

ECONOMIC PERFORMANCE

FINANCIAL VALUES CREATED

The continued generation of financial values such as revenues and profits are needed to sustain the business operations any company. Typically, such values also fund the action plans of ESG strategies.

Financial performance is responsible for the creation of indirect economic values for stakeholders. This includes distribution of payment of taxes to the government (which enables social and infrastructure development), dividends to shareholders, repayments to finances and the development and support of community infrastructure and services.

Specific information on financial and operational performance as well as the Company's business model and strategies are provided in the Gabungan AQRS Berhad Annual Report 2021 ("AR 2021").

DIRECT ECONOMIC VALUES CREATED	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)
Economic Value Generated	413,987	202,262	331,205
Economic Value Distributed	330,216	232,292	279,021
Economic Value Retained	83,771	(30,030)	52,184
Payments to Employees (Salary and other benefits)	32,211	22,130	20,352
EPF & SOCSO (and other contributions for staff)	4,340	3,021	3,281
Payments to Suppliers and Partners (Operating expenses)	40,499	29,642	28,420
Government (Income tax)	30,136	9,928	1,337
Providers of Capital (dividends, finance costs, distribution costs and non-controlling interests)	20,446	10,166	10,760
Monies Distributed for Community Development, CSR, etc	234	128	107

ECONOMIC PERFORMANCE

[CONT 'D]

VALUE IN TERMS OF ECONOMIC IMPACT VS ENVIRONMENTAL FOOTPRINT

For FYE 2021, GBG has introduced the measurement of its economic performance against environmental performance. This is towards gauging the efficiency of business operations against selected environmental matrices.

In FYE 2021, GBG has established the following efficiency measurements using revenue and profits, electricity and diesel consumption, and carbon emissions, as given below:

ABSOLUTE FIGURES	FYE 2019	FYE 2020	FYE 2021
Revenue (RM '000)	414.0	202.3	331.2
Electricity Usage (kWh million)	1.452	1.146	0.556
Diesel Usage (litres '000)	539.0	156.6	111.3
Water Consumption M3 ('000)	94.7	90.0	87.2
Carbon Emissions (tCO ₂ e)	2,191	1,401	914
EFFICIENCY RATIOS	FYE 2019	FYE 2020	FYE 2021
Total electricity kWh per revenue	3.51	5.66	1.68
Total diesel litres per revenue	1.30	0.77	0.34
Carbon Emissions (tCO ₂ e) per revenue	0.00529	0.00693	0.00276
Total water M3 per revenue	0.229	0.445	0.264

Overall, GBG's efficiency ratio indicators across the spectrum of energy, fuel and water have shown improvement, attributable to the protracted MCO mandated in FYE 2021 as well as project specific requirements.

CATALYTIC EFFECT OF PROJECTS

The economic impact generated by GBG should take into account the catalytic effect of its projects, which is responsible for infrastructure development, economic activity and the development of local value chains and job creation.

Such projects undertaken by the Group includes civil infrastructures and building projects such as the Sungai Besi Ulu Kelang Expressway ("SUKE"), the Light Rail Transit 3 ("LRT3"), Pusat Pentadbiran Sultan Ahmad Shah ("PPSAS"), East Coast Rail Link ("ECRL"), E'Island Lake Haven and MRT Line 1. These projects reshape the landscape and contribute to nation-building and supports short, medium and long-term value creation.

ENHANCING URBAN PUBLIC TRANSPORTATION

Sungai Besi Ulu Kelang Expressway ("SUKE")

The economic value generated from SUKE is an example. This infrastructure development project will open up opportunities for locations throughout its route and enable commercial and residential developments to emerge. Land will appreciate in value, leading to population growth and better economic prospects in the long run.

Travellers will have the convenience of optional routes to avoid traffic congestion, hence reducing traffic congestion. Travelling time will be cut down by 50 minutes, leading to lower fuel consumption by RM7 per day. All in all, SUKE is designed to provide a smoother and more efficient journey ahead with comfortable speeds of up to 80 km/h.

This shortened travel time equates to a much more effective logistic system, which the country's economy is dependent on. With lower cost of distribution, especially for goods and services, the better and more productive the nation's logistic systems can be.



Sungai Besi - Ulu Kelang Expressway (SUKE)

ECONOMIC PERFORMANCE

[CONT'D]

Light Rail Transit 3 (“LRT3”)

The LRT3 is one of GBG's infrastructure projects designed to enhance urban public transportation by providing greater connectivity and accessibility across Greater Kuala Lumpur. It is Malaysia's first rail project accorded a 5-Star rating (design phase).

Aligned with sustainable urban development, the LRT3 links the suburban residential areas with city centres and commercial epicentres. It further contributes to reduced private vehicles on the road, especially single occupant vehicles, a primary contributor to greenhouse gases and carbon emissions.

The LRT3 represents further democratisation of transportation, enabling people of all walks of life to enjoy seamless, connected public transportation. This also serves as a strategic factor in the development of affordable housing, with land located close to LRT stations being opened up for public residential projects.

This project is expected to accommodate 74,000 passengers and 500,000 residents across the alignment by improving connectivity and reducing traffic congestion on the road. As a point of interest, the trains will travel at a maximum speed of 80km/h and is capable of transporting up to 36,720 passengers an hour. Ten stations across the line will be equipped with parking zones to accommodate approximately 6,000 cars. These stations will be fully equipped with sustainable solutions that includes rainwater harvesting technology, noise reduction and energy management system, and natural ventilation.

In addition, the LRT3 is designed to support communities across Petaling Jaya, Shah Alam and Klang by promoting mixed-use real estate development.



VALUE CREATION THROUGH LANDMARK PROJECTS

Pusat Pentadbiran Sultan Ahmad Shah Kuantan (“PPSAS”)

PPSAS is envisioned to be the new landmark for Pahang and the architecture references the state's identity. The building aspires to heighten the sense of patriotism and pride for its people, as reflected by its iconic emblem, the State's Coat of Arms.



Pusat Pentadbiran Sultan Ahmad Shah, Kuantan (PPSAS)

VALUE CREATION THROUGH AFFORDABLE HOUSING

E'Island Lake Haven

GBG's Property Development arm continues to play a role in meeting Malaysia's growing need for affordable homes, particularly amidst the growing middle-income population in Greater Kuala Lumpur.

One notable project in this space is E'Island Lake Haven, GBG's key residential project. Its design is aligned with the National Affordable Housing Policy in terms of unit built-up size, utilisation of IBS technology to shorten construction time and to reduce construction costs. It also comes with a range of facilities to support quality, holistic community living.

GBG Property is honoured to be appointed as one of a small pool of Malaysian developers for the Housing and Local Government Ministry's plans to build over 227,000 affordable homes over the next 10 years. GBG's E'Island Lake Haven, located in Puchong, Selangor, will support this target.

In addition, our property projects also provide buyers with a wide range of value. This includes capital appreciation (which serves as a natural hedge against inflation) and rental yields. Homeowners will ultimately benefit from having a robust asset with a long-term return on investment whilst enjoying quality lifestyle.

ECONOMIC PERFORMANCE

[CONT 'D]

PRODUCT AND SERVICE QUALITY

GBG measures quality in terms of build quality of its properties as well as service quality or customer satisfaction.

As per its industry peers, GBG aligns to the Construction Industry Development Board's (CIDB) Quality Assessment System in Construction (QLASSIC) quality assessment system for finished units. Through the IBS expertise, GBG continues to achieve consistent and improving QLASSIC scores for its property projects.

Benefits of IBS include more efficient use of resources, reduced reliance on manual labour, increased consistency in quality, which reduces wastage, less energy consumption as most components are produced in a factory environment (and therefore reduced environmental impacts).

Quality is essential in ensuring customer satisfaction, especially in developing repeat buyers, or buyers through referrals. Focussing on quality also leads to improved operational efficiency by reducing waste and resource consumption, while shortening the construction period.

Given the importance of quality to financial performance, customer satisfaction and company perception, quality and customer satisfaction comes under the direct purview of the Board of Directors and Senior Management.

Customer feedback is managed under GBG's customer engagement process, with oversight of the Quality Unit, who also addresses complaints and feedback. Customers may reach out to GBG via the Client Survey Form to which it would be promptly reviewed and cascaded accordingly to the relevant party for resolution.

Such customer satisfaction surveys are conducted bi-annually, with results of the last three financial years as listed below:

	FYE 2019	FYE 2020	FYE 2021
Incidents of non-compliance concerning the health and safety impacts of products and services	0	0	0
Customer Satisfaction Score (%)	79%	78%	74%
PPSAS	80%	81%	76%
LRT 3	81%	63%	58%
SUKE	76%	89%	89%
Customer complaints received	101	116	113
PPSAS	14	2	4
LRT 3	84	55	76
SUKE	204	291	260
Customer complaints received	99	118	104
PPSAS	9	7	3
LRT 3	84	55	62
SUKE	204	291	246
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
Total number of identified leaks, thefts or losses of customer data	0	0	0
Number of complaints from regulatory bodies	0	0	0

ECONOMIC PERFORMANCE

[CONT 'D]

STRINGENT PROCUREMENT POLICY

Commitment to Local Procurement and Local Supply Chains

GBG firmly supports local procurement, with local defined as in country in which GBG operates. The Group's preference is to always select local goods and service providers, unless local providers are unable to provide such goods and services at the required specifications and quality.

GBG's commitment to local procurement is made based on the many socio-economic benefits generated for local supply chains, local talent and local communities. GBG's business operations provides it the unique opportunity to generate employment

opportunities and develop many Malaysian small to medium enterprise and industries, which are essential to the economic growth of the nation. Local procurement also enables knowledge and skills transfer whilst reducing the environmental footprint, particularly if importing goods or services from abroad.

The Company's Procurement and Contract Department has adopted procedures in line with ISO 9001:2015 and matters of procurement comes under the purview of the Executive Management, specifically the Managing Director and Executive Director of the construction division.

GBG's determination to drive this agenda forward has resulted in it achieving a 100% local procurement spend, ahead of its 90% targeted level.

The Company's local procurement spend is as below:

	FYE 2019	FYE 2020	FYE 2021
Total Procurement Budget (RM)	RM1,547,093,654.08	RM1,486,715,223.03	RM1,493,115,223.03
Total of Local Procurement Budget	RM1,547,093,654.08	RM1,486,715,223.03	RM1,493,115,223.03
Percentage of Local Procurement Budget	100%	100%	100%
Total Number of Supplies	139	201	239
Total Number of Local Supplies	139	201	239
Percentage of Local Supplies	100%	100%	100%
Number of supplies screened / audited for good ESG performance	45	181	216
Number of supplies removed from procurement list or cautioned for poor ESG performance	3	17	17
Number of supplies endorsed anti-bribery anti-corruption policies	30	30	30

Commitment to Fair Competition

GBG's stringent procurement process revolves around ISO 9001 and ISO 45001:2018. It consists of an open tender system, with contracts vetted based on financial performance of a potential vendor, their competencies and ESG performance. The final decision to award is then based on the best value proposition offered, in terms of cost, quality and level of service, and appropriate certification/ accreditation, among other criteria. If warranted, a physical inspection of the vendor's premises or operational sites may be conducted.

Once listed as an approved vendor, suppliers are required to maintain their annual competency scores to remain on GBG's list. An appropriate timeframe would be allowed for corrective action where needed, failing which, such vendors would be removed from the list.

ENVIRONMENTAL PERFORMANCE

The construction and property development industry represents a key economic sector and a significant contributor to global and domestic gross domestic product ("**GDP**"), playing a vital role in driving the nation's much-needed infrastructure development and economic growth.

This also means enabling sufficient supply of homes, especially affordable homes, to ensure that prices remain within the buying capability of Malaysia's expanding middle-class demographics, comprising newly-weds, young families, single adults and others.

While the industry contributes a wide range of environmental impacts, GBG is cognisant it also fields a wide opportunity to transition and adopt more sustainable development approaches, such as circular construction, green building design and construction, and continued digitalisation and technology.

This report presents an overview of GBG's management approach to environmental topics and its strategies in addressing environmental impacts.

GBG recognises that in managing the environmental footprint and strengthening GBG's business model, new business opportunities may invariably present itself and to this effect, GBG stands prepared to explore such opportunities.

MANAGEMENT APPROACH TO ENVIRONMENTAL FOOTPRINT

To ensure the safety and quality of the environment, GBG adheres closely with local regulations and framework, as below:

- Environmental Management Plan (EMP), which sets out standard operating procedures ("**SOP**") for every project site
- Erosion and Sedimentation Control Plan (ESCP) for all project sites
- All project sites must comply with regulations as stipulated by the Department of Environment ("**DOE**"), local municipal; councils and other authorities for air, water and noise as well and sewage

CLIMATE CHANGE

Climate change is viewed as the single most prominent environmental issue that the world currently faces. There is a growing realisation that climate change is causing significant impacts to weather patterns and the physical environment which, in turn affects entire economic sectors, business activities, our flora and fauna and ultimately quality of life.

GBG remains cognisant of how its business operations may be directly or indirectly contributing to climate change and has aligned with UN's SDG 12 on Responsible Consumption and Production as well as SDG 13 on Climate Action, as reflected in its ongoing efforts to reduce carbon emissions by improving efficiency in energy and resource consumption as well as in waste management.

Additionally, increased sustainable measures could well open out access to green financing as well as government and regulatory incentives.

One simple yet pertinent example demonstrating GBG's commitment to manage its impact on the environment is its one-to-one tree replacement assurance. In this, for every tree cut down at a project worksite, another tree is planted elsewhere.

GBG recognises the opportunity it may also bring to the business and environment. The increasing awareness on eco-friendly facilities may also serve as a value enhancing proposition for buyers, with solar rooftops and energy efficient lighting being preferred.

Hence, GBG is focusing on managing climate change and adapting to the changing operating scenario and customers' expectation. To explore potential measures for consideration, an environmental consultant was engaged to help monitor and control the Company's performance and impact to the environment.

ENVIRONMENTAL PERFORMANCE

[CONT 'D]

A summary of potential risks and opportunities associated with climate change is given below:

Physical Risks	- Changes in weather patterns may result in greater frequency of flash floods with increased severity, more locations may become flood prone and therefore unsuitable for development. Landbanking and development strategies may be impacted - More infrastructure investments may be necessary to deepen waterways for more effectively dispersal of rainwater - Building designs may require flood resistant features, leading to increased design and construction costs - Excessive rain may lead to protracted delays on project works in construction sites, resulting in revenue loss. Wet and slippery conditions may pose a potential hazard - Drought may lead to certain locations being less suitable for development and/ or additional considerations will be necessary for rainwater harvesting and water recycling - Water cuts at project sites may increase in frequency and severity
Transitional Risks	- As GBG looks to evolve its business model towards meeting climate change impacts, significant capex requirements may be required. Productivity can also be disrupted. For example, the use of solar on offices and sales galleries or on project sites may have initial disruptions as the Group transitions to RE - Delays in approvals by authorities for solar installations may also lead to business and operational disruptions
Financial/ Reputational Risks	- Any climate change induced disaster could cause short-term financial impacts but long-term reputational loss - A flash flood may result in that particular area being shunned by buyers - Flash floods are also often linked to overdevelopment, casting a negative light on property players
Opportunities	- Increased stakeholder awareness supports green building designs and concepts - Greater opportunity to introduce more eco-friendly features into the design and construction of homes - Regulatory support for greater use of grey water or recycled water for non-potable consumption - Greater incentives to transition to RE i.e. solar

EMISSIONS

GBG's emissions are essentially from its consumption of electricity and diesel as well as generation of industrial wastes. Industrial wastes take the form of solid waste comprising biomass, excavated material, construction/ domestic wastes and also scheduled waste, covering spent lubricant/ hydraulic oil as well as containers contaminated with chemicals, etc.

Complying with the requirements of the ISO 14001: 2015 standard, the Group has adopted the following measures which have reduced CO2 emissions and noise pollution significantly:

- Using more environmentally friendly diesel such as biodiesel for gensets and machinery
- Reducing use of diesel-powered company vehicles
- Adopting renewable energy alternatives to reduce reliance on electricity from the national grid
- Implementing compact sub-stations from permanent power supply for site operations and site offices

The Group's present emissions are within the limits set by the DOE.



Drip plates below pile rig to prevent ground pollution at E'Island Lake Haven

ENVIRONMENTAL PERFORMANCE

[CONT 'D]

In addition to the above measures, environmental monitoring is conducted to monitor the ambient air quality to ensure compliance with the Environmental Quality (Clean Air) Regulations 2014.

Dust pollution is considered another significant pollution due to the high level of dust (construction dust), which may be harmful to health. Hence, appropriate EIA-approved Dust Control measures are implemented at project sites.

AIR POLLUTION MEASURES UNDERTAKEN AT GBG'S PROJECT SITES

In order to control the emission and the impact to the environment, air monitoring is conducted weekly to ensure compliance with the Pollution Prevention and Mitigation Measures (PMP2).

Apart from this, Compliance Monitoring and Impact Monitoring for Air Quality is carried out monthly, measuring the Total Suspended Particulate (TSP), CO and NO₂, to ensure compliance with the Malaysian Ambient Air Quality.

An Environmental Monitoring Report (EMR) on ambient air quality for TSP will be submitted to the Department of Environment Malaysia (DOE). For good measure, a Performance Monitoring Report (PMR) will also be submitted to the Environmental Performance Monitoring Committee (EPMC).

WASTE MANAGEMENT

Waste management is necessary as waste products produce carbon emissions, which, if not well managed, can pollute water systems, dirty the environment and become an eyesore.

GBG's Scheduled Waste Management ("SWM") approach has proven effective in waste management. It features a start-to-end, systematic process of storing and disposing as well as recycling of waste, where possible. This approach encourages efficient resource use by preventing and reducing waste production as well as documents proper protocols for handling of chemical and hazardous wastes.

Adequate disposal bins at project sites provide temporary collection points for contractors who are licensed and registered by local authorities, to manage collection and proper disposal.

GBG estimates for every activity carried out onsite, there will be a waste generated of about 5-10% of the total amount. Such waste is then carefully collected gathered, recorded and sent to a recycle centre.



Proper basement for leakage control at diesel storage at E'Island Lake Haven

In FYE 2021, total construction waste for Pusat Pentadbiran Sultan Ahmad Shah stood at 341.84 tonnes, of which 0.79 tonnes was recycled. Waste data for the remaining projects are not tracked by weight (tonnage) but in monetary terms (Ringgit Malaysia). On this note, the SUKE project generated waste worth RM116, 895, which was recycled.

The Company continues to partner the Solid Waste Management and Public Cleansing Corporation (SWCorp), an agency under the Ministry of Housing and Local Government (Malaysia) on a campaign for waste management.

To reinforce waste management, each project site will be guided by an Environmental Management Plan (EMP), stipulating how each type of waste is managed. This is in compliance with the Environmental Quality Act 1974, Environmental Quality (Scheduled Wastes) Regulations 2005, Guidelines for Packaging, Labelling and Storage of Scheduled Wastes in Malaysia (DOE) and the EIA Approval Conditions.

GBG is currently incorporating two principles for waste management, which are Protection of the Environment and Human Health and Waste Management Best Practice. To provide expert guidance on materials management for site needs, the Company has also engaged a third-party consultant.

In addition to this is the briefings and activities held annually to educate employees and workers on the importance of recycling and responsible waste disposal.

GBG stands guided by the ISO 14001:2015 and has set as its KPI to reduce waste and minimise the consumption of the resources. GBG is strongly committed to continuous improvement of the waste management environment policy.

ENVIRONMENTAL PERFORMANCE

[CONT 'D]



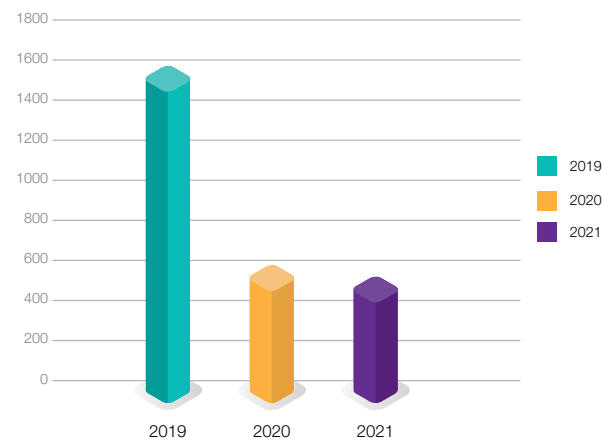
Waste bins for recycling were placed at project sites



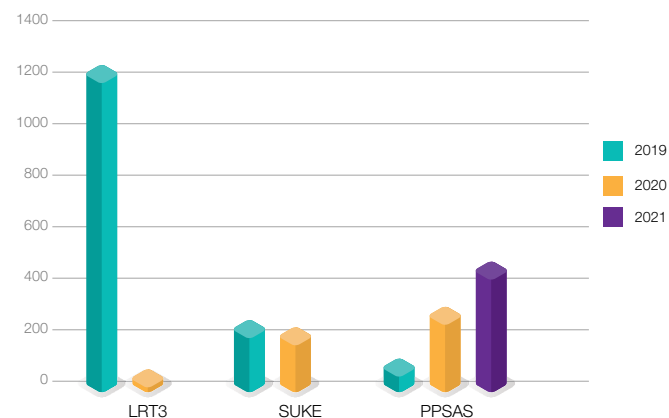
Waste and recycling bin at PPSAS

In linking to international assurance standards, GBG conforms with tenets contained in the Basel Convention, an international treaty to manage transboundary movement of hazardous wastes, particularly from the developed to less developed countries.

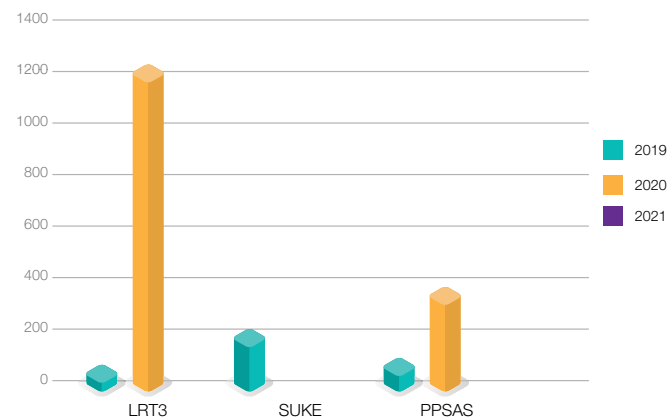
Yearly Waste Generation



Waste Generated by Projects



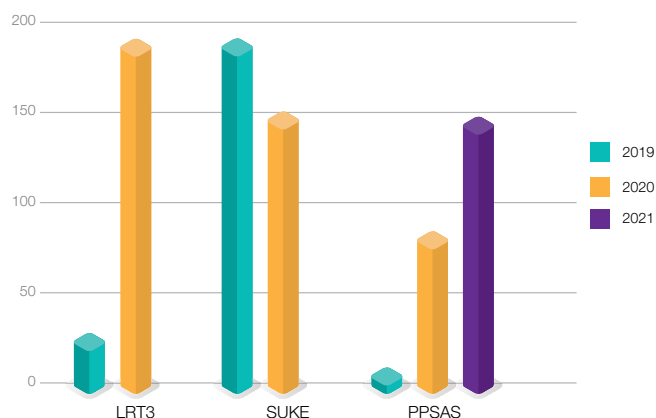
Total Quantity of Waste Produced by Projects



ENVIRONMENTAL PERFORMANCE

[CONT 'D]

Non-Recycled Waste Generation (Tonnes) at various project sites



ENERGY CONSUMPTION & MANAGEMENT

Energy consumption is directly linked to carbon emissions and hence, climate change. Other impacts of energy consumption include excess heat generated, operating costs and increased water consumption (for cooling of machinery).

GBG's construction and property development are energy intensive industries, using electricity sourced from the national grid together with diesel, to power its construction machinery and equipment. Petrol is also consumed by the Group's fleet of 12 Energy Efficient Vehicles (EEV), with 3 charging stations around the office building.

GBG's primary goal to manage energy consumption across its business operations is a two-prong approach. Firstly, to reduce energy consumption at all operational sites and the head office, and secondly, to cultivate a 'energy conservation culture' amongst its staff.

In moving toward the ISO 14001:2015 standard, the company is cognisant that this will not only ensure the company meets its legal obligation but it will attract new business opportunity and gain client's trust.

Table below shows electricity consumed over three years at GBG's work sites:

Project Sites	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)
LRT3	185,209	140,173	84,324
SUKE CA3	9,151	22,875	56,077
PPAS	115,880	65,660	102,574
OFFICE	215,554	177,144	182,739
THE PEAK	228,813	95,186	60,388
E'ISLAND	-	1,227	35,078
TERINGIN	-	-	57
TOTAL	754,607	502,265	521,237

BIODIVERSITY

Despite biodiversity not being directly material to the Group, GBG endeavours to play its part as a conscientious corporate citizen to address biodiversity. Biodiversity preservation goes beyond merely trying to conserve flora and fauna due to its vitality for food security, tourism, safeguarding traditional way of life and livelihood and maintaining healthy eco-systems. GBG is cognisant that the impact to biodiversity could lead to disruptions in the supply chain of food, leading to significant complications on society.

Hence, GBG, as a sustainable business entity, seeks to identify opportunities to contribute to conserve and preserve biodiversity in the locations in which it operates. This includes planting of trees, plants and also as much as possible retaining the existing terrain such as undulating hills and transplanting mature trees.

To the best of the Group's knowledge, as at 31 December 2021, GBG does not operate in or adjacent to sites that deemed to be of high biodiversity value. Nonetheless, GBG will continue to monitor all sites for potential biodiversity value. This includes unique habitats as well as flora and fauna, especially any fauna which is on the IUCN Red List.

ENVIRONMENTAL PERFORMANCE

[CONT 'D]

RENEWABLE ENERGY (SOLAR) INITIATIVE

At the corporate level, GBG has been exploring the use of renewable energy ("RE") to power its buildings and offices.

At GBG's E'Island Lake Haven project, plans are in the works for the design and installation of solar photovoltaic panels to generate electricity. The project is to partially meet some of the energy requirements of E'Island Lake Haven. The proposed installation will see PV panels installed on the rooftop of the podium, car park and the respective corridors and lift lobbies of each block.

Moving forward, GBG is exploring the means to enable its buyers to also become more energy efficient and to use renewable energy.

WATER CONSUMPTION

GBG acknowledges that water is a shared and finite resource and access to clean water is a basic human right. Recent disruptions to water supply in various parts in Malaysia serve as reminders on how precious water resources are. Such disruptions can cause significant commercial loss and also affect the quality of life for thousands, if not millions, of people across the Klang Valley.

Table showing GBG's water consumption billing over the last three years:

	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)
HQ	8,689	7,289	10,278
LRT3	7,658	13,276	12,650
PPSAS	107,982	93,924	66,987
THE PEAK	75,617	63,533	32,186
SUKE CA3	8,291	19,506	53,730
E'ISLAND	-	498	15,955
TERINGIN	-	-	119
TOTAL	208,237	198,027	191,906

Hence, GBG is committed to ensure that its consumption of water should not impact water sources or water bodies. This includes not polluting water bodies such as drains and rivers by ensuring all effluents are within the permissible levels set by the DOE.

On the whole, GBG continues to see a reduction in water consumed by its operations. However, it must be noted that the decrease in consumption is not entirely due to water usage efficiency. It could also be attributable to various factors such as the various lockdowns in FYE 2021 which led to work disruptions at projects sites.

The Group continues to strive towards reducing usage of water and if future, may consider the usage of reclaimed water for non-potable use. Rainwater harvesting will be also further tapped at all work sites.

Increasing efforts are being made to recycle water at project sites for non-potable application. Ongoing initiatives to promote water efficiency includes efforts to reinforce the message of efficient water use among employees.

ENVIRONMENTAL PERFORMANCE

[CONT 'D]

ENVIRONMENTAL POLLUTION MONITORING

GBG has an overarching commitment to monitor environmental pollution and control for air, water and noise pollution. This is in addition possible land/ soil degradation arising from its construction and property development activities.

GBG's approach to projects is to conduct environmental and social impact assessments or related due diligence assessments, prior to commencement of works.

Listed below are some initiatives undertaken to manage possible environmental pollution:

AREA	ACTION PLAN
Water Pollution	• Implementing the Environment Management Plan (EMP) and Erosion and Sedimentation Control Plan (ESCP) • Surface wastewater control; control of the perimeter drainage shall be provided at the project site before any earthworks are carried out. In addition, any surface runoff emission from the project site of groundwork is not allowed to be discharged directly into any watercourse unless it has undergone sedimentation or flushed into the sediment pond first • Any domestic sewage from the site offices or workers' accommodation quarters shall comply with Standard {A/ B}, Second Schedule, Environmental Quality (Sewage) Regulations 2009 before being released to any watercourse • Protect water habitat and minimise biodiversity loss • Prevention of subsequent pollution into water catchment areas
Noise Pollution	• Actions taken in controlling noise risks and exposure should include consideration of the choice of appropriate work equipment that emits the least possible noise. Equipment used at our work site come with various models which are designed to control excessive noise exposure • Ensuring site working hours comply with local council requirements to minimise disturbance to surrounding residents • Minimise health hazards (for example occasional headache, stress and anxiety, etc) due to long term exposure to noise pollution
Ground and Soil Pollution	• Machinery is frequently checked for oil leaks to prevent soil and water pollution • Leaks from machinery will be timely repaired, or replaced, if needed • Drip plates are placed below machinery to minimise spills and ground contamination • A proper bund wall with concrete cement is provided for diesel skid tank
Erosion Sedimentation Control	• Erecting a temporary earth drain to prevent water and silt seeping into the building basement • Periodic cleaning of drainage system • Use of silt trap during construction • Covering slopes with plastic sheets during construction • Adopt green concept on permanent retention walls • Avoid contamination to surrounding water courses • Prevent slope erosion to avoid mishaps and rectification works

ENVIRONMENTAL PERFORMANCE

[CONT 'D]

PROJECT	POLLUTION CATEGORY	MONITORING
LRT3	Air	GBG has achieved excellent performance with monitored air quality at all four worksites registering levels far below the permissible DOE levels. Air quality is measured using the typical benchmark indicators of Total Suspended Particles (TSP), Nitrogen Dioxide (NO ₂), Carbon Monoxide (CO).
	Water	In some instances, water quality had exceeded the permissible DOE level for NH ₃ -N, DO and TSS. Remedial action was taken to improve water quality in terms of the aforementioned parameters. Water quality for pH levels, heavy metals and minerals, turbidity, total suspended solids, chemical and biological oxygen demand were within the permissible levels.
	Noise	Noise levels have generally been within the permissible levels, though levels at night have at times exceeded the DOE limits. The Group has taken stock of this and is strengthening compliance by monitoring night-time construction work.
SUKE	Air	Air quality levels were below the set DOE limits for all necessary parameters. This included TSP, Nitrogen Oxide (NO ₂), Carbon Monoxide (CO).
	Water	Water monitoring showed that pollution levels, though having exceeded baseline figures, were still below the permissible threshold set by DOE. The SUKE project shares the drainage system with the surrounding neighbourhood, Alam Damai. Thus, pollutants in water (and the levels recorded) do not just arise from the SUKE project alone.
	Noise	Noise levels are closely tracked at all SUKE work sites. For the most part, noise levels have been kept to below the permissible levels set by the DOE for both day and night. On several occasions however, noise levels had slightly exceeded permissible levels. Measures have been taken to ensure increase compliance going forward. This included educating our project teams and workers to strictly adhere to work rules i.e. only undertaking permitted construction works for night-time and other rules and regulations.
PPSAS	Air	At the PPSAS project, air quality as measured against the DOE's Malaysian Ambient Air Quality Standards 2013 (Std 2020) was within compliance levels for TSP, Nitrogen Oxide (NO ₂), Carbon Monoxide (CO) across FYE 2021. Assessments were conducted on a quarterly basis.
	Water	Water quality at PPSAS has generally been within permissible levels. However, on several occasions during quarterly monitoring, it was found that water quality has exceeded permissible levels for BOD, turbidity and ammoniacal nitrogen. Factors contributing to this could be rainy weather or other commercial and industrial activities that were unrelated to GBG's project site works.
	Noise	The average day-time noise level at site N1, measured at 51.1 dB(A) had slightly exceeded DOE's permissible levels of 50dB(A). N2 was within the permissible levels. For night-time measurement, both worksites had exceeded the DOE stipulated limits of 40 dB(A). No construction activities were hence carried out during night-time. Based on the observations made during the monitoring exercise, the main sources of the noise were from the movement of construction vehicles near N1 while at N2, it was due to the movement of resident's vehicles and heavy vehicle (lorries).

ENVIRONMENTAL PERFORMANCE

[CONT 'D]

GREENTECH ADOPTION

GBG firmly believes that green technology would be the next big thing to come, given the direction of the world towards environmental sustainability.

With this in mind, GBG is strengthening its adoption of green technology (Greentech), keeping its focus on both its environmental footprint as well as business advantage, as seen in its initiatives adopted below:

- Rain Water Harvesting system
- Photovoltaic ("PV") solar systems
- Home Automation system, Security Access system via Bluetooth
- Retaining wall system covered by greenery
- Recyclable aluminium formworks instead of conventional plywood/ timber for concrete casting work
- IBS systems
- Construction and completion of SMK Bandar Sri Bukit Jalil 7
- Design and build at SUKE, PPSAS and LRT3



An EV Charging Station located at GBG HQ

Supporting the Local Community

As part of GBG's good corporate citizenship, the Company steadfastly continues to support the local community it operates in. GBG's numerous outreach programmes over the years have served to ingrain itself into the very fabric of its local community, assisting underprivileged individuals or communities where possible with financial or non-financial assistance.

Despite the challenges amidst the ongoing pandemic, GBG has managed to organise various corporate social responsibility ("CSR") initiatives, adhering to the Ministry of Health Malaysia's (MOH Malaysia) strict guidelines on standard operating procedures (SOPs).

Some of the CSR activities organised are listed below:

Date	Community Initiatives	Donation (RM)
12 November 2021	Pusat Jagaan dan Rawatan Orang Tua Al Ikhlas	3,000
	Pusat Jagaan Kanak-Kanak Down Syndrome dan Hyper Active	3,000
	Pusat Jagaan Cahaya Kasih Best	3,000
	Pusat Jagaan Kasih Harapan	3,000
24 December 2021	Donation for Flood Victim (purchase of essential items)	23,261
(Monthly contribution)	The National Autism Society of Malaysia (total for financial year)	72,000
	TOTAL	107,261

ENVIRONMENTAL PERFORMANCE

[CONT 'D]

Such initiatives have further reinforced the strong community spirit within GBG's employees. This was aptly displayed during the floods in December 2021 affecting areas within the Klang Valley and various other states. Employees banded together to provide relief to flood victims by assisting in clean-up operations and donating essential items.

Through GBG's Relief Fund, the Company continues to reach out to the poor and needy and provide financial aid to alleviate their plight. Through such charitable initiatives, GBG strives to make a meaningful difference in the lives of those affected, to lighten their burden and to bring a smile to their faces.



Collaboration with Istana Negara for assistance to Flood Victims



Assistance to Pusat Jagaan Cahaya Kasih Bestari



Contribution to Pusat Jagaan Kanak-kanak Down Syndrome dan HyperActive



Support to Pusat Jagaan Kasih Harapan

WORKPLACE

"In today's business environment, there is no question that the human asset is the key intangible asset for any organisation. In this dynamic and continuously changing business world, it is the human assets and not the fixed or tangible assets that differentiates an organisation from its competitors. The current knowledge economy distinguishes one organisation from another by the most important and powerful factor - its workforce.

GBG is firm advocator of this fact and I am deeply proud of our capable and talented workforce. In such a competitive world, it is our professionalism, skill and dedication which would enable us to achieve our business objectives and desired goals.

Despite the challenges posed by the COVID-19, our workforce has displayed resilience and determination to progress onwards throughout FYE 2021. In turn, we have successfully managed their wellbeing and job security, keeping all positions intact amidst salary cuts and staff cuts, as experienced within the local economy.

With this family-oriented culture at GBG, we look to steering around any future business hurdles and chart a pathway toward stronger business growth."

Dato' Sri Azizan Jaafar
Group Chief Executive Officer



WORKPLACE

[CONT 'D]

TALENT MANAGEMENT

A highly trained, professional workforce equipped with the competencies and knowledge to execute their jobs well is a pre-requisite for optimum productivity and sustained value creation.

This is the guiding standard for GBG's 325-strong workforce, with their strong collective skills, capabilities and experience. GBG continues to prioritise human resources management and development as vital to supporting excellent business performance and continued business growth.

The Group's approach to talent management is centred on hiring, retaining and developing talents to ensuring all staff can function at their fullest professional capabilities. GBG ensures compliance with the Malaysian Employment Act 1995 and other relevant labour laws of the country. At a higher level, the Group subscribes to the International Labour Organisation ("ILO"), the Universal Declaration of Human Rights and also the UN Global Compact 10 Principles as follows:

1. Support and respect the protection of internationally proclaimed human rights
2. Make sure that they are not complicit in human rights abuses
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Elimination of all forms of forced and compulsory labour
5. Effective abolition of child labour
6. Elimination of discrimination in respect of employment and occupation
7. Support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies
10. Work against corruption in all its forms, including extortion and bribery

In FYE 2021, GBG continues to uphold its track record for zero reported incidents of infringements of the rights of any persons, adult or child, nor any incidence of forced or compulsory labour.

EMPLOYEE REMUNERATION AND BENEFITS

GBG's competitive remuneration to its employees contributes towards attracting and retaining its talent Group wide. Remuneration provided comprises both financial and non-financial compensation, which includes salaries and benefits benchmarked against present market standards.

The Group subscribes to the belief of equal work for equal pay, without discrimination of gender, ethnicity, marital status or other socio-demographic factors.

Remuneration is determined based on the employee's overall job performance, measured by way of key performance indicator ("KPI"), contribution for the financial year and other relevant criteria. Performance bonuses and annual increments are also provided as a means to incentivise employees towards driving high performance. Annually, compensation packages are determined based on the employee's performance as assessed during their appraisal review.

Review of compensation is essentially based on employee job performance appraisals, to which 100% of employees receive appraisals on an annual basis. All employees earn wages exceeding or complying with the Malaysian government's minimum wage policy.



WORKPLACE

[CONT 'D]

A summary of benefits accorded to GBG's employees is as below:



LEAVE

- Annual
- Sick
- Hospitalisation
- Compassionate
- Study and examination
- Maternity
- Paternity
- Marriage



MEDICAL

- Group hospitalisation and surgical insurance
- Group personal accident insurance
- Outpatient medical treatment for staff, children and spouse
- Health screening
- Dental benefit
- Prolonged Medical (critical illness)



OTHER BENEFITS

- Petrol fleet card
- Mobile phone allowance
- Attendance allowance
- Staff property purchase discount
- Long service award recognition
- Overriding incentive for sales and marketing staff

FULL TIME EMPLOYEES FOLLOWING BENEFITS



Statutory sick pay leave without hospitalisation depending on the period of services.

- 14 days for less than two years
- 18 days between two and five years
- 22 days for more than five years



A period of up to 60 days is granted if hospitalisation is necessary



Company / supported / subsidised health medical insurance plan for staff



Free Medical check-up



Insurance benefits



Allowances and reimbursement claims



Overtime payments (where applicable)



Employee's Wedding Benefits



Employee's New Born Benefits



Employee's Bereavement Wreath.

WORKPLACE

[CONT 'D]

YEARLY PARENTAL LEAVE

In acknowledging the role of the parent to the wellbeing of the family unit, GBG provides parental leave for both men and women staff. Male staff are accorded two days and women are given 60 days paid maternity leave with an additional month of unpaid maternity leave.

Approved applications for parental leave

	FYE 2019	FYE 2020	FYE 2021
Paternity Leave	18	13	13
Maternity leave	11	12	14

Return to work rates (%)

Return to Work Post Parental Leave

	FYE 2019		FYE 2020		FYE 2021	
	Male	Female	Male	Female	Male	Female
Return to Work Rates (return to work after parental leave period)	100%	100%	100%	92%	100%	92%
Retention Rates (remain with the organisation for 12 months or more post parental leave)	100%	100%	100%	92%	100%	92%

WORKING HOURS

Working hours at GBG comply with employment laws and industry standards. Any overtime is voluntary and shall not exceed the limitations provided by the law.

TALENT COMPOSITION

WORKFORCE DIVERSITY

The Group is of the view that diversity in professional backgrounds and experiences as well as gender, ethnicity and culture promote a richness of ideas and perspectives which supports innovative thinking and creativity.

In keeping with this viewpoint, GBG is committed to further developing diversity and inclusion at the workplace. This approach also is motivated by UN SDG 5 on Gender Equality and UN SDG 8 on Decent Work and Economic Growth.

The Group prohibits any discrimination in the hiring, rewarding, remunerating of, and promotion and training of employees based on race, gender and religious background or any other socio-cultural and demographic factors. The same applies to compensation and benefits and employee communication.

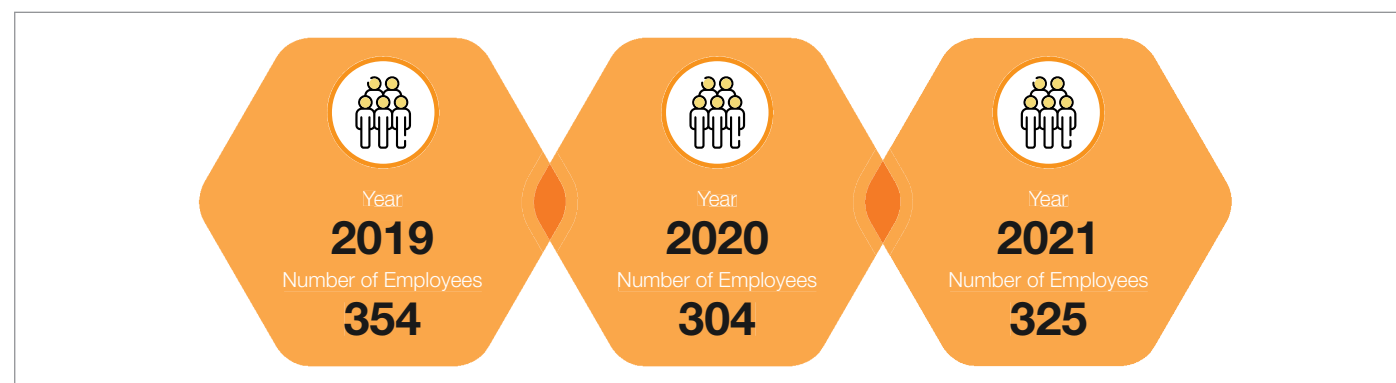
All employees, or candidates for employment are judged purely on merit, qualifications, experience and professional contributions and results achieved.

In pursuing gender equality, the Company is proud to have achieved 38% women composition on the Board in FYE 2021, with at least 50% of women in its workforce over the past 3 years.

Gender equality is a topic under the purview of Senior Management, signalling the Group's strong commitment to progress this agenda forward.

GBG's Workforce breakdown....

By Workforce Growth



Despite the ongoing pandemic and downsizing in the overall business sector, GBG has managed not just to retain its staff but grow its workforce capacity by 16%.

By Gender

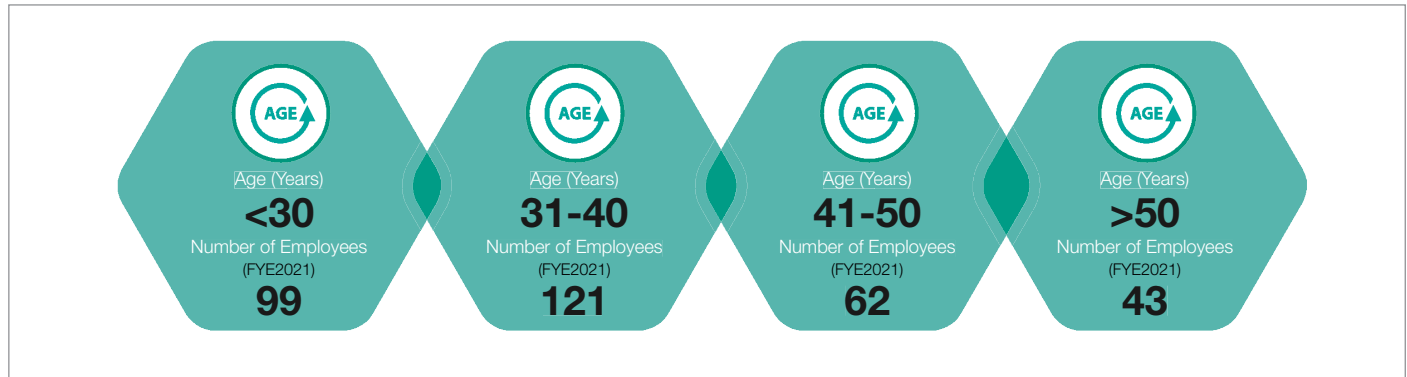
Level	Gender	FYE 2019 (%)	FYE 2020 (%)	FYE 2021 (%)
Board of Directors	Male	86	71	63
	Female	14	29	38
Middle Management	Male	65	67	73
	Female	35	33	27
Executive	Male	51	49	56
	Female	49	51	44
Operational	Male	77	72	79
	Female	23	28	21

TALENT COMPOSITION

[CONT 'D]

Despite having 27% women at mid-level management, GBG records an impressive 44% women at executive level with 38% women representation at Board level, the highest in the past three years.

By Age Group



The Group has a relatively young work force with 30.5% of its employees below the age of 30 years old.

By Ethnicity

Ethnicity	Employees (%)		
	FYE 2019	FYE 2020	FYE 2021
Malay	43	57	63
Chinese	57	43	38
Indian	0	0	0
Others	0	0	0

The Group firmly believes that a multi-cultural workforce enables a diversity of ideas to come to the fore, which enables more effective decision making and problem solving. With its 100% local and capable workforce, GBG supports with capacity and capability building for their personal development.

LONG SERVICE AWARDS

Nurturing a family-oriented culture within the organisation, GBG recognises and values long-serving staff in the Group. Recognition awards are accorded to employees who reach the 10, 15 and 20-year milestones of employment in the Company.

Such recognition serves to heighten employee morale and contributes to a more conducive organisational culture. It also supports employee retention rates, which contributes to the retention of job skills and knowledge.

TALENT COMPOSITION

[CONT 'D]

In FYE 2021, 7 employees had reached particular service milestones, as listed below:

No	Employee	Department	Years of Service
1	Dato' Sri Azizan bin Jaafar	Management	10
2	Ow Yin Yee	Finance	10
3	Yeo Sook Fong	Pre & Post Contracts	10
4	Shereen See Ying Ying	Development & Projects	10
5	Nur Rukaini binti Ruslan	Finance	10
6	Fauziah binti Md Isa	Sales Administration	10
7	Maslinda binti Ramli Lee	Human Resource	5

TALENT DEVELOPMENT AND TRAINING

Fair and equitable training opportunities are provided to employees throughout all levels of the organisation with the objective to enhance their professional development. This in turn, promotes high-performance and productivity from employees, which supports financial and non-financial value creation. A post-training assessment is conducted via a Training Evaluation Form.

GBG adopts a training approach based on 'training needs' analysis, suitably highlighted in an employee's performance appraisal. Any competency gaps may be addressed by offering training opportunities.

Training KPI	FYE 2019	FYE 2020	FYE 2021
Total training spend per Division/ Business Unit (RM)	13,971 (AQRS) 79,021 (GSSB)	1,118 (AQRS) 15,320 (GSSB)	320 (AQRS) 27,310 (GSSB)
Average training spend per employee (RM)	269	50	84.5
Total number of training hours	216 (AQRS) 680 (GSSB)	24 (AQRS) 856 (GSSB)	8 (AQRS) 152 (GSSB)
Average training hours per employee	2.5	2.9	0.49

*Note: Gabungan Strategik Sdn Bhd (GSSB) is a wholly-owned subsidiary of GBG
AQRS The Building Company Sdn Bhd (AQRS) is a wholly-owned subsidiary of GBG*

TALENT COMPOSITION

[CONT 'D]

Training organised for staff in FYE 2021:

Date (FYE 2021)	Training/ Activity	Facilitator
18-19 March	Ulangkaji Permit C (Paip & Retikulasi) Sistem Bekalan Air	Suruhanjaya Perkhidmatan Air Negara (SPAN)
26 March	Tax Webinar 2021 - Taxation at its Best during Pandemic - Employer's Preparedness	Malaysian Employers Federation (MEF)
30 March	Sustainability Reporting Workshops: Score & Materiality in Sustainability Reporting	Bursa Malaysia
8-10 June	MIA Conference 2021	Malaysian Institute of Accountants (MIA)
5 August	Auditing the ISO 9001:2015 Quality Management System	Sysnovate Solution Sdn Bhd
6-8 October	MAICSA Annual Conference	Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
7-8 August	OSH Management System Online Course	Doshtech Group Sdn Bhd
2 November	QLASSIC Awareness Course	Sysnovate Solution Sdn Bhd
22-23 December	Lifting Supervisor Training	Master Builders Association Malaysia (MBAM)

COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

GBG respects the right of employees to join, support or participate in any legal association, cultural society, professional body or political entity as provided for in the laws of the country. The Company does not discourage or hinder employees from such involvement so long such participation is not against the law.

Employees at GBG do not work in a unionised environment but Management respect employees' rights to bargain collectively. There are no restrictions on their ability to associate with other workers or to bring up matters to the Management as a collective. Workers may choose to voice grouses, concerns or to provide suggestions to Management at any time through a wide range of official or unofficial channels.

Where possible, the Group provides a minimum notice period for significant changes to work conditions that may affect employees.

GRIEVANCE MECHANISM

Employees have full access to an official grievance mechanism, managed by HR, to express dissatisfaction with regards to any company related matter. Management unequivocally supports employees' rights to bring up issues via this official channel for redress or further action.

Employees are neither censured nor discouraged from using this grievance mechanism.

In FYE 2021, there were zero cases of grievance raised through such channels.

OPERATIONS

UPHOLDING COMMITMENT TO OCCUPATIONAL SAFETY AND HEALTH (“OSH”)

OSH is of paramount importance to any company as it is a global standard for occupational safety and health that make a workplace safer and increase the value of the company. OSH is considered to be part of ESG as implementations of safety and health covers all aspects from beginning to the end of all processes in ESG.

GBG steadfastly adheres to the Occupational Safety and Health Management System (OSHMS) procedures, standards and guidelines. The OSHMS is compliant with the Malaysian Occupational Safety and Health Act 1994, Environmental Quality Act 1974, regulation orders and other Codes of Practice.

The Group is guided by its OSH policy in reinforcing the importance of OSH throughout all levels of the organisation as well as framing the management approach towards ensuring compliance with high OSH standards and regulatory requirements.

GBG's OSH Department reports directly to the top management, the Managing Director of the Construction Division, the Executive Director of the Construction Division. This department is led by a Safety Manager from headquarters to oversee safety and health related issues from all sites.

GBG firmly believes that all employees as well as third party workers, contractors and other stakeholders have a right to work in a conducive environment which includes their wellbeing and security. Hence, GBG's remains committed to maintaining the highest standards for occupational safety and health at all its worksites.

As at 31 December 2021, 100% of the Group's operational sites are ISO 45001:2018 certified, with all OSH data being independently verified by a third-party audit consultant.

COMPREHENSIVE OSH POLICY

GBG's OSH Policy is a strong commitment undertaken by all employees to:

- Achieve an average score of 70% on monthly safety and health inspection per year per project
- Ensure 100% attendance of staff for a CIDB Green Card Induction per year per project
- Achieve zero (0) fatalities and zero (0) permanent disabilities per year per project
- Reinforce its commitment to prevent, control, guard and eliminate hazards and reduce occupational, safety and health risks, and
- Assure of its commitment to consultation and participation of employees as well as awareness building among employees and external parties.

The above policy commitments have also been communicated to GBG' suppliers, vendors, contractors and business partners, who need to abide by these tenets at all times.

The Group has an established OSH policy which is available on GBG's server and the One Drive Microsoft provided by GBG. It is a practice of the company to disseminate this policy throughout the office as well as all project sites.

STRONG REPRESENTATION ON OSH COMMITTEES

All GBG worksites have a comprehensive OSH Committee, with sufficient worker representation. This is not just to align with the mandatory requirement but more importantly, to collectively strive to achieve and maintain an incident-free work site.

With such an approach, GBG has achieved 100% worker representation on formal joint management-worker health and safety committees.



OPERATIONS

[CONT 'D]

The table below outlines the composition of GBG's OSH Committees:

Site	Chairman	Secretary	Employer Representatives	Employee Representatives
SUKE	1	1	10	10
PPSAS	1	1	10	27
LRT3	1	1	12	16
THE PEAK	1	1	6	9
OFFICE	1	1	8	8

OSH COMMITTEE STRUCTURE

GBG's HSE Committees are responsible for ensuring safe and secure work environments and the continued realisation of OSH KPIs and targets.

The roles and responsibilities of each committee member is as follows:

HSE Committee Chairman	- Maintain, record and disseminate minutes of each meeting to Committee Members - Report status of recommendations - Actively promote safety and health by communicating with employee
HSE Committee Secretary	- Prepare, conduct and facilitate the meeting - Manage, provide appropriate and timely follow-up action on all items discussed and work toward resolving problems, if it arises - Serve as communication liaison between management and the committee
HSE Committee Representative	- Report unsafe conditions and practices - Attend all safety and health meetings - Assist in the development of safety and health rules and safe system of work - Report and undertake investigation on all accident, near misses and dangerous incidences which occur at workplace - Contribute ideas and suggestions to improve safety and health - Review the safety and health policies at workplace and make recommendation to top management on any revision of policies - Review the effectiveness of safety and health programmes - Conduct or/ and assist in workplace inspection - Influence others to work safely

OPERATIONS

[CONT 'D]

BOARD OVERSIGHT ON SAFETY AND HEALTH

GBG's Board and Management ensures oversight on OSH matters through the earlier mentioned sustainability governance structure.

OSH oversight is managed by the provision of regular reports to the respective Board of Directors for their review, containing health and safety related quantitative data such as the number of loss time incidents ("LTI"), fatalities, injuries, near misses, non-compliance issues and other track safety and health KPIs.

Such reports include qualitative information such as specific incident reports outlining pertinent details of major safety and health incidents such as the root causes of incidents and remedial/ preventive action taken to reduce or eliminate future occurrences.

The Senior Management also conduct site visits and initiate investigations into major OSH incidents. Results are measured and verified by an internal audit committee, followed by external ISO auditors.

MANAGING AREAS OF HIGHER RISK

As part of its due diligence to mitigate risks, GBG has identified the following works as having a higher risk of an OSH incident. Here, the Group practices a Permit-to-Work approach, where all such higher risk works can only be undertaken after having being assessed and approved by the Safety and Health Officer ("SHO").

Such assessment factors include whether sufficient safety equipment is available for the works to be performed safely, weather conditions, the worker(s) physical condition and job experience. It could also be related to the nature of the job, working at height, in a confined space or lifting works, to name a few. Such factors may have a higher incidence or higher risk of injury.

With regard to diseases, the risks also may come from jobs that may expose workers to the COVID-19 virus. Hence, jobs that require employees to come into close contact with people or to work in locations where there are many people may be at higher risks.

ROBUST OSH TRAINING

OSH training is required to ensure a high level of competence and vigilance, to which GBG recorded a total of more than 30 employees trained on OSH in FYE 2021.

GBG also organises safety awareness sessions comprising fire prevention and first aid briefing/ refresher courses. In addition, all site staff must possess at least a CIDB green card, for which they are required to renew every 2 years.

External training sessions organised for employees during FYE 2021:

DATE	TRAINING
29 June 2021	ISO 45001 Awareness with Impact by Mega Mekar
22 - 23 December 2021	Lifting supervisor Training by MBAM

Under its Safe Work Practice, GBG organises the following sessions on an ongoing basis:

1. Safety and Health Induction (*weekly*)
2. Toolbox Meeting (*daily and weekly*)
3. Safe Work Method Statement (*once, for new activity, reviewed on a quarterly basis*)
4. Safe Work Instruction (SWI) (*once, for high and medium risk jobs*)
5. HIRADC Analysis (*once, for new activity, reviewed on a quarterly basis*)
6. Safe Operating Procedure

OSH INCIDENT INVESTIGATION

GBG's policy requires all incidents to be reported to Management and Department of Occupational Safety and Health ("DOSH"). The incident is to be thoroughly investigated and if warranted, the work site would be shutdown, either just the affected area or the entire project site.

The findings of the investigation will enable the identification of the root cause for the incident and provide recommendations on how to prevent or reduce the possibility of re-occurrence.

Such findings would be shared with all project sites and where relevant, incorporated into the existing OSH SOPs.

OSH PERFORMANCE

In FYE 2021, GBG has chartered close to 5 million manhours across its operational worksites.

During this financial period, there were three fatalities and with 69 lost days/ Lost Time Injury (LTI). The cause of the incident was investigated by the Construction Industry Development Board, to which the main contractor and the sub-contractor, who were not GBG employees, were found liable and were subsequently fined. GBG has since heightened awareness on the importance of OSH to relevant personnel at all project sites.

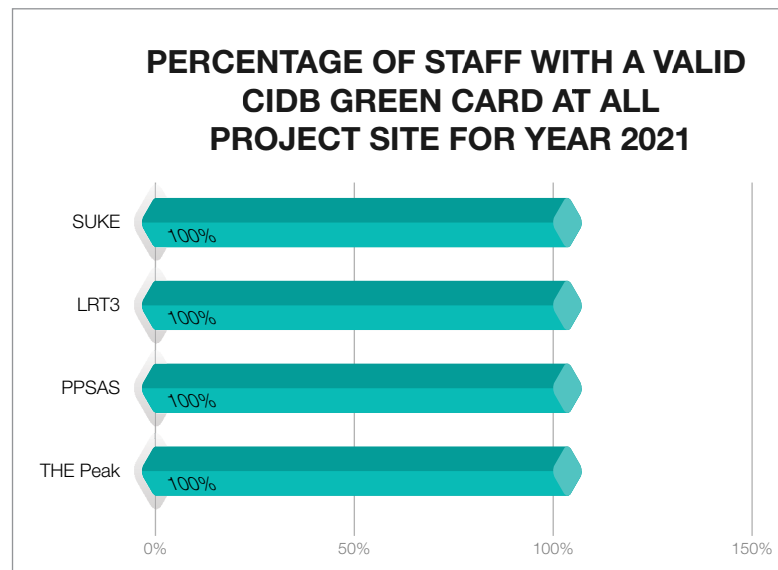
OPERATIONS

[CONT 'D]

A summary of OSH performance over FYE 2021 is as below:

CATEGORY	FYE 2019	FYE 2020	FYE 2021
Total manhours worked	5,829,670	4,503,896	4,962,099
Fatalities	0	0	3
Number of recordable work-related injuries	0	0	1
Total number of lost days / LTI	0	0	69

Following these incidences, the prevention of unsafe act and unsafe condition at our workplace were disseminated to all levels and staffs for implementation and continuous improvement.



The chart shows 100% scores for staff who attended the green card class and earned a valid CIDB membership. Staff at project site shall require a valid CIDB card to enter the site.

All staff are compliance with GBG's OSH requirements and thus achieved the OSH objective for year 2021.

ASSESSMENT OF HAZARDS THROUGH HIRARC

GBG continues to champion safe and secure project worksites. Some of the ongoing measures implemented is training to site staff as well as conducting a site assessment based on the Hazard Identification, Risk Assessment and Risk Control (HIRARC) method.

Such workplace inspection and internal audits are conducted monthly at worksites, endorsed by the SHO, assessing performance against set targets as well as the previous year's level of achievement.

GBG endeavours to provide a safe workplace condition and conducts a thorough investigation of any hazards identified at workplace in order to protect the employees and prevent any near miss or accident.

OSH Compliance

The company works strongly to ensure compliance with standards set by the Department of Environment ("DOE") and other regulatory authorities pertaining to air, water and noise pollution at all its infrastructure project sites.

In FYE 2021, there were no environmental fines and penalties imposed by the authorities.

OPERATIONS

[CONT 'D]

COVID-19 PRECAUTIONARY MEASURES

Given the ongoing COVID-19 virus and its variants, GBG's continues its rigorous efforts to keep stakeholders as safe as possible by minimising the risk of infections at all operating sites, while ensuring continued business operations at optimum capacity. GBG's efforts are in strict compliance with all SOPs as mandated by the government and its regulatory authorities.

With safety and health of employees as its highest priority, GBG organised for its staff and workers to be administered the COVID-19 vaccination by healthcare professionals and thereafter, the booster dose. Workers and staff continue to be screened daily for COVID-19.

To reduce the impact of COVID-19 outbreak on workers, the public and at overall sites, GBG has developed a Safe Work Procedure (SOP) to heightens guidance and protection against COVID-19, as per MOH Malaysia and DOSH guidelines.



COVID-19 prevention measures implemented at the office and at operational sites

OPERATIONS

[CONT'D]



COVID-19 SOP awareness poster strategically placed at the office and operational sites

Various stringent measures were incorporated at the workplace. Regular disinfection was initiated throughout GBG's offices and a work from home system for employees was initiated, on a rotation system where feasible. Daily temperatures scans were enforced, supported by COVID-19 testing for all staff working at sites on a fortnightly basis, as well as random testing. Other initiatives included bi-weekly self-test and declaration; provision of hand sanitisers, masks and gloves for staff was also undertaken.

This was in collaboration with ongoing health and safety awareness messages to staff using online channels, posters, emails and other avenues of communication.

Any employee or worker found to be tested COVID-19 positive was immediately isolated and reported to the medical authorities for subsequent quarantine and where needed, given medical treatment.

In support of the country's national COVID-19 vaccination campaign, GBG actively encouraged its staff to obtain full vaccination together with the booster dose.

The Group's Risk Register and Business Continuity Plan ("BCP") have also been updated to ensure continued operations throughout the pandemic period.

Working in tandem with the Ministry of Health (MOH) Malaysia, the Ministry of Domestic Trade and Consumer Affairs (MDTCA) and other related agencies, the number of COVID-19 positive cases across the Group in FYE 2021 have been low.

The stringent precautionary measures adopted at GBG's project sites have enabled the company to maintain progress on projects to ensure timely completion and progressive revenue recognition.

UN SUSTAINABLE DEVELOPMENT GOALS (SDG) INDEX

E'Island Lake Haven	E'Island Lake Haven undertakes various measures to make sure the lake's water habitation is protected and clean water flows nearby its surrounding projects. Use of technology to improve the cost and time and therefore improve the well-being of the residents	  
Corporate Social Responsibility and GBG's policy	GBG undertakes various CSR programmes during the year to give back to society. GBG has maintained 30% women at work over the last 3 years	 
SUKE highway/ LRT3	Large infrastructure projects have improved the connectivity of the cities and communities	
Construction waste/ Energy saving	Waste management at the construction sites has helped to reduce the impact to the climate action. Overall, carbon emission was reduced by 35% in FYE 2021	     
Local supply chain	Gabungan AQRS Berhad continues to move forward in economic growth and continues to move the supply chain forward with subcon payments and churning out work progress of its projects	 
Pusat Pentadbiran Sultan Ahmad Shah	PPSAS is an iconic infrastructure which references the state's identity which will instill the patriotism to the state government	
Donation	Donations to various non-governmental organisations and families who were severely affected by COVID-19 and the flooding in Pahang and Selangor	 
Anti-Corruption Policy and Anti-Corruption Framework	GBG implemented the ACPF during the year which is effective from 1 June 2020 to comply with the requirement of the Section 17A of the Malaysian Anti-Corruption Commission Act	
Local Procurement	GBG's commitment to local procurement is based on the socio-economic benefits generated i.e. generate employment and business opportunities, enables knowledge growth and skills transfer whilst reducing the environmental footprint and enabling facilities for the people	   
OSH	GBG promotes employees' wellbeing and health by working in partnership with relevant authorities to provide a safe and conducive working environment.	 

GLOBAL REPORTING INDEX CONTENT

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Organizational profile				
	102-1 Name of the organization	Front Cover, Back Cover			
	102-2 Activities, brands, products, and services	6-8	Corporate Profile		
	102-3 Location of headquarters				
	102-4 Location of operations				
	102-5 Ownership and legal form				
	102-6 Markets served				
	102-7 Scale of the organization				
	102-8 Information on employees and other workers	80-87	Workplace		
	102-9 Supply chain	58,69	Governance of Sustainability – Governance of the Supply Chain, Stringent Procurement Policy – Commitment to Local Procurement and Local Supply Chains		
	102-10 Significant changes to the organization and its supply chain				
	102-11 Precautionary Principle or approach	49-50,119-121, 126-127	About this Sustainability Report – ESG approach, Corporate Governance Statement (Principle B: Effective Audit and Risk Management), Statement of Risk Management and Internal Control		
	102-12 External initiatives	4-5, 54, 59-60, 78-79	Milestones, Industry Awards and Market Recognitions, Stakeholder Engagement, Supporting the Local Community		
	102-13 Membership of associations	50	About This Sustainability Report - Membership in Associations		
	Strategy				
	102-14 Statement from senior decision-maker	51	Message from Group CEO		
	102-15 Key impacts, risks, and opportunities	55, 61-64, 94	Our Sustainability Journey, Assessing and Prioritising Material Topics, UN Sustainable Development Goals (SDG) Index		

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	56-57	Governance of Sustainability - Governance Through Ethics and Corporate Integrity		
	102-17 Mechanisms for advice and concerns about ethics	57	Governance of Sustainability - Governance Through Ethics and Corporate Integrity, Whistle-blowing Policy and Reporting Channels		
	Governance				
	102-18 Governance structure	56, 109-121	Governance of Sustainability, Corporate Governance Overview Statement		
	102-19 Delegating authority				
	102-20 Executive-level responsibility for economic, environmental, and social topics				
	102-21 Consulting stakeholders on economic, environmental, and social topics	59-60, 61-64	Stakeholder Engagement, Assessing and Prioritising Material Topics		
	102-22 Composition of the highest governance body and its committees	56, 109-121	Governance of Sustainability, Corporate Governance Overview Statement		
	102-23 Chair of the highest governance body	56-57, 109-121	Governance of Sustainability, Conflict of Interest, Corporate Governance Overview Statement		
	102-24 Nominating and selecting the highest governance body	56-57, 109-121	Governance of Sustainability, Corporate Governance Overview Statement		
	102-25 Conflicts of interest				
	102-26 Role of highest governance body in setting purpose, values, and strategy	56, 109-121	Governance of Sustainability, Corporate Governance Overview Statement		
	102-27 Collective knowledge of highest governance body	56-58, 109-121	Governance of Sustainability, Corporate Governance Overview Statement		
102-28 Evaluating the highest governance body's performance	56-58				

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Governance				
	102-29 Identifying and managing economic, environmental, and social impacts	59-60, 61-64	Stakeholder Engagement, Assessing and Prioritising Material Topics		
	102-30 Effectiveness of risk management processes	119-121	Corporate Governance Overview Statement – Risk Management and Internal Control Framework		
	102-31 Review of economic, environmental, and social topics	61-64, 65-79	Assessing and Prioritising Material Topics, Economic Performance, Environmental Performance, Supporting the Local Community		
	102-32 Highest governance body’s role in sustainability reporting	56-58	Governance of Sustainability		
	102-33 Communicating critical concerns	59-60, 61-64	Stakeholder Engagement, Assessing and Prioritising Material Topics, Economic Performance – Product and Service Quality		
	102-34 Nature and total number of critical concerns	68			
	102-35 Remuneration policies	81-82, 118-119	Workplace – Employee Remuneration and Benefits, Corporate Governance Overview Statement – Remuneration Committee		
	102-36 Process for determining remuneration	81-82, 118-119			
	102-37 Stakeholders involvement in remuneration	81-82, 118-119			
	Stakeholder engagement				
	102-40 List of stakeholder groups	59-60	Stakeholder Engagement		
	102-41 Collective bargaining agreements	81-82	Workplace – Talent Management, Talent Composition – Collective Bargaining and Freedom of Association		
	102-42 Identifying and selecting stakeholders	59-60	Stakeholder Engagement		
	102-43 Approach to stakeholder engagement	59-60			
	102-44 Key topics and concerns raised	59-60			

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	129-229	Financial Statements		
	102-46 Defining report content and topic Boundaries	49, 61-64	About This Sustainability Report – Scope and Boundary, Assessing and Prioritising Material Topics		
	102-47 List of material topics	61-64	Assessing and Prioritising Material Topics		
	102-49 Changes in reporting	N/A	No significant changes to reporting for FYE 2021		
	102-50 Reporting period	49	About This Sustainability Report - Reporting Period		
	102-52 Reporting cycle	49	About This Sustainability Report - Reporting Period		
	102-53 Contact point for questions regarding the report	50	About This Sustainability Report – Distribution and Feedback		
	102-54 Claims of reporting in accordance with the GRI Standards	49, 61-64	About this Sustainability Report – Frameworks Applied, Assessing and Prioritising Material Topics		
	102-55 GRI content index	95-108	GRI Content Index		
	102-56 External assurance	50	About This Sustainability Report - Report Quality and Assurance		
Material Topics					
GRI 200 Economic Standard Series					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65-69	Economic Performance		
	103-2 The management approach and its components	65-69			
	103-3 Evaluation of the management approach	65-69			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	65	Economic Performance – Financial Values Created		
	201-2 Financial implications and other risks and opportunities due to climate change	65-66, 70	Economic Performance – Direct Economic Values Created, Value in terms of Economic Impact vs Environmental Footprint, Environmental Performance – Management Approach to Environmental Footprint, Climate Change		

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
	201-3 Defined benefit plan obligations and other retirement plans	81	Workplace - Employee Remuneration and Benefits
	201-4 Financial assistance received from government	N/A	Gabungan AQRS, Berhad did not receive any assistance from the government
Market Presence			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65-69	Economic Performance
	103-2 The management approach and its components	65-69	
	103-3 Evaluation of the management approach	65-69	
	202-2 Proportion of senior management hired from the local community	84-85, 116	Talent Composition – Workforce Diversity, Corporate Governance Overview Statement – Board Diversity
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65-66	Economic Performance – Direct Economic Values Created, Value in terms of Economic Impact vs Environmental Footprint,
	103-2 The management approach and its components	65-66	
	103-3 Evaluation of the management approach	65-66	
	203-2 Significant indirect economic impacts	65-66	
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65-66	Economic Performance – Direct Economic Values Created, Value in terms of Economic Impact vs Environmental Footprint,
	103-2 The management approach and its components	65-66	
	103-3 Evaluation of the management approach	65-66	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	65-66	

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 200 Economic Standard Series					
Anti-corruption					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56-58	Governance of Sustainability – Anti-Corruption Policy and Framework, Anti-Corruption Training and Group-wide Communication, Anti-Corruption Assessment, No-Gift Policy, Whistle-blowing Policy and Reporting Channels, Conflict of Interest, Upholding Data Privacy, Governance of the Supply Chain		
	103-2 The management approach and its components	56-58			
	103-3 Evaluation of the management approach	56-58			
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	56	Governance of Sustainability – Anti-Corruption Policy and Framework		
	205-2 Communication and training about anticorruption policies and procedures	56-57	Governance of Sustainability - Anti-Corruption Training and Group-wide Communication		
	205-3 Confirmed incidents of corruption and actions taken	57	Governance of Sustainability - Whistle-blowing Policy and Reporting Channels		
GRI 300 Environmental Standards Series					
Materials					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	72-74	Environmental Performance – Waste Management		
	103-2 The management approach and its components	72-74			
	103-3 Evaluation of the management approach	72-74			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	72-74			
	301-2 Recycled input materials used	72-74			
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74-77	Environmental Performance – Energy Consumption and Management, Environmental Pollution Monitoring		
	103-2 The management approach and its components	74-77			
	103-3 Evaluation of the management approach	74-77			

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 300 Environmental Standards Series					
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	74-77	Environmental Performance – Energy Consumption and Management, Environmental Pollution Monitoring		
	302-2 Energy consumption outside of the organisation	74-77			
	302-3 Energy intensity	66	Environmental Performance - Value in Terms of Economic Impact vs Environmental Footprint		
Water and Effluents					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	75-77	Environmental Performance – Water Consumption, Environmental Pollution Monitoring		
	103-2 The management approach and its components	75-77			
	103-3 Evaluation of the management approach	75-77			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	75-77			
	303-2 Management of water discharge-related impacts	75-77			
	303-4 Water discharge	75-77			
	303-5 Water consumption	75-77			
Biodiversity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	49-50,74	About this Sustainability Report, Environmental Performance – Biodiversity		
	103-2 The management approach and its components	49-50,74			
	103-3 Evaluation of the management approach	49-50,74			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	49-50,74			

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 300 Environmental Standards Series					
Biodiversity					
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	49-50, 74	About this Sustainability Report, Environmental Performance – Biodiversity		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	49-50, 74			
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	71-72	Environmental Performance - Emissions		
	103-2 The management approach and its components	71-72			
	103-3 Evaluation of the management approach	71-72			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66, 71-72	Economic Performance - Value in Terms of Economic Impact vs Environmental Footprint, Environmental Performance - Emissions		
	305-2 Energy indirect (Scope 2) GHG emissions	66, 71-72			
	305-4 GHG emissions intensity	66	Economic Performance - Value in Terms of Economic Impact vs Environmental Footprint		
Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	72-74	Environmental Performance - Waste Management		
	103-2 The management approach and its components	72-74			
	103-3 Evaluation of the management approach	72-74			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	72-74			
	306-2 Management of significant waste-related impacts	72-74			

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 300 Environmental Standards Series					
Waste					
GRI 306: Waste 2020	306-3 Waste generated	72-74	Environmental Performance - Waste Management		
	306-4 Waste diverted from disposal	72-74			
	306-5 Waste directed to disposal	72-74			
Environmental Compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	70, 76-77	Environmental Performance – Management Approach to Environmental Footprint, Environmental Performance – Environmental Pollution Monitoring		
	103-2 The management approach and its components	70, 76-77			
	103-3 Evaluation of the management approach	70, 76-77			
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	70, 76-77			
Supplier Environmental Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58	Governance of Sustainability – Governance of the Supply Chain		
	103-2 The management approach and its components	58			
	103-3 Evaluation of the management approach	58			
GRI 400 Social Standards Series					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80-83	Workplace		
	103-2 The management approach and its components	80-83			
	103-3 Evaluation of the management approach	80-83			

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 300 Environmental Standards Series					
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84-85	Talent Composition – Workforce Growth		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	81-83	Workplace – Employee Remuneration and Benefits		
	401-3 Parental leave	83			
Labor/Management Relations					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	81, 87	Workplace - Talent Management, Talent Composition – Collective Bargaining and Freedom of Association		
	103-2 The management approach and its components	81, 87			
	103-3 Evaluation of the management approach	81, 87			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	87	Talent Composition – Collective Bargaining and Freedom of Association		
GRI 403: Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	88	Operations – Upholding Commitment to OSH, Comprehensive OSH Policy		
	103-2 The management approach and its components	88			
	103-3 Evaluation of the management approach	88			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	88	Operations – Upholding Commitment to OSH, Comprehensive OSH Policy		
	403-2 Hazard identification, risk assessment, and incident investigation	90, 91	Operations – Managing Areas of Higher Risks, Assessment of Hazards through HIRARC		

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission					
			Part Omitted	Reason	Explanation			
Material Topics								
GRI 400 Social Standards Series								
GRI 403: Occupational Health and Safety								
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health services	88	Operations – Comprehensive OSH Policy					
	403-5 Worker training on occupational health and safety	90	Operations – Robust OSH Training					
	403-6 Promotion of worker health	92-93	Operations - COVID-19 Precautionary Measures					
	403-8 Workers covered by an occupational health and safety management system	88-91	Operations – Upholding Commitment to OSH, Comprehensive OSH Policy, Robust OSH Training					
	403-9 Work-related injuries	90-91	Operations – OSH Performance					
	403-10 Work-related ill health	90-91	Operations – OSH Performance					
Training and Education								
GRI 103: Management Approach 2016	103-1 Explanation of thematerial topic and its Boundary	86-87	Talent Composition – Talent Development and Training					
	103-2 The management approach and its components	86-87						
	103-3 Evaluation of the management approach	86-87						
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	86-87						
	404-2 Programs for upgrading employee skills and transition assistance programs	86-87						
	404-3 Percentage of employees receiving regular performance and	53, 81-83				Sustainability Highlights - Employee Appraisals, Workplace - Employees Remuneration and Benefits		

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 400 Social Standards Series					
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	84-85	Talent Composition – Workforce Diversity		
	103-2 The management approach and its components	84-85			
	103-3 Evaluation of the management approach	84-85			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	84-85, 115-116	Talent Composition – Workforce Diversity, Corporate Governance Overview Statement - Board Diversity and Independence		
Non-discrimination					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	81-85	Workplace – Talent Management, Employee Remuneration and Benefits, Talent Composition, Workforce Diversity		
	103-2 The management approach and its components	81-85			
	103-3 Evaluation of the management approach	81-85			
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	87	Talent Composition – Collective Bargaining and Freedom of Association		
	103-2 The management approach and its components	87			
	103-3 Evaluation of the management approach	87			
Child Labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	81	Workplace - Talent Management		
	103-2 The management approach and its components	81			
	103-3 Evaluation of the management approach	81			

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 400 Social Standards Series					
Forced or Compulsory Labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58, 81	Governance of Sustainability – Governance of the Supply Chain, Workplace – Talent Management		
	103-2 The management approach and its components	58, 81			
	103-3 Evaluation of the management approach	58, 81			
Human Rights Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	81	Workplace – Talent Management		
	103-2 The management approach and its components	81			
	103-3 Evaluation of the management approach	81			
Local Communities					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	59-60, 61-64	Stakeholder Engagement, Assessing and Prioritising Material Topics, Supporting the Local Community		
	103-2 The management approach and its components	59-60, 61-64			
	103-3 Evaluation of the management approach	59-60, 61-64			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	78-79			

GLOBAL REPORTING INDEX CONTENT

[CONT 'D]

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 400 Social Standards Series					
Supplier Social Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	56, 58, 69, 88	Governance of Sustainability – CoCE, ACPF, Governance of the Supply Chain, Economic Performance - Commitment to Fair Competition, Operations – Comprehensive OSH Policy		
	103-2 The management approach and its components	56, 58, 69, 88			
	103-3 Evaluation of the management approach	56, 58, 69, 88			
Public Policy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	87	Talent Composition – Collective Bargaining and Freedom of Association		
	103-2 The management approach and its components	87			
	103-3 Evaluation of the management approach	87			
Customer Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	68	Economic Performance – Product and Service Quality, Customer Satisfaction Survey		
	103-2 The management approach and its components	68			
	103-3 Evaluation of the management approach	68			
Customer Privacy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	57, 68	Governance of Sustainability – Upholding Data Privacy, Economic Performance – Product and Service Quality,		
	103-2 The management approach and its components	57, 68			
	103-3 Evaluation of the management approach	57, 68			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	57, 68			

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of Gabungan AQRs Berhad (the “Company”) recognises the importance of good corporate governance practices within the Company and its subsidiary companies (“Group”) as a fundamental part of discharging its responsibilities to safeguard shareholders’ investments and to protect the interests of all stakeholders.

The Board is aspired and committed to ensure that the applicable principles and recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements (“MLLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) respectively are applied throughout the Group so as to enhance the value to our shareholders and other stakeholders as well as to generate long term sustainability and growth.

The Board is pleased to present the Corporate Governance Overview Statement (“**CG Statement**”), which provides key highlights on how the Company complies with the three (3) principles of the MCCG during the financial year ended 31 December 2021 (“**FYE 2021**”), which are as follows:-

- Principle A : Board Leadership and Effectiveness;
- Principle B : Effective Audit and Risk Management; and
- Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CG Statement is prepared in compliance with the MMLR of Bursa Securities and it is to be read together with the Company’s Corporate Governance Report for FYE 2021 (“**CG Report 2021**”) which is available on the website of Bursa Securities together with Company’s Annual Report 2021 and is also posted on the Company’s website at <https://www.gbg.com.my/>.

The CG Report 2021 provides details on how the Company has applied each Practice as set out in the MCCG throughout FYE 2021 save for the exceptions which are fully described in the CG Report 2021.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD’S RESPONSIBILITIES

The Board is entrusted for the oversight of overall management of the business affairs of the Group. The Board is responsible for determining all major policies, reviewing the system of internal control, ensuring that effective strategies and management are in place, for assessing the performance of the Group and its Management team. The respective roles and responsibilities of the Board and Management are clearly set out and understood to ensure accountability and ownership by both parties.

In line with its overall responsibility for the proper conduct of the Group’s business, the Board is also responsible for establishing the Group’s business goals and strategic directions, setting operating goals and performance targets for Management and monitoring the achievement of those operating goals and performance targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

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

I. BOARD'S RESPONSIBILITIES (CONT'D)

Key Focus Areas during FYE 2021

During FYE 2021, in addition to routine matters, the following are the key focus areas enhancing corporate governance practices:-

- The Company had leveraged the technology to facilitate Annual General Meeting of the Company by having it fully virtual with the shareholders of the Company.
- Enhancement of the digital platform to engage with prospective customers and stakeholders and to expedite sales conversion.
- The Company has implemented work from home and vaccination programme for all employees in the Group whom unable to register themselves for National Immunisation Programme.
- The gap analysis on the revised MCCG issued by the Securities Commission Malaysia on 28 April 2021 ("MCCG 2021").
- In continuous effort to improve the quality of the internal audit function, the Board had reviewed and established a plan in setting up an in-house internal audit function.
- The Board and Management initiated anti-corruption awareness journey involving education and commitment from all levels, including employees, suppliers, subcontractors, and business partners. In addition, the monitoring of corruption risk has been tasked by the Risk Management Committee with the oversight responsibility.
- Periodically reviewed the relevant terms of references and policies including anti-corruption pursuant to the MCCG 2021.

Future Priorities

Looking ahead towards financial year ending 31 December 2022, the following areas are the priorities by the Board which they have been and will be focusing on:-

- The Board Renewal and Composition.
- Embedded Sustainability matters officially be governed under Risk Management Committee and had renamed to Risk Management & Sustainability Committee.
- Complete transition from engaging outsourced independent professional service provider for Internal Audit Function into in-house Internal Audit Function.

Separation of Positions of the Chairman and Group Chief Executive Officer ("Group CEO")

The roles of the Chairman and Group CEO are separate and clearly defined and are held individually by two (2) persons. The Group practises the division of responsibility between the Chairman and Group CEO and there is a balance of power and authority such that no one individual has unfettered powers over decision-making.

The Chairman who is an Independent Non-Executive Director, is responsible for the leadership and governance of the Board, ensuring its effectiveness. He leads the Board effectively and encourages active participation and contribution from all members. He also engages directly with the Group CEO to monitor performance and oversees the implementation of strategies.

The Group CEO is responsible for the day-to-day management of the Group's operations and businesses as well as implementation of the Board's policies and decisions.

Qualified and Competent Company Secretaries

The Company Secretaries of the Company are competent and suitably qualified to act as Company Secretaries under Section 235 of the Companies Act 2016. Every Director has readied and unrestricted access to the advice and the services of the Company Secretaries to ensure the effective functioning of the Board. The Company Secretaries ensure that Board policies and procedures are both followed and reviewed regularly and they have the responsibility to ensure that each Director is made aware of and provided with guidance as to their duties, responsibilities and powers. The Company Secretaries also notify the Board of any corporate announcements released to Bursa Securities and the impending restriction on dealing with the securities of the Company prior to the announcement of the quarterly results.

The Company Secretaries play an important advisory role to the Board in relation to the Company's constitution and advise the Board on any updates relating to new statutory and relevant regulatory requirements pertaining to the duties and responsibilities of Directors as and when necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

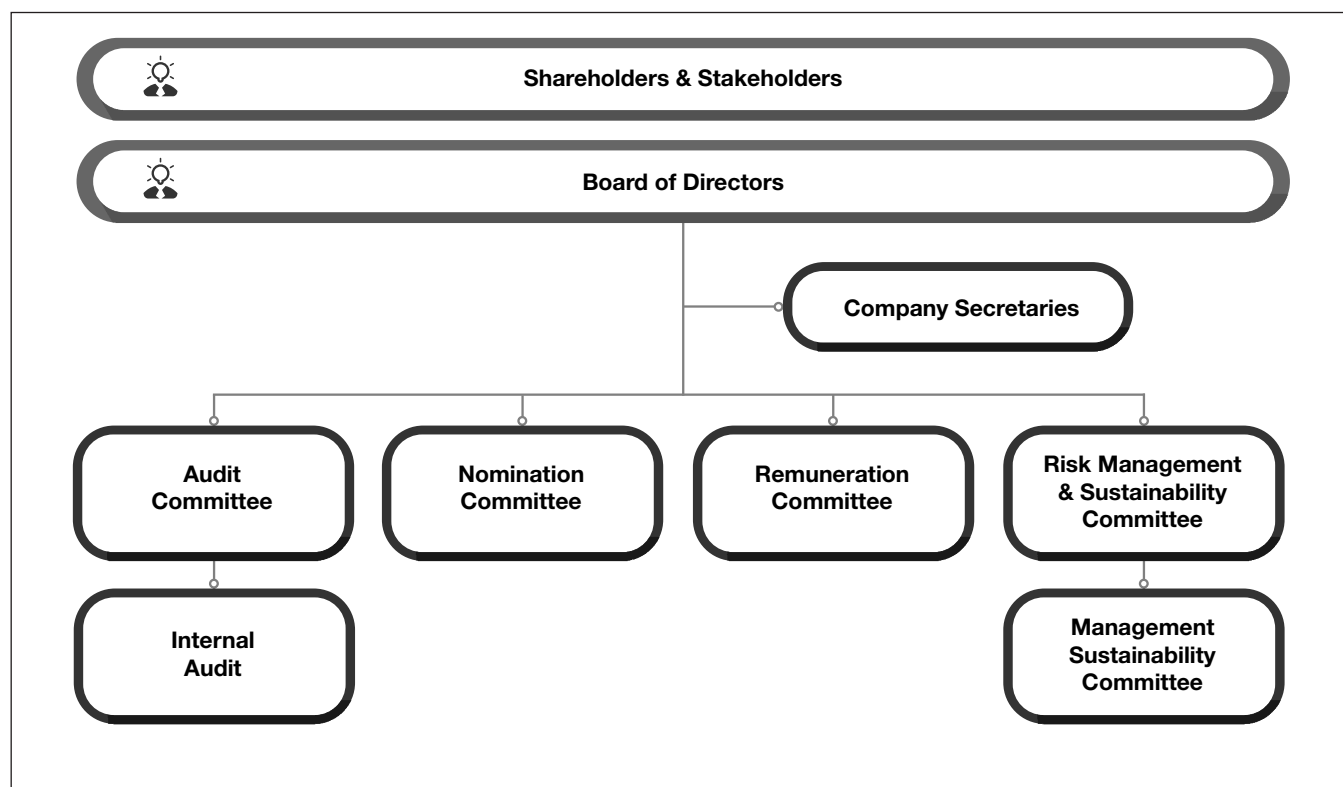
[CONT'D]

**PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS
(CONT'D)****I. BOARD'S RESPONSIBILITIES (CONT'D)****Board Committees**

The Board is also mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management and committed to ethical values and standards.

On this note, the Board has defined its Board Charter which is available on the Company's website at <https://www.gbg.com.my/> serve as in setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval. The Board Charter is reviewed as and when required to be aligned with the practices recommended in the MCCG, provisions in the MMLR, the relevant laws, regulations as well as current practices.

In order to ensure effective discharge of its functions and responsibilities, the Board has delegated certain responsibilities and functions to the Board Committees and the Chairmen of the Board Committees as follows:-



Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issue and decisions made by each Board Committee through the reports by the Chairmen of the Board Committees and the tabling of the minutes of the Board Committee meetings at Board meetings. The ultimate responsibility for decision-making, however, lies with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

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

I. BOARD'S RESPONSIBILITIES (CONT'D)

Board Committees (cont'd)

All Directors are also entitled, whether via the Board or in their individual capacity, to take independent professional advice at the Company's expense where necessary in the furtherance of their duties. A Director may also consult the Chairman or other Board members prior to seeking any independent professional advice.

Code of Conduct and Ethics, Whistle-Blowing Policy and Anti-Corruption Policy and Anti-Corruption Framework

- Code of Conduct & Ethics**
 The Group's Code of Conduct & Ethics outlines the foundation and expectations in relation to ethical standards and personal conduct. The Code of Conduct and Ethics covers the areas of workplace culture and environment, company records and assets, conflict of interest, anti-bribery and corruption, gifts, hospitality and entertainment and so forth.

- Whistle-Blowing Policy**
 The Company has in place a Whistle-Blowing policy which provides an avenue and mechanism for all employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud corrupt practices, and/or abuse, for investigation and Management's action.

The Whistle-Blowing Policy also provides contact details of the AC Chairman, and Risk Management & Sustainability Chairman of the Company to whom the whistle-blowing report can be addressed.

- Anti-Corruption Policy & Anti-Corruption Framework ("ACP&ACF")**
 The Board has adopted its ACP&ACF in order to achieve and maintain the highest standard of integrity and work ethics in the conduct of its business and operations. The purpose of the ACP&ACF is to provide information and guidance to the Directors, employees, and business associates on standards of behaviour and to uphold their responsibilities to which must be adhered to, recognised, as well as dealing with bribery and corruption.

The Code of Conduct & Ethics, Whistle-Blowing Policy and Anti-Corruption Policy can be viewed on the Company's website at <https://www.gbg.com.my/>

Sustainability Strategies

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Group strives to achieve a sustainable long-term balance between meeting its business goals, preserving the environment to sustain the ecosystem, and improving the welfare of its employees and the communities in which it operates. The Group's efforts in this regard have been set out in the Sustainability Report in this Annual Report.

II. BOARD COMPOSITION

NOMINATION COMMITTEE

The Nomination Committee comprises entirely Independent Non-Executive Directors ("INED"). The members of the Nomination Committee in office during FYE 2021 up to present are as follows:-

Name of Committee Members	Designation	No. of Meetings Attended/No. of Meetings Held During FYE 2021
Muk Sai Tat (Resigned on 28 February 2022)	Chairman	3/3
Masleena binti Zaid (Appointed on 28 February 2022)	Chairman	-
Datuk Kamarudin bin Md Ali (Resigned on 28 February 2022)	Member	3/3
Latifah binti Abdul Latiff (Resigned on 10 January 2022)	Member	3/3
Dato' Muraly Daran A/L M Narayana Menon (Appointed on 28 February 2022)	Member	-
Datuk Ir. Mohd Dom bin Ahmad (Appointed on 28 February 2022)	Member	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****NOMINATION COMMITTEE (cont'd)**

The Nomination Committee meets at least once a year or as and when deemed fit and necessary.

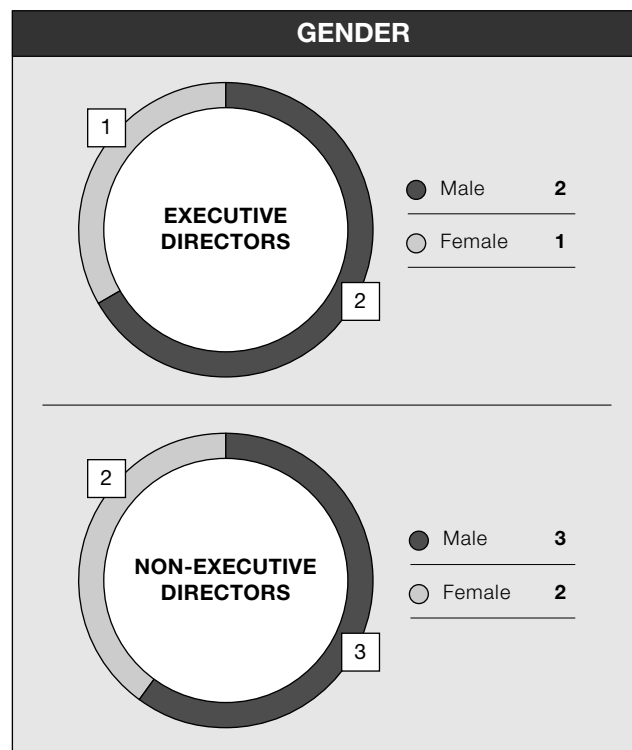
The key responsibilities of the Nomination Committee are to assess the performance of Directors, as well as to evaluate and recommend suitable candidates for the Board and Senior Management, if necessary.

The Terms of Reference ("ToR") of the Nomination Committee is published on the corporate website of the Company for shareholders' reference at <https://www.gbg.com.my/>.

Board Composition

The Board of the Company currently has eight (8) members, comprising three (3) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Board composition is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities which states that at least two (2) Directors or 1/3 of the Board, whichever is higher, are independent directors. This is also in line with Practice 5.2 of the MCCG which requires at least half of the Board comprises independent directors. The profile of the Directors is as set out in the Directors' Profile in this Annual Report.

The composition of the Board which comprises eight (8) members as of to-date of this Statement can be dissected as below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

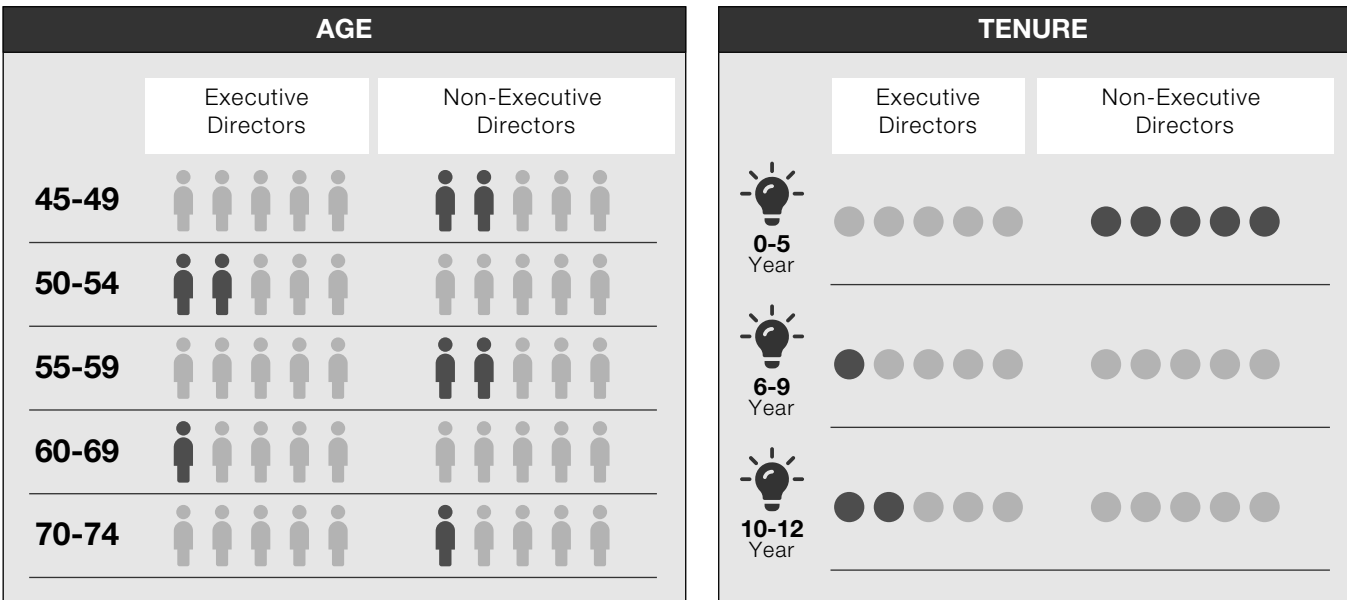
PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

NOMINATION COMMITTEE (cont'd)

Board Composition (cont'd)

The composition of the Board which comprises eight (8) members as of to-date of this Statement can be dissected as below (cont'd):



In order to drive the Board's leadership and effectiveness, the Board ensures that it has the right board composition in enhancing the Board decision making process. The Executive Directors have direct responsibilities on the day-to-day business operations and frequently attend management meetings wherein operational details and other issues were discussed and considered. Whereas the presence of the independent directors provide guidance, independent views, advice and judgement in ensuring that the strategies proposed are discussed and examined. Together, the Directors bring diverse characteristics which allow a mix of qualifications, skills and experience which are necessary for the successful direction of the Group.

The Board also believes that the Directors have a diverse and relevant range of skills, backgrounds, knowledge and experience to ensure effective governance of the business. Hence, the members of the Board contribute through their industry knowledge, international experience perspective and specific subject matter expertise.

The table below sets out the composition of skills and experience of the Board:-

SKILLS AND EXPERIENCES OF THE DIRECTORS	
Legal & Regulatory	100%
Accounting & Financial	85.71%
Corporate Governance	100%
Construction & Property Development	100%
Strategic Planning	100%
Breadth of Business Experience	100%
Stakeholders Engagement	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT'D]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****NOMINATION COMMITTEE (cont'd)****Independence**

The concept of independence adopted by the Board is in tandem with the definition of an Independent Director in the MMLR. The MMLR's definition of independence includes a series of objective tests such as Independent Director is not an employee of the Company and is not engaged in any type of business dealings with the Company.

The Board assesses the independence of the Independent Non-Executive Directors on an annual basis by taking into account the individual Director's ability to exercise independent judgment at all times and based on the criteria as set out in the MMLR of Bursa Securities. In addition, during the assessment conducted, the Board studied the results of the evaluation and is generally satisfied with its current size, composition as well as the mix of skill sets and the independence of its Independent Non-Executive Directors. None of the Independent Directors has engaged in the day-to-day management of the Company, participated in any business dealings or was involved in any other relationship with the Company (other than in situations permitted by the applicable regulations).

Tenure of Independent Directors

The MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. The MCCG also sets out a recommendation that the Board must justify and seek shareholders' approval in the event it retains an Independent Director who has served in the capacity for more than nine (9) years.

During FYE 2021, both Datuk Kamarudin bin Md. Ali and Mr Muk Sai Tat had remained in the Board after the resolutions for their retention as Independent Non-Executive Directors were approved by the shareholders at the 11th Annual General Meeting.

Datuk Kamarudin bin Md. Ali and Mr Muk Sai Tat have subsequently resigned on 28 February 2022, after the Board has taken into consideration of the latest provisions of the MCCG and amendments to the MMLR imposing a 12-year limit on the tenure of an Independent Director.

As of to-date of this Statement, none of the Independent Directors has served more than nine (9) years on the Board.

Time Commitment

The Board is satisfied with the level of time committed by the Board in discharging their respective duties and roles as Directors of the Company. All the Directors of the Company have complied with the MMLR of Bursa Securities on the maximum number of directorships held in public listed companies.

A total of 6 Board meetings were held during the financial year ended 31 December 2021. The attendance of Directors who were in office during the financial year under review are set out below:-

Name of Director	No. of Meetings Attended/No. of Meetings Held During FYE 2021
Y.M. Tunku Alizan bin Raja Muhammad Alias	6/6
Datuk Kamarudin bin Md. Ali (Resigned on 28 February 2022)	6/6
Dato' Sri Azizan bin Jaafar	6/6
Dato' Ow Chee Cheoon	6/6
Ow Yin Yee	6/6
Muk Sai Tat (Resigned on 28 February 2022)	6/6
Latifah binti Abdul Latiff (Resigned on 10 January 2022)	6/6
Dato' Kamisah binti Johan (Appointed on 12 August 2021)	2/2

All the Directors complied with the minimum 50% attendance in respect of Board Meetings held during the FYE 2021 as stipulated under Paragraph 15.05 of the MMLR of Bursa Securities. Additionally, in between Board Meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

To facilitate the Directors' time planning, an annual meeting calendar setting out the proposed dates for meetings of the Board and Board Committees as well as the AGM is prepared and circulated to the Directors before the beginning of every financial year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. This is to ensure that the Directors allocate sufficient time to discharge their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

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

II. BOARD COMPOSITION (CONT'D)

NOMINATION COMMITTEE (cont'd)

Appointments to the Board

The Nomination Committee is responsible for assessing and making recommendations on any new appointments to the Board. Selection of new candidates to be considered for new appointment as director is facilitated through recommendations from the Board members, the Management and/or through independent sources.

In evaluating the suitability of candidates, the Nomination Committee considers, inter-alia their character, background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Group, and additionally, in the case of candidates proposed for appointment as INEDs, the candidates' independence must be established. The final decision as to who shall be appointed as Director remains the responsibility of the full Board, after considering the recommendation of the Nomination Committee.

This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias. The Company Secretaries have the responsibility of ensuring that relevant procedures relating to the appointment of new Directors are properly executed.

Board Diversity

The Board recognises diversity in the boardroom as an essential component of a good corporate governance. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit, and against objective criteria, with due regard given to the benefits of diversity on the Board, including gender, age and ethnicity.

The Board acknowledges the recommendation of the MCCG on gender diversity but believes that the overriding factors in the selection of Director must be based on skill, experience, competency and wealth of knowledge, before taking into consideration the diversity of the Board. The Group had established a Gender Diversity Policy to formalise its diversity approach as above.

During financial year 2021, the Board appointed Dato' Kamisah binti Johan as a Non-Independent Non-Executive Director of the Company on 12 August 2021 which has strengthened the profile of the Board and improved the Board's gender diversity. As a result, the Board now comprises three (3) female directors out of eight (8) directors which resulted in an increase from 28.57% to 37.5% of women directors. This has reflected the Board's commitment towards achieving a more gender-diverse Board.

Annual Assessment

The performance evaluations of the Board, Board Committee and individual Director are conducted by way of self/peer-assessment. The Director are given a set of questionnaires covering assessments of the Board, Board Committees, individual Director and independence assessments for Independent Directors to collect their feedback, views, commentary and suggestions for improvements.

The results of these self-assessment questionnaires are then compiled by the Company Secretary and tabled to the Nomination Committee for review and recommendation to the Board for notation. A summarised version of the results is provided to the Board of Directors for their information. The criteria that are used in the assessment of the Board include the adequacy of the Board structure, the efficiency and integrity of the Board's operations and the effectiveness of the Board in the discharge of its duties and responsibilities.

Summary of Work

During the financial year ended 31 December 2021, the Nomination Committee held three (3) meetings with full attendance of all its members, to deliberate the following matters:-

- Reviewed the size and composition of the Board and Board Committee.
- Reviewed annual assessment of the effectiveness and performance of the Board.
- Reviewed and assessed the effectiveness of each individual Director by undertaking an evaluation process involving self/ peer-assessment by individual Directors.
- Reviewed and assessed the performance of Audit Committee and its members as a whole by undertaking an evaluation process involving self and peer assessment by the member of Audit Committee.
- Reviewed and assessed the independence of the Independent Directors based on the criteria set out in the MMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****NOMINATION COMMITTEE (cont'd)****Summary of Work (cont'd)**

During the financial year ended 31 December 2021, the Nomination Committee held three (3) meetings with full attendance of all its members, to deliberate the following matters (cont'd):-

- Nominated for the re-election of Board members at the forthcoming Annual General Meeting ("AGM") and recommended to the Board that a resolution for their re-election be tabled at the forthcoming AGM.

- Recommended to the Board for resolution for retention of the Directors as Independent Non-Executive Directors who have served more than 9 years be tabled at the upcoming AGM.
- Reviewed and recommended to the Board for approval, the appointment of Dato' Kamisah binti Johan as Non-Independent Non-Executive Director of the Company, after having considered her skillset, experience, competency and fulfilment of the necessary criteria and also the changes in the composition of women directors.
- Reviewed a Senior Management's promotion and recommended to the Board for approval.

Board's Development and Training

The Company has arranged for training programs to update the Board in relation to new developments pertaining to the laws and regulations which may affect the Board and/or the Company.

The details of seminars and training programmes attended by the Directors during the financial year ended 31 December 2021 are set out below:-

Director	Date of Training/ Programme	Training/Seminars/Conferences
Y.M. Tunku Alizan bin Raja Muhammad Alias	19.08.2021	SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability
	25.08.2021	Malaysian Code on Corporate Governance
	06.09.2021	Board Room Workshop for Directors Inspiring Your Board Performance
Dato' Sri Azizan bin Jaafar	25.08.2021	Malaysian Code on Corporate Governance
Dato' Ow Chee Cheoon	25.08.2021	Malaysian Code on Corporate Governance
Ow Yin Yee	08.04.2021	MICPA - Digital Revolution: What does the future hold?
	22.04.2021	Future CFO Virtual Summit Malaysia
	08.06.2021 - 10.06.2021	MIA Conference 2021
	27.07.2021	IB Webex : Affin Hwang Capital Webinar Forum 2H21 - Macro and Market Outlook: Nearing An Inflection Point
	19.08.2021	SC Updates the Malaysian Code on Corporate Governance to Promote Board Leadership and Oversight of Sustainability

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

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

II. BOARD COMPOSITION (CONT'D)

NOMINATION COMMITTEE (cont'd)

Board's Development and Training (cont'd)

Director	Date of Training/ Programme	Training/Seminars/Conferences
Ow Yin Yee	25.08.2021	Malaysian Code on Corporate Governance
	06.09.2021	Board Room Workshop for Directors "Inspiring Your Board Performance" - Organised by Smart Focus
	10.11.2021	BDO Tax Budget Webinar 2021
Dato' Kamisah binti Johan	25.08.2021	Malaysian Code on Corporate Governance
	01.11.2021 - 03.11.2021	Mandatory Accreditation Program

The Directors will continue to undergo relevant training programmes and seminars from time to time and as and when necessary to update themselves with the relevant knowledge and skills to discharge their duties effectively.

III. REMUNERATION COMMITTEE

The Company has a Remuneration Committee consisting exclusively of Independent Non-Executive Director. The members of the Remuneration Committee in office during FYE 2021 up to present are as follows:-

Name of Committee Members	Designation	No. of Meetings Attended/ No. of Meetings Held During FYE 2021
Datuk Kamarudin bin Md Ali (Resigned on 28 February 2022)	Chairman	3/3
Datuk Ir. Mohd Dom bin Ahmad (Appointed on 28 February 2022)	Chairman	-
Muk Sai Tat (Resigned on 28 February 2022)	Member	3/3
Latifah binti Abdul Latiff (Resigned on 10 January 2022)	Member	3/3
Dato' Muraly Daran A/L M Narayana Menon (Appointed on 28 February 2022)	Member	-
Masleena binti Zaid (Appointed on 28 February 2022)	Member	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT'D]

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

III. REMUNERATION COMMITTEE (CONT'D)

Directors & Senior Management's Remuneration

The Remuneration Policy of the Board provides that all Executive Directors and Senior Management are remunerated based on the Group and individual's performances, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees, their attendance and/or special skills and expertise they bring to the Board. The Remuneration Policy of Directors and Senior Management is available for reference at the Company's website at <https://www.gbg.com.my/>.

The remuneration of the Executive Directors is reviewed and recommended by the Remuneration Committee to the Board for approval. The Independent Non-Executive Directors are remunerated with Directors' fees are subject to shareholders' approval at the AGM annually in accordance with the Company's Constitution and Section 230(1) of the Companies Act 2016. Therefore, in terms of recommending the proposed Directors' fees, the Remuneration Committee takes into consideration the qualification, duty and responsibility, and contribution required from a Director in view of the Group's complexity, and also the market rate in the industry. The Board then collectively determines the remuneration for the Independent Non-Executive Directors based on the RC's recommendation. All Directors shall abstain from discussion and decisions on their own remuneration.

The Company also provides Directors' and Officers' Liability Insurance which may provide an indemnity to the fullest extent permitted by the Companies Act 2016 and against any liability incurred by them in the discharge of their duties while holding office as Directors and Officers.

In regards to the remuneration of the Senior Management's remuneration, the Company notes that such disclosure may give rise to recruitment and talent retention challenges. Hence, the Company has departed from Practice 8.2 and not adopting Step-Up Practice 8.3 of the MCCG which requires disclosure of the remuneration of the top 5 Senior Management personnel on a named basis in bands of RM50,000 as the Board is of the view that such information, if disclosed, raises personal security concerns on the part of the Senior Management personnel and could result in employee poaching by competitors.

Detailed information on the Directors' remuneration for the financial year ended 2021 on a named basis are disclosed under Practice 8.1 of the CG Report.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee ("AC") consists exclusively of Independent Non-Executive Directors. The authority, duties and responsibilities of the AC.

The summary of the work carried out to discharge its duties for FYE 2021 are set out in the AC Report in this Annual Report.

The ToR of the AC and External Auditor Independency Policy are available for viewing on the Company's corporate website, <https://www.gbg.com.my/>.

Relationship with External Auditors

The AC meets with the External Auditors to discuss their audit plan, audit findings and the Company's financial statements. At least twice a year and whenever necessary, the AC shall meet with the External Auditors without the presence of Executive Board members or management personnel to allow the AC and the External Auditors to exchange independent views on matters which need to be brought to the AC's attention. In addition, the external auditors are also invited to attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of their report.

The AC considered the non-audit services provided by the External Auditors during the FYE 2021 and concluded that the provision of these services did not compromise the External Auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the External Auditors.

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence rules of the MIA.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Risk Management Committee ("RMC") is responsible for establishing and maintaining a sound risk management and internal control system approved by the Board to ensure that the shareholders' investments, other stakeholders' interests and assets of the Group are safeguarded. RMC evaluates the adequacy and effectiveness of the internal control system by reviewing the actions taken on lapses, recommendations of internal auditors and Management responses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

The RMC is also responsible for implementing risk management policies and strategies approved by the Board. It monitors and manages the principal risk exposure by ensuring that the Management has taken the necessary steps to mitigate such risks and recommends action where

necessary. The RMC is charged with monitoring the effectiveness of risk management systems and is required to report to the Board on any significant risk exposure.

In recognising the importance of managing the strategic risk of sustainability of the Group and the effective management of sustainability practices within the Group, the Board had on 19 January 2022 resolved to include sustainability into the Terms of Reference of the RMC, and aptly renamed the RMC as the Risk Management & Sustainability Committee.

The members of the Risk Management & Sustainability Committee in office during FYE 2021 up to present are as follows:-

Name of Committee Members	Designation	No. of Meetings Attended/ No. of Meetings Held During FYE 2021
Muk Sai Tat (Resigned on 28 February 2022)	Chairman	4/4
Datuk Ir. Mohd Dom bin Ahmad (Appointed on 28 February 2022)	Chairman	-
Y.M. Tunku Alizan bin Raja Muhammad Alias	Member	4/4
Datuk Kamarudin bin Md. Ali (Resigned on 28 February 2022)	Member	4/4
Dato' Sri Azizan bin Jaafar	Member	3/4
Dato' Ow Chee Cheoon	Member	4/4
Dato' Kamisah binti Johan (Appointed on 28 February 2022)	Member	-
Latifah binti Abdul Latiff (Resigned on 10 January 2022)	Member	4/4
Dato' Muraly Daran A/L M Narayana Menon (Appointed on 28 February 2022)	Member	-
Masleena binti Zaid (Appointed on 28 February 2022)	Member	-

The Statement on Risk Management and Internal Control as set out in this Annual Report provides an overview of the management of risks and the state of internal control within the Group.

Internal Audit Function

The Directors acknowledge their responsibilities to formulate a system of internal control and risk management. The Board seeks regular assurance on the continuity and effectiveness of the internal control and risks management system through independent review by the Internal Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT 'D]

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Internal Audit Function (cont'd)

The function of the internal auditors and the work carried out to discharge its duties for FYE 2021 are set out in the AC Report of this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises that information is the lifeblood of capital market and effective communication between the Group and its stakeholders is imperative for informed decision-making. The Group also places a strong emphasis on the importance of timely and equitable dissemination of information to shareholders and other stakeholders. Whilst the Group endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The communication channels used in the Company's engagement with its stakeholders include:

- a) Annual Reports;
- b) Announcements via Bursa Link;
- c) The Company's website;
- d) Investors, analyst and media briefings; and
- e) General Meetings.

The practice of disclosure of information is not established just to comply with the requirement of the MMLR of Bursa Securities, but also to adopt the best practices recommended in the MCCG with regard to strengthening engagement and communication with shareholders.

The Directors have general responsibility for taking such steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

II. CONDUCT OF GENERAL MEETINGS

The Board views shareholders' general meetings as an ideal opportunity to communicate with shareholders.

The Board had adopted the recommendation of MCCG for the notice of AGM to be given to shareholders at least 28 days prior to the meeting. Explanation for each proposed resolution is set out in the Notice of AGM to assist shareholders in decision making and exercising their voting rights. In line with Paragraph 8.29(1) of the MMLR, all resolutions set out in the Notice of AGM will be put to vote by poll.

All Directors and the external auditors are expected to attend all shareholders' meetings to take questions raised by shareholders.

In part due to the COVID-19 pandemic, the Company has held its AGMs virtually in year 2021. Shareholders have been able to participate remotely via live streaming webcast and vote in absentia using remote participation and voting facilities.

The Company will continue to monitor developments in the market for more cost effective technology to enable shareholders to participate and vote at AGMs remotely.

COMPLIANCE STATEMENT

This CG Statement together with the Corporate Governance Report 2021 were approved by the Board on 26 April 2022.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Members of the Audit Committee in office during the financial year ended 31 December 2021 and up to present are as follows:-

Name of Committee Members	Designation
Latifah binti Abdul Latiff (Resigned on 10 January 2022)	Chairman
Dato' Muraly Daran A/L M Narayana Menon (Appointed on 28 February 2022)	Chairman
Datuk Kamarudin bin Md. Ali (Resigned on 28 February 2022)	Member
Muk Sai Tat (Resigned on 28 February 2022)	Member
Datuk Ir. Mohd Dom bin Ahmad (Appointed on 28 February 2022)	Member
Masleena binti Zaid (Appointed on 28 February 2022)	Member

The composition of AC is in compliance with Paragraphs 15.09 and 15.10 of the MMLR of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance whereby all three (3) AC members are Independent Non-Executive Directors. None of the Independent Directors have appointed alternate directors.

None of the members of the AC were also a former key audit partners of the Group and notwithstanding that in order to uphold the upmost independence, the Board has no intention to appoint any former key audit partner as a member of the AC.

TERMS OF REFERENCE

The AC is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. The ToR of the AC is available for viewing on the Company's website at <https://www.gbg.com.my/>.

MEETINGS AND ATTENDANCE

The AC held seven (7) meetings during FYE 2021. The details of attendance of the Committee members who were in office during FYE 2021 are as follows:-

Name of Committee Members	Designation	No. of Meetings Attended / No. of Meetings Held During FYE 2021
Latifah binti Abdul Latiff	Chairman	7/7
Datuk Kamarudin bin Md. Ali	Member	7/7
Muk Sai Tat	Member	7/7

The Group Chief Financial Officer was invited to all AC meetings to facilitate direct communications and to provide clarification on financial reports. Other Board members and designated members of Senior Management may also attend these meetings on the invitation of the AC. The internal auditors and external auditors are also invited to attend the AC meetings to present their audit plan and audit findings respectively, and for the external auditors to assist the AC in its review of year-end financial statements.

AUDIT COMMITTEE REPORT

[CONT'D]

MEETINGS AND ATTENDANCE (CONT'D)

The Chairman of the AC briefed the Board on matters of significant concern discussed during Audit Committee Meeting held prior to the Board Meeting. The applicable recommendations of the AC were presented by the AC's Chairman at subsequent Board Meeting for the Board's approval. Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation.

SUMMARY OF THE WORK OF THE AC

The work undertaken by the AC in the discharge of its functions and duties during the financial year ended 2021 are summarised as follows:-

A. FINANCIAL REPORTING

- (i) FYE 31 December 2020
 - a. On 25 February 2021, the AC reviewed and recommended the unaudited fourth quarterly financial results for the period ended 31 December 2020 at its meeting, prior to deliberation and approval by the Board.
 - b. The AC at its meeting held on 28 April 2021, reviewed the Audit Financial Statements of the Group for FYE 31 December 2020, and recommended the same for the Board's approval.
- (ii) FYE 31 December 2021
 - a. The AC reviewed the unaudited first, second and third quarterly financial results for the respective periods ended 31 March 2021, 30 June 2021, 30 September 2021 at the meetings held on 17 June 2021, 30 August 2021 and 30 November 2021 respectively.

In respect to the above, the matters were discussed with Management and the external auditors and make the necessary recommendations to the Board prior to release to the relevant authorities and public including:-

- compliance with existing and new accounting standards, policies and practices affecting the construction and property development industry;
- any significant adjustments or unusual events; and
- compliance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, policies and practices affecting the construction and property development industry and other regulatory requirements.

B. ANNUAL REPORT REQUIREMENTS

- (i) Reviewed and approved the AC Report for inclusion in the 2020 Annual Report, at its meeting held on 28 April 2021.
- (ii) The Statement on Risk Management and Internal Control was also reviewed and recommended to the Board for approval, for the inclusion in the 2020 Annual Report, at its meeting held on 28 April 2021.

C. EXTERNAL AUDIT

- (i) On 25 February 2021, the AC deliberated on the Audit Completion for the financial year ended 31 December 2020 ("**Audit Completion Report**") with External Auditor, Messrs BDO PLT ("**BDO**") at its meeting with regards to the following:-

- Audit status and significant changes to audit plans;
- Findings on areas of significant to auditor's attention;
- Compliance with laws and regulation, fraud-related matters and review of material litigations and claims;
- Summary of misstatements;
- Recommendation for improvement in internal controls;
- Key Audit Matters ("**KAM**")

arising from the statutory audit of the Group and the Company for FYE 2020.

- (ii) On 25 February 2021, BDO had also confirmed that they are not aware of any matter that impairs their professional independence and will continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Company and Group for FYE 31 December 2020 in accordance with the Malaysian Institute of Accountants By-Laws (on Professional Conduct and Ethics) and International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants.
- (iii) During the review of the Audited Financial Statements of the Group and Company for FYE 31 December 2020 at its meeting on 28 April 2021, the AC reviewed the comparison between the announcement and audited results and also on the analysis of uncorrected audit misstatements which did not have material impact to the financial statements for FYE 31 December 2020.

AUDIT COMMITTEE REPORT

[CONT'D]

SUMMARY OF THE WORK OF THE AC (CONT'D)

C. EXTERNAL AUDIT (CONT'D)

- (iv) On 30 November 2021, the AC reviewed the Audit Planning Memorandum for the FYE 31 December 2021 prepared by BDO, outlining the following:-
- Engagement and reporting responsibilities, BDO audit approach, materiality and performance materiality, areas of significant auditor attention, engagement team, reporting, deliverables, audit fees and auditing updates; and
 - Transparency Report.
- (v) The AC had met with the external auditors without the presence of the Management staff and the Executive Board members twice (2) on 25 February 2021 and 30 November 2021 respectively, in order to provide the external auditors with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.

The AC also evaluated the performance of the external auditors, their independence and objectivity, their ability to serve the Group in terms of technical competencies and manpower resource sufficiency, as well as the audit fees of the external auditors. After carrying out an evaluation of the performance of the external auditors, the AC recommended to the Board to propose to shareholders the re-appointment of the external auditors at the forthcoming Twelfth Annual General Meeting of the Company.

D. INTERNAL AUDIT

- (i) Reviewed the internal audit's scope of work, functions, competency and resources and that it has the necessary authority to carry out its work.
- (ii) Reviewed the internal audit plan to ensure the scope and coverage of the internal audit on the operations of the Group is adequate and comprehensive and that all the risk areas are audited annually.
- (iii) Reviewed the internal audit reports prepared by the outsourced internal auditors and appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.
- (iv) Reviewed the follow-up internal audit reports prepared by the outsourced internal auditors and monitored the outcome of follow-up audits to ascertain the extent to which agreed action plans have been implemented by Management.

During the financial year under review, the Internal Auditors had conducted the audit activities as per the approved audit plan and presented their Internal Audit reports on 25 February 2021, 17 June 2021, 30 August 2021 and 30 November 2021 respectively to the AC.

The AC had one (1) private session with the Internal Auditors without the presence of the Management staff and the Executive Board members on 30 November 2021. Internal Auditors did not highlight any significant internal audit issue to be brought to the AC's attention.

The AC also evaluated the engagement between the Group with the outsourced internal auditors and had recommended to the Board for a change internal audit function by having in-house internal audit function. The AC had on 5 November 2021, 12 November 2021 and 30 November 2021 to establish a plan in setting up an in-house internal audit function to improve the quality of the internal audit function. The following items were discussed by the AC and had subsequently proposed to the Board for approval:-

- Team structure;
- Timeline and transition periods between outsourced internal audit function and in-house internal audit function;
- Assurance on the objectivity and independence of the in-house internal audit function;
- Budget Allocation for team structure of in-house Internal Audit Function; and
- Terms of Reference for in-house Internal Audit.

The establishment and transition into in-house internal audit function will be fully implemented in year 2022.

E. RELATED PARTY TRANSACTIONS

The AC reviewed the quarterly results and make enquiry if there are any recurrent related party transactions ("RRPTs") and to ensure the RRPTs, if any, are on ordinary commercial terms and are not favourable to the related party than is generally available to the public, and that the transactions are not detrimental to the minority party. This is also to ensure in compliance with both in-house procedures and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AUDIT COMMITTEE REPORT

[CONT 'D]

INTERNAL AUDIT FUNCTION

The Internal Audit Function is outsourced to an independent professional services firm, IA Essential Sdn Bhd ("**IA Essential**"), which reports directly to the AC and has direct access to the AC Chairman on all internal control and audit issues. The AC assesses the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors.

The Management is responsible for ensuring that corrective actions are taken within the required timeframe and all findings identified by the Internal Audit function were tracked and followed up on a quarterly basis with the status of the implementation reported to the AC accordingly.

The Board had on 19 January 2022 approved the appointment of Encik Asfia Heikal bin Ali ("**Encik Asfia**") as Manager, Group Internal Audit.

Encik Asfia joined the Group since 7 February 2022 to be in-charge with the Group's in-house Internal Audit Department ("**IAD**"). He graduated from University Technology Mara (UiTM) with a Bachelor in Quantity Surveying (Hons.) in 2009 and is an associate member of IIAM. Encik Asfia has 11 years of experience in the field of internal audit.

Presently, the Group's internal audit function is being carried out via the co-sourcing arrangement with IA Essential, to support the in-house Group Internal Audit during the first half of calendar year 2022.

The principal role of the Internal Auditors is to undertake independent and regular reviews on the Group's internal controls system so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's system of internal controls, risk management and governance.

The Internal Auditors perform their work in accordance with the principles of the international internal auditing standards covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns. In order to ensure that the audit focus is on relevant and appropriate risk areas, the internal audit plan was developed in consultation with management taking into consideration the Group's risk profile. The proposed internal audit plan will then be presented to the AC for deliberation and approval before internal audit reviews are carried out. Any significant changes to the internal audit plan will be referred to the AC for approval prior to the commencement of the internal audit.

The total cost incurred in relation to the conduct of the outsourced internal audit functions of the Group for the FYE 2021 amounted to RM109,530 against RM108,182 in FYE 2020.

SUMMARY OF WORK OF INTERNAL AUDIT FUNCTION FOR THE FINANCIAL YEAR

The Internal Auditors adopts a risk-based auditing approach, guided by the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors, prioritising audit assignments based on the Group's business activity, risk management and past audit findings. They evaluated the adequacy and effectiveness of key controls in responding to risks within the organisation's governance, operations and information systems, in terms of:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with relevant laws, regulations and contractual obligations.

During the financial year under review, internal audit function had completed and reported the following areas covered by Internal Audit in managing risks associated with the operating process as listed below:-

- Recurrent Related Party Transactions Review
- Status of Management Implementation of Corporate Liability Plans
- Internal Audit Report for IT General Controls
- Internal Report on Human Resource Management
- Audit Progress Report for Contract Administration, Claims and Collection and
- Follow-up Audit Reports

The findings of the Internal Auditors were highlighted to the relevant management representatives for corrective actions. The Management is responsible for ensuring that corrective actions are taken within the agreed timeframe.

This AC Report has been reviewed by the AC and approved by the Board on 26 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) is pleased to present this Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 December 2021. The preparation of this statement is required under paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) and guided by the “Statement on Risk Management & Internal Control-Guidelines for Directors of Listed Issuers” which was endorsed by Bursa Malaysia Securities Berhad (“Bursa Securities”).

BOARD’S RESPONSIBILITIES

In accordance with the Malaysian Code of Corporate Governance, the Board is responsible for establishing, formulating policies, reviewing and assessing the Group’s risk management and internal control systems, and seeking assurance that these systems are adequate and functioning effectively.

In overseeing the effectiveness of the systems of risk management and internal control, the Board continues to apply and use the following processes and information during the financial year to derive its comfort:

- Audit Committee reviews on the integrity of the interim financial results, annual report and audited financial statements in consultation with Management;
- Risk Management Committee (“RMC”)’s oversight on the risk management framework, changes in risk factors and magnitudes and status of management implementation of risk mitigation plan;
- The Audit Committee assessment of the adequacy and effectiveness of the systems of internal control based on the internal audit findings presented by the Internal Auditors. These reviews are done quarterly where the Internal Auditors present their internal audit report to the Audit Committee and share the audit issues and action taken by management to address control deficiencies;
- Group CEO and Group CFO briefings on business, financial and operational performances and updates during the board meetings;
- External Audit Memorandum on their annual audit findings and risk and control issues noted by them in the course of their statutory audit; and
- Provision of Management’s assurance that the Group’s risk management and internal control systems are adequate and effective in all material respects.

RISK MANAGEMENT

The Board formed the RMC for overseeing the risk management framework and ensuring the implementation of appropriate systems to manage material risk exposure in the Group. The Committee comprises six members majority of whom are Independent Non-Executive Directors.

The risk management processes on risk identification, impact assessment, risk profiling, and monitoring and mitigation plans adopted by the Group is based on the general principles of an international risk management framework.

The risk management processes are embraced in both major operating and business segments of the Group in construction and property development. Currently, the respective divisional Managing Directors report to the RMC. During the financial year, RMC has conducted 4 meetings with both the Construction and Property Divisions to deliberate the causes, existing controls, impact and action plans for managing and mitigating the risks.

The project progress, health and safety and cash flows are the key risk focus of the Group during the financial year. The Group continues to be vigilant in preventing COVID-19 infection in the workplace by adhering to the SOPs of the health authority, introducing “work-from-home” and leveraging electronic communication and virtual meeting technology to minimise physical contact.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[CONT'D]

To bolster the overall financial performance of the Group under the prolonged pandemic environment, Management has strengthened and streamlined the Group's cash flow by improving the marketing and sales of the inventory, optimising the operating costs, accelerating the digitisation for its systems, balancing the progress billing and receipts for all on-going construction and development projects, the banking facilities, exercising prudence cash flow management and conserving the cash reserve.

INTERNAL CONTROLS

Internal controls are important to support the function of the risk management system. The Group internal control systems are operating under and form part of the on-going management systems of ISO 9001:2015 on Quality Management System and ISO 45001:2018 on Occupational Health and Safety Management System. The on-going key control frameworks and procedures that have been put in place in the Group are as follows:

- i. Management organisation structure defining the management responsibilities and hierarchical structure for directing, planning, executing, controlling and monitoring the business operations;
- ii. Limit of authority and approval facilitating delegation of authority and oversight control;
- iii. Monitoring of construction work progress against the work schedule program as well as the performance, productivity and quality of work of the contractors and sub-contractors;
- iv. Tracking of construction costs against the project budgets;
- v. Benchmarking actual cash flows with the forecast;
- vi. Periodic Safety and Health Committee meetings to enforce safety awareness at site;
- vii. Selection procedures for sub-contractors, suppliers and consultants based on price, resources availability, track record and finance capability criteria;
- viii. Performance evaluation of suppliers' and sub-contractors' performance for future reference and selection;
- ix. Review of divisional operating performance by the respective heads of the key management team;
- x. Legal review to ensure contractual risks are addressed and managed before entering into material contracts or agreements;
- xi. Job descriptions provide understanding to employees of the actions needed in discharging their responsibilities; and
- xii. The establishment and implementation of the Anti-Corruption and Bribery Framework, Corporate Code of Conduct and Ethics, and Whistleblower Protection Policy.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Securities Guidelines, Management is responsible for identifying risks; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objectives and performance.

The Board has received assurance from the Group CEO and Group CFO that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

BOARD ASSURANCE AND LIMITATION

The Board is satisfied that there is an on-going process for identifying, evaluating and managing significant risks faced by the Group and the existing level of systems of internal control and risk management are adequate and effective to enable the Group to achieve its business objectives.

There were no significant weaknesses in the systems of risk management and internal control that have caused material impact on the operations of the Group for the financial year under review.

Nonetheless, the Board wishes to reiterate that risk management and internal control are designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysia Institute of Accountants.

The External Auditors have reviewed this Statement and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and Management in reviewing the adequacy and effectiveness of the systems of risk management and internal control systems of the Group.

This Statement is made in accordance with the resolution of the Board of Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

for the Audited Financial Statements

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), the provision of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2021, and of the financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have ensured that:-

- appropriate accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- a going-concern basis has been adopted unless it is inappropriate to presume that the Group will continue its business.

The Directors are also responsible for:-

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps as are reasonably open to them to ensure appropriate systems are in place to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 31 December 2021.



FINANCIAL REPORTS

130	Directors' Report
136	Statement by Directors
136	Statutory Declaration
137	Independent Auditors' Report
142	Statements of Profit or Loss and Other Comprehensive Income
143	Statements of Financial Position

147	Consolidated Statement of Changes in Equity
149	Statement of Changes in Equity
150	Statements of Cash Flows
154	Notes to the Financial Statements

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and details of the subsidiaries are set out in Note 17 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	16,026,752	1,469,894
Attributable to:		
Owners of the parent	15,708,618	1,469,894
Non-controlling interests	318,134	-
	16,026,752	1,469,894

DIVIDENDS

No dividend has been paid, proposed or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2021.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued share capital of the Company was increased from 494,594,267 to 543,937,119 by way of issuance of 49,342,852 new ordinary shares.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT

[CONT'D]

WARRANT B 2018/2023

A total of 119,394,669 free Warrants were issued on 27 September 2018 pursuant to the Deed Poll dated 5 September 2018 ("Deed Poll B") to all the shareholders of the Company on the basis of one (1) warrant for every four (4) existing ordinary shares held on 25 September 2018. These warrants were listed on Bursa Malaysia Securities Berhad on 4 October 2018. The Company had fixed the exercise price for the free Warrants at RM1.12 each. The details of the Warrants are disclosed in Note 28 to the financial statements.

REPURCHASE OF OWN SHARES

The shareholders of the Company, by an ordinary resolution passed at the 11th Annual General Meeting held on 24 June 2021, renewed the mandate to the Company to repurchase up to 10% of its existing issued share capital ("Share Buy Back").

The Directors of the Company are committed in enhancing the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders. The Company has the rights to retain, cancel, resell and/or distribute these shares as dividends at a later date. As treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended. Of the total 543,937,119 (2020: 494,594,267) issued ordinary shares as at the end of each reporting period, 1,165,744 (2020: 1,165,744) ordinary shares purchased for RM1,427,468 (2020: RM1,427,468) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue after deducting the treasury shares is 542,771,375 (2020: 493,428,523).

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Gabungan AQRS Berhad

Y.M. Tunku Alizan bin Raja Muhammad Alias

Dato' Sri Azizan bin Jaafar

Dato' Ow Chee Cheoon

Ow Yin Yee

Dato' Kamisah binti Johan

Dato' Muraly Daran A/L M Narayana Menon

Datuk Ir. Mohd Dom bin Ahmad

Masleena binti Zaid

Latifah binti Abdul Latiff

Datuk Kamarudin bin Md. Ali

Muk Sai Tat

(appointed on 12 August 2021)

(appointed on 28 February 2022)

(appointed on 28 February 2022)

(appointed on 28 February 2022)

(resigned on 10 January 2022)

(resigned on 28 February 2022)

(resigned on 28 February 2022)

DIRECTORS' REPORT

[CONT'D]

DIRECTORS (CONT'D)

The Directors who have held office during the financial year and up to the date of this report are as follows: (cont'd)

Subsidiaries of Gabungan AQRS Berhad

Pursuant to Section 253 of Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Dato' Sri Azizan bin Jaafar
Dato' Ow Chee Cheoon
Ir. Bakri bin Ishak
Ow Yin Yee
Choo Choon Seng
Norahmad bin Yussuff
Ir. Tai Jiunn Hong
Si So Tian Ann
Abd Razak bin Abd Manan
Tan Ban Eu
Azhar Khan bin Badil Zaman

In accordance with Clause 118 of the Company's Constitution, Dato' Kamisah binti Johan, Dato' Muraly Daran A/L M Narayana Menon, Datuk Ir. Mohd Dom bin Ahmad and Masleena binti Zaid retire by casual vacancy at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Clause 119 of the Company's Constitution, Dato' Ow Chee Cheoon retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and warrants in the Company and of its related corporations during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, were as follows:

Shares in the Company	----- Number of ordinary shares -----			
	Balance as at 1.1.2021/ Date of Appointment*	Bought	Disposal	Balance as at 31.12.2021
<u>Direct interests</u>				
Y.M. Tunku Alizan bin Raja Muhammad Alias	1,200,492	-	-	1,200,492
Datuk Kamarudin bin Md. Ali	354,000	150,000	-	504,000
Dato' Sri Azizan bin Jaafar	2,935,146	-	-	2,935,146
Dato' Ow Chee Cheoon	33,966,774	-	-	33,966,774
Ow Yin Yee	163,812	-	-	163,812
Dato' Kamisah binti Johan*	49,342,852	2,387,700	-	51,730,552
<u>Indirect interest</u>				
Dato' Sri Azizan bin Jaafar	53,602,938	-	-	53,602,938

DIRECTORS' REPORT

[CONT'D]

DIRECTORS' INTERESTS (CONT'D)

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and warrants in the Company and of its related corporations during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, were as follows: (cont'd)

	----- Number of warrants -----		
	Balance as at 1.1.2021	Bought	Balance as at 31.12.2021
Warrants B 2018/2023			
<u>Direct interests</u>			
Y.M. Tunku Alizan bin Raja Muhammad Alias	173,650	-	173,650
Datuk Kamarudin bin Md. Ali	400,200	-	400,200
Dato' Sri Azizan bin Jaafar	460,575	-	460,575
Dato' Ow Chee Cheoon	8,325,190	-	8,325,190
Ow Yin Yee	40,150	-	40,150
<u>Indirect interest</u>			
Dato' Sri Azizan bin Jaafar	6,820,500	-	6,820,500

The other Directors, Muk Sai Tat and Latifah binti Abdul Latiff did not hold any interest in ordinary shares and warrants in the Company or ordinary shares, warrants and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the followings:

- any benefit which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business as disclosed in Note 34 to the financial statements; and
- certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries as disclosed in Note 9 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the warrants issued to the Directors as disclosed in Note 28 to the financial statements.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 9 to the financial statements.

DIRECTORS' REPORT

[CONT'D]

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of insurance premium paid for the Directors and the officers of the Group and of the Company is RM19,000.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate bad debts to be written off or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) 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.
- (d) In the opinion of the Directors:
 - (i) there has not arisen 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; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT

[CONT'D]

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2021 amounted to RM292,300 and RM77,000 respectively.

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

.....
Dato' Sri Azizan bin Jaafar
 Director

Kuala Lumpur
 26 April 2022

.....
Dato' Ow Chee Cheoon
 Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 142 to 229 have been 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 at 31 December 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Dato' Sri Aziz bin Jaafar
Director

Kuala Lumpur
26 April 2022

.....
Dato' Ow Chee Cheoon
Director

STATUTORY DECLARATION

I, Ow Yin Yee (CA 10002), being the Director primarily responsible for the financial management of Gabungan AQRS Berhad, do solemnly and sincerely declare that the financial statements set out on pages 142 to 229 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
26 April 2022)

Ow Yin Yee

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GABUNGAN AQRS BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gabungan AQRS Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 142 to 229.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

(a) Revenue recognition for construction contracts and property development

Revenue from construction contracts and property development is set out in Note 6 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time, which is based on the stage of completion method. The determination of stage of completion requires management to exercise significant judgement in estimating the total costs to complete.

In estimating the budgeted contract costs and budgeted development costs, the Group considered the completeness and accuracy of its cost estimation, including its obligations to contract variations, claims and cost contingencies.

INDEPENDENT AUDITORS' REPORT

[CONT'D]

Key Audit Matters (cont'd)

(a) Revenue recognition for construction contracts and property development (cont'd)

Audit response

Our audit procedures included the following:

- (i) Reviewed the terms and conditions of the sales transactions to determine that revenue recognised conforms with the Group policies and the requirements of MFRS 15 Revenue from Contracts with Customers;
- (ii) Compared management's estimates of budgeted contract costs and budgeted development costs to relevant supporting documents and recomputed the progress towards complete satisfaction of performance obligations determined by management for revenue recognition based on actual costs incurred up to the end of the reporting period;
- (iii) Inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (iv) Inquired with in-house quantity surveyors and project managers to corroborate the status of the works and the stage of completion; and
- (v) Inspected documentation from technical experts and sub-contractors in relation to variations and claims to corroborate key judgements applied by management.

(b) Recoverability of trade and other receivables

The carrying amount of trade and other receivables is set out in Note 23 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade and other receivables, appropriate forward looking information and significant increase in credit risk. We focused on the audit risk that the impairment losses on trade and other receivables may be understated and hence, further impairment losses may be required.

Audit response

Our audit procedures included the following:

- (i) Assessed the expected credit loss ("ECL") for portfolios of trade receivables and other receivables based on customer segments, historical information on payment trend and forward-looking information;
- (ii) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (iii) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (iv) Assessed the appropriateness of the indicators of significant increase in credit risk applied by management and the resultant basis for classification of exposure into respective stages.

INDEPENDENT AUDITORS' REPORT

[CONT'D]

Key Audit Matters (cont'd)

(c) *Impairment assessment of the carrying amount of intangible assets*

Included in intangible assets is customer contract with a carrying amount of RM27,355,028, which arose from the acquisition of a subsidiary in prior years as disclosed in Note 21 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to probability-weighted expected cash flow projections of the subsidiary in determining the recoverable amount. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are among others, dependent on forecasted economic conditions.

Audit response

Our audit procedures included the following:

- (i) Reviewed cash flow projections and assessed the reasonableness of the key assumptions in the projections; and
- (ii) Evaluated the reasonableness of pre-tax discount rate by comparing to the weighted average cost of capital of the intangible assets and relevant risk factors.

(d) *Impairment assessment of the carrying amount of an investment in a subsidiary at Company level*

As at 31 December 2021, an investment in a subsidiary of the Company, Monolight IBS Building System Sdn. Bhd., was RM27,395,687, net of impairment of RM2,141,423.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to probability-weighted expected cash flow projections of the subsidiary. In this instance, its recoverable amount is based on its value-in-use method. These key assumptions include budgeted operating profit margins and growth rates as well as determining an appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- (i) Compared cash flow projections against recent performance and historical accuracy of cash flow projections prepared by management and assessed the reasonableness of key assumptions used in the probability-weighted expected cash flow projections; and
- (ii) Evaluated the reasonableness of pre-tax discount rate by comparing to the weighted average cost of capital of the Company and relevant risk factors.

INDEPENDENT AUDITORS' REPORT

[CONT'D]

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work we have performed, 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 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 MFRSs, IFRSs, 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

[CONT'D]

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

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.

BDO PLT

LLP0018825-LCA & AF 0206
Chartered Accountants

Kuala Lumpur
26 April 2022

Francis Cyril A/L S.R Singam

03056/04/2023 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2021

			Group		Company
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Revenue	6	331,205,450	202,262,353	17,319,423	26,652,995
Cost of sales	7	(279,021,149)	(232,291,994)	(10,353,694)	(1,392,995)
Gross profit/(loss)		52,184,301	(30,029,641)	6,965,729	25,260,000
Other income		3,608,021	6,596,478	1,195,577	574,046
Net gain/(loss) on impairment of financial instruments		3,331,179	(1,937,132)	(1,253,368)	(4,700,362)
Operating costs		(28,420,020)	(29,642,466)	(3,261,433)	(7,840,664)
Finance costs	8	(5,936,428)	(4,991,282)	(2,292,549)	(1,071,796)
Share of profit of an associate, net of tax	18	76,668	151,755	-	-
Share of profit of a joint venture, net of tax	19	834,072	364,672	-	-
Profit/(Loss) before tax		25,677,793	(59,487,616)	1,353,956	12,221,224
Taxation	11	(9,651,041)	5,856,254	115,938	(112,550)
Profit/(Loss) for the financial year		16,026,752	(53,631,362)	1,469,894	12,108,674
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss), net of tax		16,026,752	(53,631,362)	1,469,894	12,108,674
Attributable to:					
Owners of the parent		15,708,618	(54,270,495)	1,469,894	12,108,674
Non-controlling interests	17(d)	318,134	639,133	-	-
		16,026,752	(53,631,362)	1,469,894	12,108,674
Earnings/(Loss) per ordinary share attributable to equity holders of the Company:					
Basic earnings/(loss) per ordinary share (sen)	12	2.96	(11.00)		
Diluted earnings/(loss) per ordinary share (sen)	12	2.42	(11.00)		

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

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

	Note	31.12.2021 RM	Group 31.12.2020 RM (Restated)	01.01.2020 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	14	27,759,616	25,481,430	29,561,689
Investment properties	16	31,815,413	32,624,783	33,437,738
Investment in an associate	18	3,660,383	3,583,715	3,431,960
Investment in a joint venture	19	1,040,383	1,706,311	1,341,639
Deferred tax assets	20	3,220,010	9,934,994	6,121,832
Intangible assets	21	27,355,028	27,355,028	28,711,182
		94,850,833	100,686,261	102,606,040
Current assets				
Inventories	22	339,026,138	348,931,859	403,200,946
Trade and other receivables	23	187,034,829	211,694,794	188,989,208
Contract assets	24	619,000,563	541,884,598	631,656,419
Other investment	25	306,015	1,074,117	225,302
Current tax assets		1,300,161	2,534,200	2,605,502
Short term funds	26	253,073	316,036	1,922,412
Cash and bank balances	27	155,939,040	118,390,344	137,501,854
		1,302,859,819	1,224,825,948	1,366,101,643
TOTAL ASSETS		1,397,710,652	1,325,512,209	1,468,707,683
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	28	355,613,547	325,545,730	325,545,730
Reserves	29	125,435,632	109,727,014	168,931,794
		481,049,179	435,272,744	494,477,524
Non-controlling interests	17(d)	2,108,365	6,614,231	6,215,098
TOTAL EQUITY		483,157,544	441,886,975	500,692,622

STATEMENTS OF FINANCIAL POSITION

[CONT'D]

	Note	31.12.2021 RM	Group 31.12.2020 RM (Restated)	01.01.2020 RM (Restated)
LIABILITIES				
Non-current liabilities				
Borrowings	30	581,672	16,272,747	16,388,868
Lease liabilities	15	2,239,876	3,158,648	6,521,664
Deferred tax liabilities	20	1,642,048	309,504	305,313
		4,463,596	19,740,899	23,215,845
Current liabilities				
Trade and other payables	31	628,356,884	596,684,744	666,729,228
Contract liabilities	24	5,668,199	22,602,413	27,240,437
Borrowings	30	273,296,830	241,769,057	237,793,311
Lease liabilities	15	2,284,176	2,689,326	3,570,008
Current tax liabilities		483,423	138,795	9,466,232
		910,089,512	863,884,335	944,799,216
TOTAL LIABILITIES		914,553,108	883,625,234	968,015,061
TOTAL EQUITY AND LIABILITIES		1,397,710,652	1,325,512,209	1,468,707,683

STATEMENTS OF FINANCIAL POSITION

[CONT'D]

		Company	
		31.12.2021	31.12.2020
	Note	RM	RM
ASSETS			
Non-current assets			
Property, plant and equipment	14	354,847	266,428
Lease receivables	15	220,408	336,158
Investments in subsidiaries	17	312,535,087	315,236,767
Investment in a joint venture	19	255,000	255,000
Other receivables	23	21,697,644	21,942,466
		335,062,986	338,036,819
Current assets			
Lease receivables	15	115,750	106,880
Trade and other receivables	23	39,256,526	14,853,138
Contract assets	24	2,470,473	1,382,840
Current tax assets		10,052	-
Short term funds	26	40,384	107,195
Cash and bank balances	27	63,592,993	8,060,873
		105,486,178	24,510,926
TOTAL ASSETS		440,549,164	362,547,745
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	28	355,613,547	325,545,730
Reserves	29	17,290,344	15,820,450
TOTAL EQUITY		372,903,891	341,366,180
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	495,748	511,048
		495,748	511,048

STATEMENTS OF FINANCIAL POSITION

[CONT'D]

			Company
	Note	31.12.2021 RM	31.12.2020 RM
LIABILITIES			
Current liabilities			
Trade and other payables	31	15,562,405	11,847,297
Borrowings	30	51,376,395	8,506,299
Lease liabilities	15	210,725	209,295
Current tax liabilities		-	107,626
		67,149,525	20,670,517
TOTAL LIABILITIES		67,645,273	21,181,565
TOTAL EQUITY AND LIABILITIES		440,549,164	362,547,745

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2021

Group	Note	Non-distributable			Distributable		Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
		Share capital RM	Treasury shares RM	Retained earnings RM					
Balance as at 1 January 2020, as previously reported		325,545,730	(1,427,468)	184,924,249		509,042,511	6,215,098	515,257,609	
Effects of IFRIC Agenda Decision on IAS 23	37	-	-	(14,564,987)		(14,564,987)	-	(14,564,987)	
Balance as at 1 January 2020, as restated		325,545,730	(1,427,468)	170,359,262		494,477,524	6,215,098	500,692,622	
(Loss)/Profit for the financial year		-	-	(54,270,495)		(54,270,495)	639,133	(53,631,362)	
Other comprehensive income, net of tax		-	-	-		-	-	-	
Total comprehensive (loss)/income, net of tax		-	-	(54,270,495)		(54,270,495)	639,133	(53,631,362)	
Transactions with owners									
Dividend payable	13	-	-	(4,934,285)		(4,934,285)	-	(4,934,285)	
Dividend paid to non-controlling interests		-	-	-		-	(240,000)	(240,000)	
Total transactions with owners		-	-	(4,934,285)		(4,934,285)	(240,000)	(5,174,285)	
Balance as at 31 December 2020		325,545,730	(1,427,468)	111,154,482		435,272,744	6,614,231	441,886,975	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

[CONT'D]

Group	Note	Non-distributable			Distributable		Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
		Share capital RM	Treasury shares RM	Retained earnings RM					
Balance as at 1 January 2021, as previously reported		325,545,730	(1,427,468)	125,536,985		449,655,247	6,614,231	456,269,478	
Effects of IFRIC Agenda Decision on IAS 23	37	-	-	(14,382,503)		(14,382,503)	-	(14,382,503)	
Balance as at 1 January 2021, as restated		325,545,730	(1,427,468)	111,154,482		435,272,744	6,614,231	441,886,975	
Profit for the financial year		-	-	15,708,618		15,708,618	318,134	16,026,752	
Other comprehensive income, net of tax		-	-	-		-	-	-	
Total comprehensive income, net of tax		-	-	15,708,618		15,708,618	318,134	16,026,752	
Transactions with owners									
Ordinary shares issued pursuant to private placement	28	30,153,417	-	-		30,153,417	-	30,153,417	
Share issuance expenses	28	(85,600)	-	-		(85,600)	-	(85,600)	
Dividend paid to non-controlling interests		-	-	-		-	(4,824,000)	(4,824,000)	
Total transactions with owners		30,067,817	-	-		30,067,817	(4,824,000)	25,243,817	
Balance as at 31 December 2021		355,613,547	(1,427,468)	126,863,100		481,049,179	2,108,365	483,157,544	

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2021

Company	Note	Non-distributable Share capital RM	Treasury shares RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 January 2020		325,545,730	(1,427,468)	10,073,529	334,191,791
Profit for the financial year		-	-	12,108,674	12,108,674
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income, net of tax		-	-	12,108,674	12,108,674
Transaction with owners					
Dividend payable	13	-	-	(4,934,285)	(4,934,285)
Total transaction with owners		-	-	(4,934,285)	(4,934,285)
Balance as at 31 December 2020		325,545,730	(1,427,468)	17,247,918	341,366,180
Balance as at 1 January 2021		325,545,730	(1,427,468)	17,247,918	341,366,180
Profit for the financial year		-	-	1,469,894	1,469,894
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income, net of tax		-	-	1,469,894	1,469,894
Transaction with owners					
Ordinary shares issued pursuant to private placement	28	30,153,417	-	-	30,153,417
Share issuance expenses	28	(85,600)	-	-	(85,600)
Total transaction with owners		30,067,817	-	-	30,067,817
Balance as at 31 December 2021		355,613,547	(1,427,468)	18,717,812	372,903,891

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2021

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		25,677,793	(59,487,616)	1,353,956	12,221,224
Adjustments for:					
Depreciation of:					
- property, plant and equipment	14	6,269,816	5,600,464	101,422	103,133
- investment properties	16	813,282	812,955	-	-
Dividend income	6	-	-	(6,726,000)	(25,260,000)
Fair value loss/(gain) on:					
- other investment		768,102	(848,815)	-	-
- short term fund		(1,602)	(3,868)	-	-
Loss/(Gain) on disposal of property, plant and equipment		4,372	(80,001)	-	-
Gain on lease modification	14(d)	(3,887)	(140,463)	-	-
Impairment losses on:					
- trade receivables	23(i)	2,249,107	3,632,402	-	-
- other receivables	23(k)	483,645	747,319	535,915	2,989,099
- contract assets	24(f)	821,172	455,086	15,773	10,155
- investments in subsidiaries	17(g)	-	-	-	5,604,607
- equity loan	17(h)	-	-	701,680	1,701,108
- intangible assets	21	-	1,356,154	-	-
- property, plant and equipment	14(f)	-	1,151,362	-	-
Interest expense		7,657,605	5,223,671	2,292,549	1,071,796
Interest income		(1,264,591)	(2,257,945)	(1,145,159)	(566,793)
Inventories written down	7	-	7,476,250	-	-
Lease concession	15	-	(5,960)	(46,368)	-
Property, plant and equipment written off	14	-	3,601	-	-
Reversal of impairment losses on:					
- trade receivables	23(i)	(6,472,069)	(1,814,391)	-	-
- other receivables	23(k)	(121)	(108,052)	-	-
- contract assets	24(f)	(412,913)	(975,232)	-	-
- property, plant and equipment	14	(1,054,823)	-	-	-
Share of profit of an associate, net of tax	18	(76,668)	(151,755)	-	-
Share of profit of a joint venture, net of tax	19	(834,072)	(364,672)	-	-
Operating profit/(loss) before changes working capital changes		34,624,148	(39,779,506)	(2,916,232)	(2,125,671)

STATEMENTS OF CASH FLOWS

[CONT'D]

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(CONT'D)					
Changes in working capital:					
Inventories		9,905,721	46,792,837	-	-
Lease receivables		-	-	138,000	138,000
Trade and other receivables		28,399,402	(25,162,864)	72,396	24,979,784
Contract assets		(77,524,224)	90,291,967	(1,103,406)	(1,392,995)
Trade and other payables		31,672,141	(74,978,769)	(4,247,851)	(5,798,035)
Contract liabilities		(16,934,214)	(4,638,024)	-	-
Cash generated from/(used in) operations		10,142,974	(7,474,359)	(8,057,093)	15,801,083
Interest paid		(3,815,456)	(2,780,314)	(51,806)	-
Interest received		1,266,193	2,261,813	201,531	270,537
Tax paid		(1,336,926)	(9,927,630)	(1,740)	(13,614)
Tax refunded		1,312,080	2,718,778	-	-
Net cash from/(used in) operating activities		7,568,865	(15,201,712)	(7,909,108)	16,058,006
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(14,228,956)	(10,085,011)
Dividend received from joint venture		1,500,000	-	1,500,000	-
Dividend received from subsidiaries		-	-	5,226,000	260,000
Proceeds from disposals of property, plant and equipment		13,943	80,002	-	-
Purchases of:					
- property, plant and equipment	14(d)	(5,986,694)	(3,556,081)	-	-
- investment properties	16	(3,912)	-	-	-
(Placements)/Withdrawals of fixed deposits pledged		(41,628,730)	3,190,309	(56,554,241)	706,738
Net cash used in investing activities		(46,105,393)	(285,770)	(64,057,197)	(9,118,273)

STATEMENTS OF CASH FLOWS

[CONT'D]

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		-	-	(1,852,988)	(760,446)
Issuance of ordinary shares pursuant to private placement	28	30,153,417	-	30,153,417	-
Share issuance expenses	28	(85,600)	-	(85,600)	-
Dividend paid to non-controlling interests		(4,824,000)	(240,000)	-	-
Drawdowns of term loans		82,133,905	8,531,379	-	-
Repayment of lease liabilities		(3,137,633)	(3,688,769)	(207,552)	(253,920)
Repayments of revolving credits		(107,788)	(118,648)	-	-
Repayments of term loans		(26,641,489)	(10,571,138)	-	-
Net cash from/(used in) financing activities		77,490,812	(6,087,176)	28,007,277	(1,014,366)
Net increase/(decrease) in cash and cash equivalents		38,954,284	(21,574,658)	(43,959,028)	5,925,367
Cash and cash equivalents at beginning of financial year		(200,815,111)	(179,240,453)	(5,252,110)	(11,177,477)
Cash and cash equivalents at end of financial year	27(f)	(161,860,827)	(200,815,111)	(49,211,138)	(5,252,110)

STATEMENTS OF CASH FLOWS

[CONT'D]

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 15)		Term loans (Note 30)		Revolving credits (Note 30)	
	Group RM	Company RM	Group RM (Restated)	Company RM	Group RM	Company RM
At 1 January 2020	10,091,672	915,640	40,695,823	-	2,000,000	-
Cash flows	(3,688,769)	(253,920)	(2,039,759)	-	(118,648)	-
Non-cash flows :						
- Unwinding of interest	472,406	58,623	1,852,303	-	118,648	-
- Additions during the year	1,338,457	-	-	-	-	-
- Termination and expiration during the year	(2,359,832)	-	-	-	-	-
- Lease concessions	(5,960)	-	-	-	-	-
As 31 December 2020/ 1 January 2021	5,847,974	720,343	40,508,367	-	2,000,000	-
Cash flows	(3,137,633)	(207,552)	55,492,416	-	(107,788)	-
Non-cash flows :						
- Unwinding of interest	292,798	50,209	3,441,563	-	107,788	-
- Additions during the year	1,313,493	-	-	-	-	-
- Remeasurements during the year	305,039	189,841	-	-	-	-
- Termination and expiration during the year	(97,619)	-	-	-	-	-
- Lease concessions	-	(46,368)	-	-	-	-
At 31 December 2021	4,524,052	706,473	99,442,346	-	2,000,000	-

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

1. CORPORATE INFORMATION

Gabungan AQRS Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at G-58-3, Block G, Jalan Teknologi 3/9, Bistari 'De' Kota, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Lot 58-G, Block G, Jalan Teknologi 3/9, Bistari 'De' Kota, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2021 comprise the Company and its subsidiaries and the interests of the Group in an associate and a joint venture. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 26 April 2022.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and details of the subsidiaries are set out in Note 17(c) to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRS during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 36.1 to the financial statements.

The Group adopted IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 Borrowing Costs as at 1 January 2020 retrospectively. The Group has consistently applied the Standard in its opening statements of financial position as at 1 January 2020 and throughout the financial years presented, as if the Standard had always been in effect. In relation to this, comparative figures of the Group for the financial year ended 31 December 2020 in these financial statements, including their opening statements of financial position as at 1 January 2020, have been restated to give effect to these changes as summarised in Note 37 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

4. OPERATING SEGMENTS

Gabungan AQRS Berhad and its subsidiaries are principally engaged in construction, property development, property investment, provision of management services and investment holding.

Gabungan AQRS Berhad has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments comprise property investment, provision of management services and investment holding.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs and goodwill impairment, if any.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

4. OPERATING SEGMENTS (CONT'D)

2021	Construction RM	Property development RM	Other operating segments RM	Total RM
Segment revenue				
Total revenue	346,326,833	62,419,730	16,413,930	425,160,493
Inter segment revenue	(81,279,617)	-	(12,675,426)	(93,955,043)
Revenue from external customers	265,047,216	62,419,730	3,738,504	331,205,450
Interest income	1,037,823	25,237	201,531	1,264,591
Finance costs	(2,180,488)	(1,739,476)	(2,016,464)	(5,936,428)
Net finance (expenses)/income	(1,142,665)	(1,714,239)	(1,814,933)	(4,671,837)
Segment profit/(loss) before tax	40,800,110	(12,076,091)	3,657,257	32,381,276
Share of profit of an associate, net of tax	76,668	-	-	76,668
Share of profit of a joint venture, net of tax	-	-	834,072	834,072
Taxation	(9,305,306)	669,798	(1,015,533)	(9,651,041)
Other material non-cash item:				
- Depreciation of:				
- Property, plant and equipment	(5,496,046)	(161,806)	(611,964)	(6,269,816)
- Investment properties	(104,289)	-	(708,993)	(813,282)
- Impairment loss on:				
- trade receivables	(585,351)	(1,632,658)	(31,098)	(2,249,107)
- other receivables	(411,392)	(71,712)	(541)	(483,645)
- contract assets	(712,505)	(108,667)	-	(821,172)
- Reversal of impairment loss on:				
- trade receivables	6,375,342	96,727	-	6,472,069
- contract assets	411,421	1,492	-	412,913
Investment in an associate	3,660,383	-	-	3,660,383
Investment in a joint venture	-	-	1,040,383	1,040,383
Additions to non-current assets other than financial instruments and deferred tax assets	7,175,734	95,673	32,692	7,304,099
Segment assets	947,847,759	550,603,547	529,103,327	2,027,554,633
Segment liabilities	697,165,824	493,467,471	87,947,693	1,278,580,988

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

4. OPERATING SEGMENTS (CONT'D)

2020	Construction RM	Property development RM (Restated)	Other operating segments RM	Total RM (Restated)
Segment revenue				
Total revenue	175,771,414	51,587,413	44,399,761	271,758,588
Inter segment revenue	(30,850,490)	(5,600,000)	(33,045,745)	(93,955,043)
Revenue from external customers	144,920,924	45,987,413	11,354,016	202,262,353
Interest income	1,947,329	40,079	270,537	2,257,945
Finance costs	(2,340,237)	(1,426,589)	(1,224,456)	(4,991,282)
Net finance income/(expenses)	(392,908)	(1,386,510)	(953,919)	(2,733,337)
Segment profit/(loss) before tax	(28,672,413)	(32,060,570)	20,505,911	(40,227,072)
Share of profit of an associate, net of tax	151,755	-	-	151,755
Share of profit of a joint venture, net of tax	-	-	364,672	364,672
Taxation	6,629,781	89,156	(862,683)	5,856,254
Other material non-cash item:				
- Depreciation of:				
- Property, plant and equipment	(4,769,604)	(218,983)	(611,877)	(5,600,464)
- Investment properties	(104,288)	-	(708,667)	(812,955)
- Impairment loss on:				
- intangible assets	(1,356,154)	-	-	(1,356,154)
- trade receivables	(2,897,178)	(181,510)	(553,714)	(3,632,402)
- other receivables	(740,379)	(6,940)	-	(747,319)
- contract assets	(229,540)	(225,546)	-	(455,086)
- Inventories written down	-	(7,476,250)	-	(7,476,250)
- Reversal of impairment loss on:				
- trade receivables	-	1,811,959	2,432	1,814,391
- other receivables	104,704	3,071	277	108,052
- contract assets	921,566	53,666	-	975,232
Investment in an associate	3,583,715	-	-	3,583,715
Investment in a joint venture	-	-	1,706,311	1,706,311
Additions to non-current assets other than financial instruments and deferred tax assets	4,781,830	122,175	8,294	4,912,299
Segment assets	926,302,575	534,663,251	443,054,917	1,904,020,743
Segment liabilities	707,115,443	453,401,084	34,608,824	1,195,125,351

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

4. OPERATING SEGMENTS (CONT'D)

(a) Reconciliations

Reconciliations of reportable segment profit or loss to the corresponding amounts of the Group are as follows:

	2021 RM	Group 2020 RM (Restated)
Profit for the financial year		
Total profit or loss for reportable segments	32,381,276	(40,227,072)
Elimination of inter-segment profit	(7,614,223)	(18,420,817)
Impairment loss on intangible assets	-	(1,356,154)
Share of profit of an associate, net of tax	76,668	151,755
Share of profit of a joint venture, net of tax	834,072	364,672
Profit/(Loss) before tax	25,677,793	(59,487,616)
Taxation	(9,651,041)	5,856,254
Profit/(Loss) for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	16,026,752	(53,631,362)
Assets		
Total assets for reportable segments	2,027,554,633	1,904,020,743
Elimination of investments in subsidiaries and consolidation adjustments	(272,819,745)	(272,778,503)
Elimination of inter-segment balances	(357,024,236)	(305,730,031)
Assets of the Group per consolidated statement of financial position	1,397,710,652	1,325,512,209
Liabilities		
Total liabilities for reportable segments	1,278,580,988	1,195,125,351
Elimination of consolidation adjustments	(7,003,644)	(5,770,086)
Elimination of inter-segment balances	(357,024,236)	(305,730,031)
Liabilities of the Group per consolidated statement of financial position	914,553,108	883,625,234

(b) Geographical information

As the operations of the Group are mainly predominated in Malaysia, no segment information is presented on geographical segments.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

4. OPERATING SEGMENTS (CONT'D)

(c) Major customers

The following are major customers with revenue equal to or more than ten per centum (10%) of Group revenue for current and prior year:

	2021 RM	Group 2020 RM
Customer A	81,700,045	46,380,226
Customer B	134,421,247	77,756,831
Customer C	- *	23,669,527
	216,121,292	147,806,584

* Revenue is less than 10% in 2021

The above customers are related to the construction segment.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The strategy of the Group is to maintain the balance between debt and equity and to ensure sufficient operating cash flows to repay its liabilities as and when they fall due. The Group includes within net debt, loans and borrowings and lease liabilities, less cash and bank balances (including fixed deposits with licensed banks) and short term funds. Capital represents total equity.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (cont'd)

	2021 RM	Group 2020 RM (Restated)	Company 2021 RM	2020 RM
Borrowings	273,878,502	258,041,804	51,376,395	8,506,299
Lease liabilities :				
- Financial institutions	794,023	1,134,689	-	-
- Non-financial institutions	1,543,977	2,463,191	-	-
	276,216,502	261,639,684	51,376,395	8,506,299
Less:				
Short term funds	(253,073)	(316,036)	(40,384)	(107,195)
Cash and bank balances	(155,939,040)	(118,390,344)	(63,592,993)	(8,060,873)
Net debt/(cash)	120,024,389	142,933,304	(12,256,982)	338,231
Total capital	483,157,544	441,886,975	372,903,891	341,366,180
Net debt	120,024,389	142,933,304	(12,256,982)	338,231
Total	603,181,933	584,820,279	360,646,909	341,704,411

Gearing ratio	20%	24%	*	**
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* Gearing ratio is not presented as the Company is in net cash position as at the end of the reporting period.

** Represents 0.1%.

Pursuant to the requirements of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued share capital (excluding any treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement for the financial year ended 31 December 2021.

The Group is not subject to any other externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The exposure to these risks arises in the normal course of the business of the Group. The overall business strategies of the Group outlines its tolerance to risk and its general risk management philosophy and is determined by the management in accordance with prevailing economic and operating conditions.

The Group is exposed mainly to liquidity and cash flow risk, interest rate risk, credit risk, market price risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

During the current financial year, the Group was in an overall cash deficit position as disclosed in statements of cash flows as at 31 December 2021.

The Group has prepared a cash flow forecast for the twelve (12) month from the date of the end of the financial statements based on their past performance after considering the current economic conditions. Based on the cash flow forecast, the Directors are confident that the Group is able to generate sufficient cash flows for the next twelve (12) month from the reporting date to meet its cash flows requirements to realise its assets and to discharge its liabilities in the normal course of business. In addition, as of 31 December 2021, the Group has an amount of approximately RM188.7 million unutilised banking facilities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 15, 30 and 31 to the financial statements respectively.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from its amounts owing from subsidiaries, fixed deposits with licensed banks, bank borrowings and amounts owing to subsidiaries. The Group borrows at both floating and fixed rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 23, 26, 27, 30 and 31 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to two (2) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control section to minimise credit risk. Overdue balances are reviewed regularly by senior management.

At the end of each reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The credit risk concentration profiles have been disclosed in Note 23 to the financial statements.

(iv) Market price risk

Market price risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risk arising from other investment and short term funds, which are quoted. These instruments are classified as financial assets designated at fair value through profit or loss.

The sensitivity analysis of market price risk has been disclosed in Notes 25 and 26 to the financial statements respectively.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk arising from other investment, where the currency denomination differs from the functional currency, RM. Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure the net exposure is at an acceptable level.

The sensitivity analysis of foreign currency risk has been disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

6. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contracts with customers:				
Construction contracts	265,047,216	144,920,924	10,593,423	1,392,995
Property development revenue	49,282,145	38,378,082	-	-
Sales of completed properties	13,137,585	7,609,331	-	-
Other revenue:				
Rental income	3,738,504	11,354,016	-	-
Dividend income from				
- subsidiaries	-	-	5,226,000	25,260,000
- a joint venture	-	-	1,500,000	-
	331,205,450	202,262,353	17,319,423	26,652,995

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements.

(a) Construction contracts

Revenue from contract works are recognised over the period of the contracts by reference to the progress towards complete satisfaction of that performance obligations. Progress is determined on the proportion of construction contract costs incurred for work performed to date against total estimated construction contract costs where the outcome of the project can be estimated reliably.

Significant judgements are required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs. In making the judgements, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Property development

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total cost of development of the contract).

Significant judgements are required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs. In making the judgements, the Group evaluates based on past experience and by relying on the work of specialists.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

6. REVENUE (CONT'D)

(c) Sales on completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

(d) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

(e) Dividend income

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

7. COST OF SALES

	2021 RM	Group 2020 RM (Restated)	Company 2021 RM	2020 RM
Completed properties sold	16,740,025	10,970,030	-	-
Property development costs	51,427,930	50,053,641	-	-
Construction contract costs	216,209,994	163,792,073	10,353,694	1,392,995
Inventories written down	-	7,476,250	-	-
Reversal of inventories written down	(5,356,800)	-	-	-
	279,021,149	232,291,994	10,353,694	1,392,995

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

8. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Interest expense on:				
- bank overdrafts	3,759,202	2,721,815	1,852,988	760,446
- revolving credits	107,788	118,648	-	-
- term loans	1,826,278	1,852,303	-	-
- lease liabilities	186,906	240,017	50,209	58,623
- advances from subsidiaries	-	-	337,546	252,727
- others	56,254	58,499	51,806	-
	5,936,428	4,991,282	2,292,549	1,071,796

9. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors' remuneration:				
- Directors of the Company:				
- fees:				
- payable by the Company	468,000	464,645	468,000	464,645
- emoluments other than fees:				
- payable by Company	27,178	35,394	27,178	35,394
- payable by the subsidiaries	3,624,071	3,587,570	-	-
	4,119,249	4,087,609	495,178	500,039
Directors of subsidiaries:				
- emoluments other than fees	1,291,002	1,337,508	-	-
	5,410,251	5,425,117	495,178	500,039

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group amounted to RM184,150 (2020: RM184,150).

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

10. EMPLOYEE BENEFITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Wages and salaries	20,352,331	22,129,631	216,240	208,125
EPF and Socso contributions	2,535,910	2,671,723	29,569	28,534
Other employee benefits	745,359	349,471	13,436	390
	23,633,600	25,150,825	259,245	237,049

Included in the employee benefits of the Group are Directors' remuneration amounting to RM4,942,251 (2020: RM4,960,473).

11. TAXATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current year tax expense based on profit for the financial year	1,510,032	2,117,614	-	119,334
Under/(Over) provision in prior years	93,481	(4,164,897)	(115,938)	(6,784)
	1,603,513	(2,047,283)	(115,938)	112,550
Deferred tax (Note 20):				
- Relating to origination and reversal of temporary differences	8,111,078	(5,153,122)	-	-
- (Over)/Under provision in prior years	(63,550)	1,344,151	-	-
	8,047,528	(3,808,971)	-	-
	9,651,041	(5,856,254)	(115,938)	112,550

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profits for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

11. TAXATION (CONT'D)

- (b) The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Profit/(Loss) before tax	25,677,793	(59,487,616)	1,353,956	12,221,224
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	6,162,670	(14,277,028)	324,949	2,933,094
Tax effects in respect of:				
Non-allowable expenses	8,863,888	8,231,729	1,526,010	3,256,509
Non-taxable income	(3,503,916)	(1,235,138)	(1,852,061)	(6,071,835)
Deferred tax assets not recognised	440,949	4,443,126	1,102	1,566
Utilisation of previously unrecognised deferred tax assets	(2,342,481)	(198,197)	-	-
	9,621,110	(3,035,508)	-	119,334
Under/(Over) provision in prior years				
- current tax expense	93,481	(4,164,897)	(115,938)	(6,784)
- deferred tax expense	(63,550)	1,344,151	-	-
	9,651,041	(5,856,254)	(115,938)	112,550

12. EARNINGS/(LOSS) PER ORDINARY SHARE

- (a) Basic

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares.

	2021	Group 2020 (Restated)
Profit/(Loss) for the financial year attributable to equity holders of the parent (RM)	15,708,618	(54,270,495)
Weighted average number of ordinary shares in issue (unit) - private placement	493,428,523 36,635,378	493,428,523 -
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	530,063,901	493,428,523
Basic earnings/(loss) per ordinary share (sen)	2.96	(11.00)

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

12. EARNINGS/(LOSS) PER ORDINARY SHARE (CONT'D)

(b) Diluted

Diluted earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	2021	Group 2020 (Restated)
Profit/(Loss) for the financial year attributable to equity holders of the parent (RM)	15,708,618	(54,270,495)
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	530,063,901	493,428,523
Effect of outstanding warrants convertible into ordinary shares	119,394,407	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	649,458,308	493,428,523
Diluted earnings/(loss) per ordinary share (sen)	2.42	(11.00)

13. DIVIDEND

	Group and Company			
	2021	2021	2020	2020
	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM
In respect of the financial year ended 31 December 2020				
First interim dividend of 1.00 sen per ordinary share, paid on 7 January 2021	-	-	1.00	4,934,285

The Directors do not recommend the payment of any dividend in respect of the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

14. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2021 RM	Additions RM	Disposals RM	Termination and expiration of leases RM	Depreciation charge for the financial year RM	Remeasurement RM	Reversal of impairment loss for the financial year RM	Balance as at 31.12.2021 RM
Carrying amount								
Leasehold land and buildings *	13,844,547	8,258	-	-	(562,082)	-	1,054,823	14,345,546
Information technology equipment	10,841	9,120	-	-	(5,179)	-	-	14,782
Furniture and fittings	750,443	7,690	-	-	(246,180)	-	-	511,953
Motor vehicles	719,422	-	(17,642)	-	(225,726)	-	-	476,054
Office and computer equipment	1,380,132	368,765	(673)	-	(591,796)	-	-	1,156,428
Operation and construction equipment	2,747,303	5,568,205	-	-	(1,593,777)	-	-	6,721,731
Plant, machinery and cabins	569,930	3,420	-	-	(169,101)	-	-	404,249
Right-of-use assets:								
- Land	388,801	69,565	-	-	(146,256)	34,233	-	346,343
- Buildings	1,382,373	1,055,928	-	(93,732)	(1,174,627)	270,806	-	1,440,748
- Motor vehicles	173,116	-	-	-	(66,702)	-	-	106,414
	3,514,522	209,236	-	-	(1,488,390)	-	-	2,235,368
	25,481,430	7,300,187	(18,315)	(93,732)	(6,269,816)	305,039	1,054,823	27,759,616

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

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

Group	[----- At 31.12.2021 -----]			
	Cost RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
Leasehold land and buildings *	18,452,385	(4,010,300)	(96,539)	14,345,546
Information technology equipment	1,481,788	(1,467,006)	-	14,782
Furniture and fittings	3,400,237	(2,888,284)	-	511,953
Motor vehicles	3,046,140	(2,570,086)	-	476,054
Office and computer equipment	6,403,034	(5,246,606)	-	1,156,428
Operation and construction equipment	38,227,010	(31,505,279)	-	6,721,731
Plant, machinery and cabins	13,826,271	(13,422,022)	-	404,249
Right-of-use assets:				
- Land	506,113	(159,770)	-	346,343
- Buildings	2,103,671	(662,923)	-	1,440,748
- Machineries	333,511	(227,097)	-	106,414
- Motor vehicles	8,371,452	(6,136,084)	-	2,235,368
	96,151,612	(68,295,457)	(96,539)	27,759,616

* Leasehold land is in respect of right-of-use assets for which the Group has land titles.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

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

Group	Balance as at 1.1.2020 RM	Additions RM	Disposals RM	Written off RM	Termination and expiration of leases RM	Depreciation and charge for the financial year RM	Reclassification RM	Impairment loss for the financial year RM	Balance as at 31.12.2020 RM
Carrying amount									
Leasehold land and buildings *	15,557,788	-	-	-	-	(561,879)	-	(1,151,362)	13,844,547
Information technology equipment	15,987	3,204	-	-	-	(8,350)	-	-	10,841
Furniture and fittings	1,001,827	42,330	-	-	-	(293,714)	-	-	750,443
Motor vehicles	328,321	627,700	(1)	(1)	-	(236,597)	-	-	719,422
Office and computer equipment	1,914,536	41,025	-	(3,600)	-	(571,829)	-	-	1,380,132
Operation and construction equipment	357,295	2,833,322	-	-	-	(443,314)	-	-	2,747,303
Plant, machinery and cabins	755,176	8,500	-	-	-	(193,746)	-	-	569,930
Right-of-use assets:									
- Land	210,988	186,472	-	-	-	(148,449)	139,790	-	388,801
- Buildings	4,190,988	1,169,746	-	-	(2,237,130)	(1,601,441)	(139,790)	-	1,382,373
- Motor vehicles	239,819	-	-	-	-	(66,703)	-	-	173,116
	4,988,964	-	-	-	-	(1,474,442)	-	-	3,514,522
	29,561,689	4,912,299	(1)	(3,601)	(2,237,130)	(5,600,464)	-	(1,151,362)	25,481,430

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

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

Group	[----- At 31.12.2020 -----]			
	Cost RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
Leasehold land and buildings *	18,444,127	(3,448,218)	(1,151,362)	13,844,547
Information technology equipment	1,472,668	(1,461,827)	-	10,841
Furniture and fittings	3,392,547	(2,642,104)	-	750,443
Motor vehicles	3,086,525	(2,367,103)	-	719,422
Office and computer equipment	6,058,030	(4,677,898)	-	1,380,132
Operation and construction equipment	32,658,805	(29,911,502)	-	2,747,303
Plant, machinery and cabins	13,822,851	(13,252,921)	-	569,930
Right-of-use assets:				
- Land	658,502	(269,701)	-	388,801
- Buildings	1,860,176	(477,803)	-	1,382,373
- Machineries	333,511	(160,395)	-	173,116
- Motor vehicles	8,162,216	(4,647,694)	-	3,514,522
	89,949,958	(63,317,166)	(1,151,362)	25,481,430

* Leasehold land is in respect of right-of-use assets for which the Group has land titles.

Company	Balance as at 1.1.2021 RM	Remeasurement RM	Depreciation RM	Balance as at 31.12.2021 RM
Carrying amount				
Right-of-use assets:				
- Buildings	266,428	189,841	(101,422)	354,847

	[----- At 31.12.2021 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Right-of-use assets:			
- Buildings	396,108	(41,261)	354,847

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

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

Company	Balance as at 1.1.2020 RM	Depreciation RM	Balance as at 31.12.2020 RM
Carrying amount			
Right-of-use assets:			
- Buildings	369,561	(103,133)	266,428
	[----- At 31.12.2020 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Right-of-use assets:			
- Buildings	475,150	(208,722)	266,428

- (a) All items of property, plant and equipment (excluding right-of-use assets) are initially recorded at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Leasehold land and buildings	2%
Information technology equipment	20%
Furniture and fittings	10% to 20%
Motor vehicles	20%
Office and computer equipment	10% to 20%
Operation and construction equipment	10% to 20%
Plant, machinery and cabins	20%

- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	Up to 89 years
Buildings	Up to 4 years
Machineries	Up to 3 years
Motor vehicles	Up to 9 years

Leasehold land and buildings for which the Group has titles are depreciated on straight line basis over 50 years.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

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

- (c) Included in right-of-use assets of the Group, all machineries and motor vehicles with total carrying amount of RM2,341,782 (2020: RM3,687,638) are subject to fixed charges created to secure certain lease liabilities of the Group.
- (d) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Additions of property, plant and equipment	7,300,187	4,912,299	-	-
Financed by hire-purchase arrangements and lease liabilities	(1,313,493)	(1,338,457)	-	-
Termination and expiration of rights-of-use assets	(93,732)	(2,237,130)	-	-
Termination and expiration of lease liabilities	97,619	2,359,832	-	-
Gain on lease modifications	(3,887)	(140,463)	-	-
Cash payments on purchase of property, plant and equipment	5,986,694	3,566,081	-	-

- (e) As at the end of the reporting period, leasehold land and buildings with a carrying amount of RM14,233,470 (2020: RM13,728,737) were charged to financial institutions for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.
- (f) In the previous financial year, impairment losses on property, plant and equipment of the Group of RM1,151,362 was recognised as the recoverable amounts of certain leasehold land and buildings were lower than their carrying amounts as a result of the COVID-19 pandemic. The Level 3 fair values of these leasehold land and buildings are estimated based on indicative market values using the comparison method, for which the COVID-19 adjustment factor is a significant unobservable input.

15. LEASES

Lease receivables

	Company	
	2021 RM	2020 RM
Current assets	115,750	106,880
Non-current assets	220,408	336,158
	336,158	443,038

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

15. LEASES (CONT'D)

- (a) The table below summarises the maturity profile of the lease payment receivable of the Company at the end of the reporting period based on contractual undiscounted lease payments and reconciliation of the undiscounted lease payments to lease receivable as follows:

	Company	
	2021 RM	2020 RM
Not later than one (1) year	138,000	138,000
One (1) to two (2) years	138,000	138,000
Two (2) to three (3) years	97,750	138,000
Three (3) to four (4) years	-	97,750
Undiscounted lease payments	373,750	511,750
Unearned finance income	(37,592)	(68,712)
	336,158	443,038
Representing finance lease receivables:		
Not later than one (1) year	115,750	106,880
One (1) to two (2) years	125,358	115,750
Two (2) to three (3) years	95,050	125,358
Three (3) to four (4) years	-	95,050
	336,158	443,038

- (b) The reconciliation of movements in the carrying amount of finance lease receivable are as follows:

	Company	
	2021 RM	2020 RM
At beginning of financial year	443,038	541,726
Lease receipts	(138,000)	(138,000)
Interest income	31,120	39,312
At end of financial year	336,158	443,038

- (c) No expected credit loss was recognised arising from finance lease receivable because the probability of default by this finance lease receivable was negligible.

NOTES TO THE FINANCIAL STATEMENTS
[CONT'D]

15. LEASES (CONT'D)

Lease liabilities

Group	Balance as at 1.1.2021 RM	Additions RM	Remeasurement RM	Termination and expiration of leases RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2021 RM
Carrying amount							
Land	840,635	69,565	34,233	-	(311,090)	63,719	697,062
Buildings	1,409,459	1,055,928	270,806	(97,619)	(1,261,710)	112,126	1,488,990
Machineries	109,318	-	-	-	(48,145)	2,082	63,255
Motor vehicles	3,488,562	188,000	-	-	(1,516,688)	114,871	2,274,745
	5,847,974	1,313,493	305,039	(97,619)	(3,137,633)	292,798	4,524,052

Lease liabilities

Company	Balance as at 1.1.2021 RM	Lease payments RM	Remeasurement RM	concessions RM	Lease concessions RM	Interest expense RM	Balance as at 31.12.2021 RM
Carrying amount							
Land	443,038	(138,000)	-	-	-	31,121	336,159
Buildings	277,305	(69,552)	189,841	(46,368)	(46,368)	19,088	370,314
	720,343	(207,552)	189,841	(46,368)	(46,368)	50,209	706,473

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

15. LEASES (CONT'D)

Lease liabilities

Group	Balance as at 1.1.2020 RM	Additions RM	Reclassification RM	Termination and expiration of leases RM	Lease payments RM	Lease concessions RM	Interest expense RM	Balance as at 31.12.2020 RM
Carrying amount								
Land	755,094	183,230	143,502	-	(311,090)	-	69,899	840,635
Buildings	4,302,273	1,155,227	(143,502)	(2,359,832)	(1,771,080)	(5,960)	232,333	1,409,459
Machineries	175,863	-	-	-	(71,603)	-	5,058	109,318
Motor vehicles	4,858,442	-	-	-	(1,534,996)	-	165,116	3,488,562
	10,091,672	1,338,457	-	(2,359,832)	(3,688,769)	(5,960)	472,406	5,847,974

Lease liabilities

Company	Balance as at 1.1.2020 RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM
Carrying amount				
Land	541,726	(138,000)	39,312	443,038
Buildings	373,914	(115,920)	19,311	277,305
	915,640	(253,920)	58,623	720,343

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

15. LEASES (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Represented by:				
Current liabilities	2,284,176	2,689,326	210,725	209,295
Non-current liabilities	2,239,876	3,158,648	495,748	511,048
	4,524,052	5,847,974	706,473	720,343
Lease liabilities owing to financial institutions	794,023	1,134,689	-	-
Lease liabilities owing to non-financial institutions	3,730,029	4,713,285	706,473	720,343
	4,524,052	5,847,974	706,473	720,343

The Group has certain leases of machineries with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the “short-term lease” and “lease of low-value assets” exemptions for these leases.

(d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Depreciation charge of right-of-use assets (included in cost of sales)	1,222,427	1,645,373	-	-
Depreciation charge of right-of-use assets (included in administrative expenses)	1,766,980	1,759,094	101,422	103,133
Interest expense on lease liabilities (included in cost of sales)	105,892	232,389	-	-
Interest expense on lease liabilities (included in finance costs)	186,906	240,017	50,209	58,623
Interest income on sublease of right-of-use assets (included in other income)	-	-	(31,120)	(39,312)
Expense relating to short-term leases (included in cost of sales)	14,577,088	8,182,908	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	88,643	73,905	-	-
Variable lease payments (included in other income)	-	(5,960)	(46,368)	-
- arising from COVID-19 related rent concessions	-	(5,960)	(46,368)	-
	17,947,936	12,127,726	74,143	122,444

(e) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM3,137,632 (2020: RM3,688,769) and RM207,552 (2020: RM253,920) respectively.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

15. LEASES (CONT'D)

- (f) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company:

Group	Weighted average incremental borrowing rate per annum %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
31 December 2021						
Lease liabilities						
Fixed rates	2.66% - 8.00%	2,284,176	1,173,571	853,107	213,198	4,524,052
31 December 2020						
Lease liabilities						
Fixed rates	2.66% - 8.00%	2,689,326	1,627,442	1,285,868	245,338	5,847,974
Company						
31 December 2021						
Lease liabilities						
Fixed rate	6.40% - 8.00%	210,725	226,592	269,156	-	706,473
31 December 2020						
Lease liabilities						
Fixed rate	5.85% - 8.00%	209,295	224,320	286,728	-	720,343

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

15. LEASES (CONT'D)

- (g) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 December 2021				
Lease liabilities	2,446,349	2,113,146	1,466,499	6,025,994
31 December 2020				
Lease liabilities	2,945,855	4,587,942	-	7,533,797
Company	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 December 2021				
Lease liabilities	253,920	535,210	-	789,130
31 December 2020				
Lease liabilities	253,920	557,290	-	811,210

- (h) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

16. INVESTMENT PROPERTIES

	2021 RM	Group 2020 RM
Investment properties	31,815,413	32,624,783

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

16. INVESTMENT PROPERTIES (CONT'D)

(a) The details of the investment properties are as follows:

Group	Balance as at 1.1.2021 RM	Addition RM	Depreciation charge for the financial year RM	Balance as at 31.12.2021 RM
Carrying amount				
Buildings	32,200,413	-	(698,472)	31,501,941
Furniture and fittings	8,451	3,912	(1,378)	10,985
Right-of-use asset: - Land	415,919	-	(113,432)	302,487
	32,624,783	3,912	(813,282)	31,815,413

	[----- At 31.12.2021 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings	41,402,104	(9,900,163)	31,501,941
Furniture and fittings	14,430	(3,445)	10,985
Right-of-use asset: - Land	621,693	(319,206)	302,487
	42,038,227	(10,222,814)	31,815,413

Group	Balance as at 1.1.2020 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2020 RM
Carrying amount			
Buildings	32,898,884	(698,471)	32,200,413
Furniture and fittings	9,503	(1,052)	8,451
Right-of-use asset: - Land	529,351	(113,432)	415,919
	33,437,738	(812,955)	32,624,783

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

16. INVESTMENT PROPERTIES (CONT'D)

- (a) The details of the investment properties are as follows: (cont'd)

	[----- At 31.12.2020 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings	41,402,104	(9,201,691)	32,200,413
Furniture and fittings	10,518	(2,067)	8,451
Right-of-use asset:			
- Land	621,693	(205,774)	415,919
	42,034,315	(9,409,532)	32,624,783

- (b) Investment properties (excluding right-of-use asset) are initially measured at cost, which includes transaction costs. After initial recognition, investment properties (excluding right-of-use asset) are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation period for the investment properties are as follows:

Buildings	2%
Furniture and fittings	10%

- (c) The right-of-use asset are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use asset are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use asset or the end of the lease term. The lease terms of right-of-use asset are as follows:

Land	5 years
------	---------

- (d) Investment properties are in respect of the provision of accommodation on base-camp concept that are leased to a third party.
- (e) The Level 3 fair value of investment properties is RM45,633,512 (2020: RM52,470,022). The fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment properties, periodic cash flow is typically estimated as gross income less any other operating and management expenses.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

16. INVESTMENT PROPERTIES (CONT'D)

- (f) The followings are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

	2021 RM	Group 2020 RM
Rental income	3,738,504	11,354,016
Direct operating expenses incurred on: - income generating investment property	686,387	830,347

17. INVESTMENTS IN SUBSIDIARIES

	2021 RM	Company 2020 RM
Unquoted equity shares in Malaysia, at cost	117,822,116	117,822,116
Less: Impairment loss	(34,227,731)	(34,227,731)
	83,594,385	83,594,385
Equity loans to subsidiaries	231,343,490	233,343,490
Less: Impairment loss	(2,402,788)	(1,701,108)
	228,940,702	231,642,382
Balance at 31 December	312,535,087	315,236,767

- (a) Investments in subsidiaries are stated in the separate financial statements at cost less any impairment losses.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Equity loans to subsidiaries are unsecured, interest-free and have no fixed terms of repayment, and are considered to be part of the net investments of the Company in the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The details of subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of Company	Interest in equity held by				Principal activities
	Company		Subsidiaries		
	2021	2020	2021	2020	
Gabungan Strategik Sdn. Bhd.	100%	100%	-	-	Contractor for civil and building construction works
Pembinaan Megah Ikhlas Sdn. Bhd.	100%	100%	-	-	Contractor for civil and building construction works
Motibina Sdn. Bhd.	100%	100%	-	-	Contractor for civil and building construction works
Prestige Field Development Sdn. Bhd.	52%	52%	-	-	Property development
AQRS The Building Company Sdn. Bhd.	100%	100%	-	-	Property development
GBG Trading Sdn. Bhd.	100%	100%	-	-	Dormant
Sinajasa Sdn. Bhd.	100%	100%	-	-	Dormant
Gabungan AQRS Properties Sdn. Bhd.	100%	100%	-	-	Property investment
Gabungan AQRS Management Sdn. Bhd.	100%	100%	-	-	Provision of management services
Gabungan AQRS Capital Berhad	100%	100%	-	-	Dormant
GBG Properties (Sabah) Sdn. Bhd.	100%	100%	-	-	Property development
Trusvest Sdn. Bhd.	90%	90%	-	-	Property investment
Monolight IBS Building System Sdn. Bhd.	100%	100%	-	-	Contractors for all building

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The details of subsidiaries, which are all incorporated in Malaysia, are as follows: (cont'd)

Name of Company	Interest in equity held by				Principal activities
	Company		Subsidiaries		
	2021	2020	2021	2020	
Subsidiaries of AQRS					
The Building Company					
Sdn. Bhd.					
Nusvista Development Sdn. Bhd.	-	-	100%	100%	Property development
Grand Meridian Development Sdn. Bhd.	-	-	100%	100%	Dormant
Bright Reach Sdn. Bhd.	-	-	100%	100%	Investment holding
Subsidiary of Bright Reach					
Sdn. Bhd.					
Crystal Aspect Sdn. Bhd.	-	-	100%	100%	Property development

(d) The subsidiaries that have non-controlling interests ("NCI") are as follows:

	Prestige Field Development Sdn. Bhd.	Trusvest Sdn. Bhd.	Total
2021			
NCI percentage of ownership interest and voting interests	48%	10%	
Carrying amount of NCI (RM)	205,423	1,902,942	2,108,365
Profit/Total comprehensive income allocated to NCI (RM)	218,789	99,345	318,134
2020			
NCI percentage of ownership interest and voting interests	48%	10%	
Carrying amount of NCI (RM)	4,810,634	1,803,597	6,614,231
(Loss)/Profit/Total comprehensive (loss)/income allocated to NCI (RM)	(119,956)	759,089	639,133

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

2021	Prestige Field Development Sdn. Bhd. RM	Trusvest Sdn. Bhd. RM
Assets and liabilities		
Non-current assets	-	43,059,621
Current assets	914,787	8,885,390
Non-current liabilities	-	(697,337)
Current liabilities	(220,961)	(2,154,230)
Net assets	693,826	49,093,444
Results		
Revenue	-	3,738,504
Profit for the financial year	455,810	993,446
Total comprehensive income	455,810	993,446
Cash flows from operating activities	10,080,518	2,285,233
Cash flows used in investing activities	-	(2,176,871)
Cash flows used in financing activities	(10,050,000)	(138,000)
Net increase/(decrease) in cash and cash equivalents	30,518	(29,638)

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (cont'd)

2020	Prestige Field Development Sdn. Bhd. RM	Trusvest Sdn. Bhd. RM
Assets and liabilities		
Non-current assets	-	44,135,841
Current assets	10,871,552	5,644,452
Non-current liabilities	-	(534,960)
Current liabilities	(583,536)	(1,145,335)
Net assets	10,288,016	48,099,998
Results		
Revenue	10,600,000	11,354,016
Profit for the financial year	15,953	7,590,888
Total comprehensive income	15,953	7,590,888
Cash flows from operating activities	5,956,943	7,190,080
Cash flows (used in)/from investing activities	(5,600,000)	1,656,358
Cash flows used in financing activities	(500,000)	(8,775,526)
Net (decrease)/increase in cash and cash equivalents	(143,057)	70,912

- (f) Management has made estimates about the future results and key assumptions applied to cash flow projection of a subsidiary in determining their recoverable amounts using the value-in-use model. These key assumptions include forecast growth in future revenues and budgeted gross margins as well as determining an appropriate pre-tax discount rate and growth rates.

	Group	
	2021 %	2020 %
Growth rate	8.00	26.00
Discount rate	11.50	8.00

- (g) In the previous financial year, impairment loss of RM5,604,607 had been recognised as the recoverable amount was lower than the carrying amount of investments in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (h) Impairment for equity loan is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 23(j) to the financial statements. Movements in the equity loans are as follows:

Company	12-month ECL RM
At 1 January 2020	-
Charge for the financial year	1,701,108
At 31 December 2020	1,701,108
Charge for the financial year	701,680
At 31 December 2021	2,402,788

18. INVESTMENT IN AN ASSOCIATE

	Group 2021 RM	2020 RM
Unquoted equity shares, at cost	3,322,200	3,322,200
Share of post-acquisition reserves, net of tax	338,183	261,515
	3,660,383	3,583,715

- (a) The Group recognises its interest in an associate as an investment and accounts for that investment using the equity method.
- (b) The financial year end of the associate is coterminous with those of the Group. Audited financial statements of the associate for the financial years ended 31 December 2020 and 31 December 2021 have been used for the purpose of applying the equity method of accounting.
- (c) The details of the associate are as follows:

Name of company	Country of incorporation	Interest in equity held by subsidiary		Principal activity
		2021 %	2020 %	
Associate of Sinajasa Sdn. Bhd.				
SEDCO Precast Sdn. Bhd.	Malaysia	49%	49%	Manufacturing and supplying of pre-cast concrete products

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

18. INVESTMENT IN AN ASSOCIATE (CONT'D)

(d) The summarised financial information of the associate are as follows:

	SEDCO Precast Sdn. Bhd. RM
2021	
Assets and liabilities	
Non-current assets	4,849,943
Current assets	5,480,685
Non-current liabilities	(403,703)
Current liabilities	(2,860,201)
Net assets	7,066,724
Results	
Revenue	12,457,583
Profit for the financial year	156,465
Total comprehensive income	156,465
Cash flows from operating activities	1,470,191
Cash flows used in investing activities	(21,783)
Cash flows used in financing activities	(425,247)
Net increase in cash and cash equivalents	1,023,161
2020	
Assets and liabilities	
Non-current assets	4,857,707
Current assets	4,275,614
Non-current liabilities	(277,578)
Current liabilities	(1,945,484)
Net assets	6,910,259

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

18. INVESTMENT IN AN ASSOCIATE (CONT'D)

(d) The summarised financial information of the associate are as follows: (cont'd)

	SEDCO Precast Sdn. Bhd. RM
2020	
Results	
Revenue	9,734,406
Profit for the financial year	309,703
Total comprehensive income	309,703
Cash flows from operating activities	904,245
Cash flows used in investing activities	(136,520)
Cash flows used in financing activities	(671,700)
Net increase in cash and cash equivalents	96,025

(e) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate is as follows:

	SEDCO Precast Sdn. Bhd. RM
As at 31 December 2021	
Share of net assets of the Group	3,462,695
Goodwill	197,688
Carrying amount in the consolidated statement of financial position	3,660,383
Share of results of the Group for the financial year ended 31 December 2021	
Share of profit/other comprehensive income of the Group, net of tax	76,668
As at 31 December 2020	
Share of net assets of the Group	3,386,027
Goodwill	197,688
Carrying amount in the consolidated statement of financial position	3,583,715
Share of results of the Group for the financial year ended 31 December 2020	
Share of profit/other comprehensive income of the Group, net of tax	151,755

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

19. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unquoted equity shares, at cost	255,000	255,000	255,000	255,000
Share of post-acquisition reserves, net of dividend received and tax	785,383	1,451,311	-	-
	1,040,383	1,706,311	255,000	255,000

- (a) Investment in a joint venture is stated at cost in the separate financial statements of the Company. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.
- (b) The details of the joint venture are as follows:

Name of company	Country of incorporation	Interest in equity held by Company		Principal activity
		2021 %	2020 %	
Kreatif Sinar Gabungan Sdn. Bhd. ("KSGSB")	Malaysia	30%	30%	Construction

- (c) KSGSB, the only joint venture in which the Company participates, is an unlisted separate structured entity whose quoted market price is not available. The contractual arrangement provides the Company with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with KSGSB. This joint arrangement has been classified as a joint venture.
- (d) The financial year end of the joint venture is coterminous with those of the Group. Management accounts of the joint venture for the financial years ended 31 December 2020 and 31 December 2021 have been used for the purpose of applying the equity method of accounting.
- (e) The summarised financial information of the joint venture is as follows:

	Kreatif Sinar Gabungan Sdn. Bhd. RM
2021	
Assets and liabilities	
Current assets	10,190,137
Current liabilities	(6,722,193)
Net assets	3,467,944

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

19. INVESTMENT IN A JOINT VENTURE (CONT'D)

(e) The summarised financial information of the joint venture is as follows: (cont'd)

	Kreatif Sinar Gabungan Sdn. Bhd. RM
2021	
Results	
Revenue	78,658,793
Profit for the financial year	2,780,240
Total comprehensive income	2,780,240
Cash flows from operating activities	2,345,580
Cash flows from investing activities	-
Cash flows used in financing activities	(5,000,000)
Net decrease in cash and cash equivalents	(2,654,420)
Other information	
Dividend received	1,500,000
2020	
Assets and liabilities	
Current assets	16,190,331
Current liabilities	(10,502,628)
Net assets	5,687,703
Results	
Revenue	34,508,847
Profit for the financial year	1,215,570
Total comprehensive income	1,215,570
Cash flows from operating activities	1,546,051
Cash flows from investing activities	-
Cash flows from financing activities	-
Net increase in cash and cash equivalents	1,546,051

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

19. INVESTMENT IN A JOINT VENTURE (CONT'D)

- (f) The reconciliation of net assets of the joint venture to the carrying amount of the investment in a joint venture is as follows:

**Kreatif Sinar
Gabungan
Sdn. Bhd.
RM**

As at 31 December 2021

Share of net assets of the Group/Carrying amount in the consolidated statement of financial position	1,040,383
--	-----------

Share of results of the Group for the financial year ended 31 December 2021

Share of profit/other comprehensive income of the Group, net of tax	834,072
---	---------

**Kreatif Sinar
Gabungan
Sdn. Bhd.
RM**

As at 31 December 2020

Share of net assets of the Group/Carrying amount in the consolidated statement of financial position	1,706,311
--	-----------

Share of results of the Group for the financial year ended 31 December 2020

Share of profit/other comprehensive income of the Group, net of tax	364,672
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20. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

	Group	
	2021 RM	2020 RM
Balance as at 1 January	9,625,490	5,816,519
Recognised in profit or loss (Note 11)	(8,047,528)	3,808,971
Balance as at 31 December	1,577,962	9,625,490
Represented by:		
Deferred tax assets, net	3,220,010	9,934,994
Deferred tax liabilities, net	(1,642,048)	(309,504)
	1,577,962	9,625,490

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

20. DEFERRED TAX

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

Deferred tax assets of the Group

	Property development costs RM	Unused tax losses and unabsorbed capital allowances RM	Impairment losses RM	Other deductible temporary differences RM	Set-off tax RM	Total RM
At 1 January 2020	2,974,559	1,097,200	2,569,166	2,452,345	(2,971,438)	6,121,832
Recognised in profit or loss	(435,728)	5,831,328	(2,569,166)	(1,767,898)	2,754,626	3,813,162
At 31 December 2020/ 1 January 2021	2,538,831	6,928,528	-	684,447	(216,812)	9,934,994
Recognised in profit or loss	669,798	(6,918,046)	-	(633,696)	166,960	(6,714,984)
At 31 December 2021	3,208,629	10,482	-	50,751	(49,852)	3,220,010

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Others RM	Set-off tax RM	Total RM
At 1 January 2020	590,746	2,686,005	(2,971,438)	305,313
Recognised in profit or loss	(169,214)	(2,581,221)	2,754,626	4,191
At 31 December 2020/ 1 January 2021	421,532	104,784	(216,812)	309,504
Recognised in profit or loss	1,187,656	(22,072)	166,960	1,332,544
At 31 December 2021	1,609,188	82,712	(49,852)	1,642,048

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

20. DEFERRED TAX (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Unabsorbed tax losses, gross				
- Expire by 31 December 2025	-	29,638,077	-	-
- Expire by 31 December 2026	-	8,074,915	-	-
- Expire by 31 December 2027	-	15,876,908	-	-
- Expire by 31 December 2028	3,755,262	287,787	-	-
- Expire by 31 December 2029	11,673,125	-	-	-
- Expire by 31 December 2030	13,858,441	-	-	-
- Expire by 31 December 2031	4,356,913	-	-	-
Unabsorbed capital allowances, gross	8,331	133,307	-	-
Other deductible temporary differences, gross	62,318,748	49,882,874	15,466	10,875
	95,970,820	103,893,868	15,466	10,875

Deferred tax assets of the company and the certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

21. INTANGIBLE ASSETS

Group	Balance as at 1.1.2021/ 31.12.2021 RM		
Carrying amount			
Customer contract			27,355,028
Goodwill			-
			27,355,028
	[----- At 31.12.2021 -----]		
	Cost RM	Accumulated impairment loss RM	Carrying amount RM
Customer contract	28,564,072	(1,209,044)	27,355,028
Goodwill	1,219,080	(1,219,080)	-
	29,783,152	(2,428,124)	27,355,028

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

21. INTANGIBLE ASSETS (CONT'D)

Group	Balance as at 1.1.2020 RM	Impairment loss RM	Balance as at 31.12.2020 RM
Carrying amount			
Customer contract	28,564,072	(1,209,044)	27,355,028
Goodwill	147,110	(147,110)	-
	28,711,182	(1,356,154)	27,355,028

	[----- At 31.12.2020 -----]		
	Cost RM	Accumulated impairment loss RM	Carrying amount RM
Customer contract	28,564,072	(1,209,044)	27,355,028
Goodwill	1,219,080	(1,219,080)	-
	29,783,152	(2,428,124)	27,355,028

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and/or any accumulated impairment losses.
- (b) Customer contract relates to a construction project awarded to a subsidiary acquired, which would be amortised based on the unit of production of the construction project, upon commencement of the project.
- (c) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.
- (d) For the purpose of impairment testing, intangible assets are allocated to the operating divisions of the Group which represent the lowest level within the Group at which the intangible assets are monitored for internal management purposes.
- (e) Key assumptions used in value-in-use calculation

The Group determines whether intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which intangible assets are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

21. INTANGIBLE ASSETS (CONT'D)

(e) Key assumptions used in value-in-use calculation (continued)

The recoverable amount of a CGU is determined based on value-in-use calculation using cash flow projection based on financial budget approved by management covering a seven-year period. The key assumptions used for value-in-use calculation for the business segment are:

	Construction	
	2021	2020
	%	%
Growth rate	8.00	26.00
Discount rate	11.50	8.00

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of intangible assets:

(i) Growth rate

The growth rate used is determined using a simple average of the annual profit before tax and interest (PBIT) growth rate obtained from projected cash flow approved by management in respect of a construction project. The projected cash flow cover a period of seven (7) years and the budgeted inflow is recognised over the period basing on the projected percentage of completion of the construction project. The effect of changes to the parameters is not material to the growth rate used.

(ii) Pre-tax discount rate

The discount rate reflects specific risks relating to the relevant segment.

- (f) In previous financial year, impairment loss of RM1,356,154 had been recognised as the recoverable amount was lower than the carrying amount of intangible assets.

22. INVENTORIES

	Note	2021 RM	Group 2020 RM (Restated)
Current			
At cost:			
Completed properties		-	706,561
Property development costs	(a)	330,042,027	329,001,221
		330,042,027	329,707,782
At net realisable value:			
Completed properties		8,984,111	19,224,077
		339,026,138	348,931,859

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

22. INVENTORIES (CONT'D)

(a) Property development costs

Group	Freehold land RM	Leasehold land RM	Development costs RM	Cumulative costs recognised in profit or loss RM	Total RM
Balance as at 1 January 2020, as previously reported	116,312,500	87,584,601	366,790,998	(190,868,782)	379,819,317
Effects of IFRIC Agenda Decision on IAS 23	-	-	(16,292,175)	2,266,103	(14,026,072)
Balance as at 1 January 2020, as restated	116,312,500	87,584,601	350,498,823	(188,602,679)	365,793,245
Costs incurred during the year	630,000	-	13,739,609	-	14,369,609
Recognised during the year	-	-	-	(51,161,633)	(51,161,633)
Balance as at 31 December 2020	116,942,500	87,584,601	364,238,432	(239,764,312)	329,001,221
Balance as at 1 January 2021, as previously reported	116,942,500	87,584,601	381,944,293	(243,519,087)	342,952,307
Effects of IFRIC Agenda Decision on IAS 23	-	-	(17,705,861)	3,754,775	(13,951,086)
Balance as at 1 January 2021, as restated	116,942,500	87,584,601	364,238,432	(239,764,312)	329,001,221
Costs incurred during the year	57,500	-	55,637,301	-	55,694,801
Recognised during the year	-	-	-	(54,653,995)	(54,653,995)
Balance as at 31 December 2021	117,000,000	87,584,601	419,875,733	(294,418,307)	330,042,027

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

22. INVENTORIES (CONT'D)

- (b) Property development costs not recognised as an expense are recognised as an asset measured at lower of cost and net realisable value. The asset is subsequently recognised in profit or loss as an expense when the control of the asset is transferred to the customer.
- (c) Leasehold land of the Group represent costs incurred as a consequence of having used the right-of-use assets to produce inventories during the financial year in accordance with MFRS 102 Inventories.
- (d) The Group recognises in profit or loss the property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting period. It is measured based on direct measurements of the value transferred by the Group to the customers and the Group's efforts or inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred.
- (e) As at the end of the reporting period, property development costs of the Group with carrying amounts of RM57,853,451 (2020: RM64,019,739) were charged to financial institutions for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.
- (f) As at the end of the reporting period, completed properties of the Group with carrying amounts of RM4,365,903 (2020: RM13,428,733) were charged to financial institutions for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.
- (g) Freehold land under development of RM117,000,000 (2020: RM116,942,500) is provided by Pro-Meridian Sdn. Bhd. ("Pro-Meridian"), pursuant to an agreement entered into by a subsidiary, AQRS The Building Company Sdn. Bhd. ("AQRS") with Pro-Meridian on 30 September 2011. In accordance with the agreement, AQRS was granted vacant possession to develop the freehold land.
- (h) Inventories of the Group recognised as cost of sales amounted to RM68,167,955 (2020: RM62,619,842).
- (i) In the previous financial year, inventories of the Group written down amounted to RM7,476,250 due to decline in net realisable values of certain completed properties.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current asset				
Other receivables				
Amounts owing from subsidiaries	-	-	24,808,648	24,815,690
Less: Impairment losses	-	-	(3,111,004)	(2,873,224)
Total other receivables	-	-	21,697,644	21,942,466
Current assets				
Trade receivables				
Third parties	36,728,820	117,834,761	-	-
Related parties	2,904,571	6,479,731	-	-
Retention sums	85,942,531	77,337,062	474,501	-
	125,575,922	201,651,554	474,501	-
Less: Impairment losses				
- Third parties	(9,246,447)	(13,870,860)	-	-
- Related parties	(1,398,130)	(1,386,532)	-	-
- Retention sums	(2,312,805)	(1,922,952)	-	-
	(12,957,382)	(17,180,344)	-	-
	112,618,540	184,471,210	474,501	-
Other receivables				
Third parties	76,498,837	25,813,006	-	-
Related parties	5,000	5,000	-	-
Amounts owing from subsidiaries	-	-	39,038,409	14,738,991
Deposits	9,877,914	7,605,121	125,720	215,720
	86,381,751	33,423,127	39,164,129	14,954,711
Less: Impairment losses				
- Other receivables	(18,032,333)	(17,548,809)	(414,010)	(115,875)
	68,349,418	15,874,318	38,750,119	14,838,836
Total trade and other receivables	180,967,958	200,345,528	60,922,264	36,781,302
Prepayments	6,066,871	11,349,266	31,906	14,302
	187,034,829	211,694,794	60,954,170	36,795,604

(a) Total receivables are classified as financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES (CONT'D)

- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 60 days (2020: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

- (c) Amounts owing from related parties arose from the following:

	2021 RM	Group 2020 RM
Rental of investment properties	2,634,571	1,362,571
Sales of properties under development	-	117,160
Sales of completed properties	270,000	5,000,000
	2,904,571	6,479,731

- (d) The retention sums are unsecured, interest-free and are expected to be collected as follows:

	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
Within one (1) year	12,259,911	16,571,401	-	-
Within two (2) years	73,682,620	60,765,661	474,501	-
	85,942,531	77,337,062	474,501	-

- (e) Amounts owing from subsidiaries represent advances, payments made on behalf and dividend receivable, which are unsecured, bear interests at 3% (2020: 3%) per annum and receivable within the next twelve (12) months in cash and cash equivalents.

Sensitivity analysis for amounts owing from subsidiaries as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

- (f) Trade and other receivables are denominated in Ringgit Malaysia.

- (g) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information (unemployment rates and inflation rates) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) Lifetime expected loss provision for trade receivables are as follows:

2021	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Construction			
Collective assessment			
Not past due	78,400,665	(527,566)	77,873,099
Past due			
1-30 days	2	-	2
31-120 days	-	-	-
121-365 days	58,000	(4,684)	53,316
Over 365 days	1,456,138	(1,456,138)	-
	79,914,805	(1,988,388)	77,926,417
Individual assessment	12,728,839	(1,282,108)	11,446,731
	92,643,644	(3,270,496)	89,373,148
Property development			
Collective assessment			
Not past due	15,364,043	(63,462)	15,300,581
Past due			
1-30 days	1,171,261	(19,351)	1,151,910
31-120 days	1,485,097	(24,537)	1,460,560
121-365 days	2,102,055	(34,731)	2,067,324
Over 365 days	8,151,229	(8,151,136)	93
	28,273,685	(8,293,217)	19,980,468
Individual assessment	1,549,521	-	1,549,521
	29,823,206	(8,293,217)	21,529,989

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) Lifetime expected loss provision for trade receivables are as follows: (cont'd)

2021	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Others			
Collective assessment			
Not past due	474,501	-	474,501
Past due			
1-30 days	-	-	-
31-120 days	1,272,000	(31,098)	1,240,902
121-365 days	-	-	-
Over 365 days	1,362,571	(1,362,571)	-
Individual assessment	-	-	-
	3,109,072	(1,393,669)	1,715,403
2020			
Construction			
Collective assessment			
Not past due	78,200,748	(523,941)	77,676,807
Past due			
1-30 days	17,596,116	(1,414,716)	16,181,400
31-120 days	45,218,840	(3,635,563)	41,583,277
121-365 days	16,226,546	(1,304,603)	14,921,943
Over 365 days	1,097,624	(1,097,624)	-
Individual assessment	158,339,874	(7,976,447)	150,363,427
	11,003,882	(1,084,040)	9,919,842
	169,343,756	(9,060,487)	160,283,269

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) Lifetime expected loss provision for trade receivables are as follows: (cont'd)

2020	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Property development			
Collective assessment			
Not past due	13,316,989	(58,350)	13,258,639
Past due			
1-30 days	4,423,209	(77,524)	4,345,685
31-120 days	3,489,572	(61,161)	3,428,411
121-365 days	718,274	(12,589)	705,685
Over 365 days	6,547,662	(6,547,662)	-
	28,495,706	(6,757,286)	21,738,420
Individual assessment	2,449,521	-	2,449,521
	30,945,227	(6,757,286)	24,187,941
Others			
Collective assessment	-	-	-
Not past due			
Past due			
1-30 days	-	-	-
31-120 days	-	-	-
121-365 days	-	-	-
Over 365 days	1,362,571	(1,362,571)	-
	1,362,571	(1,362,571)	-
Individual assessment	-	-	-
	1,362,571	(1,362,571)	-

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) Lifetime expected loss provision for trade receivables are as follows: (cont'd)

2021 Group	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Collective assessment			
Not past due	94,239,209	(591,028)	93,648,181
Past due			
1-30 days	1,171,263	(19,351)	1,151,912
31-120 days	2,757,097	(55,635)	2,701,462
121-365 days	2,160,055	(39,415)	2,120,640
Over 365 days	10,969,938	(10,969,845)	93
	111,297,562	(11,675,274)	99,622,288
Individual assessment	14,278,360	(1,282,108)	12,996,252
	125,575,922	(12,957,382)	112,618,540
2020 Group	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Collective assessment	91,517,737	(582,291)	90,935,446
Not past due			
Past due			
1-30 days	22,019,325	(1,492,240)	20,527,085
31-120 days	48,708,412	(3,696,724)	45,011,688
121-365 days	16,944,820	(1,317,192)	15,627,628
Over 365 days	9,007,857	(9,007,857)	-
	188,198,151	(16,096,304)	172,101,847
Individual assessment	13,453,403	(1,084,040)	12,369,363
	201,651,554	(17,180,344)	184,471,210

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Management assesses the expected credit losses for portfolios of trade receivables collectively based on customer segments, historical information on payment patterns, terms of payment, concentration maturity, and information about the general economic situation in the country where customer operates.

The individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

No expected credit loss was recognised in respect of trade receivable of the Company as the amount was negligible.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES (CONT'D)

- (i) The movements in the impairment allowance for trade receivables are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables				
At 1 January	17,180,344	15,666,173	-	-
Reversal of impairment losses	(6,472,069)	(1,814,391)	-	-
Charge for the financial year	2,249,107	3,632,402	-	-
Written off	-	(303,840)	-	-
At 31 December	12,957,382	17,180,344	-	-

- (j) Impairment for other receivables included amounts due from related parties, subsidiaries and equity loan, are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. The Group defined significant increase in credit risk as more than 30 days past due. As at the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment other receivables are adjusted by forward looking information (unemployment rates and inflation rates) and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the other receivables.

It requires management to exercise significant judgement in determining the probability of default by other receivables, appropriate forward looking information and significant increase in credit risk.

- (k) The movements in the impairment allowance for other receivables are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables				
Lifetime ECL allowance				
- not credit-impaired:				
At 1 January	17,548,809	16,916,193	2,989,099	-
Reversal of impairment losses	(121)	(108,052)	-	-
Charge for the financial year	483,645	747,319	535,915	2,989,099
Written off	-	(6,651)	-	-
At 31 December	18,032,333	17,548,809	3,525,014	2,989,099

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

23. TRADE AND OTHER RECEIVABLES (CONT'D)

- (i) The Group determines concentration of credit risk by monitoring the industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group (net of accrued billings) at the end of each reporting period are as follows:

	Group			
	RM	2021 % of total	RM	2020 % of total
By industry sectors				
Construction	89,373,148	79%	160,283,269	87%
Property development	21,529,989	19%	24,187,941	13%
Others	1,715,403	2%	-	-
	112,618,540	100%	184,471,210	100%
Company				
	RM	2021 % of total	RM	2020 % of total
Others	474,501	100%	-	-

24. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Contract assets				
Construction contracts	467,682,948	425,419,695	2,470,473	1,382,840
Property development contracts	147,026,735	114,448,029	-	-
Costs to obtain contract	4,290,880	2,016,874	-	-
	619,000,563	541,884,598	2,470,473	1,382,840
Contract liabilities				
Construction contracts	(1,392,514)	(17,937,800)	-	-
Property development contracts	(4,275,685)	(4,664,613)	-	-
	(5,668,199)	(22,602,413)	-	-
	613,332,364	519,282,185	2,470,473	1,382,840

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

24. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Construction contracts and property development contracts

Construction contracts and property development contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

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

(b) Contract assets and contract liabilities from construction contracts

	2021 RM	Group 2020 RM	Company 2021 RM	2020 RM
Contract assets	467,682,948	425,419,695	2,470,473	1,382,840
Contract liabilities	(1,392,514)	(17,937,800)	-	-
	466,290,434	407,481,895	2,470,473	1,382,840
At 1 January	407,481,895	546,952,189	1,382,840	-
Impairment of contract assets	(712,505)	(229,540)	(15,773)	(10,155)
Reversal of impairment of contract assets	411,421	921,566	-	-
Revenue recognised during the year	325,306,602	173,341,892	10,593,423	1,392,995
Progress billings	(266,196,979)	(313,504,212)	(9,490,017)	-
At 31 December	466,290,434	407,481,895	2,470,473	1,382,840

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	2022 RM	2023 RM	Group 2024 RM	2025 RM	2026 RM	Total RM
31 December 2021	294,133,551	82,251,240	-	-	-	376,384,791

	2021 RM	2022 RM	2023 RM	Group 2024 RM	2025 RM	Total RM
31 December 2020	355,575,098	184,405,499	108,511,025	136,939,744	94,001,960	879,433,326

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

24. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Contract assets and contract liabilities from construction contracts (cont'd)

Additions to aggregate costs incurred during the financial year include:

	2021 RM	Group 2020 RM
Hire of plant and machinery and motor vehicles	14,577,088	8,182,908

(c) Contract assets and contract liabilities from property development contracts

	2021 RM	Group 2020 RM
Contract assets	147,026,735	114,448,029
Contract liabilities	(4,275,685)	(4,664,613)
	142,751,050	109,783,416
At 1 January	109,783,416	56,867,399
Impairment of contract assets	(108,667)	(225,545)
Reversal of impairment of contract assets	1,492	53,666
Revenue recognised during the year	62,729,730	44,239,213
Progress billings	(29,654,921)	8,848,683
	142,751,050	109,783,416

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	2022 RM	2023 RM	Group 2024 RM	Total RM
31 December 2021	110,468,232	88,634,737	-	199,102,969

	2021 RM	2022 RM	Group 2023 RM	Total RM
31 December 2020	43,808,109	60,415,466	30,858,341	135,081,916

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

24. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(d) The followings are the amounts of revenue recognised from:

	2021 RM	Group 2020 RM
Amounts included in contract liabilities at the beginning of the financial year	1,835,426	3,145,712

(e) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 23(g) to the financial statements.

(f) Lifetime expected loss provision for contract assets are as follows:

Group	Gross carrying amount RM	Lifetime ECLs RM	Net carrying amount RM
2021			
Collective assessment Not past due	622,781,926	(3,781,363)	619,000,563

2020			
Collective assessment Not past due	545,257,702	(3,373,104)	541,884,598

Company	Gross carrying amount RM	Lifetime ECLs RM	Net carrying amount RM
2021			
Collective assessment Not past due	2,496,401	(25,928)	2,470,473

2020			
Collective assessment Not past due	1,392,995	(10,155)	1,382,840

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

24. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(f) Lifetime expected loss provision for contract assets are as follows: (cont'd)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	3,373,104	3,893,250	10,155	-
Reversal of impairment losses	(412,913)	(975,232)	-	-
Charge for the financial year	821,172	455,086	15,773	10,155
At 31 December	3,781,363	3,373,104	25,928	10,155

25. OTHER INVESTMENT

	Group	
	2021 RM	2020 RM
Financial asset at fair value through profit or loss - Quoted shares outside Malaysia	306,015	1,074,117

- (a) All regular way purchases and sales of financial assets (including trade and other receivables) are recognised or derecognised on the trade date i.e., the date that the Group commit to purchase or sell the asset.
- (b) Fair value of quoted ordinary shares is determined by reference to the exchange quoted market prices at the close of the business on the reporting date. There is no change in fair value of quoted ordinary shares as at the end of the reporting date.
- (c) The fair value of quoted ordinary shares of the Group is categorised as Level 1 in the fair value hierarchy.
- (d) The Group is exposed to the foreign currency risks arising from investment quoted outside Malaysia. In view of the insignificant financial effects on profit/(loss) net of tax of the Group with possible change in foreign exchange rates, the management did not separately disclose the effect of this sensitivity in the financial statements.
- (e) The Group is exposed to the equity price risks arising from investment quoted outside Malaysia. It is listed on the NYSE American held for trading purpose. As the Group neither has the intention, nor the historical trend of active trading in the financial instrument, the Directors are of the opinion that the Group is not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

26. SHORT TERM FUNDS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets at fair value through profit or loss				
- Fixed income trust funds in Malaysia	253,073	316,036	40,384	107,195

- (a) Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (b) Short term funds of the Group and of the Company represent investments in highly liquid money market, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
- (c) Short term funds are denominated in Ringgit Malaysia.
- (d) The interest rate profile of the short term funds as at the end of each reporting period are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Floating rate	253,073	316,036	40,384	107,195

- (e) The Group is exposed to the interest rate risks arising from short term funds. In view of the insignificant financial effects on profit/(loss) net of tax of the Group and Company with possible change in interest rates, the management did not separately disclose the effect of this sensitivity in the financial statements.
- (f) The weighted average effective interest rates of the short term funds as at the end of each reporting period are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Short term funds	5.08	3.82	2.66	0.81

- (g) Short term funds are classified as at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value are determined by reference to the counter parties' quotes at the close of the business at the end of the reporting period and are categorised as Level 1 in fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (h) Short term funds of the Group and of the Company are exposed to changes in market quoted prices. However, the volatility of short term funds prices is considered low, the Directors are of the opinion that the Group is not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

27. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	10,322,256	14,402,290	2,124,873	3,146,994
Fixed deposits with licensed banks	145,616,784	103,988,054	61,468,120	4,913,879
	155,939,040	118,390,344	63,592,993	8,060,873

- (a) The weighted average effective interest rate of fixed deposits with both licensed banks of the Group and of the Company are 1.45% (2020: 1.40%) and 1.83% (2020: 1.74%) per annum respectively.

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rate.

- (b) Fixed deposits with licensed banks of the Group and of the Company were pledged as securities for banking facilities granted to the Group and to the Company as disclosed in Note 30 to the financial statements.
- (c) Fixed deposits with licensed banks have maturity periods ranging from one (1) month to one (1) year (2020: one (1) month to one (1) year).
- (d) Included in cash and bank balances of the Group is a balance of RM911,875 (2020: RM4,952,764) held under Housing Development Account pursuant to Section 7A of Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015, which is not available for general use by the Group.
- (e) Cash and bank balances are denominated in Ringgit Malaysia.
- (f) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances		10,322,256	14,402,290	2,124,873	3,146,994
Fixed deposits with licensed banks		145,616,784	103,988,054	61,468,120	4,913,879
Short term funds	26	253,073	316,036	40,384	107,195
		156,192,113	118,706,380	63,633,377	8,168,068
Less:					
Bank overdrafts included in borrowings	30	(172,436,156)	(215,533,437)	(51,376,395)	(8,506,299)
Fixed deposits pledged		(145,616,784)	(103,988,054)	(61,468,120)	(4,913,879)
		(161,860,827)	(200,815,111)	(49,211,138)	(5,252,110)

- (g) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

28. SHARE CAPITAL

	Number of shares	Group and Company		2020
		2021	2020	
		RM	Number of shares	RM
Issued and fully paid				
Balance as at 1 January	494,594,267	325,545,730	494,594,267	325,545,730
Issuance of ordinary shares pursuant to private placement	49,342,852	30,153,417	-	-
Share issuance expenses	-	(85,600)	-	-
Balance as at 31 December	543,937,119	355,613,547	494,594,267	325,545,730

- (a) During the financial year, the issued share capital of the Company was increased from 494,594,267 to 543,937,119 by way of issuance of 49,342,852 new ordinary shares.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

- (b) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

- (c) Warrants B 2018/2023

On 27 September 2018, a total of 119,394,669 free Warrants were issued pursuant to the Deed Poll dated 5 September 2018 ("Deed Poll B") to all the shareholders of the Company on the basis of one (1) warrants for every four (4) existing ordinary shares held on 25 September 2018. The main features of the Warrants are as follows:

- (i) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, subject to the provisions in the Deed Poll.
- (ii) The exercise price of each Warrant has been fixed at RM1.12.
- (iii) The expiry date of Warrants shall be the date immediately preceding the fifth (5th) anniversary date of first issue of the Warrants, and if such date is not a Market Day, then on the immediate preceding Market Day, whereupon any warrant, which has not been exercised, will lapse and cease thereafter to be valid for any purpose.
- (iv) The ordinary shares each to be issued pursuant to the exercise of the Warrants will rank pari passu in all respect with the existing issued ordinary shares of the Company.

Movement in the Warrants since the listing and quotation thereof is as follows:

	Number of Warrants
As of 31 December 2020/31 December 2021	119,394,407

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

29. RESERVES

	2021 RM	Group 2020 RM (Restated)	Company 2021 RM	2020 RM
Non-distributable				
Treasury shares	(1,427,468)	(1,427,468)	(1,427,468)	(1,427,468)
Distributable				
Retained earnings	126,863,100	111,154,482	18,717,812	17,247,918
	125,435,632	109,727,014	17,290,344	15,820,450

Treasury shares

The shareholders of the Company, by an ordinary resolution passed at the 10th Annual General Meeting held on 12 August 2020, granted mandate to the Company to repurchase up to 10% of its existing issued share capital ("Share Buy Back"). The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company has the rights to retain, cancel, resell and/or distribute these shares as dividends. As treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended. Of the total 543,937,119 (2020: 494,594,267) issued ordinary shares as at the end of each reporting period, 1,165,744 (2020: 1,165,744) ordinary shares purchased for RM1,427,468 (2020: RM1,427,468) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue after deducting the treasury shares is 542,771,375 (2020: 493,428,523).

30. BORROWINGS

	2021 RM	Group 2020 RM	Company 2021 RM	2020 RM
Non-current liabilities				
Term loans	581,672	16,272,747	-	-
Current liabilities				
Term loans	98,860,674	24,235,620	-	-
Revolving credits	2,000,000	2,000,000	-	-
Bank overdrafts	172,436,156	215,533,437	51,376,395	8,506,299
	273,296,830	241,769,057	51,376,395	8,506,299
	273,878,502	258,041,804	51,376,395	8,506,299

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

30. BORROWINGS (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Total borrowings				
Term loans	99,442,346	40,508,367	-	-
Revolving credits	2,000,000	2,000,000	-	-
Bank overdrafts	172,436,156	215,533,437	51,376,395	8,506,299
	273,878,502	258,041,804	51,376,395	8,506,299

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) Bank overdrafts of the Group are secured by the following:

- (i) Leasehold land and buildings under property, plant and equipment of the Group as disclosed in Note 14 to the financial statements and assignment of a subsidiary's contract proceeds;
- (ii) Fixed deposits as disclosed in Note 27 to the financial statements;
- (iii) Completed properties of the Group as disclosed in Note 22 to the financial statements.

The bank overdrafts are also jointly and severally guaranteed by a Director and a shareholder of the Company.

(c) Term loans of the Group and of the Company are secured by the following:

- (i) Leasehold land and buildings under property, plant and equipment of the Group, as disclosed in Note 14 to the financial statements, and assignment of a subsidiary's contract proceeds;
- (ii) Property development costs of the Group as disclosed in Note 22 to the financial statements;
- (iii) Fixed deposits as disclosed in Note 27 to the financial statements;

The term loans are also jointly and severally guaranteed by a Director and a shareholder of the Company.

(d) Revolving credits of the Group are secured by fixed deposits as disclosed in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

30. BORROWINGS (CONT'D)

(e) The repayment terms for the term loans are as follows:

	2021 RM	Group 2020 RM
Term loan I is repayable based on redemption structure set by a financial institution	48,754,443	38,004,379
Term loan II is repayable by sixty (60) equal monthly instalments of RM77,238 each commencing October 2016	478,758	1,364,790
Term loan III is repayable by seventy two (72) equal monthly instalments of RM17,632 each commencing June 2018 and RM17,107 each commencing August 2020	470,985	638,547
Term loan IV is repayable by sixty (60) equal monthly instalments of RM 8,783 each up to 59th month and final payment of RM 8,803	395,255	500,651
Term loan V is repayable by seven (7) equal monthly instalments of RM7,000,000 each commencing April 2022 and RM7,342,905 each commencing October 2022	49,342,905	-
	99,442,346	40,508,367
Repayable as follows:		
- within one (1) year	98,860,674	24,235,620
- later than one (1) year and not later than five (5) years	581,672	16,272,747
	99,442,346	40,508,367

(f) The interest rate profile of the borrowings as at the end of each reporting period are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Floating rate	273,878,502	258,041,804	51,376,395	8,506,299

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

30. BORROWINGS (CONT'D)

- (f) Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Effects of 100 basis points changes to profit/(loss) after tax				
- Increase by 1% (2020: 1%)	(2,081,477)	1,961,118	(390,461)	(64,648)
- Decrease by 1% (2020: 1%)	2,081,477	(1,961,118)	390,461	64,648

- (g) The weighted average effective interest rates of the borrowings as at the end of each reporting period are as follows:

	Group		Company	
	2021 %	2020 %	2021 R%	2020 %
Term loans	5.33	4.24	-	-
Revolving credits	5.00	5.00	-	-
Bank overdrafts	6.19	6.49	4.99	6.90

- (h) The carrying amounts of terms loans, revolving credits and bank overdrafts are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of each reporting period.

The fair value of borrowings is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

- (i) Borrowings are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

30. BORROWINGS (CONT'D)

- (j) The table below summarises the maturity profile of the borrowings as at the end of each reporting period based on contractual undiscounted repayment obligations:

Group 2021	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Term loans	100,206,972	621,473	-	100,828,445
Revolving credits	2,000,000	-	-	2,000,000
Bank overdrafts	172,436,156	-	-	172,436,156
Total undiscounted financial liabilities	274,643,128	621,473	-	275,264,601
2020				
Term loans	25,444,233	16,519,505	-	41,963,738
Revolving credits	2,000,000	-	-	2,000,000
Bank overdrafts	215,533,437	-	-	215,533,437
Total undiscounted financial liabilities	242,977,670	16,519,505	-	259,497,175
Company				
2021				
Bank overdrafts	51,376,395	-	-	51,376,395
2020				
Bank overdrafts	8,506,299	-	-	8,506,299

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

31. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables				
Third parties	112,547,434	97,141,327	-	-
Amount owing to a subsidiary	-	-	474,501	-
Retention sums	88,263,531	57,248,590	-	-
	200,810,965	154,389,917	474,501	-
Other payables				
Other payables	43,581,764	41,498,236	551,269	570,411
Amounts owing to related parties	5,100,216	5,334,019	-	-
Accruals	378,560,039	390,194,087	2,355,236	1,649,660
Deposits	303,900	334,200	-	-
Dividend payable	-	4,934,285	-	4,934,285
Amounts owing to subsidiaries	-	-	12,181,399	4,692,941
	427,545,919	442,294,827	15,087,904	11,847,297
	628,356,884	596,684,744	15,562,405	11,847,297

- (i) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (ii) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 to 90 days (2020: 14 to 90 days). Other credit term are assessed and approved by the suppliers on a case by case basis.
- (iii) Trade amount owing to a subsidiary represents the retention sum on construction project, which are unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents
- (iv) Amounts owing to related parties represent advances and payments made on behalf, which are unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents.
- (v) Accruals represent accrued project costs, property development costs and other expenses, which are unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents.
- (vi) Non-trade amounts owing to subsidiaries represent advances and payments made on behalf, which are unsecured, bears interest at 8% (2020: 8%) and payable within next twelve (12) months in cash and cash equivalents.
- (vii) Trade and other payables are denominated in Ringgit Malaysia.
- (viii) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.
- (ix) Sensitivity analysis for fixed rate profile of amount owing to a subsidiary at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

32. COMMITMENTS

(a) Operating lease commitments

(i) The Group and the Company as lessee

The Group and the Company had entered into non-cancellable lease agreements for the rental of office buildings, shop lots, leasehold land and office equipment resulting in future rental commitments which can, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates.

The Group and the Company have aggregated future commitments as at the end of each reporting period as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Not later than one (1) year	16,669	18,707	-	-
Later than one (1) year and not later than five (5) years	7,547	21,471	-	-
	24,216	40,178	-	-

(ii) The Group as lessor

The Group has entered into a non-cancellable lease arrangement for the rental of investment properties for a term of five (5) years.

The Group has aggregate future minimum lease receivables as at the end of the reporting period as follows:

	Group	
	2021 RM	2020 RM
Not later than one (1) year	1,507,500	2,954,504
One (1) to two (2) years	1,401,000	52,000
Two (2) to three (3) years	1,200,000	-
Three (3) to four (4) years	1,200,000	-
Four (4) to five (5) years	300,000	-
	5,608,500	3,006,504

(b) Capital commitments

	Group	
	2021 RM	2020 RM
Contracted but not provided for		
- Freehold land held under development	-	57,500

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

33. CONTINGENT LIABILITIES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	-	-	341,614,833	288,098,205
Corporate guarantees given to suppliers in respect of goods supplied to its wholly-owned subsidiaries	-	-	144,880,644	123,762,030
Performance guarantees given to customers of subsidiaries	-	-	268,885,406	376,016,277
Bank guarantees given by financial institutions in respect of construction and property development projects	123,812,157	128,965,800	5,178,532	5,178,532
	123,812,157	128,965,800	760,559,415	793,055,044

The Group designates corporate guarantees given to banks for credit facilities granted to third party and subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of view that the chances of the financial institutions to call upon the guarantees are remote. Accordingly, the fair values of the above guarantees are negligible.

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 17 to the financial statements;
- (ii) Associate and joint venture as disclosed in Notes 18 and 19 to the financial statements;
- (iii) Key management personnel, which comprises persons (including the Directors of the Group) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and
- (iv) Companies in which the Directors/shareholders of the Company or their close family members have substantial financial interests or significant influence.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Subsidiaries:				
Dividend income	-	-	5,226,000	25,260,000
Interest paid/payable	-	-	337,546	252,727
Interest received/receivable	-	-	912,508	256,944
Lease concession	-	-	46,368	-
Lease paid/payable	-	-	69,552	115,920
Lease received/receivable	-	-	138,000	138,000
Management fee paid/payable	-	-	654,762	645,881
Related parties:				
Dividend paid to non-controlling interests	4,824,000	240,000	-	-
Sale of properties to non-controlling interests	-	5,000,000	-	-
Rental of investment properties received/receivable	3,738,504	11,354,016	-	-
Joint venture:				
Dividend income	1,500,000	-	1,500,000	-

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

Information regarding outstanding balances with related parties at the end of the financial year are disclosed in Notes 23 and 31 to the financial statements.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors during the financial year are as follows:

	Group	
	2021 RM	2020 RM
Short term employee benefits	4,542,890	4,424,520
Contributions to defined contribution plan	399,361	535,953
	4,942,251	4,960,473

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

34. RELATED PARTY DISCLOSURES (CONT'D)

(d) Material contracts

There were no material contracts, which have been entered into by the Company or its subsidiaries which involved Directors' and major shareholders' interests subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year except as disclosed elsewhere in the financial statements.

35. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Government of Malaysia imposed various phases of the Movement Control Order ("MCO") in response to the resurgence of the 2019 Novel Coronavirus infection ("COVID-19") pandemic, followed by the announcement of the National Recovery Plan ("NRP") in June 2021, which details a roadmap to control the COVID-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases.

On 8 March 2022, the Government of Malaysia announced that the country will begin its transition to endemic phase of COVID-19 from 1 April 2022 with the opening of its international borders and abolishment of certain COVID-19 restrictions.

The Group has prepared the cash flow forecasts for the twelve (12) months from the date of the end of the financial statements based on their past performance after considering the current economic conditions.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows and undrawn facilities to meet its liquidity needs in the next twelve (12) months after the end of the reporting period as disclosed in Note 5(b)(i) to the financial statements. The Group does not anticipate significant supply disruptions and would continuing monitor its fund and operational needs.

36. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

36.1 New MFRSs adopted during the current financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i>	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)</i>	1 April 2021 (early adopted)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of Amendment to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* as described in the following section.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

36. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)**36.1 New MFRSs adopted during the current financial year (cont'd)****Amendment to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021***

The Group and the Company have early adopted Amendment to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* and elected to apply the extended practical expedient to all rent concessions relating to leases with similar characteristics and in similar circumstances. Consequently, the Group and the Company do not recognise changes in these lease payments as lease modifications and instead, recognise these as variable lease payments in profit or loss. The effects of early adoption are disclosed in Note 15 to the financial statements.

36.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

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

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

37. IFRIC AGENDA DECISION – OVER TIME TRANSFER OF CONSTRUCTED GOOD (“IAS 23”)

The IFRS Interpretations Committee (“IFRIC”) in its March 2019 meeting concluded that any receivable, contract asset, inventories that an entity recognises over time are not a qualifying assets. In addition, the Agenda Decision also concluded that capitalisation of borrowing costs into inventories cease when the development project is launched or ready for its intended use or sale. The Malaysia Accounting Standard Board announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual reports beginning on or after 1 July 2020.

The impact of the adoption of the IFRIC Agenda Decision and reclassifications of certain comparative figures in the financial statements of the Group are as follows:

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2020

	As previously reported RM	Effects of adoption of Agenda Decision RM	As restated RM
Revenue	202,262,353	-	202,262,353
Cost of sales	(233,888,165)	1,596,171	(232,291,994)
Gross loss	(31,625,812)	1,596,171	(30,029,641)
Other income	6,596,478	-	6,596,478
Net loss on impairment of financial instruments	(1,937,132)	-	(1,937,132)
Operating costs	(29,642,466)	-	(29,642,466)
Finance cost	(3,577,595)	(1,413,687)	(4,991,282)
Share of profit of an associate	151,755	-	151,755
Share of profit of a joint venture	364,672	-	364,672
Loss before tax	(59,670,100)	182,484	(59,487,616)
Taxation	5,856,254	-	5,856,254
Loss for the financial year	(53,813,846)	182,484	(53,631,362)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss for the financial year	(53,813,846)	182,484	(53,631,362)

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

37. IFRIC AGENDA DECISION – OVER TIME TRANSFER OF CONSTRUCTED GOOD (“IAS 23”) (CONT'D)

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2020 (cont'd)

	As previously reported RM	Effects of adoption of Agenda Decision RM	As restated RM
Attributable to:			
Owners of the parent	(54,452,979)	182,484	(54,270,495)
Non-controlling interests	639,133	-	639,133
	(53,813,846)	182,484	(53,631,362)
Loss per ordinary share attributable to equity holders of the Company (sen):			
- Basic loss per ordinary share (sen)	(11.04)	0.04	(11.00)
- Diluted loss per ordinary share (sen)	(11.04)	0.04	(11.00)

- (ii) Reconciliation of statements of financial position as at 1 January 2020

	As previously reported RM	Effects of adoption of Agenda Decision RM	As restated RM
Non-current assets	102,606,040	-	102,606,040
Current assets			
Inventories	417,765,933	(14,564,987)	403,200,946
Other current assets	962,900,697	-	962,900,697
	1,380,666,630	(14,564,987)	1,366,101,643
Total assets	1,483,272,670	(14,564,987)	1,468,707,683

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

37. IFRIC AGENDA DECISION – OVER TIME TRANSFER OF CONSTRUCTED GOOD (“IAS 23”) (CONT'D)

(ii) Reconciliation of statements of financial position as at 1 January 2020 (cont'd)

	As previously reported RM	Effects of adoption of Agenda Decision RM	As restated RM
Equity			
Retained earnings	183,496,781	(14,564,987)	168,931,794
Other equity	325,545,730	-	325,545,730
Non-controlling interests	6,215,098	-	6,215,098
	515,257,609	(14,564,987)	500,692,622
Total liabilities	968,015,061	-	968,015,061
Total equity and liabilities	1,483,272,670	(14,564,987)	1,468,707,683

(iii) Reconciliation of statements of financial position as at 31 December 2020

	As previously reported RM	Effects of adoption of Agenda Decision RM	As restated RM
Non-current assets	100,686,261	-	100,686,261
Current assets			
Inventories	363,314,362	(14,382,503)	348,931,859
Other current assets	875,894,089	-	875,894,089
	1,239,208,451	(14,382,503)	1,224,825,948
Total assets	1,339,894,712	(14,382,503)	1,325,512,209

NOTES TO THE FINANCIAL STATEMENTS

[CONT'D]

37. IFRIC AGENDA DECISION – OVER TIME TRANSFER OF CONSTRUCTED GOOD (“IAS 23”) (CONT'D)

(iii) Reconciliation of statements of financial position as at 31 December 2020 (cont'd)

	As previously reported RM	Effects of adoption of Agenda Decision RM	As restated RM
Equity			
Retained earnings	124,109,517	(14,382,503)	109,727,014
Other equity	325,545,730	-	325,545,730
Non-controlling interests	6,614,231	-	6,614,231
	456,269,478	(14,382,503)	441,886,975
Total liabilities	883,625,234	-	883,625,234
Total equity and liabilities	1,339,894,712	(14,382,503)	1,325,512,209

(iv) Reconciliation of statements of cash flows as at 31 December 2020

	As previously reported RM	Effects of adoption of Agenda Decision RM	As restated RM
Net cash flow from/(used in):			
- operating activities	(16,615,399)	1,413,687	(15,201,712)
- investing activities	(285,770)	-	(285,770)
- financing activities	(4,673,489)	(1,413,687)	(6,087,176)
	(21,574,658)	-	(21,574,658)

LIST OF PROPERTIES

Land Title Details/ Location	Built-up Area (sq. ft.)	Description/ Existing Use	Tenure/ Age of Property	Date of Issuance of Certificates of Fitness for Occupation	Audited Net Carrying Amount as at 31.12.2021
Geran 162711/M1/2/4, Lot 70891 2-1A Jalan Q 31/Q, Kota Kemuning 40460 Seksyen 31 Shah Alam, Selangor Darul Ehsan	1,539	1 unit on the 1st floor of a 4-storey shophot/ Vacant	Freehold/ Approximately 16 years	02.03.2000	112,076.00
H.S.(D) 247091, P.T No. 10900 G-58-G to G-58-3, Block G Jalan Teknologi 3/9 Bistari 'De' Kota Kota Damansara, PJU 5 47810 Petaling Jaya Selangor Darul Ehsan	11,236	1 unit of a 4-storey shophot	Leasehold (99 years expiring on 03.09.2107)/ Approximately 13 years	11.03.2008	4,310,229.00
H.S.(D) 247092, P.T No. 10901 G-59-G to G-59-3, Block G Jalan Teknologi 3/9 Bistari 'De' Kota Kota Damansara, PJU 5 47810 Petaling Jaya Selangor Darul Ehsan	6,644	1 unit of a 4-storey shophot	Leasehold (99 years expiring on 03.09.2107)/ Approximately 13 years	11.03.2008	2,333,555.00
H.S.(D) 247071, P.T No. 10880 D-39-G and D-39-1, Block D Jalan Teknologi 3/9 Bistari 'De' Kota Kota Damansara, PJU 5 47810 Petaling Jaya Selangor Darul Ehsan	3,248	1 unit of a 2-storey shophot	Leasehold (99 years expiring on 03.09.2107)/ Approximately 13 years	11.03.2008	1,463,088.68
H.S.(D) 247072, P.T No. 10881 D-40-G and D-40-1, Block D Jalan Teknologi 3/9 Bistari 'De' Kota Kota Damansara, PJU 5 47810 Petaling Jaya Selangor Darul Ehsan	3,248	1 unit of a 2-storey shophot	Leasehold (99 years expiring on 03.09.2107)/ Approximately 13 years	11.03.2008	1,459,313.00

LIST OF PROPERTIES

[CONT 'D]

Land Title Details/ Location	Built-up Area (sq. ft.)	Description/ Existing Use	Tenure/ Age of Property	Date of Issuance of Certificates of Fitness for Occupation	Audited Net Carrying Amount as at 31.12.2021
H.S.(D) 247065, P.T No. 10874 D-33-G to D-33-2, Block D Jalan Teknologi 3/9 Bistari 'De' Kota Kota Damansara, PJU 5 47810 Petaling Jaya Selangor Darul Ehsan	10,945	1 unit of a 3-storey shoplot	Leasehold (99 years expiring on 03.09.2107)/ Approximately 13 years	11.03.2008	3,925,144.00
PN 21843 Lot No: 130801 No. B6, Jalan KS 1/13, KotaSAS Avenue, Kota Sultan Ahmad Shah, 25200 Kuantan, Pahang.	1,650	1 unit of a 2-storey shop office	Leasehold (99 years expiring on 03.07.2117)/ Approximately 3 years		742,140.00
PL. 196290123 Jalan KPD1, Kampung Merintaman, 89500 Sipitang, Sabah	133,407	Seri Bayu Temporary Housing	Provisional Lease (15 years expiring on 15.09.2029) Approximately 4 years		42,746,211.00

STATISTICS OF SHAREHOLDINGS

as at 1 April 2022 (as per Record of Depositors)

The total number of issued shares of the Company stands at 543,937,119 ordinary shares, with voting right of one vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
Less than 100	462	8.73	15,593	0.00
100 to 1,000	451	8.52	230,554	0.04
1,001 to 10,000	2,298	43.43	12,814,934	2.36
10,001 to 100,000	1,746	33.00	58,051,710	10.70
100,001 to less than 5% of issued shares	332	6.27	366,816,734	67.58
5% and above of issued shares	2	0.04	104,841,850	19.32
Total	5,291	100.00	542,771,375	100.00

SUBSTANTIAL SHAREHOLDERS

according to the Register of Substantial Shareholders as at 1 April 2022

No.	Name	Direct Interest		Deemed Interest	
		No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
1.	Dato' Sri Azizan bin Jaafar	2,935,146	0.54	⁽¹⁾ 53,602,938	⁽¹⁾ 9.87
2.	Dato' Ow Chee Cheoon	33,966,774	6.25	-	-
3.	Ganjaran Gembira Sdn Bhd	53,602,938	9.87	-	-
4.	Dato' Kamisah binti Johan	51,730,552	9.53	-	-
5.	Employees Provident Fund Board	37,609,064	6.92	-	-

Notes:-

(1) Deemed interested by virtue of their respective shareholdings in Ganjaran Gembira Sdn Bhd pursuant to Section 8(4)(c) of the Act.

STATISTICS OF SHAREHOLDINGS

[CONT 'D]

DIRECTORS' DIRECT AND DEEMED INTERESTS

in the Company and/or its Related Corporations as at 1 April 2022

Name of Directors	Direct Interest		Deemed Interest	
	No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
Y.M. Tunku Alizan bin Raja Muhammad Alias	1,200,492	0.22	-	-
Dato' Sri Azizan bin Jaafar	2,935,146	0.54	⁽¹⁾ 53,602,938	⁽¹⁾ 9.87
Dato' Ow Chee Cheoon	33,966,774	6.25	-	-
Ow Yin Yee	163,812	0.03	-	-
Dato' Kamisah binti Johan	51,730,552	9.53	-	-
Dato' Muraly Daran A/L M Narayana Menon	-	-	-	-
Datuk Ir. Mohd Dom bin Ahmad	-	-	-	-
Masleena binti Zaid	-	-	-	-

Notes:-

(1) Deemed interested by virtue of their respective shareholdings in Ganjaran Gembira Sdn Bhd pursuant to Section 8(4)(c) of the Act.

TOP 30 SECURITIES ACCOUNT HOLDERS

as per Record of Depositors as at 1 April 2022

No.	Name	No. of Issued Shares	% of Issued Shares
1.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ganjaran Gembira Sdn Bhd (PB)</i>	53,111,298	9.79
2.	Kamisah binti Johan	51,730,552	9.53
3.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ow Chee Cheoon (PB)</i>	21,499,559	3.96
4.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (AMUNDI)</i>	16,816,800	3.10
5.	MayBank Nominees (Tempatan) Sdn Bhd <i>MTRUSTEE Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI) (419455)</i>	12,222,890	2.25
6.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	11,512,712	2.12
7.	MayBank Nominees (Tempatan) Sdn Bhd <i>National Trust Fund (IFM MayBank)(412183)</i>	10,752,800	1.98
8.	Ng Kit Heng	10,390,419	1.91
9.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)</i>	10,168,788	1.87
10.	Tan Yu Yeh	9,221,700	1.70
11.	Lembaga Tabung Angkatan Tentera	9,145,400	1.68
12.	Tang Ying See	9,014,200	1.66
13.	MayBank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ow Chee Cheoon</i>	8,761,000	1.61
14.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (LEEF)</i>	8,680,700	1.60

STATISTICS OF SHAREHOLDINGS

[CONT 'D]

No.	Name	No. of Issued Shares	% of Issued Shares
15.	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Credit Suisse (SG BR-TST-ASING)</i>	8,107,100	1.49
16.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Urusharta Jamaah Sdn. Bhd. (Maybank 2)</i>	7,620,700	1.40
17.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (ABERISLAMIC)</i>	7,079,500	1.30
18.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Pang Sar</i>	6,937,800	1.28
19.	CitiGroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 14)</i>	6,833,100	1.26
20.	MayBank Nominees (Tempatan) Sdn Bhd <i>MayBank Trustees Berhad for Dana Makmur Pheim (211901)</i>	5,275,200	0.97
21.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Pang Sar (PB-0J0028)</i>	5,100,000	0.94
22.	Splendid Forte Sdn Bhd	4,593,618	0.85
23.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Maybank Malaysia Value Fund</i>	4,592,300	0.85
24.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ku Haris Bin Ku Mahmud (KUH0001C)</i>	4,410,500	0.81
25.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investmentsdana Al-Ilham</i>	4,294,710	0.79
26.	Syarikat Muhibah Perniagaan Dan Pembinaan Sdn Bhd	4,100,176	0.76
27.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (ESPG IV SC E)</i>	3,866,820	0.71
28.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ow Chee Cheoon (OWC0008M)</i>	3,605,700	0.66
29.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Takaful Berhad (Mekar)</i>	3,225,300	0.59
30.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Allianz Life Insurance Malaysia Berhad (P)</i>	3,138,336	0.58
Total		325,809,678	60.03

STATISTICS OF WARRANT HOLDINGS

as at 1 April 2022 (as per Record of Warrant Holders)

Number of Outstanding Warrants B	:	119,394,407
Exercise Price per Warrant B	:	RM1.12
Expiry date of Warrants B	:	26 September 2023
Voting Rights	:	None unless warrant holders exercise their warrants for new ordinary shares

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Warrants Held	% of Issued Warrants
Less than 100	455	25.28	13,526	0.01
100 to 1,000	315	17.50	138,463	0.12
1,001 to 10,000	416	23.11	2,000,033	1.68
10,001 to 100,000	435	24.17	18,085,764	15.15
100,001 to less than 5% of issued warrants	178	9.89	92,456,621	77.44
5% and above of issued warrants	1	0.06	6,700,000	5.61
Total	1,800	100.00	119,394,407	100.00

DIRECTORS' WARRANT HOLDINGS

as at 1 April 2022

Name of Directors	Direct Interest		Deemed Interest	
	No. of Issued Warrants	% of Issued Warrants	No. of Issued Warrants	% of Issued Warrants
Y.M. Tunku Alizan bin Raja Muhammad Alias	173,650	0.15	-	-
Dato' Sri Azizan bin Jaafar	460,575	0.39	⁽¹⁾ 6,820,500	⁽¹⁾ 5.71
Dato' Ow Chee Cheoon	8,325,190	6.97	-	-
Ow Yin Yee	40,150	0.03	-	-
Dato' Kamisah binti Johan	-	-	-	-
Dato' Muraly Daran A/L M Narayana Menon	-	-	-	-
Datuk Ir. Mohd Dom bin Ahmad	-	-	-	-
Masleena binti Zaid	-	-	-	-

Notes:-

(1) Deemed interested by virtue of his shareholdings in Ganjaran Gembira Sdn Bhd pursuant to Section 8(4)(c) of the Act.

STATISTICS OF WARRANT HOLDINGS

[CONT 'D]

TOP 30 WARRANT HOLDERS

as per Record of Warrant Holders as at 1 April 2022

No.	Name	No. of Issued Warrants	% of Issued Warrants
1.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ganjaran Gembira Sdn Bhd (PB)</i>	6,700,000	5.61
2.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ow Chee Cheoon (PB)</i>	5,269,500	4.41
3.	Tan Yu Yeh	4,854,000	4.07
4.	Er Soon Puay	3,447,800	2.89
5.	MayBank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Heng Chee Hong</i>	3,249,300	2.72
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Gregory Chen Hoong Chuin (MY3131)</i>	2,974,100	2.49
7.	Gwi Huan Yi	2,894,100	2.42
8.	Chow Kok Leong	2,380,000	1.99
9.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Han Keong (201074)</i>	2,300,000	1.93
10.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Mohammed Amin Bin Mahmud (MM1004)</i>	2,243,900	1.88
11.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)</i>	2,235,575	1.87
12.	Splendid Forte Sdn Bhd	2,155,000	1.80
13.	MayBank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ow Chee Cheoon</i>	2,152,750	1.80
14.	MayBank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chong Kee Soon</i>	1,830,100	1.53
15.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Pang Sar</i>	1,762,500	1.48
16.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Seah Yik Hong (MY3269)</i>	1,748,100	1.46
17.	Wong Yong Heng	1,636,800	1.37
18.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Liu Wen Jong (MY0727)</i>	1,499,000	1.26
19.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Pang Sar (PB-0J0028)</i>	1,250,000	1.05
20.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Khek Keng (E-Tai)</i>	1,179,000	0.99
21.	CitiGroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (LPF)</i>	1,096,625	0.92
22.	Lim Yu Soo	1,055,000	0.88
23.	Ng Chun Kooi	1,007,740	0.84
24.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chea Jian Kai (E-Tai/STW)</i>	944,300	0.79

STATISTICS OF WARRANT HOLDINGS

[CONT 'D]

No.	Name	No. of Issued Warrants	% of Issued Warrants
25.	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ow Chee Cheoon (OWC0008M)</i>	883,750	0.74
26.	RHB Nominees (Tempatan) Sdn Bhd <i>RHB Asset Management Sdn Bhd for How Kim Lian</i>	850,000	0.71
27.	Ng Teik Eng	735,025	0.62
28.	Lee Chuan Maw	715,800	0.60
29.	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (P)</i>	711,700	0.60
30.	Chen Harn Shean	683,700	0.57
Total		62,445,165	52.30

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

The following information is provided in accordance with Paragraph 9.25 of the MMLR as set out in Appendix 9C thereto.

1. Utilisation of Proceeds Raised from Corporate Proposals

Pursuant to the Private Placement Exercise which was duly completed upon the subscription and listing of the 49,342,852 Placement Shares at RM0.6111 each on the Main Market of Bursa Malaysia Securities Berhad with effect from 5 April 2021, the gross proceeds raised from the Private Placement Exercise was RM30,153,417 and current utilization status as at 1 April 2022 is as set out below:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000
Funding for existing and future property development and construction projects	29,491	29,491
Defrayment of expenses related to Proposed Private Placement	662	*684
Total	30,153	30,175

Note:

*There was an underestimation on the professional cost of RM22,000 which was funded by internally generated fund

2. Recurrent Related Party Transactions of a Revenue or Trading Nature

There were no material recurrent related party transactions of a revenue or trading nature during the financial year other than those disclosed in Note 34 to the financial statements. Those recurrent related party transactions did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

3. Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial year ended December 2021 are as follows:

	Group RM	Company RM
Audit Fees	285,300	70,000
Non-audit fees	7,000	7,000
TOTAL	292,300	77,000

4. Material Contracts Involving Directors' and Major Shareholders' Interests

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting as at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of GABUNGAN AQRS BERHAD (“**Company**”) to be held **virtually via live streaming** and online remote voting at the broadcast venue at The Function Room, G-58-3, Block G, Jalan Teknologi 3/9, Bistari ‘De’ Kota, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 16 June 2022 at 10.00 a.m. for the following purposes:-

AGENDA

- | | | |
|---|--------------------|---|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. | | [Please refer to Explanatory Note (1)] |
| 2. To re-elect Dato’ Ow Chee Cheoon who retires by rotation in accordance with Clause 119 of the Company’s Constitution and being eligible, has offered himself for re-election.
<i>Please refer to the Explanatory Note (2)</i> | | Ordinary Resolution 1 |
| 3. To re-elect the following Directors who retire in accordance with Clause 118 of the Company’s Constitution and being eligible, have offered themselves for re-election:- | | |
| (i) Dato’ Kamisah binti Johan | | Ordinary Resolution 2 |
| (ii) Dato’ Muraly Daran A/L M Narayana Menon | | Ordinary Resolution 3 |
| (iii) Datuk Ir. Mohd Dom bin Ahmad | | Ordinary Resolution 4 |
| (iv) Puan Masleena binti Zaid
<i>Please refer to the Explanatory Note (2)</i> | | Ordinary Resolution 5 |
| 4. To approve the payment for under provision of Director’s fees amounting to RM37,162 payable to Dato’ Kamisah binti Johan for the financial year ended 31 December 2021.
<i>Please refer to the Explanatory Note (3)(i)</i> | | Ordinary Resolution 6 |
| 5. To approve the payment of Directors’ fees, payable on a monthly basis to the following Directors starting from 1 January 2022 and until the date of the next annual general meeting to be held in year 2023:- | | |
| Directors | Amount (RM) | |
| (i) Y.M. Tunku Alizan bin Raja Muhammad Alias | 222,000 | Ordinary Resolution 7 |
| (ii) Dato’ Kamisah binti Johan | 144,000 | Ordinary Resolution 8 |
| <i>Please refer to the Explanatory Note (3)(ii)</i> | | |
| 6. To approve the payment of Directors’ fees, payable on a monthly basis to the following Directors starting from 28 February 2022 and until the date of the next annual general meeting to be held in year 2023:- | | |
| Directors | Amount (RM) | |
| (i) Dato’ Muraly Daran A/L M Narayana Menon | 80,000 | Ordinary Resolution 9 |
| (ii) Datuk Ir. Mohd Dom bin Ahmad | 80,000 | Ordinary Resolution 10 |
| (iii) Puan Masleena binti Zaid | 80,000 | Ordinary Resolution 11 |
| <i>Please refer to the Explanatory Note (3)(ii)</i> | | |

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

[CONT 'D]

7. To approve the payment of Director's fees to the following former Directors for their service rendered in the financial calendar year 2022:-

Directors	Amount (RM)	
(i) Puan Latifah binti Abdul Latiff	2,581	Ordinary Resolution 12
(ii) Datuk Kamarudin bin Md. Ali	16,000	Ordinary Resolution 13
(iii) Mr Muk Sai Tat	16,000	Ordinary Resolution 14

Please refer to the Explanatory Note (3)(ii)

8. To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM48,000 from 17 June 2022 until the next Annual General Meeting of the Company in year 2023.
Please refer to the Explanatory Note (3)(iii)

Ordinary Resolution 15

9. To re-appoint Messrs. BDO PLT as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

Ordinary Resolution 16

Please refer to the Explanatory Note (4)

Special Business

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

10. **Ordinary Resolution**
Authority to Issue and Allot Shares pursuant to the Companies Act 2016

Ordinary Resolution 17

"**THAT** subject always to the Companies Act 2016, the Constitution of the Company, the approvals from Bursa Malaysia Securities Berhad and any other relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors of the Company may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being.

AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company; **AND FURTHER THAT** the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

11. **Ordinary Resolution**
Proposed Renewal of Authority for Share Buy-Back

Ordinary Resolution 18

"**THAT**, subject to Section 127 of the Companies Act 2016 ("**Act**"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

[CONT 'D]

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all or part of the shares so purchased; and/or
- (ii) retain all the shares so purchased as treasury shares; and/or
- (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; and/or
- (iv) distribute the treasury shares as share dividends to the shareholders of the Company; and/or
- (v) resell the treasury shares on the market of Bursa Securities in accordance with the relevant rules of Bursa Securities; and/or
- (vi) transfer the treasury shares as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;-

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Authority for Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

[CONT 'D]

12. To transact any other ordinary business for which due notice has been given.

BY ORDER OF THE BOARD

OOI LI ANN (SSM PC No.: 201908003060) (MAICSA 7065065)
CHUA SIEW CHUAN (SSM PC No.: 201908002648) (MAICSA 0777689)
TAN LEY THENG (SSM PC No.: 201908001685) (MAICSA 7030358)
Joint Company Secretaries

Selangor Darul Ehsan
29 April 2022

NOTES:-

- (1) *The 12th AGM will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn Bhd via Securities Services e-Portal's platform at <https://sshsb.net.my/login.aspx>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.*
- (2) *The Broadcast Venue, which is the main venue of the 12th AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 81 of the Company's Constitution, which require the Chairman to be present at the main venue of the 12th AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 12th AGM.*

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 12th AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 12th AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 12th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 12th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.

- (3) *In respect of deposited securities, only members whose names appear in the Record of Depositors as of 9 June 2022 shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.*
- (4) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing. In the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of its officer or attorney duly authorised.*
- (5) *A member of the Company entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. When a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.*
- (6) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

[CONT'D]

- (7) Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (8) The instrument appointing a proxy must be deposited at SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted electronically via Securities Services e-Portal at <https://sshshb.net.my/login.aspx> not later than forty-eight (48) hours before the time set for holding the 12th AGM or any adjournment thereof.

The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 12th AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 12th AGM or any adjournment thereof, and you register for RPV as guided in the Administrative Guide. Please contact the poll administrator, SS E Solutions Sdn Bhd, at 03-2084 9000 for further assistance.

EXPLANATORY NOTES:

1. Audited Financial Statements for the financial year ended 31 December 2021

The Audited Financial Statements in Agenda 1 are meant for discussion purpose only, as the approval of the shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this agenda is not put forward for voting by shareholders.

2. Re-election of Directors

Dato' Ow Chee Cheoon, who retires in accordance with Clause 119 of the Company's Constitution, whereas Dato' Kamisah binti Johan retires in accordance with Clause 118 of the Company's Constitution ("**Retiring Directors**") and being eligible, have offered themselves for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at this 12th AGM and in line with Practice 5.1 of the revised Malaysian Code on Corporate Governance 2021, the Nomination Committee ("**NC**") has reviewed and assessed the Retiring Directors from the annual assessment and evaluation of the Board for the FY2021, save for Dato' Muraly Daran A/L M Narayana Menon, Datuk Ir. Mohd Dom bin Ahmad and Puan Masleena binti Zaid who were the newly appointed to the Board on 28 February 2022.

The NC had recommended the re-election of Retiring Directors based on the following consideration:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;
- (iii) level of independence demonstrated by the independent director; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The Board endorsed the recommendation of the NC on the re-election of the Retiring Directors.

The profiles of the Retiring Directors are stated in the Annual Report 2021 of the Company.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

[CONT 'D]

3. Payment of Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 requires that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The Executive Directors do not receive any fees as Directors, but they are remunerated with salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders. Besides, this is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed is insufficient due to enlarged Board size, approval will be sought at the next AGM for additional fees to meet the shortfall. Pursuant thereto, shareholders' approval will be sought at this AGM for the following payments:

(i) Payment of under provision of Director's Fees for the financial year ended 31 December 2021 ("FYE 2021")

This **Ordinary Resolution 6** if approved, will authorise the payment of the shortfall of Director's fees amounting to RM37,162 for the financial year ended 31 December 2021. The amount of shortfall was accrued for the services rendered by Dato' Kamisah binti Johan as a Non-Independent Non-Executive Director for the period from her appointment date on 12 August 2021 and up to 31 December 2021.

(ii) Payment of Directors' Fees

The following are entitled to annual Directors' Fees based on the following remuneration structure of the Non-Executive Directors ("**NEDs**") with effect from 28 February 2022:

No.	Description	Before 28 February 2022 Per Month basis (RM)	After 28 February 2022 Per Month basis (RM)
1.	Chairman of the Board	15,000	12,000
2.	Non-Independent Non-Executive Director	8,000	8,000
3.	Independent Non-Executive Director (per person)	8,000	5,000

In line with the cost rationalisation, the Fees for the Chairman of the Board has been reduced by 20% and whereas for the Independent Non-Executive Directors have reduced 37.5% with effect from 28 February 2022.

Puan Latifah who has resigned as Independent Non-Executive Director of the Company on 10 January 2022, is entitled for Directors' fees on pro rata basis for 10 days from 1 January 2022 until her resignation date.

Whereas, Datuk Kamarudin bin Md. Ali and Mr. Muk Sai Tat have resigned as Independent Non-Executive Directors of the Company on 28 February 2022. Hence, they are entitled to annual Directors' fees on pro-rata basis for 2-months period from 1 January 2022 to 28 February 2022.

Arising thereof, the total amount of Directors' Fees payable to the NEDs is RM640,581.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

[CONT 'D]

- (iii) Payment of Directors' benefits (excluding Directors' fees) from 17 June 2022 until the next Annual General Meeting of the Company in year 2023

Amount payable to the NEDs are only for the purpose of physical attendance for Board Committees Meeting. The estimated amount of Directors' benefits of RM48,000 payable to the NEDs comprises the following:

Board Committee	Chairman (RM)	Members (RM)	Total (RM)
Audit Committee	1,000	500	16,000
Risk Management and Sustainability Committee	1,000	500	20,000
Nomination Committee	500	500	6,000
Remuneration Committee	500	500	6,000
TOTAL			48,000

Note:

The Board Meeting allowance of RM1,000 per meeting has been cancelled thereof and the Board has approved the new meeting allowance structure as mentioned above with effect from 28 February 2022.

4. Re-Appointment of Auditors

The Board has at its meeting held on 28 February 2022 approved the recommendation by the Audit Committee on the re-appointment of Messrs. BDO PLT as Auditors of the Company, having considered several factors including the adequacy of experience and resources of the firm and the professional staff assigned to the audit. The shareholders' approval is sought under **Ordinary Resolution 16**.

5. Explanatory Notes on Special Business**Ordinary Resolution 17 - Authority to issue and allot shares pursuant to the Companies Act 2016**

The **Ordinary Resolution 17** is for the purpose of seeking a renewal of the general mandate given to the Directors of the Company to issue and allot shares as approved by the shareholders at the Eleventh AGM of the Company ("**Previous Mandate**").

Ordinary Resolution 17, if passed, will empower the Directors of the Company pursuant to the Act, from the date of the Twelfth AGM of the Company, to issue and allot shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

On 25 February 2021, the Company had announced its proposal to undertake a private placement exercise ("**Placement Exercise**") to place such number of new ordinary shares approximately 10% of the total number of issued shares of the Company (excluding treasury shares) pursuant to the Previous Mandate. On 5 April 2021, the Company completed the said private placement by the issuance of 49,342,852 new ordinary shares in the capital of the Company at an issue price of RM0.6111 per share. Details of proceeds raised from the Placement Exercise and its utilisation are disclosed in the section of Additional Compliance Information Disclosures in the Annual Report.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

[CONT 'D]

Ordinary Resolution 18 - Proposed Renewal of Authority for Share Buy-Back

The Ordinary Resolution 18, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company. The details of the proposal are set out in Section B of the Statement Accompanying Notice of AGM of this Annual Report.

STATEMENT ACCOMPANYING NOTICE OF AGM

(pursuant to Paragraphs 8.27(2) and 12.06(2)(a) of the MMLR)

SECTION A

DETAILS OF INDIVIDUAL STANDING FOR ELECTION AS DIRECTOR

No notice of nomination has been received to date from any member nominating any individual for election as a Director at the AGM of the Company. There is therefore no individual standing for election as Director, save for the Directors who are standing for re-election.

Further details of Directors standing for re-election as Directors are set out in their respective profiles which appear in the Directors' Profile of this Annual Report and the details of their interests in the securities of the Company are disclosed in the Statistics of Shareholdings of this Annual Report.

SECTION B

SHARE BUY-BACK STATEMENT

in relation to the

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Statement prior to its issuance as it is an exempted document.

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

1. INTRODUCTION

At the Eleventh Annual General Meeting ("**AGM**") of the GBGAQRS held on 24 June 2021, the Board had obtained mandate from the shareholders to enter into a share buy-back exercise of up to a maximum of ten per centum (10%) of its total number of issued shares through Bursa Securities. The shareholders' mandate shall expire at the conclusion of the Company's forthcoming AGM, unless authority for its renewal is obtained.

The Board of Directors of the Company had on 26 April 2022 announced the Company's intention to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back Authority by way of an Ordinary Resolution at the Company's forthcoming Twelfth AGM.

The purpose of this Statement is to provide you with details pertaining to the Proposed Renewal of Share Buy-Back Authority, together with the Board's recommendation and to seek your approval for the Proposed Renewal of Share Buy-Back Authority to be tabled as Special Business at the forthcoming AGM of the Company to be held virtually via live streaming and online remote voting at a broadcast venue at The Function Room, G-58-3, Block G, Jalan Teknologi 3/9, Bistari 'De' Kota, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 16 June 2022 at 10.00 a.m.. A Notice of the Twelfth AGM is enclosed in the Annual Report 2021 together with the Administrative Guide are available at the Company's website under the Investor Relations Section.

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 Shareholders' Authority

The Proposed Renewal of Share Buy-Back Authority, if granted, will provide the Company with the renewed authority to purchase up to ten percent (10%) of the total number of issued shares of the Company at the point of purchase through the Company's appointed stockbroker(s) as approved by Bursa Securities. The purchases pursuant to the Proposed Renewal of Share Buy-Back Authority will be effected on Bursa Securities subject to compliance with Section 127 of the Act, the Listing Requirements and the prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

The actual number of GBGAQRS Shares to be purchased and the timing of such purchase will depend on (among others) the prevailing equity market conditions and sentiments of the stock market as well as the balances in retained profits, and the financial resources available to the Company at the time of the purchase(s).

The Proposed Renewal of Share Buy-Back Authority, if approved, shall be effective upon the passing of the resolution at the forthcoming Twelfth AGM of GBGAQRS until:-

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting that the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities.

The approval of the shareholders on the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own shares. However, it will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time periods.

2.2 Maximum Amount of Funds to be Allocated

The total existing issued share capital of GBGAQRS as at LPD is 543,937,119 Shares.

For illustrative purposes, as at LPD, the total number of issued shares of the Company now stood at 543,937,119 Shares (including 1,165,744 treasury shares). Assuming that (i) no further Shares are issued and (ii) no outstanding Warrants are exercised by the entitled warrant holders; as at the LPD, the maximum number of Shares that can be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority is 54,393,711 Shares.

For the avoidance of doubt, for illustrative purposes throughout this Statement including the proforma effects as disclosed in Section 6 below, we have not taken into account:-

- (i) any purchase of Shares by GBGAQRS pursuant to the share buy-back authority approved by shareholders at Eleventh AGM, after the LPD; and
- (ii) any issuance of additional Shares pursuant to Sections 75 and 76 of the Act after the LPD.

As at LPD, the Company has outstanding of Warrant B 2018/2023 amounting to 119,394,407, which is remain unexercised and entitles the warrant holders to subscribe for 119,394,407 new GBGAQRS Shares at an exercise price of RM1.12 per share.

Hence, based on the Company's total number of issued shares as at LPD and the assumption that all Warrants are converted into new GBGAQRS Shares, the Proposed Renewal of Share Buy-Back Authority will enable the Company to purchase up to a maximum of 66,333,152 Ordinary Shares, representing 10% of the enlarged total number of issued shares of the Company.

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

2.3 Treatment of Shares Purchased

Section 127(4) of the Act allows the Company to cancel the purchased Shares, to retain the purchased Shares as treasury shares or a combination of both shares that are purchased by the Company shall be deemed to be cancelled immediately on purchase unless it is held in treasury.

If such purchased Shares are held as treasury shares and in accordance to Section 127(7) of the Act, the Board may:-

- (a) cancel all or part of the purchased shares; and/or
- (b) retain the purchased shares as treasury shares; and/or
- (c) retain part of the purchased shares as treasury shares and cancel the remainder; and/or
- (d) distribute the treasury shares as share dividends to shareholders of the Company; and/or
- (e) resell the treasury shares or any of the shares in accordance with the relevant rules of Bursa Securities; and/or
- (f) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme established by the Company; and/or
- (g) transfer the treasury shares, or any of the shares as purchase consideration; and/or
- (h) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe,

or in any other manner as allowed by the Act, the applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the Purchased Shares shall continue to be valid until all the Purchased Shares have been dealt with by the Directors.

The decision whether to retain the Purchased Shares as Treasury Shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

If such purchased Shares are held as treasury shares, the rights attached to them as to attending and voting at meetings and any purported exercise of such rights is void. The treasury shares shall not confer the right to receive dividends or other distributions, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding-up of the Company. In addition, the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including, without limiting the generality of the provision in the Act or the MMLR on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on resolutions at meetings of shareholders.

Where treasury shares are distributed as share dividends, the costs of the Shares on the original purchase shall be applied in the reduction of the funds otherwise available for distribution as dividends.

Where the Shares so purchased are cancelled or to cancel any treasury shares, the costs of the Shares shall be applied in the reduction of the profits otherwise available for distribution as dividends. The issued capital of the Company shall be diminished by the Shares so cancelled.

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

2.4 Purchased/Resale Price

Pursuant to Paragraph 12.17 of the MMLR, the Company may only purchase its own Shares at a price which is not more than fifteen per centum (15%) above the weighted average market price of the Shares for the past five (5) market days immediately preceding the date of purchase.

In the case of resale or transfer of treasury shares, the Company may only resell the treasury shares or transfer treasury shares pursuant to section 127(7) of the Act and Paragraph 12.18 of the MMLR at:

- (a) a price which is not less than the weighted average market price of the Shares for the past five (5) market days immediately prior to the date of resale or transfer; or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of the Shares for the past five (5) market days immediately prior to the date of resale or transfer provided that:-
 - the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

In accordance with Paragraph 12.26 of the MMLR, the Company may purchase its own Shares in odd lots, i.e. any number of its own Shares which is less than the number of Shares prescribed by Bursa Securities as a board lot through direct business transaction or in any other manner as may be approved by Bursa Securities in accordance with such requirements as may be prescribed or imposed by Bursa Securities.

3. RETAINED PROFITS

In accordance with the MMLR, the Proposed Renewal of Share Buy-Back Authority must be made wholly out of GBGAQRS's retained profits of the Company. The maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority will be limited to the amount of retained profits based on the latest audited and unaudited financial statements of the Company. Based on the audited financial statements of the Company for the financial year ended 31 December 2021, the retained profits of the Company amounted to RM18,717,812.

4. SOURCE OF FUNDS

The Proposed Renewal of Share Buy-Back Authority will be funded through internally generated funds and/or bank borrowings or a combination of both. In the event that the Company intends to purchase its own Shares using bank borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the bank borrowings and interest expense and that the repayment would not have any material effect on the cash flow of the Company.

The amount of funds to be utilised will depend on the actual number of Shares to be purchased, the price of the Shares and the availability of funds involved for each purchase(s) will depend on market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Group. In addition, the Board will ensure that the Company satisfies the solvency test as stated in the Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority.

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

5. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority is expected to benefit the Company and its shareholders in the following manners:-

- (a) it is expected to potentially benefit the Company and its shareholders, in terms of stabilising the supply and demand of GBGAQRS Shares as well as the price of the Company's Shares;
- (b) it will enhance the EPS of GBGAQRS, irrespective of whether the purchased Shares are held as treasury shares or cancelled, as it will result in a lower number of Shares being taken into account for the purpose of computing the EPS of the Shares; and
- (c) if the purchased Shares are held as treasury shares, such Shares may potentially be resold in the open market at a higher price and therefore realising a potential gain without affecting the total number of issued Shares. The treasury shares may also be distributed to the shareholders as dividend and if undertaken, would serve as a reward to the shareholders, or to be utilised as purchase consideration by the Company in corporate transactions thereby reducing the financial outflow and/or preserve the working capital of the Company.

The Proposed Renewal of Share Buy-Back Authority, if implemented, would reduce the financial resources of the Group. This may result in the Group having to:-

- (a) forgo future investments or business opportunities;
- (b) increase its interest expense or reduce its interest income accordingly, that may be derived from not utilising such funds to repay bank borrowings or not depositing such funds in income bearing instruments; and/or
- (c) reduce the availability of funds for distribution of cash dividends to shareholders.

On the other hand, the financial resources of the Group may increase, if the resale of the purchased Shares (not held as treasury shares) is at prices higher than purchase price.

In this connection, the Board will be mindful of the interests of the Group, the shareholders and stakeholders when implementing the Proposed Renewal of Share Buy-Back Authority and when cancelling and/or reselling the said treasury shares, if any, on Bursa Securities.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

On the assumption that the Proposed Renewal of Share Buy-Back Authority is carried out in full, the effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, net assets, working capital, earnings and dividends are set out below:-

6.1 Share Capital

Based on the issued share capital of the Company as at LPD and assuming that the maximum number of GBGAQRS (of up to ten percent (10%) of the issued share capital) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, it will result the in the issued share capital of the Company being reduced as follows:

Scenario I : Assuming no further exercise of Warrants

Scenario II : Assuming that all the outstanding Warrants are exercised and converted into Shares

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

	No. of shares	
	Scenario I	Scenario II
Total Issued Shares as at LPD	543,937,119	543,937,119
Shares to be issued upon full exercise of the Warrants	-	119,394,407
Enlarged total number of issued Shares	543,937,119	663,331,526
Cancellation of Purchased GBGAQRS Shares	(54,393,711)	(66,333,152)
Total number of issued shares after the Proposed Renewal of Share Buy-Back Authority	489,543,408	596,998,374

However, the Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued shares if all the purchased Shares are to be retained as treasury shares, resold or distributed to the shareholders. Nevertheless, certain rights attached to the Ordinary Shares such as voting, dividends and participation in other distribution will be suspended while they are held as treasury shares.

6.2 NA, NA Per Share and Gearing

The effect of the Proposed Renewal of Share Buy-Back Authority on the consolidated NA per share of the Group would depend on the purchase prices, number of Shares purchased, treatment of the purchased Shares and the effective funding cost or loss of interest income to GBGAQRS if internally generated funds are utilised.

The Proposed Renewal of Share Buy-Back Authority will reduce the NA per share at the time of purchase if the purchase price exceeds the NA per share and conversely, will increase the NA per share at the time of purchase if the purchase price is less than the NA per share.

If the treasury shares are sold at a gain, the NA per share would increase and, conversely, the NA per share would decrease if the treasury shares are sold at a loss. The quantum of the increase or decrease in NA will depend on the selling prices of the purchased Shares and the number of purchased Shares resold.

The effects of the Proposed Renewal of Share Buy-Back Authority on the gearing of the Group will depend on the proportion of borrowing being utilised to fund the purchase of the Purchased Shares. At this juncture, the Directors have not determined whether to use borrowings for purposes of purchasing its own Shares.

6.3 Earnings

The effect of the Proposed Renewal of Share Buy-Back Authority on the EPS of GBGAQRS will depend on the purchase price of the Shares, the number of Shares purchased and the opportunity cost arising from the funds utilised for the Proposed Renewal of Share Buy-Back.

Any cancellation of the Shares purchased is expected to give rise to increase EPS provided the income foregone and/or interest expenses incurred on the share purchased is less than the EPS prior to the Proposed Renewal of Share Buy-Back Authority.

Assuming that the Shares purchased are retained as treasury shares and resold, the effects on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings from the exercise.

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

6.4 Working Capital

The Proposed Renewal of Share Buy-Back Authority will reduce the working capital of the Group, the quantum of which will depend on, amongst others, the purchase prices, the number of Shares purchased and the effective funding cost, if any.

However, the cash flow or working capital position of the Company will be restored if the purchased of GBGAQRS Shares are resold at least at the purchase price.

6.5 Dividends

The Proposed Renewal of Share Buy-Back Authority may result in a lower amount of cash reserves available for dividends to be declared to shareholders as funds are utilised to purchase Shares. Nonetheless, the treasury shares may be distributed as dividend to the shareholders if the Company so decides.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Register of Substantial Shareholders and Directors' Shareholdings as at the LPD, and assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full (i.e. up to 10% of the total number of issued shares) and that the Purchased Shares are from shareholders other than the Directors and Substantial Shareholders, the effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing Directors and Substantial Shareholders of the Company by virtue of Section 127 of the Act are as follows:-

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STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

Scenario I : Assuming that none of the Warrants are exercised and the Proposed Renewal of Share Buy-Back Authority is implemented in full:-

Directors	As at LPD ^(a)				After the Proposed Renewal of Share Buy-Back Authority ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Y.M Tunku Alizan bin Raja Muhammad Alias	1,200,492	0.22	-	-	1,200,492	0.24	-	-
Dato' Sri Azizan bin Jaafar	2,935,146	0.54	⁽¹⁾ 53,602,938	9.87	2,935,146	0.59	⁽¹⁾ 53,602,938	10.94
Dato' Ow Chee Cheoon	33,966,774	6.25	-	-	33,966,774	6.93	-	-
Ow Yin Yee	163,812	0.03	-	-	163,812	0.03	-	-
Dato' Kamisah binti Johan	51,730,552	9.53	-	-	51,730,552	10.56	-	-
Substantial Shareholders								
Dato' Sri Azizan bin Jaafar	2,935,146	0.54	⁽¹⁾ 53,602,938	9.87	2,935,146	0.59	⁽¹⁾ 53,602,938	10.94
Dato' Ow Chee Cheoon	33,966,774	6.25	-	-	33,966,774	6.93	-	-
Ganjaran Gembira Sdn Bhd	53,602,938	9.87	-	-	53,602,938	10.94	-	-
Dato' Kamisah binti Johan	51,730,552	9.53	-	-	51,730,552	10.56	-	-
Employees Provident Fund Board	37,609,064	6.92	-	-	37,609,064	7.68	-	-

Notes :-

^(a) Calculated based on the total number of issued shares of 542,771,375 Ordinary Shares excluded 1,165,744 treasury shares.

^(b) Assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full, i.e. 10% of the total number of issued shares of the Company, the purchased Shares are held as treasury shares under the respective scenarios and that the Directors and substantial shareholders' shareholdings remain unchanged.

⁽¹⁾ Deemed interested via shareholding in Ganjaran Gembira Sdn Bhd pursuant to Section 8 of the Act.

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

Scenario II : Assuming that all the outstanding Warrants are exercised and the Propose Share Buy-Back is implemented in full:-

Directors	As at LPD ^(a)				Assuming full exercise of Warrants ^(b)				After the Proposed Renewal of Share Buy-Back Authority ^(c)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Y.M Tunku Alizan bin Raja Muhammad Alias	1,200,492	0.22	-	-	1,374,142	0.20	-	-	1,374,142	0.23	-	-
Dato' Sri Azizan bin Jaafar	2,935,146	0.54	⁽¹⁾ 53,602,938	9.87	3,395,721	0.51	⁽¹⁾ 60,423,438	9.12	3,395,721	0.56	⁽¹⁾ 60,423,438	10.12
Dato' Ow Chee Cheoon	33,966,774	6.25	-	-	42,291,964	6.38	-	-	42,291,964	7.08	-	-
Ow Yin Yee	163,812	0.03	-	-	203,962	0.03	-	-	203,962	0.03	-	-
Dato' Kamisah binti Johan	51,730,552	9.53			51,730,552	7.81			51,730,552	8.66	-	-
Substantial Shareholders												
Dato' Sri Azizan bin Jaafar	2,935,146	0.54	⁽¹⁾ 53,602,938	9.87	3,395,721	0.51	⁽¹⁾ 60,423,438	9.12	3,395,721	0.56	⁽¹⁾ 60,423,438	10.12
Dato' Ow Chee Cheoon	33,966,774	6.25	-	-	42,291,964	6.38	-	-	42,291,964	7.08	-	-
Ganjaran Gembira Sdn Bhd	53,602,938	9.87	-	-	60,423,438	9.12	-	-	60,423,438	10.12	-	-
Dato' Kamisah binti Johan	51,730,552	9.53			51,730,552	7.81			51,730,552	8.66		
Employees Provident Fund Board	37,609,064	6.92	-	-	37,609,064	5.67	-	-	37,609,064	6.29	-	-

Notes :-

- (a) Calculated based on the total number of issued shares of 542,771,375 Ordinary Shares excluded 1,165,744 treasury shares
- (b) Calculated based on the total number of issued shares and warrants converted of 662,165,779 Ordinary Shares excluded 1,165,744 treasury shares.
- (c) Assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full, i.e. 10% of the total number of issued shares of the Company, the purchased Shares are held as treasury shares under the respective scenarios and that the Directors and substantial shareholders' shareholdings remain unchanged.
- (1) Deemed interested via shareholding in Ganjaran Gembira Sdn Bhd pursuant to Section 8 of the Act.

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

8. PUBLIC SHAREHOLDING SPREAD

Pursuant to Paragraph 8.02(1) of the MMLR, a listed issuer must ensure that at least 25% of its total listed Shares (excluding treasury shares) are in the hands of public shareholders.

The public shareholding spread of the Company as at LPD is 56.73%. In implementing the Proposed Renewal of Share Buy-Back Authority, the Company will ensure that the minimum public shareholding spread of 25% is complied with.

9. PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company has no purchase, resale or cancellation of treasury shares in the preceding twelve (12) months.

As at the LPD, the balance of 1,165,744 Purchased Shares is retained as Treasury Shares.

10. HISTORICAL SHARE PRICES

The monthly high and low prices of the Company as traded on Bursa Securities for the last twelve (12) months from March 2021 to March 2022 are as follows:-

	Shares	
2021	High RM	Low RM
March	0.695	0.620
April	0.710	0.635
May	0.635	0.565
June	0.615	0.550
July	0.560	0.510
August	0.515	0.465
September	0.575	0.515
October	0.585	0.530
November	0.525	0.450
December	0.445	0.410
2022		
January	0.465	0.390
February	0.400	0.375
March	0.400	0.315

Last transacted market price of GBGAQRS Shares on 1 April 2022 was RM0.395 (being the last practicable date prior to the printing of this Statement).

STATEMENT ACCOMPANYING NOTICE OF AGM

[CONT 'D]

11. IMPLICATIONS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY IN RELATION TO THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS, 2016

The Company also intends to implement the Proposed Renewal of Share Buy-Back Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Rules. In this respect, the Board will be mindful of the requirement of the Rules when implementing the Proposed Renewal of Share Buy-Back Authority.

As the Board has no intention for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory general offer under the Rules by any of its substantial shareholders and/or parties acting in connect with them, the Board will ensure that only such number of Ordinary Shares are purchased, retained as treasury share, cancelled or distributed such that the Rules will not be triggered.

12. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they individually and collectively accepted full responsibility for the accuracy of the information given in this Statement and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

13. DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority are of the opinion that it is in the best interests of the Company and its shareholders and accordingly, recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming Twelfth AGM.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's Registered Office at G-58-3, Blok G, Jalan Teknologi 3/9, Bistari 'De' Kota, Kota Damansara, PJU 5, 47810, Petaling Jaya, Selangor Darul Ehsan, Malaysia, during normal business hours and on Mondays to Fridays (except public holidays) from the date of this Statement to the date of the forthcoming AGM:

- (i) the Constitution of the Company; and
- (ii) the audited consolidated financial statements of GBGAQRS for the two financial years ended 31 December 2020 and 31 December 2021.

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ABBREVIATIONS

AGM	Annual General Meeting
BDO	Messrs BDO PLT
Board	Board of Directors of the Company
Bursa Securities	Bursa Malaysia Securities Berhad
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMCO	Conditional Movement Control Order
Company	Gabungan AQRS Berhad
CSR	Corporate social responsibility
dB(A)	Weighted Decibel
DO	Dissolved Oxygen
DOE	Department of Environment Malaysia
EBITDA	Earnings before interest, taxes, depreciation and amortization
ED/EDs	Executive Director or its plural
EES	Economic, Environmental and Social
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
FYE	Financial year ended
GBGAQRS Share(s) / Shares	Ordinary share(s) in the Company
GDV	Gross Development Value
GRI	Global Reporting Initiative
Group/GBG/GBGAQRS	Gabungan AQRS Berhad and/or its group of companies
HSE	Health, Safety and Environment
IBS	Industrialised Building System
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
KPI	Key performance indicators
KRA	Key results area
LPD	1 April 2022, being the latest practicable date prior to the printing of this statement
LTI	Loss time incidents
MCO	Movement Control Order
MMLR	Main Market Listing Requirements of Bursa Securities including any amendment(s) thereto which may be made from time to time
MRCB	Malaysian Resources Corporation Berhad
MRCBGK	MRCB George Kent
MRT	Mass Rapid Transit
NA	Net Assets
NCI	Non-controlling interest
NED/NEDs	Non-Executive Director or its plural
NGO/NGOs	Non-Governmental Organisations
NH3-N	Ammonia-Nitrogen
NYSE	New York Stock Exchange
OSH	Occupational Safety and Health
PPR	Projek Perumahan Rakyat
PR1MA	Perumahan Rakyat 1 Malaysia
Prevailing Laws	Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the Proposed Share Buy-Back
RM and sen	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
SDG	Sustainable Development Goals
sq.ft	square feet
TSP	Total Suspended Particulate
TSS	Total Suspended Solids
UN	United Nations
UNSDG	United Nations Sustainable Development Goals



FORM OF PROXY

CDS account no.	Number of shares held

*I/We, _____ NRIC/Passport/Registration No. _____
(full name as per NRIC/Passport/Certificate of Incorporation in capital letters)

_____ of _____
(full address)

being a member of **GABUNGAN AQRs BERHAD** ("Company") hereby appoint:

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			
Email Address	Contact No.		

or failing him/her,

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			
Email Address	Contact No.		

or failing him/her the Chairman of the Meeting as *my/our proxy, to vote for *me/us on *my/our behalf at the Twelfth Annual General Meeting ("12th AGM") of the Company to be held **virtually via live streaming** and online remote voting at the broadcast venue at The Function Room, G-58-3, Block G, Jalan Teknologi 3/9, Bistari 'De' Kota, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 16 June 2022 at 10.00 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of 12th AGM.

*My/Our proxy(ies) *is/are to vote as indicated below:-

NO.	ORDINARY RESOLUTION	FOR	AGAINST
1.	To re-elect Dato' Ow Chee Cheoon who retires in accordance with Clause 119 of the Company's Constitution		
2.	To re-elect Dato' Kamisah binti Johan who retires in accordance with Clause 118 of the Company's Constitution		
3.	To re-elect Dato' Muraly Daran A/L M Narayana Menon who retires in accordance with Clause 118 of the Company's Constitution		
4.	To re-elect Datuk Ir. Mohd Dom bin Ahmad who retires in accordance with Clause 118 of the Company's Constitution		
5.	To re-elect Puan Masleena binti Zaid who retires in accordance with Clause 118 of the Company's Constitution		
6.	To approve the payment for under provision of Director's Fee for year ended 31 December 2021		
7.	To approve the payment of Director's Fees to Y.M. Tunku Alizan bin Raja Muhammad Alias		
8.	To approve the payment of Director's Fees to Dato' Kamisah binti Johan		
9.	To approve the payment of Director's Fees to Dato' Muraly Daran A/L M Narayana Menon		
10.	To approve the payment of Director's Fees to Datuk Ir. Mohd Dom bin Ahmad		
11.	To approve the payment of Director's Fees to Puan Masleena binti Zaid		
12.	To approve the payment of Director's Fees to Puan Latifah binti Abdul Latiff		
13.	To approve the payment of Director's Fees to Datuk Kamarudin bin Md. Ali		
14.	To approve the payment of Director's Fees to Mr Muk Sai Tat		
15.	To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM48,000 from 17 June 2022 until the next Annual General Meeting of the Company in year 2023		
16.	To re-appoint Messrs. BDO PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration		
17.	Authority to Issue and Allot Shares pursuant to the Companies Act 2016		
18.	Proposed Renewal of Authority for Share Buy-Back		

(Please indicate with an "X" in the appropriate box against each Resolution on how you wish your vote to be cast. If no specific direction as to how the proxy shall vote, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.)

Signed this _____ day of _____ 2022

Signature of Member(s) / Common Seal

NOTES:-

1. The 12th AGM will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn Bhd via Securities Services e-Portal's platform at <https://sshsb.net.my/login.aspx>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue, which is the main venue of the 12th AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 81 of the Company's Constitution, which require the Chairman to be present at the main venue of the 12th AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 12th AGM.

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 12th AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 12th AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 12th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 12th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors as of 9 June 2022 shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing. In the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of its officer or attorney duly authorised.

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Stamp

The Company Secretary
Gabungan AQRS Berhad
[Registration No. 201001028608 (912527-A)]
G-58-3, Block G
Jalan Teknologi 3/9
Bistari 'De' Kota
Kota Damansara, PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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5. A member of the Company entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. When a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy must be deposited at SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted electronically via Securities Services e-Portal at <https://sshsb.net.my/login.aspx> not later than forty-eight (48) hours before the time set for holding the 12th AGM or any adjournment thereof.

The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 12th AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 12th AGM or any adjournment thereof, and you register for RPV as guided in the Administrative Guide. Please contact the poll administrator, SS E Solutions Sdn Bhd, at 03-2084 9000 for further assistance.

* Delete if not applicable



Gabungan AQRS Berhad
[Registration No : 201001028608 (912527-A)]

G-58-3, Blok G, Jalan Teknologi 3/9, Bistari 'De' Kota
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