 Land") and has paid RM16,290,600 (USD3,800,000) as a deposit to UPL Lao Company Limited on 18 July 2017. As the condition precedent has not been met within 5 years from the date of the agreement, as per the agreement UPL Lao Company Limited shall substitute Land or Properties or any other assets which is equivalent to the value of USD3,800,000.00, subject to independent valuation of the said replacement and acceptance of the replacement by UPL Lao Company Limited. Accordingly, the deposit paid has been reclassified from deposit to other receivable during the financial year ended, and an impairment of RM1,019,325 has been provided.

Movements in allowance for impairment losses of other receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	13,797	490	2,711	490
Impairment losses recognised	4,211	13,373	1,166	2,221
Reversal of impairment losses	(1,232)	-	-	-
Written off	(1,065)	(66)	-	-
At 30 June	15,711	13,797	3,877	2,711

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

17. **Contract Assets/(Liabilities)**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Contract assets</u>		
Construction contracts (Note a)	109,984	157,974
Property development activities (Note b)	8,359	11,882
	<u>118,343</u>	<u>169,856</u>
<u>Contract liabilities</u>		
Construction contracts (Note a)	(160)	(250)
Property development activities (Note b)	(7,614)	(10,739)
	<u>(7,774)</u>	<u>(10,989)</u>
At 30 June:		
Contract assets	118,343	169,856
Contract liabilities	(7,774)	(10,989)
	<u>110,569</u>	<u>158,867</u>

Contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its contracted project activities. The amount due from contract customers will be transferred to trade receivables when the rights become unconditional.

**17. Contract Assets/(Liabilities) (Cont'd)**

Contract liabilities primarily relate to the advance consideration received from customer for construction contract, which revenue is recognised over time during the property development and construction activities.

**(a) Construction contracts**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue incurred to date	795,645	806,293
Less: Progress billings	(685,821)	(648,569)
	<u>109,824</u>	<u>157,724</u>
Presented as:		
Contract assets	109,984	157,974
Contract liabilities	(160)	(250)
	<u>(160)</u>	<u>(250)</u>

**(b) Property development activities**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue incurred to date	319,902	309,085
Less: Progress billings	(319,157)	(307,942)
	<u>745</u>	<u>1,143</u>
Presented as:		
Contract assets	8,359	11,882
Contract liabilities	(7,614)	(10,739)
	<u>(7,614)</u>	<u>(10,739)</u>

**17. Contract Assets/(Liabilities) (Cont'd)****(b) Property development activities (Cont'd)**

Contract assets in relation to property development activities represent the timing differences in revenue recognition in profit or loss and the milestone billings to purchasers as at the reporting date.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional, when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligation are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

Contract value yet to be recognise as revenue

The following table shows the revenue expected to be recognised in the future relating to performance obligation that were unsatisfied (or partially satisfied) at the reporting date:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Construction contracts	123,381	112,733
Property development activities	41,008	51,825
	<u>164,389</u>	<u>164,558</u>

Based on the information available to the Group, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts will be recognised as revenue in the period of next 6 - 36 months.

**18. Amount Due from/(to) Subsidiary Companies**

(a) Amount due from subsidiary companies

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount due from subsidiary companies</b>		
- Trade in nature	11,545	11,545
- Non-trade in nature	171,971	132,373
	<u>183,516</u>	<u>143,918</u>
<b>Less: Accumulated impairment losses</b>		
- Trade in nature	(11,542)	(11,542)
- Non-trade in nature	(17,532)	(15,166)
	<u>(29,074)</u>	<u>(26,708)</u>
	<u>154,442</u>	<u>117,210</u>

Movements in impairment losses on amount due from subsidiary companies during the financial year are as follows:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 July	26,708	41,382
Impairment losses recognised	7,471	9,630
Impairment losses reversed	(5,105)	(24,304)
At 30 June	<u>29,074</u>	<u>26,708</u>

Trade balances is given credit term of 30 to 90 days (2022: 30 to 90 days).

Non-trade balances is unsecured, interest-free and repayable on demand.

**18. Amount Due from/(to) Subsidiary Companies (Cont'd)****(b) Amount due to subsidiary companies (Cont'd)**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount due to subsidiary companies</b>		
- Trade in nature	565	925
- Non-trade in nature	6,532	4,436
	<u>7,097</u>	<u>5,361</u>

Trade balances is given credit term of 30 to 90 days (2022: 30 to 90 days).

Non-trade balances is unsecured, interest-free and repayable on demand.

**19. Amount Due from/(to) Associates****(a) Amount due from associates**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Amount due from associate companies</b>				
- Trade in nature	9,283	9,283	9,283	9,283
- Non-trade in nature	30,989	25,855	27,222	23,792
	<u>40,272</u>	<u>35,138</u>	<u>36,505</u>	<u>33,075</u>
<b>Less: Accumulated impairment losses</b>				
- Non-trade in nature	(12,795)	(4,679)	(12,795)	(4,679)
	<u>27,477</u>	<u>30,459</u>	<u>23,710</u>	<u>28,396</u>

**19. Amount Due from/(to) Associates (Cont'd)****(a) Amount due from associates (Cont'd)**

Movements in impairment losses on amount due from associates during the financial year are as follows:

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 July	4,679	4,679
Impairment losses recognised	8,116	-
At 30 June	12,795	4,679

Trade balances is given credit term of 30 to 90 days (2022: 30 to 90 days).

Non-trade balances is unsecured, interest-free and repayable on demand.

**(b) Amount due to associates**

Trade balances is given credit term of 30 to 90 days (2022: 30 to 90 days).

**20. Fixed Deposits with Licensed Banks**

The interest rates of fixed deposits of the Group ranging from 1.65% to 2.40% (2022: 1.30% to 2.15%) per annum and the maturities of deposits are ranging from 30 to 365 days (2022: 30 to 365 days).

The fixed deposits of the Group and of the Company amounting to RM6,354,980 and RM113,975 (2021: RM13,370,000 and RM7,000) respectively have been pledged to licensed banks as security for bankers' guarantees issued.

**21. Cash and Bank Balances**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	18,582	21,603	1,466	724
Housing development account	432	1,697	-	-
	<u>19,014</u>	<u>23,300</u>	<u>1,466</u>	<u>724</u>

Included in cash and bank balances of the Group is an amount of RM432,000 (2022: RM1,697,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Withdrawals from the Housing Development Account are restricted to property development expenditure incurred in respect of the specific development project.

**22. Share Capital**

	<b>Group and Company</b>			
	<b>Number of Shares</b>		<b>Amount</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Units'000</b>	<b>Units'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ordinary shares with no par value				
<b>Issued and fully paid shares</b>				
At 1 July	1,597,645	1,431,110	246,521	236,435
Issuance of new shares pursuant to:				
- private placement	479,294	143,111	16,775	7,519
- rights issue	1,292,773	-	36,162	-
- share issuance scheme	-	23,414	-	2,566
- conversion of warrants	1	10	*	1
At 30 June	<u>3,369,713</u>	<u>1,597,645</u>	<u>299,458</u>	<u>246,521</u>

\* Denote to RM100

**22. Share Capital (Cont'd)**

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM246,521,563 to RM299,457,773 by way of:

- (a) 479,293,900 new ordinary shares at issue price of RM0.035 per ordinary share for a total cash consideration of RM16,775,287 through private placement;
- (b) 1,000 new ordinary shares through conversion of Warrants at an exercise price of RM0.10 for a total cash consideration of RM100; and
- (c) 1,292,772,689 new ordinary shares through rights issue at an issue price of RM0.035 per share for a total cash consideration of RM45,247,044.

In the previous financial year, the Company increased its issued and paid-up ordinary share capital from RM236,435,178 to RM246,521,563 by way of:

- (a) 143,111,000 new ordinary shares at issue price of ranging from RM0.0494 to RM0.0542 per ordinary share for a total cash consideration of RM7,518,922 through private placement;
- (b) 10,000 new ordinary shares through conversion of Warrants at an exercise price of RM0.10 for a total cash consideration of RM1,000; and
- (c) 23,414,237 new ordinary shares through Share Issuance Scheme at an issue price of RM0.076 per share for a total cash consideration of RM1,779,482 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.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

## 23. Reserves

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-distributable</b>					
Foreign currency translation reserve	(a)	(12,101)	(10,444)	54	54
Share option reserve	(b)	837	889	837	889
Warrant reserve	(c)	8,377	10,039	8,377	10,039
<b>Distributable</b>					
Retained earnings		(192,342)	(79,477)	(21,922)	38,364
		<u>(195,229)</u>	<u>(78,993)</u>	<u>(12,654)</u>	<u>49,346</u>

The nature of reserves of the Group and of the Company is as follows:

## (a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

## (b) Share option reserve

A Share Issuance Scheme ("SIS") has been implemented on 1 March 2019 to enable the Company to grant new and additional SIS option to the eligible persons in accordance with the By-Laws of the SIS. The maximum number of shares which may be allotted under the SIS shall not exceed in aggregate fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the SIS or such other limit prescribed by any guideline, rule and/or regulation of the relevant authorities from time to time throughout the duration of the SIS.

The SIS shall be in force for a period of five (5) years from 01 March 2019. However, the Board of Directors may at its absolute discretion extend the duration of the scheme upon the recommendation of the option committee, subject always that the duration of the SIS shall not exceed ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or other relevant authorities.

**23. Reserves (Cont'd)**

The nature of reserves of the Group and of the Company is as follows: (Cont'd)

**(b) Share option reserve (Cont'd)**

Subject to any adjustments made in accordance with the By-Laws and pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, the price payable for the new shares upon exercise of the SIS options shall be based on the five (5) day volume-weighted average market price of the Company's shares immediately preceding the date of offer with a discount of not more than ten percent (10%).

On 17 February 2020, the Company made an offer of 114,575,000 SIS options under the scheme to eligible persons at an exercise price of RM0.076. The SIS options were vested upon acceptance of the offer.

	<b>Group and Company</b>			
	<b>Number of Shares Option</b>		<b>Amount</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Units'000</b>	<b>Units'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July	26,447	54,134	889	1,819
Lapsed during the financial year	(1,573)	(4,273)	(52)	(143)
Exercised during the financial year	-	(23,414)	-	(787)
At 30 June	<u>24,874</u>	<u>26,447</u>	<u>837</u>	<u>889</u>
<b>Options</b>				
<b>exercisable at</b>				
30 June	<u>24,874</u>	<u>26,447</u>		

23. **Reserves (Cont'd)**

The nature of reserves of the Group and of the Company is as follows: (Cont'd)

(b) Share option reserve (Cont'd)

During the financial year, none of the share options were exercised. The weighted average share price at the date of exercise for the year was Nil (2022: RM0.0336).

The salient features of the SIS are as follows:

(i) Maximum number of SIS shares

The maximum number of SIS shares shall not exceed in aggregate 15% of the total number of issued ordinary shares (excluding treasury shares, if any) at any time over the duration of the SIS, as provided for in the By-Laws.

(ii) Eligibility

Subject to the determination and discretion of the option committee, a director or employee of the Group (excluding dormant subsidiaries) who fulfils the following criteria as at the date of offer shall be eligible to participate in the SIS:

- (a) Any employee who fulfils the following criteria as at the date of offer:
- (i) he/she has attained 18 years of age and is not an undischarged bankrupt;
  - (ii) he/she is employed by a company within the Group (excluding dormant subsidiaries); and
  - (iii) he/she fulfils any other criteria and/or falls within such category as may be determined by the option committee at its sole discretion from time to time.

23. **Reserves (Cont'd)**

The nature of reserves of the Group and of the Company is as follows: (Cont'd)

(b) Share option reserve (Cont'd)

(ii) Eligibility (Cont'd)

(b) Any person who holds a directorship in a company within the Group (excluding dormant subsidiaries), in an executive capacity, and shall have the meaning given in Section 2(1) of the Companies Act 2016 and Section 2(1) of the Capital Markets and Services Act 2007 (excluding independent director, non-executive director and alternate director), who fulfils the following criteria as at the date of offer:

(i) he/she has attained 18 years of age and is not an undischarged bankrupt;

(ii) he/she is a director named in the register of directors of a company within the Group (excluding dormant subsidiaries) for a continuous period of at least 12 months; and

(iii) he/she fulfils any other criteria and/or falls within such category as may be determined by the option committee at its sole discretion from time to time.

(iii) Basis of allotment and maximum allowable allotment of SIS shares

The basis of allocation of the number of SIS shares and the maximum number of SIS shares which may be offered and allotted to an eligible person shall be determined entirely at the discretion of the option committee and subject to the provisions of the By-Laws as well as taking into consideration, where relevant, the eligible person's position, seniority, performance, length of service, contribution to the continued success of the Group and such other factors that the option committee may deem relevant.

Notwithstanding the foregoing, the total number of SIS shares is subject to the following:

(a) not more than 80% of the total number of SIS shares to be issued under the SIS shall be allocated, in aggregate, to the eligible directors and senior management of the Group (excluding dormant subsidiaries);

23. **Reserves (Cont'd)**

The nature of reserves of the Group and of the Company is as follows: (Cont'd)

(b) Share option reserve (Cont'd)

(iii) Basis of allotment and maximum allowable allotment of SIS shares (Cont'd)

(b) not more than 10% of the total number of SIS shares shall be allocated to an eligible person who either singly or collectively through persons connected with the eligible person holds 20% or more of the total number of issued shares in the Company (excluding treasury shares, if any); and

(c) the eligible directors and senior management of the Group (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their own allocation of SIS options, provided always that it is in accordance with the Listing Requirements or prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other requirement of the relevant authorities and as amended from time to time.

(iv) Option price

Subject to any adjustment made in accordance with the By-Laws and pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, the option price shall be based on the price to be determined by the Board of Directors upon recommendation of the option committee based on the five (5) day volume-weighted average price of the Company's shares immediately preceding the date of offer, with a discount of not more than 10%.

(v) Ranking of the SIS shares

The SIS shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing shares of the Company, save and except that the SIS shares will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment and issuance of such SIS shares.

(vi) Duration of the SIS

The SIS shall be in force for a period of 5 years from 1 March 2019. However, the Board of Directors may at its absolute discretion extend the duration of the New SIS upon the recommendation of the option committee, subject always that the duration of the SIS shall not exceed 10 years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authorities.

23. **Reserves (Cont'd)**

The nature of reserves of the Group and of the Company is as follows: (Cont'd)

(c) Warrant reserve

Warrants are classified as equity investment and the value is allocated based on the closing price on the first trading day and recognised in the warrant reserve.

The issuance of ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Warrant reserve represents cumulative fair value of the warrants yet to be exercised.

Warrant 2019/2022

The warrants are valid to be exercised for a period of 3 years from its issue date and ending on 22 December 2022 (“Exercise Period”). During the Exercise Period, each warrant shall entitle its registered holder to subscribe for one new ordinary share of the Company at an exercise price of RM0.10 per warrant in accordance with the provisions of the Deed Poll dated 11 November 2019. Any warrants not exercised will lapse thereafter and cease to be valid.

On 30 December 2019, the Company issued 382,039,550 warrants in connection with the proposed rights issue with warrants. During the financial year, 1,000 warrants were exercised at the exercise price of RM0.10 per warrant. The total number of warrants that remain unexercised of 328,028,550 units were expired on 22 December 2022.

Warrant 2023/2028

The warrants are valid to be exercised for a period of 5 years from its issue date and ending on 17 April 2028 (“Exercise Period”). During the Exercise Period, each warrant shall entitle its registered holder to subscribe for one new ordinary share of the Company at an exercise price of RM0.04 per warrant in accordance with the provisions of the Deed Poll dated 2 March 2023. Any warrants not exercised will lapse thereafter and cease to be valid.

On 18 April 2023, the Company issued 258,554,471 warrants in connection with the proposed rights issue with warrants. At the end of the financial year, the total number of warrants that remain unexercised were 258,554,471.

**24. Trade Payables**

- (a) Included in trade payables are retention on contracts of the Group which are unsecured, interest free and expected to be settled as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	50,695	57,052
More than one year	1,772	1,767
	52,467	58,819

- (b) Credit terms of trade payables of the Group and of the Company ranged from 30 to 120 days (2022: 30 to 120 days) depending on the term of the contracts.

**25. Lease Liabilities**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 July	716	1,089
Additions	-	240
Payments	(228)	(630)
Exchange differences	23	17
At 30 June	511	716
Presented as:		
Non-Current	274	446
Current	237	270
	511	716

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	247	285
Later than one year and not later than two years	246	359
Later than one year and not later than five years	35	95
	528	739
Less: Future finance charges	(17)	(23)
Present value of lease liabilities	511	716

25. **Lease Liabilities (Cont'd)**

The Group leases buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

26. **Bank Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>				
Term loans	209,898	259,230	34,007	34,000
Bank overdrafts	12,202	12,594	1,291	1,911
Trust receipt and bank acceptance	21,477	18,410	-	-
Revolving credit	111,219	112,547	12,200	14,300
	<u>354,796</u>	<u>402,781</u>	<u>47,498</u>	<u>50,211</u>
<b>Unsecured</b>				
Bank overdrafts	7,147	7,261	2,443	2,682
Revolving credit	13,054	14,250	13,054	14,250
	<u>20,201</u>	<u>21,511</u>	<u>15,497</u>	<u>16,932</u>
	<u>374,997</u>	<u>424,292</u>	<u>62,995</u>	<u>67,143</u>
<b>Analysed as:</b>				
<b>Non-Current</b>				
Term loans	170,092	211,730	29,021	32,600
Revolving credit	20,164	23,080	19,950	23,080
	<u>190,256</u>	<u>234,810</u>	<u>48,971</u>	<u>55,680</u>
<b>Current</b>				
Term loans	39,805	47,500	5,200	1,400
Bank overdrafts	19,349	19,855	3,734	4,593
Trust receipt and bank acceptance	21,478	18,410	-	-
Revolving credit	104,109	103,717	5,090	5,470
	<u>184,741</u>	<u>189,482</u>	<u>14,024</u>	<u>11,463</u>
	<u>374,997</u>	<u>424,292</u>	<u>62,995</u>	<u>67,143</u>

**26. Bank Borrowings (Cont'd)**

The bank overdrafts, banker acceptance, bridging loan, revolving credit and term loans obtained from licensed banks are secured by the following:

Term loans, bank overdrafts, bridging loan and revolving credit

- (a) A fixed charge over the property, plant and equipment of the subsidiary companies;
- (b) Deeds of assignment over the proceeds of contracts awarded, rental agreement and housing development account to the Group;
- (c) Corporate guarantee provided by the Company and certain subsidiary companies;
- (d) Negative pledge over the entire assets of certain subsidiary companies;
- (e) Investment properties of the subsidiary company;
- (f) Fixed deposits of the subsidiary companies pledged with licensed bank;
- (g) Third party legal charge over the subsidiary company's land/project land;
- (h) Specific debenture over the project;
- (i) Deed of assignment over the power supply rental agreement with the grantor;
- (j) First party first and second legal charge over assets;
- (k) Guaranteed by director of the Company;
- (l) Deeds of assignment over 384 units of apartments under Blocks M, K and L known as Angkasa Apartment at Darau, Menggatal, Kota Kinabalu, Sabah ("UMS Hostel");
- (m) Legal Charge over the Company's property;
- (n) Third Party Memorandum of Deposit of Stocks and Shares.

The range of interest rates per annum is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	%	%	%	%
Other bank borrowings	6.07% - 10.75%	3.6% - 9.42%	6.80% - 8.85%	6.5% - 9.5%
Term loans	<u>4.37% - 11.0%</u>	<u>3.45% - 12%</u>	<u>7.45% - 9.95%</u>	<u>9.2% - 10%</u>

**27. Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables	63,901	84,783	11,826	10,540
Advances received	7,402	7,201	-	-
Deposits received	18,515	18,038	47	47
Provision	36,483	13,755	-	-
Accruals	36,493	37,556	2,185	2,944
	<u>162,794</u>	<u>161,333</u>	<u>14,058</u>	<u>13,531</u>

- (a) Included in advances received of the Group is the advances received for contract work yet to be performed is an amount of RM6,791,348 (2022: RM6,350,846).
- (b) Included in other payables of the Group and of the Company is the amount due to director amounting to RM3,569,803 and RM3,445,492 (2022: RM3,824,548 and RM2,397,552) respectively. Amount due to director represents non trade balances which are unsecured, interest free and repayable on demand.
- (c) Provisions

The movements of the provisions are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 July	13,755	11,176
Additions	22,728	2,579
At 30 June	<u>36,483</u>	<u>13,755</u>

**28. Amount Due to a Joint Venture**

This represents non-trade balances which is unsecured, interest free and repayable on demand.

29. **Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue from contracts with customers:</b>				
<u>Major goods and services:</u>				
- Contract revenue	1,604	40,435	-	653
- Sale of goods	21,264	33,737	-	-
- Sale of electricity	11,546	14,066	-	-
- Management fees	495	492	495	492
- Rental income	17,574	15,872	66	341
- Dividend income	37	-	37	24,315
- Sale of development properties	11,434	111,898	-	-
- Revenue from hotel	30,882	18,394	-	-
- Rendering of services	7	25	-	-
	<u>94,843</u>	<u>234,919</u>	<u>598</u>	<u>25,801</u>
<b>Timing of revenue recognition:</b>				
At a point in time	39,333	82,586	561	25,148
Overtime	55,510	152,333	37	653
Total revenue from contracts with customers	<u>94,843</u>	<u>234,919</u>	<u>598</u>	<u>25,801</u>

30. **Finance Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Interest expenses on:</b>				
Lease liabilities	12	31	-	-
Unwinding of discount on trade payables	387	855	-	-
Bank borrowings	30,497	23,800	5,529	5,947
Others	1,795	1,830	1,539	679
	<u>32,691</u>	<u>26,516</u>	<u>7,068</u>	<u>6,626</u>

31. **(Loss)/Profit Before Tax**

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Auditors' remuneration				
- Statutory				
- current year	469	587	200	200
- under/(over)provision in prior years	57	(36)	20	(55)
- Non-statutory				
- current year	45	45	45	45
Bad debts written off	200	36	110	-
Bad debts recovered	(2,448)	-	-	-
Deposit written off	-	1,341	-	-
Depreciation of property, plant and equipment	7,487	7,678	224	245
Depreciation of right-of-use assets	2,586	2,506	465	465
(Gain)/Loss on disposal of:				
- Property, plant and equipment	(485)	(315)	782	-
- Right-of-use assets	-	(830)	-	-
- Asset held for sale	-	(64)	-	-
Impairment loss on:				
- Trade receivables	2,701	2,854	-	62
- Other receivables	4,211	13,373	1,166	2,221
- Amount due from associates	8,116	-	8,116	-
- Amount due from subsidiary companies	-	-	7,471	9,630
- Investment in associates	-	-	50	3,405
- Investment in subsidiary companies	-	-	45,385	-
- Other investment	329	-	-	-
- Property, plant and equipment	14,800	-	-	-
- Goodwill	1,176	7,235	-	-

31. **(Loss)/Profit Before Tax (Cont'd)**

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fair value gain on investment properties	-	(4,125)	-	-
Loss/(Gain) on foreign exchange:				
- Realised	(18)	-	-	-
- Unrealised	(33)	669	(640)	-
Inventories written off	-	3	-	-
Property, plant and equipment written off	2	-	-	-
Trade and other payable written off	38	-	-	-
Rental expenses on:				
- Land and premises	152	68	-	-
- Machinery and equipmen	441	465	-	-
- Others	27	-	-	-
Unwinding of discount on trade receivables	(352)	(135)	-	-
Dividend income	(4,875)	(75)	(38)	(24,315)
Interest income	(2,114)	(3,200)	(38)	-
Rental income	(1,103)	(666)	(66)	-
Government grant	-	(78)	-	-
Deposit forfeit	-	(43)	-	-
Reversal of impairment on:				
- Amount due from subsidiary companies	-	-	(5,105)	(24,304)
- Trade receivables	(417)	-	-	-
- Other receivables	(1,232)	-	-	-

32. **Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Tax expenses recognised in profit or loss:</b>				
Current income tax:				
Current year provision				
- In Malaysia	3,522	4,723	-	-
- Outside Malaysia	74	77	-	-
Under/(Over) provision in prior years	375	4,379	-	-
	<u>3,971</u>	<u>9,179</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 15):				
Origination and reversal of temporary differences	(365)	425	-	-
Over provision in prior years	10	(1,048)	-	-
	<u>(355)</u>	<u>(623)</u>	<u>-</u>	<u>-</u>
<b>Tax expenses for the financial year</b>	<b><u>3,616</u></b>	<b><u>8,556</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**32. Taxation (Cont'd)**

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit before tax	<u>(122,527)</u>	<u>(71,929)</u>	<u>(70,377)</u>	<u>20,395</u>
At Malaysian statutory tax rate of 24% (2021: 24%)	(29,406)	(17,263)	(16,890)	4,895
Income not subject to tax	(2,172)	(3,080)	(163)	(5,836)
Expenses not deductible for tax purposes	14,009	15,151	13,466	1,085
Deferred tax assets not recognised	20,837	13,422	3,587	-
Utilisation of previously unrecognised deferred tax assets	(37)	(1,046)	-	(144)
Under/(Over) provision of taxation taxation in prior years	375	4,379	-	-
Over provision of deferred taxation in prior years	10	(1,048)	-	-
Effect of share of results of associates	-	(1,959)	-	-
Tax expenses for the financial year	<u>3,616</u>	<u>8,556</u>	<u>-</u>	<u>-</u>

**32. Taxation (Cont'd)**

The Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances available to carry forward to offset against future taxable profit. The said amounts are subject to approval by the tax authorities.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unutilised tax losses	270,418	180,170	49,027	34,230
Unabsorbed capital allowances	3,554	3,537	396	270
	<u>273,972</u>	<u>183,707</u>	<u>49,423</u>	<u>34,500</u>

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilised tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2023, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Unutilised tax losses to be carried forward until:</b>				
- Year of assessment 2029	38,698	39,812	8,846	8,846
- Year of assessment 2030	7,221	7,153	5,057	5,057
- Year of assessment 2031	17,906	16,904	-	-
- Year of assessment 2032	40,737	41,867	15,969	15,969
- Year of assessment 2033	75,316	74,434	4,358	4,358
- Year of assessment 2034	90,540	-	14,797	-
	<u>270,418</u>	<u>180,170</u>	<u>49,027</u>	<u>34,230</u>

**33. Loss Per Share****(i) Basic loss per share**

The basic loss per share is calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Loss attributable to owners of the parent	<u>(122,956)</u>	<u>(74,749)</u>
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 July (in thousand of shares)	1,597,647	143,110
Effect of ordinary shares issued during the financial year (in thousand of shares)	<u>500,966</u>	<u>128,661</u>
Weighted average number of ordinary shares at 30 June (in thousand of shares)	<u>2,098,613</u>	<u>1,559,771</u>
Basic loss per share (in sen)	<u>(5.9)</u>	<u>(4.8)</u>

**(ii) Diluted loss per share**

The number of shares under warrants and SIS were not taken into account in the computation of diluted loss per share as the warrants and SIS do not have any dilutive effect on weighted average number of ordinary shares.

There have been no other transaction involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Loss attributable to owners of the parent	<u>(122,956)</u>	<u>(74,749)</u>
Weighted average number of ordinary shares used in the calculation of basic loss per share (in thousand of shares)	2,098,613	1,559,771
Adjustment for incremental shares from assumed conversions	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares at 30 June (diluted) (in thousand of shares)	<u>2,098,613</u>	<u>1,559,771</u>
Diluted loss per share (in sen)	<u>(5.9)</u>	<u>(4.8)</u>

34. **Staff Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Salaries, wages, bonuses and allowances	11,067	12,693	1,812	2,767
Defined contribution plans	1,112	1,155	306	307
Social security contributions	98	105	27	24
	<u>12,277</u>	<u>13,953</u>	<u>2,145</u>	<u>3,098</u>

Included in staff costs is aggregate amount of remuneration received and receivables by the Directors of the Company and of the subsidiary companies during the financial year as below:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Executive Directors</b>				
Salaries and other emoluments	1,612	1,536	1,552	1,482
Defined contribution plans	97	99	97	99
	<u>1,709</u>	<u>1,635</u>	<u>1,649</u>	<u>1,581</u>
<b>Non-Executive Directors</b>				
<i>Directors of the Company</i>				
- Director's fees	239	252	239	252
<b>Total Directors' remuneration</b>	<u>1,948</u>	<u>1,887</u>	<u>1,888</u>	<u>1,833</u>

**35. Reconciliation of Liabilities Arising from Financing Activities**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	<b>At 1 July RM'000</b>	<b>Financing cash flows (i) RM'000</b>	<b>Non-cash changes New leases RM'000</b>	<b>Exchange difference RM'000</b>	<b>At 30 June RM'000</b>
<b>Group</b>					
<b>2023</b>					
Lease liabilities	716	(228)	-	23	511
Bank borrowings	404,437	(48,789)	-	-	355,648
	<u>405,153</u>	<u>(49,017)</u>	<u>-</u>	<u>23</u>	<u>356,159</u>
<b>2022</b>					
Lease liabilities	1,089	(630)	240	17	716
Bank borrowings	413,706	(9,269)	-	-	404,437
	<u>414,795</u>	<u>(9,899)</u>	<u>240</u>	<u>17</u>	<u>405,153</u>
			<b>At 1 July RM'000</b>	<b>Financing cash flows RM'000</b>	<b>At 30 June RM'000</b>
<b>Company</b>					
<b>2023</b>					
Bank borrowings			62,550	(3,289)	59,261
Amount due to subsidiary companies			5,361	1,736	7,097
			<u>67,911</u>	<u>(1,553)</u>	<u>66,358</u>
<b>Company</b>					
<b>2022</b>					
Bank borrowings			53,150	9,400	62,550
Amount due to subsidiary companies			4,289	1,072	5,361
			<u>57,439</u>	<u>10,472</u>	<u>67,911</u>

- (i) The cash flows from loan and borrowings, lease liabilities and amount due to subsidiary companies make up the net amount of proceeds from or repayments of borrowings, lease liabilities and advances from subsidiary companies in the statements of cash flows.

**36. Related Party Disclosures****(a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

**(b) Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances as disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company during the reporting periods are as follows:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Transactions with subsidiary companies</b>		
- Rental income	42	284
- Dividend income	-	24,240
	42	24,524
	42	24,524

**37. Related Party Disclosures (Cont'd)**

## (c) Compensation of key management personnel

Remuneration of Directors is disclosed in Note 34. Aggregate amount of remuneration received and receivables by other key management personnel is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Salaries, wages and other emoluments	1,759	1,548	1,146	971
Defined contribution plans	116	100	72	58
	1,875	1,648	1,218	1,029

**38. Segment Information**

The main business segments of the Group comprise the following:

Construction	Construction of earthworks, building and road
Property development	Development of residential and commercial properties
Quarry	Quarry operation and production of ready-mix concrete
Power supply	Generation and supply of electricity

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

## 38. Segment Information (Cont'd)

<b>Group</b>	<b>Construction</b>	<b>Property</b>	<b>Quarry</b>	<b>Power</b>	<b>Others</b>	<b>Total</b>	<b>Adjustments</b>	<b>As per</b>
<b>2023</b>	<b>RM'000</b>	<b>development</b>	<b>RM'000</b>	<b>supply</b>	<b>RM'000</b>	<b>segments</b>	<b>and</b>	<b>consolidated</b>
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>elimination</b>	<b>financial</b>
<b>Results</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>statements</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External customers	975	61,117	21,264	11,546	7	94,909	(66)	94,843
<b>Interest income</b>	39	2,068	-	-	7	2,114	-	2,114
Finance costs	(24,335)	(7,117)	(69)	(1,203)	-	(32,724)	33	(32,691)
Depreciation and amortisation	(1,362)	(3,271)	(161)	(5,192)	(1)	(9,987)	20	(9,967)
Other non-cash income/(expenses)	(10,622)	(1,796)	1,648	(784)	879	(10,675)	(15,956)	(26,631)
Share of results of joint venture	-	-	-	-	-	-	1,294	1,294
Share of results of associates	-	-	-	-	-	-	(232)	(232)
Segment results	(63,201)	14,592	(3,173)	7,498	(9,433)	(53,717)	(2,697)	(56,414)
Segment (loss)/profit before tax	(99,481)	4,476	(1,755)	319	(8,548)	(104,989)	(17,538)	(122,527)
Taxation								(3,616)
Loss for financial year								(126,143)

## 38. Segment Information (Cont'd)

Group	Construction RM'000	Property development RM'000	Quarry RM'000	Power supply RM'000	Others RM'000	Total segments RM'000	Adjustments and elimination RM'000	As per consolidated financial statements RM'000
<b>2022</b>								
<b>Revenue</b>								
External customers	40,927	136,511	18,766	14,065	24,650	234,919	-	-
<b>Results</b>								
Interest income	56	3,134	-	-	10	3,200	-	3,200
Finance costs	(18,730)	(6,525)	(234)	(563)	(744)	(26,796)	280	(26,516)
Depreciation and amortisation	(1,553)	(512)	(176)	(5,311)	(2,798)	(10,350)	166	(10,184)
Other non-cash income/(expenses)	6,199	(236)	(13,946)	(1,336)	(2,138)	(11,457)	(8,585)	(20,042)
Share of results of joint venture	-	-	-	-	-	-	7,347	7,347
Share of results of associates	-	-	-	-	-	-	(2,423)	(2,423)
Segment results	(19,305)	5,319	(3,692)	6,366	3,930	(7,382)	(15,929)	(23,311)
Segment (loss)/profit before tax	(33,333)	1,180	(18,048)	(844)	(1,740)	(52,785)	(19,144)	(71,929)
Taxation								(8,556)
Loss for financial year								(80,485)

**38. Segment Information (Cont'd)**

## (a) Adjustments and eliminations

Inter-segment revenues are eliminated on consolidation.

## (b) Other non-cash income/(expenses) consist of following as presented in the respective notes to the financial statements:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Gain on disposal of:		
- property, plant and equipment	(485)	(315)
- right-of-use assets	-	(830)
- assets held for sale	-	(64)
Impairment loss on:		
- Goodwill	1,176	7,235
- Trade receivables	2,701	2,854
- Other receivables	4,211	13,373
- Amount due from associates	8,116	-
- Other investment	329	-
- Property, plant and equipment	14,800	-
Fair value gain on investment properties	-	(4,125)
Bad debts written off	200	36
Bad debts recovered	(2,448)	-
Deposit written off	-	1,341
Inventories written off	-	3
Property, plant and equipment written off	2	-
Trade and other payable written off	38	-
Unwinding of discount on trade receivables	(352)	(135)
Reversal of impairment on:		
- Trade receivables	(417)	-
- Other receivables	(1,232)	-
Loss/(Gain) on foreign exchange:		
- Realised	(18)	-
- Unrealised	(33)	669
	26,588	20,042

38. **Segment Information (Cont'd)**

## (c) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<b>Malaysia RM'000</b>	<b>Other Asian Countries RM'000</b>	<b>Consolidated RM'000</b>
<b>2023</b>			
Revenue from external customers	78,750	16,093	94,843
Non-current assets (exclude deferred tax assets)	320,570	51,742	372,312
Segment assets	950,966	74,866	1,025,832
Segment liabilities	786,000	31,323	817,323
<b>2022</b>			
Revenue from external customers	220,853	14,066	234,919
Non-current assets (exclude deferred tax assets)	298,934	70,652	369,586
Segment assets	1,064,293	87,734	1,152,027
Segment liabilities	793,535	83,795	877,330

39. **Capital Commitment**

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditures</b>		
Approved but not contracted for:		
Property, plant and equipment	-	15,300

40. **Contingent Liabilities**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given to the licensed banks and financial institutions for banking facilities granted to subsidiary companies	338,152	357,629
Corporate guarantees given to a supplier of goods to subsidiary companies	1,275	1,275
Guarantees given to secure hire purchase payables of subsidiary companies	-	-

41. **Material Litigations**

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following:

(i) **Bina Puri Pakistan (Private) Limited (“BPPPL”) v National Highway Authority of Pakistan (“NHA”)**

BPPPL had filed an application under Section 20 of the Arbitration Act 1940 of Pakistan before the High Court of Sindh on 28 September 2012 for reference of a dispute to arbitration for the alleged unlawful termination by NHA of the concession agreement dated 16 January 2012 entered into between BPPPL and NHA (“Concession Agreement”). The application was granted on 23 April 2013.

BPPPL commenced the arbitral proceedings on 21 October 2013 claiming for a sum of PKR26,760,300,964 (approximately RM720 million) for loss and damage including loss of profit, interest, cost and expenses. NHA contended on 9 December 2013 that the termination is lawful. On 27 March 2019, Mr Justice (R) Nasir-ul-Mulk allowed BPPPL’s claims against NHA as follows:

a declaration that the termination notice issued by NHA was unlawful repudiation and therefore anticipatory breach of the Concession Agreement; and

BPPPL shall be entitled for the actual pre-development cost and actual development costs to be determined by a joint auditor in accordance with the award.

41. **Material Litigations (Cont'd)**

(i) **Bina Puri Pakistan (Private) Limited (“BPPPL”) v National Highway Authority of Pakistan (“NHA”) (Cont'd)**

(a) and (b) above are collectively referred to as the “Arbitration Award”.

On 6 April 2019, the Adjudication Award was filed in High Court of Sindh at Karachi to be enforced and made a rule of court. On 25 November 2019, the Court recognised the enforcement of the Arbitration Award and appointed the Auditor to evaluate the damages. On 7 September 2020, the Auditor has directed that the termination payment payable by NHA to BPPPL is PKR873,561,224 with interest of PKR224,681 per day from 21 July 2020 until full settlement.

On 29 October 2020, BPPPL has filed in the enforcement/recovery of award application to the court.

On 7 October 2023, the judge has instructed directing the officials from NHA to appear in Court for the purpose of providing the details of the bank account. The hearing date for the NHA’s officials to appear is yet to be given.

(Based on BNM’s exchange rate of PKR1:RM0.0269)

(ii) **Bina Puri Mining Sdn. Bhd. (“BPM”) v Bukit Biru Quarry Sdn. Bhd. (“BB Quarry”)**

BPM had filed a suit against BB Quarry on 11 May 2015, claiming for the sum of RM8,714,780 for the breach of the quarry operation agreement dated 1 January 2013 entered into between the parties (“Quarry Operation Agreement”), which includes a claim for misrepresentation. BB Quarry counter-claimed against BPM for a sum of RM1,412.024 being the alleged contract fees, insurance premium and reimbursement of commission fees payable by BPM pursuant to the Quarry Operation Agreement.

BPM had filed a suit against BB Quarry on 11 May 2015, claiming for the sum of RM8,714,779.84 for the breach of the quarry operation agreement dated 1 January 2013 entered into between the parties (“Quarry Operation Agreement”), which includes a claim for misrepresentation. BB Quarry counter-claimed against BPM for a sum of RM1,412.023.79 being the alleged contract fees, insurance premium and reimbursement of commission fees payable by BPM pursuant to the Quarry Operation Agreement.

BB Quarry has obtained the judgment for the RM1,412,023.79 claim and has enforced via a judgment debtors summons against the director of BPM. The hearing is fixed on 13<sup>th</sup> September 2023

41. **Material Litigations (Cont'd)**

(ii) **Bina Puri Mining Sdn. Bhd. (“BPM”) v Bukit Biru Quarry Sdn. Bhd. (“BB Quarry”) (Cont'd)**

The Miri High Court has directed to split the trials into two tiers, firstly, liability of the parties and thereafter the computation of the quantum. The trial has been concluded on 16 May 2018. Currently it is the trial for assessment of damages. The trial dates for assessment of damages has been adjourned until 6 December 2023.

(iii) **Ideal Heights Development Sdn. Bhd. (“IHD”) v Jurujati Konsultant Sdn. Bhd. (“Jurujati”)**

Writ and statement of claim was filed by IHD against Jurujati on 30 December 2020 for seeking of refund for fees overpaid to Jurujati amounting to RM565,520 as well as general damages, interest, and costs.

In Jurujati defend, there has been no overpayment and alleges that IHD owes a sum of RM380,439 for outstanding fees to Jurujati instead.

Currently, both parties are in the midst of complying with the court’s directions on pre-trial documents. No trial dates have been fixed.

On 15 January 2021, IHD filed a writ and a statement of claim at the Shah Alam High Court against Jurujati for loss and damage suffered by IHD as a result of Jurujati’s breach of contract and/or negligence concerning a construction project in Kuantan.

The issues in disputes concern the change in design and/or structural drawings, collapse of boardwalk, clogging of the gross pollutant trap. IHD is claiming for additional costs for the structural of the project in the sum of RM4,293,073 as well as general damages, interest, and costs. The trial dates fixed are and the new dates are 19, 20,26,27,30 and 31 October 2023.

(iv) **RHB Bank Berhad (“RHB”) v Bina Puri Holding Bhd (“BPHB”) (SHAH ALAM HIGH COURT SUIT NO. BA-22NCC-37-03/2020)**

A suit was filed by RHB against BPHB for demand under guarantee and indemnity for bank guarantees provided by it in favour of National Housing Authority of Thailand (“NHA”) in respect of a joint venture agreement dated 9 March 2006 between NHA, Bina Puri (Thailand) Ltd (“BPTL”) and Deva Development Public Co. Ltd.

There was a Thai Court judgment dated 16 August 2019 against BPTL and RHB, which is currently appealed upon and pending a hearing date. However, RHB has called on the revolving bank guarantees with EXIM Bank and unilaterally on 13 November 2019, paid a sum of THB323,042,419 into the Thai Court.

41. **Material Litigations (Cont'd)**

(iv) **RHB Bank Berhad (“RHB”) v Bina Puri Holding Bhd (“BPHB”) (SHAH ALAM HIGH COURT SUIT NO. BA-22NCC-37-03/2020) (Cont'd)**

Taking into account of the aforesaid payments, RHB now claims against BPHB for the balance, i.e., interest and other expenses in total of THB93,535,468 (RM12,486,330) together with interest of 5% per annum from date of judgement until the date of full settlement and costs. RHB subsequently filed an application for a summary judgment on the THB93,535,468 (RM12,486,330) against BPHB.

However, it was dismissed by the High Court. RHB then appealed against the High Court' decision in dismissing the summary judgment application to the Court of Appeal which has been dismissed.

On 30<sup>th</sup> August 2023, both Parties have come into consensus and have filed for a consent judgment before the Court.

(v) **Lakehill Resort Development Sdn. Bhd. (LRDSB) v (1) Bina Puri Properties Sdn. Bhd. (“BPPSB”) and (2) Bina Puri Holdings Bhd (“BPHB”)**

Lakehill filed summons on 28 September 2021 for a sum of RM18,356,047 for the outstanding land cost and the owner's entitlement at the Shah Alam High Court vide Suit no. BA-22NCVC-381-09/2021.

The Court instructed LRDSB to file any interlocutory applications by 25 February 2022.

The hearing for summary judgement and striking out counter-claim application is on 6 January 2023 has been dismissed. The trial dates are yet to be fixed. The Court has instructed Parties to attend a mediation before the judge. The next mediation date is fixed on 7 September 2023 (to be attended only by parties' counsels to update judge-mediator on any settlement achieved) and on 14 September 2023 (in the event no settlement is achieved, parties' representative are to attend before the judge-mediator). The Court further set the next case management on 18 September 2023 to inform the Court in the event the matter has settled.

On 21 September 2023, both Parties have submitted to the Court that they have enter into settlement. Court has ordered the case to be withdrawn.

42. **Financial Instruments**

## (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial Assets</b>				
<i>At fair value through profit or loss</i>				
Other investment	2,781	2,781	2,832	2,832
<b>Financial Assets</b>				
<i>At amortised cost</i>				
Trade receivables	123,750	134,320	-	1,574
Other receivables	172,255	208,260	59,625	61,430
Contract assets	118,343	169,856	-	-
Amount due by subsidiary companies	-	-	154,442	117,210
Amount due by associates	27,477	30,459	23,710	28,396
Fixed deposits with licensed banks	6,355	14,026	114	367
Cash and bank balances	19,014	23,300	1,466	724
	<u>467,194</u>	<u>580,221</u>	<u>239,357</u>	<u>209,701</u>

42. **Financial Instruments (Cont'd)**

## (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial Liabilities</b>				
<i>At amortised cost</i>				
Trade payables	224,270	230,987	7,621	13,102
Other payables	162,794	161,333	14,058	13,531
Contract liabilities	7,774	10,989	-	-
Amount due to subsidiary companies	-	-	7,097	5,361
Amount due to associates	6	6	6	6
Amount due to a joint venture	34	34	34	34
Lease liabilities	511	716	-	-
Bank borrowings	374,997	424,292	62,995	67,143
	<u>770,386</u>	<u>828,357</u>	<u>91,811</u>	<u>99,177</u>

42. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables and contract assets that are written off could still be subject to enforcement activities.

*Exposure to credit risk, credit quality and collateral*

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (i) Credit risk (Cont'd)

*Concentration of credit risk*

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profiles of the Group's trade receivables at the end of financial year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Countries</i>				
Brunei				
Darussalam	2,261	3,735	-	-
Indonesia	1,764	2,978	-	-
Malaysia	118,137	129,755	-	1,574
Others	1,588	-	-	-
	<u>123,750</u>	<u>136,468</u>	<u>-</u>	<u>1,574</u>

**Cash and cash equivalents**

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

42. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

**Cash and cash equivalents (Cont'd)**

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company also provides corporate guarantee to suppliers of goods to subsidiary companies. The Company monitors on a continuous basis the results of the subsidiary companies and repayments made by the subsidiary companies.

*Exposure to credit risk, credit quality and collateral*

The Company's maximum exposure in this respect is RM338 million (2022: RM358 million), representing the outstanding banking facilities and for supply of goods to certain subsidiary companies as at the end of the reporting period. There was no indication that the subsidiary company would default on repayment as at the end of the reporting period.

**Financial guarantees**

*Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary company is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

42. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

**Financial guarantees (Cont'd)**

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

**Inter-company loans and advances**

*Recognition and measurement of impairment loss*

Generally, the Company considers loans and advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary companies are not able to pay when demanded. The Company considers a subsidiary company's loan or advance to be credit impaired when:

- The subsidiary company is unlikely to repay its loan or advance to the Company in full;
- The subsidiary company's loan or advance is overdue for more than 365 days; or
- The subsidiary company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from their various payables.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	<b>On demand or within 1 year RM'000</b>	<b>1 to 2 years RM'000</b>	<b>2 to 5 years RM'000</b>	<b>After 5 years RM'000</b>	<b>Total contractual cash flows RM'000</b>	<b>Total carrying amount RM'000</b>
<b>Group</b>						
<b>2023</b>						
<b>Financial liabilities</b>						
Trade payables	222,498	1,772	-	-	224,270	224,270
Other payables	162,794	-	-	-	162,794	162,794
Contract liabilities	7,774	-	-	-	7,774	7,774
Amount due to associates	6	-	-	-	6	6
Amount due to a joint venture	34	-	-	-	34	34
Lease liabilities	247	246	35	-	528	511
Bank borrowings	119,361	100,477	135,991	52,240	408,069	374,997
	<b>512,714</b>	<b>102,495</b>	<b>136,026</b>	<b>52,240</b>	<b>803,475</b>	<b>770,386</b>

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	<b>On demand or within 1 year RM'000</b>	<b>1 to 2 years RM'000</b>	<b>2 to 5 years RM'000</b>	<b>After 5 years RM'000</b>	<b>Total contractual cash flows RM'000</b>	<b>Total carrying amount RM'000</b>
<b>Group 2022</b>						
<b>Financial liabilities</b>						
Trade payables	229,220	1,767	-	-	230,987	230,987
Other payables	161,333	-	-	-	161,333	161,333
Contract liabilities	10,989	-	-	-	10,989	10,989
Amount due to associates	6	-	-	-	6	6
Amount due to a joint venture	34	-	-	-	34	34
Lease liabilities	285	359	95	-	739	716
Bank borrowings	217,191	86,062	88,967	92,959	485,179	424,292
	<b>619,058</b>	<b>88,188</b>	<b>89,062</b>	<b>92,959</b>	<b>889,267</b>	<b>828,357</b>

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	<b>On demand or within 1 year RM'000</b>	<b>1 to 2 years RM'000</b>	<b>2 to 5 years RM'000</b>	<b>After 5 years RM'000</b>	<b>Total contractual cash flows RM'000</b>	<b>Total carrying amount RM'000</b>
<b>Company</b>						
<b>2023</b>						
<b>Financial liabilities</b>						
Trade payables	7,621	-	-	-	7,621	7,621
Other payables	14,058	-	-	-	14,058	14,058
Amount due to subsidiary companies	7,097	-	-	-	7,097	7,097
Amount due to associates	6	-	-	-	6	6
Amount due to a joint venture	34	-	-	-	34	34
Bank borrowings	14,595	21,202	32,347	-	68,144	62,995
Financial guarantee *	338,152	-	-	-	338,152	
	<b>381,563</b>	<b>21,202</b>	<b>32,347</b>	<b>-</b>	<b>435,112</b>	<b>91,811</b>

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	<b>On demand or within 1 year RM'000</b>	<b>1 to 2 years RM'000</b>	<b>2 to 5 years RM'000</b>	<b>After 5 years RM'000</b>	<b>Total contractual cash flows RM'000</b>	<b>Total carrying amount RM'000</b>
<b>Company</b>						
<b>2022</b>						
<b>Financial liabilities</b>						
Trade payables	13,102	-	-	-	13,102	13,102
Other payables	13,531	-	-	-	13,531	13,531
Amount due to subsidiary companies	5,361	-	-	-	5,361	5,361
Amount due to associates	6	-	-	-	6	6
Amount due to a joint venture	34	-	-	-	34	34
Bank borrowings	16,217	19,688	19,972	24,875	80,752	67,143
Financial guarantee *	358,904	-	-	-	358,904	-
	<b>407,155</b>	<b>19,688</b>	<b>19,972</b>	<b>24,875</b>	<b>471,690</b>	<b>99,177</b>

\* Being corporate guarantee granted for banking facilities and supply of goods to certain subsidiary companies which will only be encashed in the event of default by these companies.

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk

## (a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Brunei Dollar (“BND”), Indonesian Rupiah (“IDR”), Pakistan Rupee (“PKR”), United States Dollar (“USD”) and other currency.

<b>Group 2023</b>	<b>Denominated in</b>					<b>Total RM'000</b>
	<b>BND RM'000</b>	<b>IDR RM'000</b>	<b>PKR RM'000</b>	<b>USD RM'000</b>	<b>Others RM'000</b>	
Trade and other receivables	2,972	1,888	-	-	-	4,860
Fixed deposits with licensed banks	-	266	-	-	-	266
Cash and bank balances	113	1,646	-	-	-	1,759
Trade and other payables	(22,221)	(508)	(175)	(78)	(10)	(22,992)
Lease liabilities	(48)	(310)	-	-	-	(358)
Bank borrowings	(6,640)	(968)	-	-	-	(7,608)
	<b>(25,824)</b>	<b>2,014</b>	<b>(175)</b>	<b>(78)</b>	<b>(10)</b>	<b>(24,073)</b>

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (a) Foreign currency risk (Cont'd)

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Brunei Dollar (“BND”), Indonesian Rupiah (“IDR”), Pakistan Rupee (“PKR”), United States Dollar (“USD”) and other currency. (Cont'd)

<b>Group 2022</b>	<b>Denominated in</b>					<b>Total RM'000</b>
	<b>BND RM'000</b>	<b>IDR RM'000</b>	<b>PKR RM'000</b>	<b>USD RM'000</b>	<b>Others RM'000</b>	
Trade and other receivables	4,400	3,091	-	-	-	7,491
Fixed deposits with licensed banks	7,209	468	-	-	-	7,677
Cash and bank balances	443	1,458	5	3,110	-	5,016
Trade and other payables	(19,061)	(854)	(174)	(74)	(10)	(20,173)
Lease liabilities	-	(422)	-	-	-	(422)
Bank borrowings	(7,334)	(1,227)	-	-	-	(8,561)
	<b>(14,343)</b>	<b>2,514</b>	<b>(169)</b>	<b>3,036</b>	<b>(10)</b>	<b>(8,972)</b>

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the BND, IDR, PKR and USD exchange rates against RM, with all other variables held constant.

Group	Change in currency rate RM'000	2023	Change in currency rate RM'000	2022
		Effect on loss before tax RM'000		Effect on loss before tax RM'000
BND	Strengthened 5%	(1,291)	Strengthened 5%	(717)
	Weakened 5%	1,291	Weakened 5%	717
IDR	Strengthened 5%	101	Strengthened 5%	126
	Weakened 5%	(101)	Weakened 5%	(126)
PKR	Strengthened 5%	(9)	Strengthened 5%	(8)
	Weakened 5%	9	Weakened 5%	8
USD	Strengthened 5%	(4)	Strengthened 5%	152
	Weakened 5%	4	Weakened 5%	(152)
Other:	Strengthened 5%	(1)	Strengthened 5%	(1)
	Weakened 5%	1	Weakened 5%	1

## (b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

42. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (b) Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Fixed rate instruments</b>		
<b>Financial asset</b>		
Fixed deposits with licensed banks	6,355	14,026
<b>Financial liabilities</b>		
Lease liabilities	511	716
<b>Floating rate instruments</b>		
<b>Financial liabilities</b>		
Bank borrowings	374,997	424,292
<b>Company</b>		
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Fixed rate instruments</b>		
<b>Financial asset</b>		
Fixed deposits with licensed banks	114	367
<b>Floating rate instruments</b>		
<b>Financial liabilities</b>		
Bank borrowings	62,995	67,143

42. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

**Interest rate risk sensitivity analysis**

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 0.5% (2022: 0.5%) interest rate at the end of the reporting period would have increased/(decreased) the Group and the Company's loss before tax by RM1,875,000 and RM315,000 (2022: RM2,121,000 and RM336,000) respectively, arising mainly as a result of lower/ higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Other price risk

Equity price risk arises from the Group's investments in equity securities.

*Risk management objectives, policies and processes for managing the risk*

Management of the Group monitors the equity investments on a portfolio basis. All buy and sell decisions are approved by the Directors of the Company.

*Equity price risk sensitivity analysis*

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 5% strengthening in FBMKLCI at the end of the reporting period would have increased the Group's other comprehensive income by approximately Nil (2021: Nil) for investments classified as fair value through other comprehensive income. A 5% weakening in FBMKLCI would have had equal but opposite effect on other comprehensive income.

42. **Financial Instruments (Cont'd)**

## (d) Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	<b>Fair value of financial instruments carried at fair value</b>				<b>Carrying</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>					
<b>2023</b>					
<b>Financial</b>					
<b>assets</b>					
Other					
investments					
- Unquoted					
shares	-	-	2,725	2,725	2,725
- Transferable					
corporate golf					
membership	-	-	56	56	56
	-	-	2,781	2,781	2,781
	-	-	2,781	2,781	2,781
<b>2022</b>					
<b>Financial</b>					
<b>assets</b>					
Other					
investments					
- Unquoted					
shares	-	-	2,725	2,725	2,725
- Transferable					
corporate golf					
membership	-	-	56	56	56
	-	-	2,781	2,781	2,781
	-	-	2,781	2,781	2,781

42. **Financial Instruments (Cont'd)**

## (d) Fair values of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.  
(Cont'd)

	<b>Fair value of financial instruments carried at fair value</b>				<b>Carrying amount RM'000</b>
	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>	
<b>Company 2023</b>					
<b>Financial assets</b>					
Other investments					
- Unquoted shares	-	-	2,832	2,832	2,832
<b>2022</b>					
<b>Financial assets</b>					
Other investments					
- Unquoted shares	-	-	2,832	2,832	2,832

43. **Capital Management**

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

43. **Capital Management (Cont'd)**

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total loan and borrowings	375,508	425,008	62,995	67,143
Less: Fixed deposits, cash and bank balances (Note 20) ^	(25,369)	(35,629)	(1,580)	(1,091)
Net debts/(cash)	<u>350,139</u>	<u>389,379</u>	<u>61,415</u>	<u>66,052</u>
 Total equity	 <u>208,509</u>	 <u>274,697</u>	 <u>286,804</u>	 <u>295,867</u>
 Gearing ratio (times)	 <u>1.68</u>	 <u>1.42</u>	 <u>0.21</u>	 <u>0.22</u>

^ Fixed deposits, cash and bank balances excluded cash and cash equivalents restricted from use.

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

44. **Comparative figures**

The following comparative figures have been reclassified to conform with the current year's presentation.

	<b>As previously stated RM'000</b>	<b>Group As restated RM'000</b>	<b>Increase/ (decrease) RM'000</b>
<b>Statements of Financial Position 2022</b>			
<b>Non-current assets</b>			
Other receivables	-	31,409	31,409
<b>Current assets</b>			
Inventories	197,938	198,699	761
Other receivables	209,754	179,245	(30,509)
Contract assets	171,517	169,856	(1,661)
<b>Current liabilities</b>			
Accruals	51,311	37,556	(13,755)
Provisions	-	13,755	13,755
	<b>As previously stated RM'000</b>	<b>Company As restated RM'000</b>	<b>Increase/ (decrease) RM'000</b>
<b>Statements of Financial Position 2022</b>			
<b>Non-current assets</b>			
Investment in subsidiary companies	137,789	138,964	1,175
Other receivables	-	25,840	25,840
<b>Current assets</b>			
Other receivables	61,458	35,618	(25,840)
Amount due from subsidiary companies	118,385	117,210	(1,175)

45. **Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of Directors on 31 October 2023.

