

PLB ENGINEERING BERHAD

PLB 國雲集團有限公司

Company No.: 199701002728 (418224-X)

annual report 2020



• Phoenix Residences Sdn Bhd • PLB-KH Bina Sdn Bhd • PLB Land Sdn Bhd • PLB Terang Sdn Bhd • PLB Green Construction Sdn Bhd
• Dynabricks Sdn Bhd • Desanova Development Sdn Bhd • Landsdale Development Sdn Bhd • PLB Eco Resources Sdn Bhd • PLB Cemerlang Sdn Bhd • Era Pujaaan Sdn Bhd
• Indah Mulia Development Sdn Bhd • Diligent Success Sdn Bhd • PLB Eco Solutions Sdn Bhd • PLB Green Solar Sdn Bhd • PLB Bio Green Sdn Bhd • PLB Wonder Bay Development Sdn Bhd • Gaintrend Sdn Bhd • Excelgrand Properties Sdn Bhd
• PLB Eco City Sdn Bhd • PLB Eco City Sdn Bhd • PLB Eco City Sdn Bhd • PLB Eco City Sdn Bhd • PLB Eco City Sdn Bhd • PLB Eco City Sdn Bhd • PLB Eco City Sdn Bhd • PLB Eco City Sdn Bhd
• PLB Ventures Sdn Bhd • PLB Landmark Sdn Bhd • PLB Jelutong Sdn Bhd • PLB Ecohab Sdn Bhd • PLB Waterfront Sdn Bhd • PLB Waterfront Sdn Bhd • PLB Waterfront Sdn Bhd • PLB Waterfront Sdn Bhd

www.plb.com.my

www.plbhomes.com.my

Vision & Mission

CORPORATE VISION

To be a progressive and technology-driven global conglomerate by capitalising on our core business, while seeking new opportunities to constantly enhance the economic value for our stakeholders.

CORPORATE MISSION



Focusing on customer needs which meet their requirements and drive their success.



Applying Information Technology to enhance our business efficiency and Supply Chain Management.



Monitor continued improvement and upgrade our operation technologies, facilities and Human Resource capabilities.



Inculcate a passion for excellence and commitment while contributing towards nation building and welfare of society.



Supporting our enterprising employees through "Intrapreneurship" schemes.



Identifying new ventures for growth.

Contents

01	Vision & Mission
02	Contents
03	Corporate Information
04	Corporate Structure
05	Directors' Profile
09	Corporate Key Management Profile
10	Chairman's Statement
11	Management Discussion and Analysis
14	Financial Highlights
15	Sustainability Statement
25	Corporate Governance Overview Statement
35	Statement on Risk Management & Internal Control
38	Audit Committee Report
40	Statement of Directors' Responsibility
41	Additional Disclosure Statements
42	Financial Statements
134	Group List of Properties
146	Shareholdings Statistics
149	Notice of Twenty-Fourth Annual General Meeting
152	Statement Accompanying Notice of Annual General Meeting
153	Proxy Form

Corporate Information

Board of Directors

Dato' Seri Ong Choo Hoon
(Group Executive Chairman)

Encik Mardzukhi Bin Abu Bakar
(Executive Director)

Dato' Ong Guat Beng
(Executive Director)

Mr. Ong Seng Chye
(Executive Director)

Mr. Saw Chin Eng
(Independent Non-Executive Director)

Madam Teoh Siew Tin
(Independent Non-Executive Director)

Madam Wein Siew Fen
(Independent Non-Executive Director)

Registered Office

51-8-A Menara BHL
Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-3736616
Fax : 04-3736615

Company Secretaries

Madam Hing Poe Pyng
(MAICSA 7053526)
SSM PC No. 202008001322

Madam Wong Yee Lin
(MIA15898)
SSM PC No. 201908001793

Audit Committee

Chairman

Mr. Saw Chin Eng

Members

Madam Teoh Siew Tin
Madam Wein Siew Fen

Remuneration Committee

Chairman

Madam Wein Siew Fen

Members

Mr. Saw Chin Eng
Madam Teoh Siew Tin

Nomination Committee

Chairman

Madam Wein Siew Fen

Members

Mr. Saw Chin Eng
Madam Teoh Siew Tin

Risk Management Committee

Chairman

Madam Teoh Siew Tin

Members

Mr. Saw Chin Eng
Dato' Ong Guat Beng

Auditors

Messrs Grant Thornton
Level 5 Menara BHL
51, Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-2287828
Fax : 04-2279828

Share Registrar

Agriteum Share Registration Services
Sdn. Bhd.
2nd Floor, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-2282321
Fax : 04-2272391

Principal Bankers

Affin Bank Berhad
Bank of China (Malaysia) Berhad
Bank of China Limited, Shanghai Branch
Malayan Banking Berhad
CIMB Bank Berhad
Amlslamic Bank Berhad
RHB Bank Berhad
Al-Rajhi Banking & Investment Corporation
(Malaysia) Berhad
Hong Leong Bank Berhad
Bank Islam Malaysia Berhad

Principal Solicitors

Messrs B.C. Teh & Yeoh
Messrs Katherine Khaw & Associates
Messrs WS Ang & Associates

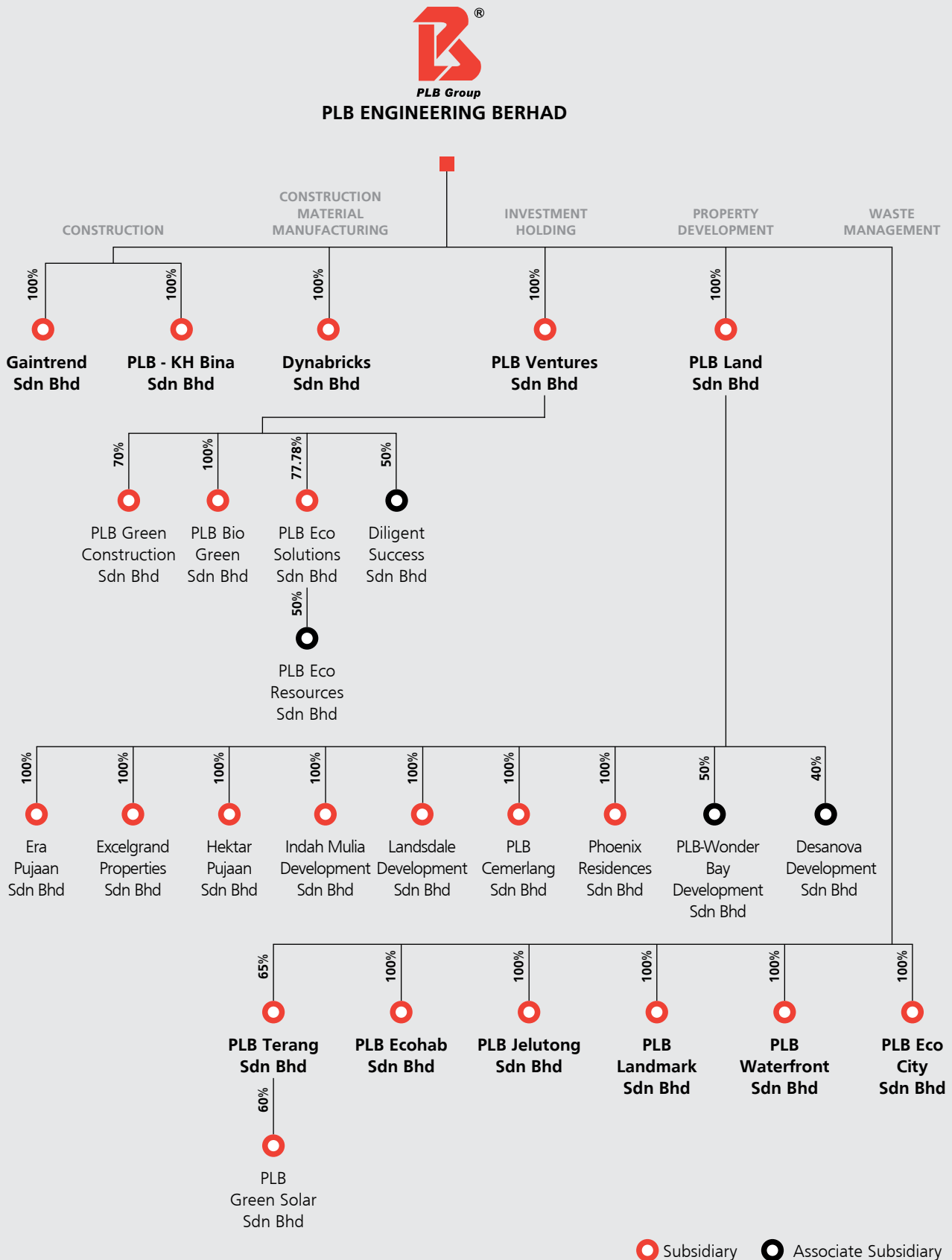
Stock Exchange Listing

Main Market of Bursa Malaysia Securities
Berhad
Stock Short Name : PLB
Stock Code : 7055

Website

www.plb.com.my

Corporate Structure



Directors' Profile

Dato' Seri Ong Choo Hoon

Group Executive Chairman

Dato' Seri Ong Choo Hoon (male), a Malaysian aged 81, was appointed to the Board of the Company on 11 October 1997 as the Group Executive Chairman. Dato' Seri Ong is the founder of the PLB Group with more than 50 years of experience in machinery, engineering and construction industry. After having been actively involved in machinery engineering contracts and provision of maintenance services from 1962 to 1975, Dato' Seri Ong subsequently ventured into the construction business in 1976 and was the primary moving force behind a number of the Group's successful property development projects over the years. He is responsible for the overall management and strategic planning of the PLB Group.

Dato' Seri Ong is also a member of The People's Volunteer Corps (RELA), holding the position of Senior Assistant Commissioner of RELA (Assc).

Dato' Seri Ong represents PLB-KH Bina Sdn Bhd ("PKH"), a wholly owned subsidiary of the Company, as the Honorary Advisor of the Penang State Foundry and Engineering Industries Association.

Dato' Seri Ong does not hold any other directorships in other public companies.

Dato' Seri Ong is the father of Dato' Ong Guat Beng and Mr. Ong Seng Chye who are also Executive Directors of the Company. He is a director and major shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Encik Mardzukhi Bin Abu Bakar

Executive Director

Member of the Corporate Governance Committee

Encik Mardzukhi Bin Abu Bakar (male), a Malaysian aged 64, was appointed as the Executive Director of the Company on 11 October 1997 and oversees the business development of the Group. Currently, he also oversees the Safety and Security Department. He obtained a Certificate in Building Structural Draughtsmanship from MARA Institute in 1979 and subsequently received his Diploma in Business Administration from the Institute of Business Administration and Management. He has also attended Safety and Health Officer course by National Institute of Occupational Safety and Health (NIOSH). He was admitted as a fellow of The International Management Association, London i.e. F.I.M.A (UK) in April 2008. He has more than 28 years of invaluable experience through his involvement in construction industry. He was appointed as a Councilor to Majlis Perbandaran Seberang Perai from 1989 to 1990. He was a Project Manager of Gurun Corporation Sdn. Bhd. from 1990 to 1992. He had attended several intensive courses and seminars on construction and safety management to keep abreast with the latest developments in the industry.

Encik Mardzukhi does not hold any other directorships in other public companies.

Encik Mardzukhi is not related to any other Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past five years other than traffic offences, if any.

Directors' Profile (Cont'd)

Dato' Ong Guat Beng

Executive Director

Member of the Corporate Governance Committee

Member of the Risk Management Committee

Dato' Ong Guat Beng (female), a Malaysian aged 62, was appointed as an Executive Director of the Company on 11 October 1997. After completing high school in 1976, Dato' Ong joined PKH to assist Dato' Seri Ong Choo Hoon to oversee the overall operation of PKH. She has almost 40 years of working experience in purchasing, accounting and office administration. She oversees the Finance, Human Resources and Administration departments as well as the Procurement department of the Company. Dato' Ong also assists the Group Executive Chairman in the overall operations and management of the Company on site management, financial management and human resources management.

On 9 July 2016, Dato' Ong Guat Beng was conferred Darjah Setia Pangkuan Negeri by the Penang State Government which carries the honorific title Dato'.

Dato' Ong does not hold any other directorships in other public companies.

Dato' Ong is the daughter of Dato' Seri Ong Choo Hoon and the sister of Mr. Ong Seng Chye. She is a director and shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. She has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Mr. Ong Seng Chye

Executive Director

Chairman of the Corporate Governance Committee

Mr. Ong Seng Chye (male), a Malaysian aged 53, was appointed as an Executive Director of the Company on 11 October 1997. He completed his high school education in 1985 and joined PKH in 1987 to assume various responsibilities for plant and machinery scheduling, security maintenance, site management, logistics and manufacturing. Currently, he oversees the Property Development operations of the PLB Group and represents the PLB Group by being actively involved in the public and social responsibilities of PLB Group. He is a Vice Chairman of SJK (C) Kwang Hwa Butterworth, a Membership Director and Chartered Treasurer as well as Past Secretary and Past President of the Lions Club of Perai. He is also the Deputy Chairman of Kongsi Thye Guan Tong Ong Seberang Perai. He represents PKH as a Committee Member and Past President of Penang Master Builders & Building Materials Dealers Association. Mr. Ong has attended numerous seminars to supplement his on-the-job experience.

Mr. Ong does not hold any other directorships in other public companies.

Mr. Ong is the son of Dato' Seri Ong Choo Hoon and the brother of Dato' Ong Guat Beng. He is a director and shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Directors' Profile (Cont'd)

Mr. Saw Chin Eng

Independent Non-Executive Director

Chairman of the Audit Committee

Member of the Remuneration Committee

Member of the Nominating Committee

Member of the Risk Management Committee

Mr. Saw Chin Eng (male), a Malaysian aged 63, was appointed as an Independent Non-Executive Director of the Company on 30 May 2001. He obtained his Bachelor of Commerce degree from University of Otago, New Zealand in 1981. He started his career as an Audit Assistant in an accounting firm. He was later promoted to a position of an Audit Manager in charge of a wide portfolio of clients. Currently, he is practicing under Messrs. Saw & Co., a member firm of the Malaysian Institute of Accountants. A Chartered Accountant by profession, Mr. Saw is a member of Chartered Accountants Australia and New Zealand and also a Chartered Accountant with the Malaysian Institute of Accountants as well as a Chartered Tax Practitioner (CTP) and a member of the Chartered Tax Institute of Malaysia and a qualified Certified Financial Planner (CFP) and registered Financial Planner (RFP). In July 2008, Mr. Saw was admitted as Fellow Certified Practising Accountant (FCPA) of CPA Australia.

Mr. Saw does not hold any other directorships in other public companies.

Mr. Saw is the spouse of Madam Teoh Siew Tin. He has no conflict of interest with the Company and has no convictions for offences within the past five years other than traffic offences, if any.

Madam Wein Siew Fen

Independent Non-Executive Director

Chairperson of the Nominating Committee

Chairperson of the Remuneration Committee

Member of the Audit Committee

Madam Wein Siew Fen (female), a Malaysian aged 50, was appointed as an Independent Non-Executive Director of the Company on 11 September 2017. She graduated with Bachelor of Science (Housing, Building and Planning) with Honours and Bachelor of Architecture from Universiti Sains Malaysia in 1995 and 1996 respectively.

She started her work experience thereafter with a local architectural practice. Currently, she is practicing under Messrs. Habitat Design Architects Sdn Bhd. Ms. Wein is a member of Board of Architects Malaysia and The Malaysian Institute of Architects.

Madam Wein does not hold any other directorships in other public companies.

Madam Wein Siew Fen is not related to any Director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted of any offences within the past five years other than traffic offences, if any.

Directors' Profile (Cont'd)

Madam Teoh Siew Tin

Independent Non-Executive Director

Chairperson of the Risk Management Committee

Member of the Audit Committee

Member of the Remuneration Committee

Member of the Nomination Committee

Madam Teoh Siew Tin (female), a Malaysian aged 63, was appointed as an Independent Non-Executive Director of the Company on 30 October 2008. She received her upper secondary and tertiary education in Australia graduating with Bachelor of Economics (Accounting) degree from Monash University, Clayton Campus, Melbourne, Australia in 1979.

She began her career with international accounting firms and stayed in the industry for 4 years. Her work covers areas of audit, tax and company secretarial. Subsequently, she spent the next 18 years in a Main Board listed company in the steel industry. She started as an Accountant and moved up to General Manager level to hold the position of Group Financial Controller in the Group of Companies. Her work experience covers accounting, finance, corporate tax planning, licensing, administrative and corporate services including human resources management, corporate communications, information technology, credit control and debt recover, equity call and fund raising, mergers and takeovers and feasibilities study of projects.

She is a Fellow member of the CPA Australia, Chartered Accountant with the Malaysian Institute of Accountants and a member of the Chartered Tax Institute of Malaysia. She is involved in her own consultancy business.

Madam Teoh does not hold any other directorships in other public companies.

Madam Teoh is the spouse of Mr. Saw Chin Eng. She has no conflict of interest with the Company and has no convictions for offences within past five years other than traffic offences, if any.

Corporate Key Management Profile

Dato' Siow Kok Yong

Group Chief Operating Officer

Dato' Siow Kok Yong (male), a Malaysian aged 61, was appointed as Chief Operating Officer of the Group on 06 November 2020. He is responsible for the Group's daily operations and the implementation of business strategies, investments and management of subsidiaries. He is also appointed as the Risk Management Steering Committee Chairman which oversees all risk management activities within the Group.

Dato' Siow graduated with Bachelor of Applied Sciences (Civil Engineering) with Honours from the University of Ottawa, Canada. He has been involved in the construction industry for a total of 37 years, with experience in civil engineering and general construction. Dato' Siow has a combined experience of more than 5 years in design and consultation works in the civil engineering industry and more than 32 years in general construction and turnkey projects. General construction works include housing projects and high-rise residential and commercial buildings, multi-national industrial factories, bridges and highway, reservoirs and offshore structures, irrigations and water supply.

In June 2009, Dato' Siow was appointed as a Justice of Peace by Sultan Tuanku Ja'afar ibni Almarhum Tuanku Abdul Rahman of Negeri Sembilan. Dato' Siow was conferred with Darjah Setia Pangkuan Negeri (D.S.P.N.) by the Yang Di-Pertua of Penang, His Excellency Tun Dato' Seri Utama (Dr) Haji Abdul Rahman Bin Haji Abbas State Governor in July 2014, which carries the honorific title of Dato'.

Dato' Siow does not hold any other directorships in other public companies.

Dato' Siow is the son-in-law of Dato' Seri Ong Choo Hoon, the Group Executive Chairman, and the brother-in-law of Dato' Ong Guat Beng and Mr. Ong Seng Chye who are both the Executive Directors of the Company.

Madam Phee Poh Suan

Senior Finance Manager

Madam Phee Poh Suan (female), a Malaysian aged 52, was appointed as the Senior Accountant of the Group on 23 June 2003 before being promoted to Finance Manager shortly after. Her areas of responsibility include corporate finance, investor relations, mergers and acquisitions, financial management, compliance and reporting and overall finance operations of the Group.

She started her career in the construction and development industry. Ms Phee is an associate member of Chartered Institute of Management Accountant (CIMA), England. In 2007, she was promoted as the Group's Senior Finance Manager due to her excellent achievement and contribution to the organisation.

Madam Phee is not related to any other Director and/or major shareholder of the Company.

- None of the key senior management persons have any conflict of interest with the Company
- None of the key senior management persons have been convicted for any offences within the past 5 years and have not been imposed with any public sanction or penalty by the relevant bodies during the financial year other than traffic offences, if any.

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors of **PLB ENGINEERING BERHAD** ("PLB" or "the Company"), it is my pleasure to present the Annual Report and Audited Financial Statements of the Company for the financial year ended 31 August 2020.

The year 2020 has been a tough year in view of the 2019 Novel Coronavirus outbreak ("Covid-19") pandemic and as a result, the housing and construction sectors have been impacted. At this juncture, the revenue contribution from construction, property development, sales of completed development units, waste management, solar energy income and others are 21%, 32%, 28%, 10%, 8% and 1% respectively.

In spite of the economic conditions, we have continued to record encouraging sales for the affordable housing scheme in Paya Terubong.

Financial Performance

For the year ended 31 August 2020, the Group recorded a revenue of RM171.17 million and loss before tax of RM2.54 million compared to revenue of RM243.41 million and profit before tax of RM12.40 million respectively in the preceding year corresponding period.

The Group recorded lower revenue and profit before tax for the current year to date compared to preceding year corresponding period. This is mainly due to impairment loss on land held for development, inventories and investment in associates of RM 8.61 million affected by Covid-19 outbreak and the subsequent MCO and CMCO restrictions imposed by the Government of Malaysia in response to the Covid-19 pandemic.

Dividend

As the Group continues to strengthen its position to build long-term and sustainable growth milestones, it intends to reinvest earnings into the operations to achieve its goals. As such, no interim dividend has been declared by the Board for the financial year ended 31 August 2020.

Prospects

The Group will continue to focus on and develop its major business segments which are construction and property development specifically for affordable housing schemes.

Barring any unforeseen circumstances, the Group expects an improved financial performance for the forthcoming financial year 2021.

Appreciation

I would like to express our sincere appreciation and thanks to the members of the Board of Directors, Management and Staff for their support and contributions to the Company. The Board appreciates that the Company's success depends on continuous service and commitment of key players and a sound management team. In this regard, the Company will persevere to enhance employees' skills and talent as well as build the future leaders for the Group.

On behalf of Board of Directors, I would also like to extend my appreciation to the Malaysian Government and all its ministries, agencies, departments, state government, local councils and last but not least to our valued stakeholders for their continued cooperation and support during the financial year 2020.

DATO' SERI ONG CHOO HOON

Group Executive Chairman

Management Discussion and Analysis

PLB Engineering Berhad has a diverse portfolio of business ventures primarily in property development, construction, waste management and renewable energy (solar).

Property development and construction remained the twin pillars for the Group which were the main contributors to the revenue and profits in the current financial year.

The Covid-19 Pandemic has impacted the economy severely and the housing sector has not been spared. Measures were implemented to improve operational efficiency to tide through the tough market conditions. The Group will continue to assess and implement business strategies with the aim of sustaining our financial performance. With best practices and standard operating policies, our objective is to develop quality housing in line with our logo “PLB Homes ~ Comfort Assured”.

Going forward, the Group would be prudent in the launching of new property development projects bearing in mind the soft demand. The focus would be on viable projects that are still in demand such as affordable housing.

FINANCIAL REVIEW

The Group’s revenue in the current financial year of 2020 (“FY2020”) was at RM171.17 million compared to RM243.41 million in the preceding financial year of 2019 (“FY2019”). A loss before tax of RM2.54 million was recorded compared to the profit before tax of RM 12.40 million in FY2019. This was primarily due to impairment losses on land held for development, inventories and investment in associates of RM8.61 million which was attributed to the MCO and CMCO restrictions, imposed by the Government of Malaysia, in response to the COVID-19 pandemic.

- Statement of Financial Position

Non-Current Assets

- During the financial year, the non-current assets increased to RM262.75 million compared to RM244.07 million in FY2019. It was mainly due to the additions in capital work in progress arising from construction of a Material Recovery Facility and Landfill Facilities which has a carrying amount of RM76.55 million.

Current Assets

- During the financial year, there was a slight drop in current assets from RM319.20 million in FY2019 to RM308.42 million. This was due to the increased progress billing issued in FY2020 which resulted in the decrease in contract assets arising from both the construction contracts and property development activities.

Non-Current Liabilities

- Non-Current liabilities registered a decline from RM222.78 million in FY2019 to RM200.30 million in FY 2020 due to repayment of borrowings and retention sum payables.

Current Liabilities

- Current Liabilities increased to RM233.17 million compared to RM 197.12 million in FY 2019. It was due to increase in borrowings and contract liabilities.

- Dividend

No dividend has been recommended or declared for FY2020. At present, the Group intends to reinvest earnings into the operations to strengthen our position to build long-term and sustainable growth.

OPERATIONS REVIEW

- Property Development

The property development sector continued to be a core component of the Group’s operations. Overall, PLB Land Sdn. Bhd. (“PLB Land”) has continued with the development of its Paya Terubong master plan which comprises mainly affordable housing.

The first phase of the development, “The Stone,” constitutes 1,000 units of 1,000 square feet residential units with a total saleable area of 1 million square feet. The demand for this scheme has been promising with Sale & Purchase Agreement (SPA) of 80% out of the 1,000 units being signed. This development has achieved 85% physical completion to date with unbilled sales of RM109 million.

Management Discussion and Analysis (Cont'd)

OPERATIONS REVIEW (CONT'D)

- Property Development (Cont'd)

PLB Land has commenced the application for approval to commence the other phases of the overall development. The next phase of the development, Plot 6 (The Dew) which consists of 281 units of affordable homes with a total saleable area of 281,000 square feet has obtained the Developer License (DL) and Advertising Permit (AP). Plot 8 (Lot 9830) consists of 2 blocks of apartments with 800 units affordable homes and a total saleable area of 710,000 square feet. The development of construction for Plot 6 has commenced since June 2020 while Plot 8 is expected to commence its development in May 2021.

Another development in the planning pipeline is at Zoo Road (Lot 6435 & 6436 Lebuhraya Paya Terubong) which consists of 1 block with 252 units of apartments and affordable homes with a total saleable area of 290,126 square feet.

- Construction

There is unbilled sales of RM25 million located at Bukit Minyak of Prai, Penang Island and Sungai Petani of Kedah which is expected to contribute to the Group's performance in the next financial year. The Group shall endeavor to secure additional contracts from established clients to contribute to the profitability of the Group in FY 2021.

- Solid Waste Management

The revenue from the solid waste landfill activities at Pulau Burung, Penang for FY2020 was RM17.09 million through tipping fees income which has been fixed under the terms of the concession agreement with the Penang State Government. The additional landfill cell operations in Phase 3 has commenced in Dec 2020 which should contribute to higher revenue in FY 2021.

- Sales of Electricity from Solar Plant.

The Large Scale Solar PV Plant of 20.00 MW a.c. at the levelised price of 40.80 sen/kWh has been generating electricity since November 2018. The revenue recorded for the FY2020 is RM14.49 million.

FORWARD LOOKING STATEMENT

The recent resurgence in COVID-19 cases have seen the re-introduction of containment measures, albeit generally less restrictive than earlier measures. This suggests that the economic recovery remains uncertain in the short-term.

Therefore, the Group has embarked on strategies towards achieving long-term sustainable returns and to create higher return for shareholders. The Group will maintain a prudent approach in cash flow management and working on cost cutting measures.

Operational efficiency would be the focus of the Group going forward. The Group continues to support improvement and monitoring action plans for quality workmanship through Qlassic. Human resource development is emphasised to enhance the skills and competencies of our personnel. Training would be provided through webinars and workshops to develop a productive and knowledgeable workforce.

PLB Engineering has signed a conditional Joint Development Agreement ("JDA") with the State Government of Penang and Penang Development Corporation ("PDC") to rehabilitate and develop the landfill in Jelutong. The Group is in the process of teaming up with strategic partners to fund and provide the technical expertise for this Project. Upon completion of the rehabilitation, the available land would be appropriate for development along the prime waterfront over the next ten (10) years.

The Group has also signed an MOU with a Chinese company with the intention to embark on a Waste-To-Energy Project at the location of our dumpsite in Pulau Burung.

The above-mentioned projects are in line with the Group's strategy to achieve sustainable and recurring income in the years ahead.

Management Discussion and Analysis (Cont'd)

FORWARD LOOKING STATEMENT (CONT'D)

- Property Development (Cont'd)

The Group is focused more in planning its strategies to improve financial returns in the coming years for its available land bank. Implementation will be ongoing while we take cognizance of the timing for new property launches in line with market conditions.

The main driver for the next financial year is the 100% affordable housing scheme at Paya Terubong, Penang which would be developed in phases. The Group is cautious in launching new development projects. Another project in the pipeline include a 800-unit affordable housing scheme at Plot 8 (Lot 9830) which is located at Paya Terubong, and a 252-unit Apartment in Zoo Road, Penang.

- Construction

Overall, the construction arm has about RM37 million unbilled projects lined up for the next financial year.

- Solid Waste Management

PLB Terang Sdn. Bhd. is entrusted by the Penang State Government to manage and develop the Pulau Burung waste disposal site into a Level IV sanitary landfill which covers an area of approximately 180 hectares (Phase 1, Phase 2 and Phase 3) where, a Material Recovery Facility (MRF) was part of the proposal in the Concession Agreement. The landfill cell operations in Phase 3 has commenced in Dec 2020 while the MRF plant should be in commission by FY 2021.

- Solar Plant

There is an existing power purchase agreement between PLB Green Solar Sdn Bhd ("PLBGS") and Tenaga Nasional Berhad for the Company to design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 20 megawatts located in Seberang Perai Selatan. The electricity generated will continue to be sold to TNB at the contracted rate during the duration of the agreement.

ANTICIPATED OR KNOWN RISKS

The management of risks encompasses controls and planning with regard to operational risks. For both the construction and property development, the Group has introduced Qlassic at every stage of construction. Getting the works carried out right the first time will minimise the rectification of defects and improve the quality of workmanship.

External risks due to the additional lockdowns would be factors to heed in our risk management. There will be enhanced health and safety regulations that would have an impact on operational costs. On the demand side, the Group will be prudent in our new launches given the soft market demand. Affordable housing will continue to be our core development as both bridging and end-financing would be supported by Government initiatives and incentives.

Statutory exemption such as the Covid-19 Act should serve as a reprieve for developers and contractors in the determination of delivery date for vacant possession.

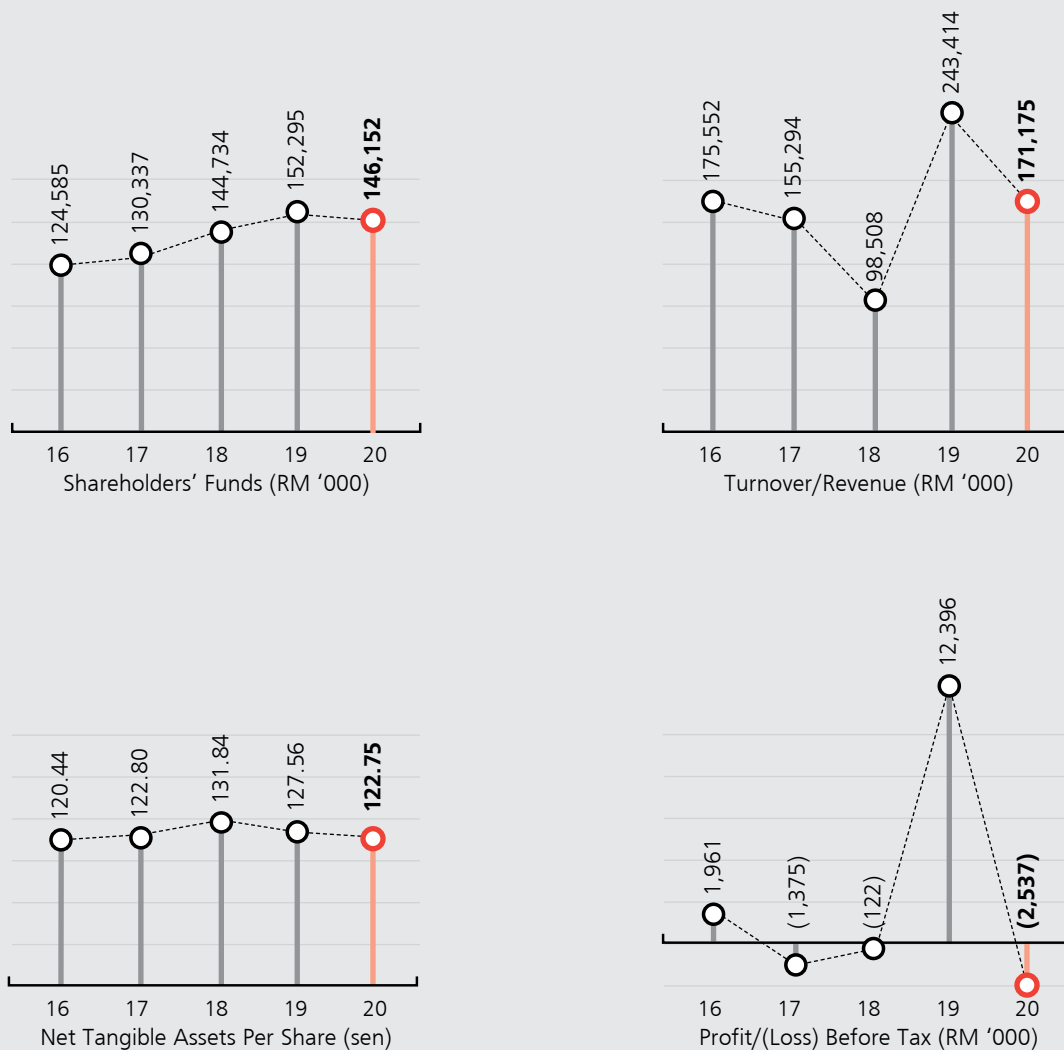
The Group will continue to maintain a prudent approach in its cash flow management given the uncertain economic climate.

Financial Highlights

	Audited (RM'000)				
	(Restated)#		(Restated)#		
	2016	2017	2018	2019	2020
Turnover/Revenue	175,552	155,294	98,508	243,414	171,175
Profit/(Loss) Before Tax	1,961	(1,375)	(122)	12,396	(2,537)
(Loss)/Profit For The Year @	(535)	(1,322)	(2,315)	7,561	(6,143)
Paid Up Capital	91,282	107,233	112,395	112,395	112,395
Shareholders' Funds	124,585	130,337	144,734	152,295	146,152
(Loss)/Earnings Per Share (sen)	(0.52)	(1.29)	(2.22)	6.73	(5.47)
Net Tangible Assets Per Share (sen)	120.44	122.80	131.84	127.56	122.75
Total Assets	339,692	370,775	494,714	563,265	571,166
Gross Dividend (%)	1.00	-	-	-	-

@ Profit for the year represents Profit after tax and non-controlling interests.

Restated to conform with the adoption of Malaysian Financial Reporting Standards Framework.



Sustainability Statement

Statement Overview

With sustainability being part and parcel of our business strategy, it is important for PLB to build and maintain trust with our clients, people, investors and stakeholders. We believe in being transparent, fair and accountable.

Sustainability is a journey and over the past three years, PLB has taken steps to progressively improve our sustainability performance. The Management continues to focus on the sustainability practices, highlighting the material Economic, Environmental and Social ('EES') impacts on its business strategies and operations.

At the time of writing this Sustainability Statement ("Statement"), the Covid-19 pandemic has caused major global economic disruption. We have implemented strict protocols and work adjustments to protect our stakeholders.

Despite the grave challenges brought about by Covid-19, we remain committed in driving sustainable business practices throughout PLB.

Reporting Framework

PLB continuously strengthens our reporting approach through adherence to Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) which encourages companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Reporting Period

This Statement covers the sustainability progress of PLB's activities carried out during the financial year of 2020, unless otherwise specified. It includes data from PLB's subsidiaries but excludes data from associates which are outside the Management's control. This Statement aims to highlight our practices under the following focus areas:-

- Economic Sustainability
- Environmental Management
- Social Engagement

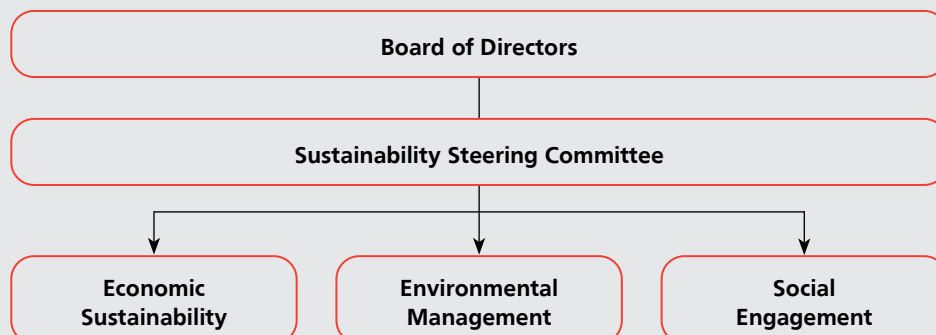
Feedback

We welcome any feedback and concerns from stakeholders on our approach to sustainability. Your feedback and concerns are valuable to us and you may direct your enquiries or details to info@plbgroup.com.my

Sustainability Governance

PLB is guided by the Malaysian Code on Corporate Governance in ensuring the principles and best practices of good corporate governance are applied throughout PLB. This is essential in ensuring sustainability of PLB as well as safeguarding stakeholders' interests and delivering long-term value.

With the establishment of the Sustainability Steering Committee ("SSC"), we aim to ensure responsible management of sustainability opportunities and risks. The SSC is led by the Executive Director and is supported by three Sustainability Working Committees ("SWC") which represents the economic, environmental and social aspects of our business:-



Sustainability Statement (Cont'd)

Sustainability Governance (Cont'd)

The SWC will report periodically to the SSC on the progress of PLB's sustainability efforts. The SSC will review the sustainability reports and reports on a bi-yearly basis to the Board. The Board will endorse the proposed sustainability initiatives and material sustainability matters relating to PLB. SSC will then oversee the implementation of the sustainability related strategies and initiatives.

Stakeholder Engagement

In achieving a sustainable business operation, it is imperative for PLB to meet the wide expectation and needs of our stakeholders. At PLB, regular and constructive communication with our stakeholders help us better understand their needs and expectations. We endeavour to develop lasting relationships to generate shared value. We look towards better management of our business risks and opportunities through open and transparent engagement with our stakeholders.

KEY STAKEHOLDERS	ENGAGEMENT CHANNELS	FREQUENCY
Employees	<ul style="list-style-type: none"> • Training and development 	<ul style="list-style-type: none"> • Throughout the year
Investors and Analysts	<ul style="list-style-type: none"> • Annual Report • Annual General Meetings • Quarterly Financial Statements • Company website 	<ul style="list-style-type: none"> • Annually • Annually • Quarterly • Throughout the year
Customers/Buyers	<ul style="list-style-type: none"> • Social media engagement • Marketing events + customer promotions 	<ul style="list-style-type: none"> • Throughout the year • Throughout the year
Local Community	<ul style="list-style-type: none"> • Engagement with community groups 	<ul style="list-style-type: none"> • Throughout the year
Contractors and Suppliers	<ul style="list-style-type: none"> • Project management meetings • Tender evaluation • Transparent selection process 	<ul style="list-style-type: none"> • Weekly • As and when required • As and when required
Regulators	<ul style="list-style-type: none"> • Dialogue + discussion with government + other planning authorities • Timely disclosure of corporate + financial activities 	<ul style="list-style-type: none"> • As and when required • As and when required

Sustainability Statement (Cont'd)

What Matters Most

Through the materiality assessments conducted in 2018 and 2019, we have considered the areas presented in our Risk Management and Internal Audit Reports as well as gathered input from a wide range of stakeholders to formulate PLB's materiality matrix.

These 12 material sustainability matters best represent what matters most to PLB and our materiality matrix.



Legend:

Economic Sustainability

- 1 Product and Service Quality
- 2 Customer Engagement and Satisfaction
- 3 Sustainable Supply Chain Engagement
- 4 Compliance to Government Policies and Corporate Governance

Environmental Management

- 5 Landfill Sustainability
- 6 Habitat Conservation
- 7 Community Outreach Initiatives

Social Engagement

- 8 Training and Development
- 9 Diversity and Equal Opportunity
- 10 Public / Community Engagement and Initiatives
- 11 Occupational Safety and Health at the workplace
- 12 Ethical Practices

PLB supports the United Nation's 17 Sustainable Development Goals ("SDGs") and have adopted six (6) of the goals that are most relevant to our business operations.



Sustainability Statement (Cont'd)

Economic Sustainability



The sustainability and success of our business ventures are dependent on our customers. We emphasise on long-term planning, cost savings, prudent investment and good business ethics.

While the Covid-19 pandemic came to light in December 2019, PLB's financial performance and long-term vision remain consistent as we continue to build long-term value for our stakeholders.

Product and Service Quality

PLB is committed to delivering value to our customers. We have management systems implemented and certified in accordance with the local and international benchmark standards.

Our Construction Arm, PLB-KH Bina Sdn Bhd, PLB Green Construction Sdn Bhd and Gaintrend Sdn Bhd, are certified with MS ISO 9001:2015 and we continue to strive to improve and sustain the quality in construction. Through the Construction Industry Development Board ("CIDB")'s Quality Assessment System in Construction ("QLASSIC"), quality of products and workmanship are continuously assessed and improved upon. We impress upon our Construction Arm to carry out their works right the first time to minimise rectification of defects.



Customer Engagement and Satisfaction

In today's increasingly competitive market, customers are seeking a partner who is committed to value. Customer satisfaction remains a material topic across all divisions and we adopt different methodologies in measuring customer satisfaction due to the diversity of our businesses. We will continue to engage with our customers and remain focused on the quality of our products and services. Information is continuously disseminated to stakeholders through our Development Arm, PLB Land Sdn Bhd (PLB Land)'s website and social media platforms like Facebook page as well as during roadshows and printed media.

For our development projects, PLB Land has a team responsible to carry out rectification works. Once the rectification works are completed, a joint inspection will be carried out together with the purchasers to obtain acknowledgement that rectification works are carried out to the purchasers' satisfaction.

As a responsible developer, even with the onset of the Covid-19 pandemic, PLB Land is committed to delivering the 1,000 units of 'The Stone' affordable housing project in Paya Terubong which is due for completion in 2021 to enable Malaysians to realise their aspirations of owning a home.

Sustainability Statement (Cont'd)

Economic Sustainability (Cont'd)

Sustainable Supply Chain Engagement

PLB is dependent on consultants, professional service providers and suppliers in carrying out our business activities.

A procurement process is in place to ensure purchases are of quality and reasonable cost. Yearly evaluation is conducted on existing suppliers to assess their performance in terms of past performance, timely delivery, commitment towards high quality standards as well as price competitiveness. Building materials are sourced locally to support the local community.

Compliance to Government Policies and Corporate Governance

PLB aims to achieve a high level of business ethics in preventing any occurrence of corruption activities. In view of the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) act, PLB will review the existing policies and procedures currently in place on PLB's compliance with the requirement. All our employees are required to read and understand the contents of the following which is accessible to all stakeholders through PLB's website:-

- a) Code of Conduct and Ethics
- b) Whistleblowing Policy
- c) Anti-Bribery and Anti-Corruption Policy

Environmental Sustainability



Keeping the environment safe from harm and pollution is a collective responsibility. PLB is committed to continuously review and advocate for a cleaner and healthier environment to maintain compliance with all the environmental laws and regulations.

We maintain our best management practices to control landslides, noise and water pollution from our construction and landfill activities. Controls are in place based on the needs and site conditions which include slope covers and periodic monitoring of noise and water levels at the sites.

For the reporting year, PLB head office practiced recycling at the workplace where a total amount of 0.454 tonnes recyclable items were collected. The Employees of PLB also observed the Earth Hour Program to reduce global warming and raise awareness on global climate change on 28 March 2020 at 8.30pm to 9.30pm initiated by the World Wildlife Fund.

Landfill Sustainability

In order to maintain and prolong the lifespan of the Pulau Burung Sanitary Landfill, proper operations and management of landfill activities are in place.

The Phase 3 site at the Pulau Burung Sanitary Landfill is in the midst of testing and commissioning. Once operational, the Phase 3 Sanitary Landfill will be an advanced landfill and classified as a Level 4 Landfill. This Level 4 Landfill will control the impact of leachate where the leachate will be treated at the leachate treatment plant before being discharged to the watercourses. Treated leachate will not pollute the environment nor harm human health ie it will not cause contamination to groundwater, surface water and soil.

Sustainability Statement (Cont'd)

Environmental Sustainability (Cont'd)

Landfill Sustainability (Cont'd)

As the concession holder for the Pulau Burung Sanitary Landfill, one of our goals is to educate the public on landfill sustainability. For the reporting year, we had visits from various bodies ranging from Universities to Local Authorities.



Sustainability Statement (Cont'd)

Environmental Sustainability (cont'd)

Habitat Conservation

At our 'The Stone' development project, PLB-KH Bina Sdn. Bhd. ("PKH") is committed to protecting the environment through controlling and preventing environmental pollution from occurring. We are committed to ensuring compliance with regulatory limits as defined in the Environmental Impact Assessment's approval conditions and the Erosion Sediment Control Plan. Besides regular monitoring of noise and vibration levels, the other controls in place are the implementation of sediment basins and geotextile at the front face of soil nailed slopes to protect the hillslope from landslide.

The conservation of Wetlands at Pulau Burung is also an ongoing effort by PLB. This natural wetland is a vibrant habitat for animal and marine species, including birds. It is the wintering ground for waterbirds that migrate between September to April yearly.

Community Outreach Initiatives

We continuously support the Penang Green Council in bringing awareness to the community on the management of solid waste landfill and the by-product of recycling of waste material.



Social Engagement



Training and Development

We believe that our people are the driving force for a strong business. However, the significant impact of the Covid-19 pandemic is being felt as we brace ourselves to rethink the way we work. Changes to work conditions include increased health and safety protocols, social distancing measures and new ways of collaborating when working remotely.

Training and development is ongoing at PLB. Besides the availability of digital content in PLB's intranet, through the use of digital technology, our employees upskill themselves through the relevant webinar seminars. In preparation for the new norm, PLB recognises that IT enterprise management readiness is crucial to drive preparedness and cross functional collaboration in our workforce.

Diversity and Equal Opportunity

A diverse and inclusive workforce is important for business growth and sustainability. At PLB, our dynamic work environment and culture provides equal opportunity and ensures diversity of qualification and experience, age, gender and ethnicity.

For the year 2020, due to the Covid-19 pandemic, many universities stopped internship for their students. At PLB, due to the Movement Control Order, only a total of two (2) interns were roped into the Group with a cost of RM3,103.

Sustainability Statement (Cont'd)

Social Engagement (Cont'd)

Public / Community Engagement and Initiatives

The Management continues to support healthy lifestyle and encourage its employees to participate in physical activities like yoga classes and Penang Starwalk 2019 held on 20 October 2019.



As PLB faces the impact of the Covid-19 pandemic, PLB's corporate social responsibility ("CSR") initiatives, too, were regrettably affected. On 18 March 2020, the Malaysian Government initiated the Movement Control Order, followed by the Controlled Movement Control Order and the Recovery Movement Control Order. PLB has erred on the side of caution and pledges to continue to uphold our priority on safety, while evaluating our commitment to CSR programmes that are relevant and valued by the community.

Occupational Safety and Health at the workplace

Our nature of work exposes our employees and contractors to health and safety risks. Health and safety violations could result in fines or stop-work orders. At PLB, we are committed to working with contractors who are committed to meet the quality, health and safety standards. They are required to comply with the health and safety requirements and their performance is monitored at our project sites to ensure adherence to safe construction practices.

Fostering a culture of safety in all activities at our project sites is important. Regular training is carried out by our Safety and Health Officer ("SHO"). One of the training carried out in this reporting year is on caisson piling works.

Sustainability Statement (Cont'd)

Social Engagement (Cont'd)

Occupational Safety and Health at the workplace (Cont'd)

Our SHO also conducted refresher first aid and cardiopulmonary resuscitation (“CPR”) training to equip all our employees with the necessary skills to save lives where possible.



During the recent Covid-19 pandemic, PLB has taken the appropriate measures and adhered to the Standard Operating Procedures set by the relevant Authorities to ensure a safe workplace for our employees.



Sustainability Statement (Cont'd)

Social Engagement (cont'd)



We also worked together with the Malaysian Ministry of Health for Covid-19 testing to be carried out for our site workers.



Ethical Practices

At PLB, employees are expected to uphold the highest degree of professional conduct throughout their employment. Good corporate governance and ethical practices are essential to building and maintaining a sustainable business, earning the trust and confidence of customers, suppliers, business partners, employees and shareholders.

PLB continuously re-enforces the following:-

- a) Code of Conduct and Ethics where principles and rules of conduct are clearly spelled out and is applicable to Directors and employees, including full time, probationary, contract and temporary staff.
- b) Whistleblowing Policy to provide employees and other stakeholders an avenue to report on any breach or suspected breach of any laws or regulation, including business principles and PLB's policies and guidelines, in a safe and confidential manner.

Corporate Governance Overview Statement

The Board recognises the importance of good corporate governance and is committed to ensuring that the highest standards of corporate governance are implemented and maintained throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value.

This Corporate Governance Overview Statement ("CG Overview Statement") is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and takes guidance from the key corporate governance ("CG") principles as set out in the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia.

This CG Overview Statement provides an overview of the corporate governance practices of the Company under the leadership of the Board for the financial year ended 31 August 2020. It is to be read in conjunction with the Corporate Governance Report ("CG Report"), which is made available online at www.plb.com.my. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG for the financial year 2020.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 : BOARD RESPONSIBILITIES

Strategic aims, values and standards

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing, approving and monitoring the overall strategies and direction of the Group, including sustainability of the Group's businesses;
- overseeing and evaluating the conduct and performance of the Group's businesses;
- identifying and managing principal risks facing the Group and ensuring the implementation of appropriate systems to manage these risks;
- reviewing the adequacy of the Group's internal control policy and safeguarding assets of the Company;
- ensuring appropriate corporate disclosure policy and procedures are in place for effective dissemination of information which is comprehensive, accurate and timely, and leverage on information technology, where applicable;
- reviewing and monitoring the systems of risk management and internal controls, continuous disclosure, legal and regulatory compliance and other significant corporate policies; and
- succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing members of the Board.

The Board is led and managed by experienced Board members with a wide range of expertise. It is collectively responsible for promoting the success of the Company and the Group by directing and supervising its business and affairs. The Board's principal responsibilities are as prescribed under the best practices of the Code. These include: charting and reviewing the strategic direction for the Company and the Group; overseeing its business operations thereof; evaluating whether these are being properly managed; and providing leadership to enable the achievement of the Group's business objectives.

The Board has a formal schedule of matters reserved to itself for decisions, including the overall Group strategy and direction, acquisition policy, approval of major capital expenditure projects and significant financial matters.

The Company Secretary

The Board is supported by suitably qualified and competent Company Secretaries who are members of the relevant professional bodies. The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the Company Secretaries and the management of requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in legislations and regulatory framework affecting the Group.

Corporate Governance Overview Statement (cont'd)

The Company Secretary (cont'd)

Where necessary, the Directors may, whether collectively as a Board or in their individual capacities, seek external and independent professional advice from experts on any matter in furtherance of their duties as they may deem necessary and appropriate at the Company's expense.

Conduct of Meetings

The Board meets at least four (4) times annually, with the meetings scheduled well in advance at the beginning of each financial year to facilitate the Directors in managing their meeting plans. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. The Board Committee met five (5) times during the financial year ended 31 August 2020.

At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings. During the financial year under review, the number of Board of Directors' meeting attended by each Director is as follows:-

<u>Name of Director</u>	<u>No of Meetings Attended</u>
Dato' Seri Ong Choo Hoon	5
Dato' Dr. Ong Seng Soon (<i>vacated on 31 October 2019</i>)	0
Dato' Ong Guat Beng	5
Mr. Ong Seng Chye	5
En. Mardzukhi Bin Abu Bakar	5
Mr. Saw Chin Eng	5
Madam Teoh Siew Tin	5
Madam Wein Siew Fen	4

To ensure effective conduct of board meetings, a structured formal agenda and board meeting papers relating to the agenda are circulated to all Directors prior to each board meeting. Senior management are invited to attend board meetings to furnish details or clarifications on matters tabled for the Board's consideration.

Board Charter

On 28 October 2013, the Company's Board Charter sets out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance. The Board Charter was reviewed on 12 December 2018 and continue to be periodically reviewed and published on the Company's corporate website <http://www.plb.com.my>

Code of Conduct & Ethics & Whistle-Blowing Policy

The Board is committed towards establishing a corporate culture to nurture a high standard of ethical conduct throughout the Group and to promote ethical corporate environment in the country.

On 28 October 2013, the Board has adopted a Code of Conduct & Ethics for its Directors ("Code") and a Whistle Blowing Policy ("Policy"). The Code and Policy were formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors as well as develop channels and procedures for reporting improper conduct involving the employees of the Group and the protection accorded to whistleblowers.

Details of both the Code and Policy can be found in the Company's corporate website <http://www.plb.com.my>

Corporate Governance Overview Statement (Cont'd)

PART 2 : BOARD COMPOSITION

Composition of Board

The Board comprises of seven (7) members of which four (4) are Executive Directors, while the remaining three (3) are Independent Non-Executive Directors. Each member brings with them a diversity in experience, expertise and perspective of the Group's business operations.

The Board practices a clear division of responsibilities between the Chairman, Executive Directors and Independent Non-Executive Directors. The Chairman and the Executive Directors are primarily responsible for the orderly conduct and function of the Board, the day-to-day running of the Group's business, implementation of the Board's policies and the overall operational and management decisions.

On the other hand, the Independent Non-Executive Directors ensure that the strategies proposed by the Management are fully deliberated and examined, taking into account the long-term interest of the stakeholders including contributing to the formulation of policy and other decision-making process through their expertise and experience. As they are independent of the Management, it is ensured that no single individual or group dominates the Board's decision-making process.

Tenure of Independent Director

Following a review of the tenure of Independent Non-Executive Directors, Mr. Saw Chin Eng and Madam Teoh Siew Tin, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years each as at the end of the financial year under review, Mr. Saw Chin Eng and Madam Teoh Siew Tin have been recommended by the Board to continue to act as Independent Non-Executive Directors subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. Key justifications for their recommended continuance as Independent Non-Executive Directors are as follows:

- they fulfilled the criteria under the definition on Independent Directors as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and, therefore, are able to bring independent and objective judgment to the Board;
- their experience in the relevant industries enable them to provide the Board and the Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- they have been with the Company long enough to understand the Company's business operations which enable them to contribute actively during deliberations or discussions at the Audit Committee and Board Meeting.

Diversity of Board and Senior Management

The Board is supportive of diversity on the Board and in the Senior Management team.

Appointment of members of the Board and the Senior Management team are based on objective criteria, merit and also due regard for diversity in experience, skills set, age and cultural background. The Directors, with their diverse background and professional specialisation, collectively, bring with them a wealth of experience and expertise in areas such as general management and operations, commercial, finance and accounting, corporate affairs, construction and development, sales and marketing, business, tax among others.

The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity and gender, ability to provide the necessary range of perspectives, experiences and expertise required are well balanced in order to achieve effective board stewardship.

Gender Diversity

The Board has always considered gender and workplace diversity set out under the Recommendation 4.5 of the MCCG emphasising on supporting the representation of women at senior level of the Group and on the Group's respective subsidiary boards.

Currently, there are three (3) female Directors on the Board which accounts for about 43% of the Board Structure.

The Senior Management comprises 28.57% of women employees.

Corporate Governance Overview Statement (Cont'd)

Board Appointment

The Board is responsible for the appointment of new candidates to the Board or Board Committees upon the recommendation of the Nomination Committee.

The Board is committed to ensure that the Board is comprised of Directors who have the necessary skills, competencies, commitment and experience to complement the efficiency and effectiveness of the Board as a whole.

The Board's Nomination Committee is entrusted with the responsibility to review, propose and recommend the appointment of potential new Directors after taking into consideration the current and future needs of the Company.

Nomination Committee

The Nomination Committee of the Company was established by the Board on 29 October 2002 comprising entirely Independent Directors to assist the Board in carrying out the following duties. The terms of reference of the Nomination Committee is available for viewing on the Company's corporate website <http://www.plb.com.my>

- a. To review, from time to time, the Policy Framework on the nomination and recommendation of candidates to be members of the Board. In making its recommendations, the Nomination Committee shall take into consideration candidates proposed within the bounds of practicability, by any other Director or shareholder. The Nomination Committee shall evaluate candidates on the aspect of their:
 - skills, knowledge, expertise and experiences;
 - professionalism;
 - integrity; and
 - for position of independent non-executive director, the candidates' abilities to discharge such responsibilities/functions independently as expected from the independent non-executive director;
- b. To review annually the Board's required mix of skills, experience and other qualities including the core competencies which Non-Executive Directors should bring to the Board;
- c. To assess annually the effectiveness of the Board as a whole and the Audit Committee; and
- d. To identify suitable training programmes for the Directors for each financial year end.

In line with the Code, the Nomination Committee carries out annual evaluations on the effectiveness of the Board as a whole and the Audit Committee to review the effectiveness of the decision-making process of the Board and the Audit Committee. All assessments and evaluations carried out by the Nomination Committee are properly documented. The Nomination Committee, in assessing the performances of the Audit Committee and the Board as a whole on an annual basis, also considers the succession planning for Principal Officers of the Company.

A summary of the activities undertaken by the Nomination Committee in the discharge of its duty for the financial year ended 31 August 2020 is as follows:

- a. Re-election and retirement by rotation of Directors at the 24th AGM;
- b. Annual Board Assessment;
- c. Annual Audit Committee Self-Assessment; and
- d. Annual Independent Directors' Assessment.

In respect of the assessment for the financial year ended 31 August 2020, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills and experience was adequate. The Board acknowledges the recommendation of MCGG on the establishment of boardroom gender diversity policy and will take the necessary measures to comply with the recommendation. In the election for Board appointment, the Board believes in and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender, ethnicity and age. The current Board composition has three female board members.

Corporate Governance Overview Statement (Cont'd)

Annual Evaluation

The Nomination Committee assesses the effectiveness of the Board as a whole and the contribution of each individual director including the Independent Non-Executive Directors. All assessments and evaluations carried out by the Nomination Committee in discharging its functions have been documented.

The performances of the Board as a whole as well as the Board Committees are assessed annually via an assessment's questionnaires which are guided by the Corporate Governance Guide issued by Bursa Malaysia.

In respect of the assessment for the financial year ended 31 August 2020, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills and experience was adequate.

Training and Development of Directors

All the Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. The Board acknowledges the importance of constantly updating itself on the industry's direction and development. They are provided with the opportunity for training and update from time to time, particularly on relevant new laws and regulations, financial reporting, risk management and investor relations to equip themselves with the knowledge to effectively discharge their duties as Directors.

The Board identifies the training needs of each Director via the performance evaluation for the individual Directors. During the financial year, all Directors of the Company have attended relevant conferences, seminars and briefings in areas of leadership, corporate governance, finance and competitive strategies organised by the Regulatory Authorities and members of professional bodies, in order to broaden their knowledge and perspectives and to keep abreast with developments in the market place and with new statutory and regulatory requirements to better enable them to fulfill their responsibilities.

Director	Training	Date
Dato' Seri Ong Choo Hoon	Fire Drill	8 November 2019
	New Process Flow Issue Strata Title and Vacant Possession in the same time	20 November 2019
Dato' Ong Guat Beng	Fire Drill	8 November 2019
	New Process Flow Issue Strata Title and Vacant Possession in the same time	20 November 2019
	COVID – 19 Awareness Briefing	12 May 2020
	9 th Asian Women Leadership Summit Virtual	24 September 2020
Ong Seng Chye	Hari Bertemu Pelanggan SIRI 2/2019	26 September 2019
	Fire Drill	8 November 2019
	New Process Flow Issue Strata Title and Vacant Possession in the same time	20 November 2019
	COVID -19 Awareness Briefing	12 May 2020
Mardzukhi Bin Abu Bakar	Program Industry Engagement Dalam Bidang BIM & IBS	31 October 2019
	Fire Drill	8 November 2019
	Emergency Building Response	13 February 2020
	COVID – 19 Awareness Briefing	14 May 2020

Corporate Governance Overview Statement (Cont'd)

Annual Evaluation (Cont'd)

Director	Training	Date
Saw Chin Eng	Companies Act 2016 : CSP Practical Issues Part 7	4 October 2019
	Seminar Percukaian Kebangsaan 2019	22 October 2019
	2020 Budget Seminar	24 October 2019
	Implementation of ISQC 1	10 December 2019
	Employment income Tax Practical and Complexities	16 December 2019
	Employment Skills of Presenting Financial Statements	26 & 27 February 2020
	Amendments to companies Act 2016 and what you should know about the practising certificate under section 241	9 March 2020
	Half Yearly tax updates – Live Webinar	
	Webinar series : Current secretarial practice issues (COVID-19 Pandemic)	22 June 2020
	Webinar series : Violations of the companies Act 2016: Oversights by directors and secretaries	22 June 2020
	Webinar series: Complying with the guideline for the reporting framework for beneficial ownership of legal persons.	25 June 2020
	Tax Audit and investigation	26 June 2020
	Public webinar on Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT)	6 July 2020
	Malaysia Property Taxes : Practical Issues and Insights	13 August 2020
	National Tax Conference 2020	21 August 2020
		25 & 26 August 2020
Teoh Siew Tin	Seminar Percukaian Kebangsaan 2019	22 October 2019
	Employment income Tax practicalities and Complexities	16 December 2019
	Tax Audit and Investigation	6 July 2020
	Malaysia Property Taxes;Practical Issues and Insights	21 August 2020
	National Tax Conference 2020	25 & 26 August 2020
Wein Siew Fen	Half Day Seminar Titled 'Selection of Coated Sted for External Cladding for Internal &External comfort'	7 March 2020
	Continuing Professional Development (CPD)	22 August 2020

PART 3 : REMUNERATION

Remuneration Policy

The Board does not have any formal remuneration policy.

The remuneration policy for executive directors is based on the achievements and contribution of each member measured against their respective key performance indicators. The Board shall determine the remuneration of executive directors taking into consideration the recommendations of the Remuneration Committee.

The non-executive Directors will receive a fixed base fee, not by a commission or on percentage of profits/turnover, as consideration for their Board duties. The aggregate amount of directors' fees to be paid to non-executive directors is subject to the approval of the shareholders at a General Meeting.

During the financial year 2020, the Remuneration Committee had performed its duty to assess annually the remuneration package of its Executive Directors and proposed the remuneration of Executive Directors to the Board for consideration.

Corporate Governance Overview Statement (Cont'd)

Remuneration Committee

The Remuneration Committee, established on 29 October 2002, comprises of non-executive directors and is responsible to recommend the remuneration packages for the Executive Directors of the Company to the Board on a yearly basis. The terms of reference of the Remuneration Committee is available for viewing on the Company's corporate website <http://www.plb.com.my>. The Board determines the remuneration of Non-Executive Directors who abstains from deliberations and decisions made in respect of their individual remuneration. Currently, the members include Mr. Saw Chin Eng, Madam Teoh Siew Tin and Madam Wein Siew Fen.

Details of Directors' Remuneration

The details of the Directors' remuneration received and/or receivable for the financial year ended 31 August 2020 are as follows:-

Particulars	Executive Directors		Non-Executive Directors		Total	
	Group	Company	Group	Company	Group	Company
Fees (RM)	-	-	120,000	120,000	120,000	120,000
Salaries (RM)	2,489,308	192,680	-	-	2,489,308	192,680
Bonuses (RM)	533,750	28,780	-	-	533,750	28,780
Allowances (RM)	73,672	4,800	12,000	12,000	85,672	16,800
EPF (RM)	100,873	12,936	-	-	100,873	12,936
Benefit in kind (RM)	67,317	10,560	-	-	67,317	10,560
Indemnity given on insurance effected for any directors (RM)	19,620	19,620	-	-	19,620	19,620
Total (RM)	3,284,540	269,376	132,000	132,000	3,416,540	401,376

The remuneration of the Directors summarised in bands of RM50,000 for the financial year ended 31 August 2020 are as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	-	-
Above RM500,000	3	-

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 : AUDIT COMMITTEE

The Chairman of the Audit Committee is not the Chairman of the Board

The Company complied with Practice 8.1 of the Code which stipulated that the Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee is chaired by an Independent Non-Executive Director, Mr. Saw Chin Eng who is the Independent Non-Executive Director and who is not the Chairman of the Board.

Former Key Audit Partner

During the financial year under review, the Audit Committee has adopted an external auditors policy duly approved by the Board and provide therein, among other guidelines, a former key audit partner is required to serve a cooling-off period of at least 2 years before being appointed, in any event, as a member of the Audit Committee.

Assessment on the Suitability, Objectivity and Independence of External Auditor

The Audit Committee would review and monitor the suitability, objectivity and independence of the external auditors on an annual basis. The Audit Committee also meets with external auditors without the presence of the Executive Directors and Management as this allows for transparent and honest exchange of views and opinions on matters related to the external auditors' audit and their findings. For this purpose, the Audit Committee met the external auditors three times, i.e. on 25 October 2019, 21 November 2019 and 30 July 2020 during the financial year under review.

The external auditors had provided a confirmation of their independence to the Audit Committee that they were and had been independent throughout the conduct of the audit engagement during the financial year ended 31 August 2020 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*").

The engagement partner involved in the external audit of the Company for the financial year ended 31 August 2020 was rotated in accordance with the MIA By-Laws which requires that the engagement partner involved in the external audit should not remain in a key audit role beyond five (5) years and cannot be re-engaged to play a significant role in the audit of the Company for at least another two (2) successive years.

The Board, on the recommendation of the Audit Committee, is of the view that the declaration of independence, integrity and objectivity made by the external auditors in their audit report for each financial year under review would suffice to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the MIA By-Laws.

The Audit Committee had on 27 October 2020, reviewed the suitability and independence of the external auditors and recommended their re-appointment until the conclusion of the next AGM.

Qualification of the Audit Committee

The Audit Committee of the Company comprises 3 Independent Non-Executive Directors and is chaired by Mr Saw Chin Eng.

All Audit Committee members are financially literate and the Audit Committee's composition and performance are reviewed by the Nomination Committee annually and recommended to the Board for its approval.

In order to maintain an independent and effective Audit Committee, the Nomination Committee ensures that all Audit Committee members appointed are Independent Non-Executive Directors who are financially literate with an appropriate level of expertise and experience and a strong understanding of the Group's business.

Corporate Governance Overview Statement (Cont'd)

PART 2 : RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK

Establishment of risk management and internal control framework

The Company has put in place a systematic risk management framework and processes to identify, evaluate and monitor principal risks and implement appropriate internal control processes to manage risks across the Group. Risks such as long-term business strategies, regulatory and compliance concerns, substitution and technology applications and fraudulent practices. Although many risks are outside the Company's direct control, a range of activities are in place to mitigate the key risks identified as set out in the Statement on Risk Management and Internal Control.

The risk management and internal control system is regularly reviewed and mitigated by Management to ensure that the Group's assets and shareholders' investments are protected and preserved.

Risk Management Committee

PLB has formed a Risk Management Committee on 27 January 2003 and is currently chaired by an Independent Non-Executive Director.

The Risk Management Committee assists the Board to oversee the risk management matters relating to the activities of the Group. The Risk Management Committee reviews the risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment/mitigation action plans for the management and control of the key risks. The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

The features of its risk management and internal control framework and the adequacy and effectiveness of this framework are detailed in the Statement on Risk Management and Internal Control included in the Annual Report 2020.

Internal Audit Function

In line with the MCGG 2012 and Listing Requirements, the Company has an internal audit function, which reports directly to the Audit Committee on the adequacy and effectiveness of the current system of internal controls from the perspectives of governance, risk and controls. All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors. The internal audit function of the Company whose scope of work covered during the financial year under review is provided in the Audit Committee Report as set out on pages 38 to 39 of this Annual Report.

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

PART 1 : COMMUNICATION WITH STAKEHOLDERS

Effective, transparent and regular communication with its stakeholders

In maintaining the commitment to effective communication with shareholders, the Board always ensures that the shareholders are informed of the financial performance and major corporate activities of the Company. Such information is communicated to shareholders and investors through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.

Apart from the mandatory announcements through Bursa Securities, the Company also maintains its website at www.plb.com.my to let the shareholders and investors to access the corporate information, financial information, corporate governance matters and business activities of the group. The Company's website also serves as a forum for the shareholder and stakeholder to communicate with the Company. The Company's Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information about the financial results and activities undertaken by the Group.

The Company's Annual General Meeting provides a useful forum for shareholders to engage directly with the Company's Directors. At each Annual General Meeting, the Directors of the Company would be present to answer any questions that shareholders will ask. Ample times were given to shareholders to field questions for each agenda of the Notice of the Annual General Meeting. The external auditors were also present to answer question pertaining to the audited accounts.

Corporate Governance Overview Statement (Cont'd)

PART 2 : CONDUCT OF GENERAL MEETINGS

Notice of AGM

The Company's Annual Reports provided to shareholders comprises information on financial performance, business activities, corporate governance, sustainability, risk management and internal control system, among others. Apart from complying with the listing requirements and consistent with the MCCG, the Group also strives to enhance the contents of the Annual Report attributable to the development in governance and sustainability initiatives and practices. The Annual Report will be delivered to all shareholders of the Company, together with the notice of Annual General Meeting at least 21 days before the Annual General Meeting day.

Attendance at General Meetings

At each Annual General Meeting, the Group Executive Chairman, Group Chief Financial Officer, Senior Management personnel together with the Head of the Board Committees would be present at the meetings to answer any questions that the shareholders may ask. They will participate in a discussion with shareholders when necessary to ensure they are given as accurate and fair representation of the Group's performance and position. External Auditors were also requested to be present at the Annual General Meeting to answer any questions on the audit conducted, the preparation and content of the auditors' report, the accounting policies adopted by the Company and the independent audit review of the Company's financial position.

Voting

All resolutions set out in the Notice of General Meetings will be voted by poll as required under Paragraph 8.29A(1) of the Main Market Listing Requirements. The Company had conducted poll voting for all resolutions set out in the Notice of Annual General Meeting since 2017. All shareholders were briefed on the voting procedures by the independent scrutineer prior to the poll voting at the general meetings and the polling process for the resolutions will normally be conducted upon completion of deliberation of all items to be transacted at the Annual General Meeting.

COMPLIANCE STATEMENT

The Board considers that the Group has complied substantially with the principles and recommendations as stipulated in the MCCG throughout the financial year ended 31 August 2020.

COMPLIANCE WITH THE MCCG 2012

The Board is satisfied that, save as disclosed earlier, the Company has in all material aspects, complied with the principles and recommendations set out in MCCG 2012 that were in place during the financial year ended 31 August 2020.

This statement was made in accordance with a resolution of the Board of Directors dated 23 December 2020.

Statement on Risk Management & Internal Control

The Board of PLB Engineering Berhad has, pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), submits the following Statement on Risk Management & Internal Control of the Group, which had been prepared in accordance with the Malaysian Code on Corporate Governance 2012 as well as the “Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers”.

BOARD RESPONSIBILITY

The Board recognizes the importance of good corporate governance. The Board is responsible for the Group’s internal control and risk management systems to safeguard shareholders’ investment and the Group’s assets as well as reviewing the adequacy and effectiveness of the said systems. This responsibility is delegated to the Audit Committee, which is empowered by its terms of reference to seek assurance on the adequacy and integrity of the internal control system through independent reviews carried out by the internal auditors and engagement with management.

This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders’ investment and the Group’s assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the year.

The management is responsible for assisting the Board in implementing and monitoring the procedures and processes which identify, assess and monitor business risks and internal controls as well as to take responsive corrective action as and when needed.

The Board is mindful of the fact that the system of internal control is designed to manage rather than to eliminate all risks that could impede the achievement of the Group’s business objectives. Therefore, the internal control system can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board regards risk management as an essential part of business operations. During the period under review, the Risk Management Committee is assisted by the senior management team from various subsidiaries and departments in an ongoing process, to identify, evaluate and manage significant risks faced by their respective areas of business and in formulating suitable internal controls to mitigate and control these risks throughout the financial year.

Each risk management unit within the Group is required to identify and document all possible risks that can affect their achievement by taking into consideration the effectiveness of controls that are capable of mitigating such risks.

Through this process, each business unit’s identified risks, the controls and processes for managing them are tabulated in a risk assessment report. Significant risks of each business units have been presented to the Risk Management Committee for their deliberation and tabled bi-annually to the Board.

INTERNAL CONTROL

The Board has assigned the Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group’s internal control.

The existing systems of internal control of the Group encompass overall risk management and compliance controls in finance, management information systems, and business operations. Key elements in the Group’s system of internal controls and procedures are as follows:

- (a) The Group has an Internal Audit Department which independently reviews the adequacy and integrity of the Group’s systems of internal control in managing the key risks and report accordingly to the Audit Committee on a quarterly basis. Where any significant weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls, with follow-up audits by Internal Audit to assess the status of implementation thereof by Management. A risk-based approach towards planning and conduct of audits was used by the Internal Auditors in prioritizing their review of the various risk areas of the Group.

Statement on Risk Management & Internal Control (Cont'd)

- (b) The Group's Risk Management Framework is outlined in the Risk Management Policy. The Group has a Risk Management Committee who reports to the Board on a bi-annually basis on all major risk areas. The Risk Management Committee coordinates the overall risk management activities within the Group.
- (c) The framework of the Group's system of internal control and key procedures include the following:
- An organisation structure with clearly defined lines of responsibilities, authority and accountability;
 - Key functions such as finance, tax, treasury, corporate, legal matters and contract awarding are controlled centrally. Financial and operational reports of subsidiaries of a joint ventures nature are provided regularly to the Management of the Company;
 - Documented internal policies, guidelines, procedures and manuals, which are updated from time to time;
 - There is strategic planning, annual budgeting and target-setting process, which includes forecasts for each area of business with detailed reviews at all levels of operations. A 3-year budget is formulated by the finance department as a means to control measures and mitigate identified risks for the forthcoming years;
 - Actual performance compared with budget is regularly reviewed. Quarterly review of financial results by the Board and Audit Committee with the senior management personnel updating the crucial highlights of the quarter;
 - The Group Executive Chairman together with the senior management team manages the day-to-day operations of the Group and addresses significant matters through management, operations, and site meetings held on a regular basis. Senior management also receives and reviews such reports provided during the meetings;
 - Duly documented internal policies, guidelines, procedures and manuals are updated from time to time to suit the changing risks and operational inadequacies as well as to guide employees in their day-to-day work. All policies and SOPs are reviewed by respective committees and approved by the director or head of department in charge. In case of non-compliance, recommendations for corrective actions are highlighted to the management and also to the Audit Committee and the Board through the internal audit reports;
 - The Divisional Heads and Business Unit Heads are responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls;
 - In addition, the Board meets on a quarterly basis to discuss matters brought to its attention, thus ensuring effective supervision over the operations of the Group. The Board is updated on the operations and activities of the Group which include the strategies and goals and an assessment of its current position and future prospects;
 - Feasibility study, risk impact and assessment on new investments/projects is evaluated by the subsidiaries and/or heads of departments for the Board's deliberation. Financial and operational reports of subsidiaries of a joint ventures nature are provided regularly to the Management of the Company;
 - Existence of risk management team to enhance its risk management practice;
 - Constant reviews on the system of internal controls by an independent internal audit function; and
 - Internal and external trainings and development programs are provided for the employees to acquire the necessary knowledge and competency to meet their performance and job expectations.

However, due to limitation inherent in any system of internal controls, it should be noted that these controls are designed to manage rather than to eliminate the risks of failure to achieve business objectives. As such, the controls can only provide reasonable but not absolute assurance against material misstatement or loss.

Statement on Risk Management & Internal Control (Cont'd)

Adequacy and Effectiveness of The Group's Risk Management and Internal Control System

Based on the internal auditors' report for the financial year ended 31 August 2020, there is a reasonable assurance that the Group's system of internal controls is generally adequate to address the risks which the Group considers relevant and material to its operations.

The Board is committed towards operating and maintaining a sound system of internal control and recognizes that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control as well as continue to review, add on or update the controls in line with changes in the operating environment.

The Group's risk management and internal control system do not apply to its associates, which fall within the control of their major shareholders.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 31 August 2020 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control system.

Conclusion

The Board has received assurance from the executive board members that the Group's risk management and internal control system are operating adequately and effectively in all material aspects. The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal auditors, management letters issued by the external auditors, reviews performed by management and various Board Committees as well as reliance on confirmations by the management.

The Board is of the opinion that the system of internal control and risk management is in place for the year under review, and up to the date of this Statement, is sound and sufficient to safeguard shareholders' investment and the Group's assets.

This statement was made in accordance with a Board of Directors' resolution dated 23 December 2020.

Audit Committee Report

Objectives

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its duties and responsibilities in the area of corporate governance and internal audit with particular reference to the public accountability of the Company and its subsidiaries.

Membership

The present members of the Audit Committee consist of:

- Chairman : Mr. Saw Chin Eng
(Independent Non-Executive Director)
- Members : Madam Teoh Siew Tin
(Independent Non-Executive Director)
- : Madam Wein Siew Fen
(Independent Non-Executive Director)

MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 31 AUGUST 2020

During the financial year, four meetings were held and the table of attendance of each committee member is as follows:-

<u>Director</u>	<u>No. of Meetings attended</u>
Mr. Saw Chin Eng	4/4
Madam Teoh Siew Tin	4/4
Madam Wein Siew Fen	4/4

The Audit Committee met four times during the financial year under review i.e. on 31 October 2019, 21 January 2020, 29 June 2020 and 30 July 2020.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

During the financial year, the Audit Committee had carried out various activities to meet their responsibilities as set out in the terms of reference of the Audit Committee:

Financial reporting

The Audit Committee reviewed the unaudited quarterly financial results of the Group during its meetings held on 31 October 2019, 21 January 2020, 29 June 2020 and 30 July 2020 for the year ended 31 August 2020. The Audit Committee's recommendations in respect of the quarterly results and audited financial statements were presented to the Board at the respective Board of Directors' meetings for the Board's approval before subsequent release to Bursa Malaysia Securities Berhad.

External Audit

On 27 October 2020, the Audit Committee reviewed and approved the external auditors' audit plan for the Group and the Company for the year ending 31 August 2020. The audit plan covered the major areas of focus and the audit approach for each area identified focusing on mainly the financial assertion risks and the audit approaches to be undertaken.

The Audit Committee was briefed by the external auditors of audit focus for financial year 2020 such as revenue recognition, recoverability of trade receivables, payables completeness, property development costs, valuation of inventory properties and disclosure on impact of COVID-19 to the operations.

The Audit Committee reviewed the audit fees and the performance of the external auditors and was satisfied with the conduct of their professional work and the timeliness of completion of their work to meet the reporting deadline.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE (CONT'D)

On 27 October 2020, the Audit Committee reviewed the status of the audit for the financial year ended 31 August 2020 with the external auditors. The external auditors briefed the Audit Committee on issues discussed with management and informed the Audit Committee:-

- that they had substantially completed their audit and had not identified any potential uncorrected misstatements during the audit;
- the external auditors have not identified any non-compliance of laws and regulations and fraud related matters;
- there were no significant changes to the scope or audit approach as compared to the audit plan;
- review of accounting matters and points on internal control; and
- there were no material litigations or claims against the Group during the financial year under review.

The Audit Committee reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors, it was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work. Based on the review carried out and the report from the external auditors, the Audit Committee recommended the audited financial statements for the financial year ended 31 August 2020 to the Board of Directors for approval.

Accordingly, the Audit Committee recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting.

Internal Audit and Risk Management

During the financial year under review the internal auditor had conducted the audit activities in accordance with the audit plan approved by the Audit Committee and presented their internal audit reports at the Audit Committee meetings held on 31 October 2019, 21 January 2020, 29 June 2020 and 30 July 2020.

Relevant management members including Executive Directors were invited to attend the Audit Committee meetings to provide insight and clarification on specific matters raised in the internal audit reports. The internal auditor also provided status updates to the Audit Committee in respect of implementation of management action plans or agreed course of action on the findings reported in previous audit cycles to ensure that issues have been resolved satisfactorily.

The Audit Committee discussed and evaluated the Group's risks during its meetings. In addition the internal auditor has tailored their audit based on the Group's risk profile. This ensures that the relevant controls are in place to properly manage the risks.

INTERNAL AUDIT FUNCTION

The Internal Audit Department assists the Audit Committee in discharging its duties and responsibilities.

Summary of Activities of the Internal Audit Department ("IAD")

The Group has set up an in-house IAD to support the Audit Committee in discharging its duties and responsibilities. Its role is to undertake independent, regular and systematic reviews of the systems of internal controls, so as to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance with the Group's established policies and procedures. The IAD adopts a risk-based audit approach when preparing its annual audit plan which is approved by the Audit Committee.

During the financial year, the IAD conducted various audit assignments on the operations and management of the Group as well as compliance audits in accordance with the approved annual audit plan. The results of the internal audit reviews and the recommendations for improvement are presented to the Audit Committee for deliberation. The IAD also conducted follow-up audit reviews to monitor and ensure that audit recommendations for improvement have been effectively implemented by Management.

The internal audit reports on the reviews carried out, identifying weaknesses with suggested recommendations for improvements to management for further action, were presented to the Audit Committee at the Audit Committee meetings held on 31 October 2019, 21 January 2020, 29 June 2020 and 30 July 2020.

The internal audit costs incurred during the financial year were RM93,468.00.

Statement Of Directors' Responsibility In Relation To The Financial Statements

The Directors are responsible for the preparation of the financial statements of the Group and the Company for each financial year in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, requirements of the Companies Act, 2016 and the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 August 2020, the Directors have applied appropriate and relevant accounting policies in a consistent manner and made judgments and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been complied with and confirm that the financial statement have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and for maintaining internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

This statement was made in accordance with a Board of Directors' resolution dated 23 December 2020.

Additional Disclosure Statements

Utilisation of Proceeds

Not applicable as none was proposed.

Audit Fees

During the financial year, the amount of audit fees paid to the external auditors by the Group and the Company was RM192,800 & RM30,000 respectively.

Non-Audit Fees

During the financial year, the amount of non-audit fees paid to the external auditors by the Group and the Company was RM4,000 and RM3,000 respectively. The Taxation fee totaling RM49,900 is payable to a company in which certain partners of the audit firm are shareholders and directors.

Material Contracts

There were no material contracts entered into by the Company or its subsidiary companies involving Directors' and major shareholders' interest during the financial year ended 31 August 2020, save for the following:

On 21 February 2020, the Company had entered into a conditional joint development agreement with the Government of the State of Penang and the Penang Development Corporation to undertake the safe rehabilitation of the existing dumpsite for the disposal of various types of waste, the construction and operation of a new integrated recycling centre and the development of residential, commercial and tourism projects on the old dumpsite located along Lebuhraya Tun Dr Lim Chong Eu in Jelutong, Penang ("the Project").

The Company had on 19 October 2020 applied to the PDC for an extension of time of up to 4 months to, among others, fulfil the conditions precedent of the JDA.

Meanwhile, the Company had on 20 March 2020 entered into a Memorandum of Understanding with China Railway Engineering Corporation (M) Sdn Bhd ("CRECM") to establish a basis of co-operation and collaboration for the engineering, procurement and construction work for the Rehabilitation Works under the Project ("MOU"). Pursuant to the MOU, CRECM will receive 90% of PLB's Entitled Land under the JDA as settlement for services rendered to the Company, namely for undertaking, management, implementation and construction of the Rehabilitation Works.

Subsequent to the above, Affin Hwang Investment Bank Berhad had on behalf of the Company appointed Henry Butcher Malaysia (Penang) Sdn Bhd, an independent registered valuer, to conduct a valuation on PLB's Entitled Land.

Recurrent Related Party Transactions of a Revenue or Trading Nature

Details of transactions with Related Party undertaken by the Group during the financial year are disclosed in Note 29 of the Financial Statements.

Financial Statements

43	Directors' Report
48	Directors' Statement
48	Statutory Declaration
49	Independent Auditors' Report to the Members
53	Statements of Financial Position
54	Statements of Comprehensive Income
55	Consolidated Statement of Changes in Equity
56	Statement of Changes In Equity
57	Statements of Cash Flows
60	Notes to the Financial Statements

Directors' Report

For The Financial Year Ended 31 August 2020

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended **31 August 2020**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of the subsidiaries are shown in Note 8 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Loss for the financial year	<u>(5,464,842)</u>	<u>(135,945)</u>
Attributable to:		
Owners of the Company	(6,142,614)	(135,945)
Non-controlling interests	677,772	-
	<u>(5,464,842)</u>	<u>(135,945)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the following:

	GROUP RM	COMPANY RM
Impairment loss on inventory properties	7,133,797	-
Impairment loss on investment in an associate	1,200,030	-

DIVIDENDS

There were no dividends declared or paid by the Company since the end of the previous financial year.

The directors do not recommend dividend payment for the financial year.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

There were no changes in the issued and paid up capital of the Company during the financial year.

Directors' Report (Cont'd)

For The Financial Year Ended 31 August 2020

HOLDING COMPANY

The holding company is Leading Builders Sdn. Bhd., a company incorporated and domiciled in Malaysia, which the directors regard as the ultimate holding company.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Seri Ong Choo Hoon
Mardzukhi Bin Abu Bakar
Dato' Ong Guat Beng
Ong Seng Chye
Saw Chin Eng
Teoh Siew Tin
Wein Siew Fen
Dato' Dr. Ong Seng Soon (Vacated on 31.10.19)*

Directors of the Subsidiaries:

Ng Neoh Soo
Tan Siew Huat
Ir. Tiu Jon Hui
Tengku Dato' Naizatul Shima
Syamshuar Bin Husin
Yeap Cyndy

* The vacation of office is pursuant to Paragraph 15.05(3)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of the directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			Balance at 31.8.20
	Balance at 1.9.19	Bought	(Sold)	
The Company				
Direct Interest:				
Dato' Seri Ong Choo Hoon	3,416,368	1,879,500	-	5,295,868
Mardzukhi Bin Abu Bakar	10,416	-	-	10,416
Dato' Ong Guat Beng	65,416	-	-	65,416
Ong Seng Chye	82,916	-	-	82,916

Directors' Report (Cont'd)

For The Financial Year Ended 31 August 2020

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of ordinary shares			Balance at 31.8.20
	Balance at 1.9.19	Bought	(Sold)	
	Indirect Interest:			
Dato' Seri Ong Choo Hoon	68,313,251	-	-	68,313,251 ⁽ⁱ⁾ ⁽ⁱⁱ⁾
Dato' Ong Guat Beng	312,500	-	-	312,500 ⁽ⁱⁱ⁾
Holding Company - Leading Builders Sdn. Bhd.				
Direct Interest:				
Dato' Seri Ong Choo Hoon	1,736,736	-	-	1,736,736
Dato' Ong Guat Beng	367,387	-	-	367,387
Ong Seng Chye	400,785	-	-	400,785

ⁱ Indirect interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

ⁱⁱ Indirect interest by virtue of the interest held by their immediate family members.

By virtue of their interests in the holding company, **Dato' Seri Ong Choo Hoon**, **Dato' Ong Guat Beng** and **Ong Seng Chye** are deemed interested in the shares of the subsidiaries, to the extent that the holding company has interests.

DIRECTORS' REMUNERATION AND BENEFIT

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Salaries, allowances and bonus	238,260	2,870,470	3,108,730
Defined contribution plan	12,936	87,937	100,873
Fees	120,000	-	120,000
Benefits-in-kind	10,560	56,757	67,317
	381,756	3,015,164	3,396,920

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown above) by reason of a contract made by the Company or a related corporation with a 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 those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report (Cont'd)

For The Financial Year Ended 31 August 2020

INDEMNITY AND INSURANCE FOR DIRECTOR OR OFFICERS

During the financial year, the total amount of indemnity coverage and insurance paid for directors and officers of the Company were RM10,000,000 and RM19,620 respectively. No indemnity has been given to or insurance affected for the directors of the subsidiaries.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, 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 satisfied themselves that all 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 which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) that have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, and
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due, and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Directors' Report (Cont'd)

For The Financial Year Ended 31 August 2020

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant events during the financial year and subsequent to the reporting period is disclosed in Note 33 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 August 2020 are RM192,800 and RM30,000 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

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

.....
Dato' Seri Ong Choo Hoon

Penang,

Date: 23 December 2020

.....
Dato' Ong Guat Beng

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 53 to 133 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 August 2020** and of their financial performance and cash flows for the financial year then ended.

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

.....
Dato' Seri Ong Choo Hoon

Date: 23 December 2020

.....
Dato' Ong Guat Beng

Statutory Declaration

I, **Dato' Ong Guat Beng**, the director primarily responsible for the financial management of **PLB Engineering Berhad** do solemnly and sincerely declare that the financial statements set out on pages 53 to 133 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 Penang, this **23rd**)
day of **December 2020**.)

Before me,

.....
Dato' Ong Guat Beng
(I/C No. 580123-07-5656)

.....
Commissioner for Oaths

Independent Auditors' Report To The Members Of PLB Engineering Berhad

Registration No.: 199701002728 (418224-X) (Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **PLB Engineering Berhad**, which comprise the statements of financial position as at **31 August 2020** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including significant accounting policies, as set out on pages 53 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 August 2020**, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Revenue recognition <i>(Note 22 to the financial statements)</i></p> <p>The Group's revenue mainly arose from property development revenue, sales of completed development units and construction contracts.</p> <p>The Group's revenue from construction contracts and property development activities were recognised based on the percentage of completion ("<i>POC</i>") which was measured using the stage of completion by reference to survey of work performed.</p>	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Checking the reasonableness of the estimated total property development and construction contract costs by agreeing to approved budgets, letter of awards, contracts and variation orders, if any, with contractors. • Examining the actual costs incurred to date to the supporting evidences such as contractors' progress claims and architect certificates. • Corroborating the certified <i>POC</i> with the level of completion based on actual costs incurred to date over the estimated total property development and construction costs.

Independent Auditors' Report To The Members Of PLB Engineering Berhad

Registration No.: 199701002728 (418224-X) (Incorporated In Malaysia) (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Revenue recognition (cont'd) <i>(Note 22 to the financial statements)</i></p> <p>Such measurement involves management estimates in determining the stage of completion, extent of construction contracts and property development costs incurred to date and estimated total construction contracts and property development costs.</p>	<p>Our audit procedures included amongst others: (cont'd)</p> <ul style="list-style-type: none"> • Reviewing the sale and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions. • Performing test of details on revenue from property development, construction contracts and sales of completed development units by substantiating revenue recognised to supporting documents and reconciliations, including sales and purchase agreements, award letters, approved variation orders, architect certificates and payment certificates.
<p>Valuation of inventory properties <i>(Note 7 to the financial statements)</i></p> <p>The Group holds significant inventory properties as at 31 August 2020 which comprise of land held for development, property development costs and completed development units.</p> <p>In respect of land held for development and property development cost, there is a risk that expenses not associated with property development activities are capitalised within these inventory properties. Moreover, there is a risk that cost associated with defect liabilities and expected losses are not identified by the Group.</p> <p>In respect of completed development units, there is a risk that prevailing weak sentiment in the Malaysia's property market arising from the outbreak of COVID-19 and uncertain micro and macro-economic factors will impact the net realisable value of the Group's completed development units.</p>	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Reviewing the additional development costs incurred during the financial year and to verify the additions against relevant supporting documents. • Reviewing any expected loss arising from ongoing developments projects, including costs incurred over the defect liability period and ensuring that the costs are recognised immediately as an expense. • Comparing recorded selling prices of similar units sold by the Group during/subsequent to the financial year end by tracing to the latest signed sales and purchase agreements or recently transacted price of properties sold within the same vicinity of the completed units to ascertain the net realisable value of the inventory properties.

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Independent Auditors' Report To The Members Of PLB Engineering Berhad

Registration No.: 199701002728 (418224-X) (Incorporated In Malaysia) (Cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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.

Independent Auditors' Report To The Members Of PLB Engineering Berhad

Registration No.: 199701002728 (418224-X) (Incorporated In Malaysia) (Cont'd)

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

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

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

Other Matter

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.

Grant Thornton
No. AF: 0042
Chartered Accountants

Terence Lau Han Wen
No. 03298/04/2021 J
Chartered Accountant

Penang

Date: 23 December 2020

Statements Of Financial Position

As At 31 August 2020

	NOTE	GROUP		COMPANY	
		2020 RM	2019 RM	2020 RM	2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	180,712,931	154,370,914	33,718	40,673
Right-of-use asset	5	5,486,819	-	-	-
Investment properties	6	20,307,989	20,703,783	-	-
Inventory properties	7	44,117,669	51,249,807	-	-
Investment in subsidiaries	8	-	-	98,136,867	98,136,862
Investment in associates	9	3,261,062	4,459,264	-	-
Investment in a joint venture	10	536,367	656,875	-	-
Other investments	11	2,356	3,155	-	-
Deferred tax assets	12	3,601,976	1,578,505	-	-
Trade and other receivables	13	4,722,920	11,045,389	-	-
		262,750,089	244,067,692	98,170,585	98,177,535
Current assets					
Inventory properties	7	191,577,399	186,148,294	-	-
Inventories	14	-	394,051	-	-
Contract assets	15	31,626,446	64,357,286	-	-
Trade and other receivables	13	57,063,334	47,984,360	93,296,194	83,145,023
Tax recoverable		315,914	745,824	-	-
Fixed deposits with licensed banks	16	10,523,926	12,784,523	-	-
Cash and bank balances	17	17,308,487	6,782,901	8,403	3,802
		308,415,506	319,197,239	93,304,597	83,148,825
TOTAL ASSETS		571,165,595	563,264,931	191,475,182	181,326,360
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	112,395,018	112,395,018	112,395,018	112,395,018
Retained profits	19	33,756,921	39,899,535	42,218,748	42,354,693
		146,151,939	152,294,553	154,613,766	154,749,711
Non-controlling interests		(8,185,936)	(8,927,212)	-	-
Total equity		137,966,003	143,367,341	154,613,766	154,749,711
Non-current liabilities					
Borrowings	20	187,669,683	208,750,618	-	-
Lease liability	5	5,292,174	-	-	-
Deferred tax liabilities	12	1,138,694	1,412,566	-	-
Trade payables	21	5,927,254	12,616,018	-	-
		200,027,805	222,779,202	-	-
Current liabilities					
Contract liabilities	15	23,418,637	8,799,168	-	-
Trade and other payables	21	79,785,983	72,582,082	36,759,777	26,461,828
Borrowings	20	128,461,406	111,972,717	-	-
Lease liability	5	194,645	-	-	-
Provision for taxation		1,311,116	3,764,421	101,639	114,821
		233,171,787	197,118,388	36,861,416	26,576,649
Total liabilities		433,199,592	419,897,590	36,861,416	26,576,649
TOTAL EQUITY AND LIABILITIES		571,165,595	563,264,931	191,475,182	181,326,360

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

Statements Of Comprehensive Income

For The Financial Year Ended 31 August 2020

	NOTE	GROUP		COMPANY	
		2020 RM	2019 RM	2020 RM	2019 RM
Revenue	22	171,174,541	243,414,238	3,883,493	4,309,422
Direct costs	23	(137,386,408)	(198,668,426)	-	-
Gross profit		33,788,133	44,745,812	3,883,493	4,309,422
Other income		2,290,927	1,624,458	121,800	4,510
General and administrative expenses		(27,609,761)	(24,348,202)	(3,883,493)	(4,309,420)
Profit from operations		8,469,299	22,022,068	121,800	4,512
Finance costs		(10,887,807)	(9,578,195)	-	-
Share of results of associates		1,828	(8,086)	-	-
Share of results of a joint venture		(120,508)	(39,599)	-	-
(Loss)/Profit before tax	24	(2,537,188)	12,396,188	121,800	4,512
Taxation	25	(2,927,654)	(5,645,673)	(257,745)	(257,284)
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the financial year		(5,464,842)	6,750,515	(135,945)	(252,772)
(Loss)/Profit for the year, representing total comprehensive (loss)/income attributable to:					
Owners of the Company		(6,142,614)	7,561,051	(135,945)	(252,772)
Non-controlling interests		677,772	(810,536)	-	-
		(5,464,842)	6,750,515	(135,945)	(252,772)
(Loss)/Earnings per share attributable to owners of the Company (sen)	26				
- Basic		(5.47)	6.73		
- Diluted		(5.47)	6.73		

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

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 August 2020

	Attributable to Owners of the Company			Non-controlling Interests	Total Equity
	Share Capital	Distributable Retained Profits	Total		
	RM	RM	RM	RM	RM
2020					
Balance at beginning	112,395,018	39,899,535	152,294,553	(8,927,212)	143,367,341
Total comprehensive loss for the financial year	-	(6,142,614)	(6,142,614)	677,772	(5,464,842)
Transactions with owners:					
Deconsolidation of a subsidiary	-	-	-	63,504	63,504
Balance at end	112,395,018	33,756,921	146,151,939	(8,185,936)	137,966,003
2019					
Balance at beginning	112,395,018	32,338,484	144,733,502	(7,216,676)	137,516,826
Total comprehensive income for the financial year	-	7,561,051	7,561,051	(810,536)	6,750,515
Transactions with owners:					
Dividend to non-controlling interests of a subsidiary	-	-	-	(900,000)	(900,000)
Balance at end	112,395,018	39,899,535	152,294,553	(8,927,212)	143,367,341

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

Statement Of Changes In Equity

For The Financial Year Ended 31 August 2020

	Share Capital RM	Distributable Retained Profits RM	Total Equity RM
2020			
Balance at beginning	112,395,018	42,354,693	154,749,711
Total comprehensive loss for the financial year	-	<u>(135,945)</u>	<u>(135,945)</u>
Balance at end	<u>112,395,018</u>	<u>42,218,748</u>	<u>154,613,766</u>
2019			
Balance at beginning	112,395,018	42,607,465	155,002,483
Total comprehensive loss for the financial year	-	<u>(252,772)</u>	<u>(252,772)</u>
Balance at end	<u>112,395,018</u>	<u>42,354,693</u>	<u>154,749,711</u>

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

Statements Of Cash Flows

For The Financial Year Ended 31 August 2020

	NOTE	GROUP		COMPANY	
		2020 RM	2019 RM	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(2,537,188)	12,396,188	121,800	4,512
Adjustments for:					
Accretion of interest		134,970	-	-	-
Allowance for expected credit losses		151,684	660,547	-	-
Bad debts		171,248	-	-	-
Deemed gain on deconsolidation of subsidiaries		(95,257)	-	-	-
Depreciation of property, plant and equipment		8,042,972	7,325,571	16,205	16,761
Depreciation of investment properties		395,794	374,646	-	-
Depreciation of right-of-use asset		285,030	-	-	-
Fair value loss on quoted investments		799	4,433	-	-
Impairment loss on inventory properties		7,133,797	-	-	-
Impairment loss on investment in associate		1,200,030	-	-	-
Impairment loss on property, plant and equipment		1,138	-	-	-
Interest expense		10,752,837	9,578,195	-	-
Interest income		(363,153)	(589,085)	-	-
(Reversal)/Additions of inventory properties written down		(307,608)	2,563,710	-	-
Inventories written off		272,692	377,597	-	-
(Gain)/Loss on disposal of property, plant and equipment		(394)	3	-	-
Fair value loss/(gain) on retention sum		164,598	(198,233)	-	-
Property, plant and equipment written off		10,519	267,694	-	-
Share of results of associates		(1,828)	8,086	-	-
Share of results of a joint venture		120,508	39,599	-	-
Unrealised (gain)/loss on foreign exchange		(1,022,136)	1,947,300	-	-
Operating profit before working capital changes		24,511,052	34,756,251	138,005	21,273
Decrease in inventories		121,359	595,918	-	-
(Increase)/Decrease in inventory properties		(5,123,156)	22,910,146	-	-
Decrease/(Increase) in contract assets/liabilities		47,350,309	(58,413,512)	-	-
Increase in receivables		(2,710,945)	(22,183,476)	(10,151,171)	(51,677)
(Decrease)/Increase in payables		(17,953)	(25,866,512)	10,297,949	(9,568,936)
Cash generated from/(used in) operations		64,130,666	(48,201,185)	284,783	(9,599,340)
Income tax paid		(7,345,463)	(6,182,014)	(270,927)	(134,179)
Income tax refunded		97,071	1,090,701	-	592,231
Interest paid		(10,752,837)	(9,578,195)	-	-
Interest received		363,153	589,085	-	-
Net cash generated from/(used in) operating activities carried forward		46,492,590	(62,281,608)	13,856	(9,141,288)

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

Statements Of Cash Flows (Cont'd)

For The Financial Year Ended 31 August 2020

	NOTE	GROUP		COMPANY	
		2020 RM	2019 RM	2020 RM	2019 RM
Net cash generated from/(used in) operating activities brought forward		46,492,590	(62,281,608)	13,856	(9,141,288)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash flow on deconsolidation of a subsidiary	A	158,761	-	-	-
Net change in subsidiaries' balances		-	-	-	10,941,003
Placement of fixed deposits		2,260,597	16,978	-	-
Proceeds from disposal of property, plant and equipment		2,200	-	-	-
Acquisition of subsidiaries		-	-	(5)	(1,800,000)
Purchase of property, plant and equipment	B	(34,398,452)	(19,964,032)	(9,250)	-
Net cash (used in)/from investing activities		(31,976,894)	(19,947,054)	(9,255)	9,141,003
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to non-controlling interests of a subsidiary		-	(900,000)	-	-
Drawdown/(Repayment) of revolving credit	C	3,168,165	(5,000,000)	-	-
Net drawdown/(repayment) of invoice financing	C	575,011	(621,432)	-	-
Net (repayment)/drawdown of bankers acceptance	C	(9,186,541)	204,624	-	-
Payment of lease liability	C	(420,000)	-	-	-
Repayment of finance lease liabilities	C	(197,904)	(161,540)	-	-
Drawdown of term loan	C	34,366,584	89,566,464	-	-
Repayment of term loans	C	(29,602,931)	(3,118,084)	-	-
Net cash (used in)/from financing activities		(1,297,616)	79,970,032	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		13,218,080	(2,258,630)	4,601	(285)
CASH AND CASH EQUIVALENTS AT BEGINNING		(19,594,562)	(17,335,932)	3,802	4,087
CASH AND CASH EQUIVALENTS AT END		(6,376,482)	(19,594,562)	8,403	3,802
The cash and cash equivalents are represented by:					
Cash and bank balances		17,308,487	6,782,901	8,403	3,802
Bank overdrafts		(23,684,969)	(26,377,463)	-	-
		(6,376,482)	(19,594,562)	8,403	3,802

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

Statements Of Cash Flows (Cont'd)

For The Financial Year Ended 31 August 2020

	NOTE	GROUP		COMPANY		
		2020 RM	2019 RM	2020 RM	2019 RM	
Note A						
Cash flow on deconsolidation of a subsidiary						
Cash and bank balances		1,065	-	-	-	
Payables		(159,826)	-	-	-	
Net cash outflow on deconsolidation of a subsidiary		<u>(158,761)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Note B						
Purchase of property, plant and equipment						
Total acquisition cost		34,398,452	20,422,032	-	-	
Acquired under finance lease liabilities		-	(458,000)	-	-	
Total cash acquisition		<u>34,398,452</u>	<u>19,964,032</u>	<u>-</u>	<u>-</u>	
Note C						
Reconciliation of liabilities arising from financing activities						
	1.9.19 RM	Interest charge RM	Interest paid RM	Cash flows RM	Foreign exchange measurement RM	31.8.20 RM
GROUP						
Borrowings	320,723,335	10,752,837	(10,752,837)	(3,570,110)	(1,022,136)	316,131,089
Lease liability	5,771,849	134,970	-	(420,000)	-	5,486,819
	<u>326,495,184</u>	<u>10,887,807</u>	<u>(10,752,837)</u>	<u>(3,990,110)</u>	<u>(1,022,136)</u>	<u>321,617,908</u>
	1.9.18 RM	Interest charge RM	Interest paid RM	Cash flows RM	Foreign exchange measurement RM	31.8.19 RM
Borrowings	231,264,288	9,578,195	(9,578,195)	87,511,747	1,947,300	320,723,335

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

Notes To The Financial Statements

For The Financial Year Ended 31 August 2020

1. CORPORATE INFORMATION

General

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 holding company is Leading Builders Sdn. Bhd., a company incorporated and domiciled in Malaysia, which the directors regard as the ultimate holding company.

The registered office of the Company is located at 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

The principal place of business of the Company is located at 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 December 2020.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Group's and the Company's functional currency.

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial year except for the adoption of the following standards that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures

IC Interpretation 23 Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015-2017 Cycle

Initial application for the above standards did not have any material impacts to the financial statements of the Group and of the Company except as mentioned below:

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 September 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 September 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs (Cont'd)

MFRS 16 Leases (Cont'd)

The adoption of MFRS 16 on 1 September 2019 did not have a material effect on the profit or loss for the financial year but increased the assets and liabilities of the Group as at 1 September 2019 as follows:

Statements of Financial Position

	RM
ASSETS	
Non-current assets	
Right-of-use asset	5,771,849
LIABILITIES	
Non-current liabilities	
Lease liability	5,585,010
Current liabilities	
Lease liability	186,839
	5,771,849

The Group has lease contracts for land and buildings, machinery and motor vehicles. Before the adoption of MFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under MFRS 117). The requirements of MFRS 16 were applied to these leases from 1 September 2019.

The Group's motor vehicles which in substance were finance leases previously classified as property, plant and equipment meets the definition of right-of-use assets. The Group does not present right-of-use assets for motor vehicles under finance lease separately. Instead, they are included in the same line item when the corresponding underlying assets would be presented as if they were owned.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs (Cont'd)

MFRS 16 Leases (Cont'd)

Leases previously accounted for as operating leases (Cont'd)

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The lease liabilities as at 1 September 2019 can be reconciled to the operating lease commitments as of 31 August 2019, as follows:

Assets

Operating lease commitments as at 31 August 2019 (RM)	8,505,000
Weighted average incremental borrowing rate as at 1 September 2019	4.10%
Discounted operating lease commitments as at 31 August 2019, representing lease liability as at 31 August 2019	<u>5,771,849</u>

2.5 Standards Issued But Not Yet Effective

The Group and the Company have not applied the following standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3 Business Combinations: Definition of a Business

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform

Effective for annual periods beginning on or after 1 June 2020

Amendments to MFRS 16 Leases: Covid-19 - Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (Cont'd)

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The existing *MFRS 4* and Amendments to *MFRS 4* will be withdrawn upon the adoption of the new *MFRS 17* which will take effect on or after 1 January 2023.

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

IFRIC Agenda Decision on MFRS 123 Borrowing Costs

On March 2019, the IFRS Interpretation Committee ('IFRIC') published an agenda decision on borrowings costs confirming that receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysian Accounting Standard Board announced that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is assessing the impact on the change in accounting policy pursuant to IFRIC agenda decision on borrowing costs incurred on property under construction where control is transferred over time.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key sources of estimation uncertainty and judgements made

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and critical judgement in applying accounting policies are discussed below:

(i) **Useful lives of depreciable assets**

The depreciable costs of property, plant and equipment are allocated on the straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 2 to 21 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets affecting future depreciation charges.

The depreciation charges of the Group's property, plant and equipment are disclosed in Note 4 to the financial statements.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

Key sources of estimation uncertainty and judgements made (Cont'd)

(ii) Impairment of property, plant and equipment

The Group performs an impairment review as and when there are impairment indicators to ensure that the carrying value of the property, plant and equipment does not exceed its recoverable amount. The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercise judgement in estimating the future cash flows, growth rate and discount rate.

The carrying amount of the Group's property, plant and equipment is disclosed in Note 4 to the financial statements.

(iii) Property development and construction activities

As revenue from ongoing property development and construction contracts activities are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development or construction contract costs incurred for work performed to date bear to the estimated total property development or construction contract costs.

Significant judgement is required in determining the stage of completion, the extent of the property development and construction contract costs incurred, the estimated total revenue and total costs and the recoverability of the development projects and construction contracts. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

The carrying amount of property development costs and construction activities are disclosed in Note 7.2 and Note 15.1 to the financial statements respectively.

(iv) Completed development units

The management determines the net realisable values of unsold completed development units based on estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the property market.

The carrying amount of the Group's completed development units is disclosed in Note 7.3 to the financial statements.

(v) Provision for expected credit losses ("ECL") of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 30.3.1 to the financial statements.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

Key sources of estimation uncertainty and judgements made (Cont'd)

(vi) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

In the current financial year, certain subsidiaries of the Group had recognised deferred tax assets as at the end of the reporting period as management considered that it is probable that future taxable profits will be available against which the tax credits can be utilised. The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 12 to the financial statements.

(vii) Impairment on investment in associates

Investment in associates is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in associates based on the fair value less cost to sell which approximates the fair value of net assets held by the associates at the end of the reporting period. If the recoverable amount of the investment in associates is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in associates.

The carrying amount of the Group's investment in associates is disclosed in Note 9 to the financial statements.

(viii) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Investment in subsidiaries is measured at cost less any impairment losses in the Company's financial statements, unless the investment is held for sale or distribution.

Upon disposal of an investment in a subsidiary, the difference between the net disposal proceed and its carrying amount is recognised in profit or loss.

(ii) Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.14 to the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (Cont'd)

(iii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree either at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iv) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.

(vi) Associate

An associate is defined as one in which the Company has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting based on audited financial statements of the associate, where appropriate. Under the equity method of accounting, the Group's share of profits and losses of the associate during the year is included in the profit or loss. The Group's interest in associate is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associate.

The equity method of accounting is discontinued when the Group's share of losses of the associate exceeds the carrying amount of investment, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (Cont'd)

(vi) Associate (Cont'd)

In the Company's separate financial statements, investment in an associate is stated at cost less any accumulated impairment losses.

Upon the disposal of investment in an associate, the difference between the net disposal proceeds and its carrying amount is included in the profit or loss.

(vii) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group account for its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

Investment in joint venture is stated at cost less impairment losses in the Company's statement of financial position, unless the investment is classified as held for sale or distribution.

(viii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and other comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ix) Transactions eliminated on consolidation

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

Unrealised profits arising on transactions between the Group and its associate which are included in the carrying amount of the related assets and liabilities are eliminated to the extent of the Group's interest in the associate. Unrealised losses on such transactions are also eliminated unless cost cannot be recovered.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

<u>Categories</u>	<u>Years</u>
Buildings	10 to 50
Solar plant	21
Plant and machinery	2 to 10
Office equipment, furniture and fixtures	5 to 20
Motor vehicles	5 to 10

Freehold land is not depreciated as it has an infinite life.

Depreciation on capital work in progress commences when the assets are ready for their intended use.

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

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

3.3 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost. Initial cost comprises purchase price and any directly attributable expenditure for a purchased investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

<u>Categories</u>	<u>Years</u>
Buildings	50
Freehold commercial lots and apartments	50

Freehold land is not amortised as it has an infinite life while the leasehold land is amortised over their lease term ranged from 60 years to 99 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.4 Leases

As described in Note 2.4 to the financial statements, the Group has applied MFRS 16 *Leases* using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under MFRS 117 *Leases* and *IC Interpretation 4*.

Accounting policy applicable from 1 September 2019:

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. A contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

<u>Categories</u>	<u>Years</u>
Land	20

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(ii) **Lease liabilities**

At the commencement date of the lease, lease liabilities are recognised and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.4 Leases (Cont'd)

Accounting policy applicable from 1 September 2019 (Cont'd):

As a lessee (Cont'd)

(iii) **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of land and buildings, machinery and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue and other income in the statements of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Accounting policies applied until 31 August 2019:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases

Leases of which the Group assumes substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating leases

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.6 Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group or the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

(ii) Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

In the periods presented, the Group and of the Company do not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

(ii) Classification and subsequent measurement of financial assets (Cont'd)

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the financial assets are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments under MFRS 9.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The Group's other investments fall into this category and are measured at fair value with gains or losses recognised in profit or loss. The fair values of the financial assets are determined by reference to active market transactions.

(iii) Impairment of financial assets

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. Instruments within the scope of the new requirements included loans, trade and other receivables and other debt-type financial assets measured at amortised cost and at FVOCI.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the Stage 1 category while 'lifetime expected credit losses' are recognised for the Stage 2 category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

(iii) Impairment of financial assets (Cont'd)

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

(iv) Classification and measurement of financial liabilities

The Group's financial liabilities include loans and borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(v) Offsetting of financial instruments

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

(vi) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

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

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

(vi) Derecognition (Cont'd)

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the statements of comprehensive income.

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

(vii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

At the end of the reporting period, no values were placed on corporate guarantees provided by the Company to secure bank loans and other bank facilities granted to its subsidiaries where such loans and banking facilities are fully collateralised by fixed and floating charges over the property, plant and equipment and other assets of the subsidiaries and where the directors regard the value of the credit enhancement provided by the corporate guarantees as minimal.

3.7 Inventory Properties

Inventory properties comprise land held for development, property development costs and completed development units.

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

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

3.7.1 Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any impairment losses.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.7 Inventory Properties (Cont'd)

3.7.2 Property development costs

Property development costs comprise the cost of land, related development costs common to the project and direct building costs less cumulative amounts recognised as expense in the profit or loss. The inventory properties cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

3.7.3 Completed development units

Completed development units represent completed residential and commercial properties. Cost is determined on the specific identification basis and includes costs of acquisition of land, related development costs to the project and direct building costs.

3.8 Inventories

Inventories of bricks, raw materials, work-in-progress, trading goods and finished goods

Inventories of bricks, raw materials, work-in-progress, trading goods and finished goods were stated at the lower of cost and net realisable value. The cost of inventories was measured based on first in, first out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of bricks, finished goods and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is based on estimated selling price less all estimated costs to be incurred in selling and distribution.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.10 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.12 Revenue

The Group is in the business of:

- (i) property development;
- (ii) construction contracts;
- (iii) waste management;
- (iv) sale of electricity generated from solar plant; and
- (v) manufacturing and trading of bricks.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

3.12.1 Property development revenue

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

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

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

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

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 will be entitled to in exchange for the assets sold.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.12 Revenue (Cont'd)

3.12.2 Construction contract revenue

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use. Hence, it is accounted for as a single performance obligation.

Revenue and profits for construction contracts are recognised over time arising from the fulfillment of the following criteria:

- The customer of the construction contracts simultaneously receives and consumes the benefits provided as the construction service progress.
- The construction service relates to the creation or enhancement of an asset or a combination of assets which the customer controls.
- The construction service does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Variation claim gives rise to a variable consideration which are estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed.

3.12.3 Provision of waste management services

Pursuant to a concession agreement entered with City Council of Penang and Sebarang Prai, the Group receives a tipping fee for every metric tonne of waste disposed in the sanitary landfill which it operates and maintains.

Revenue is recognised based on the invoiced value of the weight of waste disposed computed at a pre-determined rate based on the concession agreement.

3.12.4 Sale of electricity generated from solar plant

Revenue from the sale of electricity generated from the solar plant is recognised as and when the electricity is delivered to the off-taker, based on the invoiced value of sale of electricity computed at a pre-determined rate. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end. Accrued unbilled revenues are reversed in the following month when actual billings occur.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.12 Revenue (Cont'd)

3.12.5 Manufacturing and trading of bricks

Revenue from manufacturing and trading of bricks is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

3.12.6 Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

3.12.7 Management fee

Management fee is recognised when services are rendered.

3.12.8 Interest income

Interest income is recognised on a time proportion basis using the applicable effective interest rate.

3.12.9 Contract balances

Contract balances comprise of the trade receivables, contract assets and contract liabilities as at the end of the reporting period.

Contract assets

A contract asset is the right to consideration for goods or services transferred to the customer. In the case of property development and construction contracts, a contract asset is the excess of cumulative revenue earned over the billings to-date.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies its performance obligations under the contract.

3.13 Employee Benefits

Short term benefits

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

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.13 Employee Benefits (Cont'd)

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

3.14 Income Tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3.15 Goods and Services Tax ("GST") and Sales and Service Tax ("SST")

GST is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6% in Malaysia. Input tax that a company pays on business purchases is offset against output tax.

Revenue, expenses and assets are recognised net of GST except:

- where the GST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with GST inclusive.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.15 Goods and Services Tax ("GST") and Sales and Service Tax ("SST") (Cont'd)

The Finance Ministry of Malaysia has zero rated the GST effective from 1 June 2018. The government has replaced the GST with SST which came into effect on 1 September 2018.

The SST has two elements: a service tax that is charged and levied on taxable services provided by any taxable person in Malaysia in the course and furtherance of business, and a single stage sales tax levied on imported and locally manufactured goods, either at the time of importation or at the time the goods are sold or otherwise disposed of by the manufacturer.

The rate for sales tax is fixed at 5% or 10%, while the rate for service tax is fixed at 6%.

3.16 Foreign Currency Translations

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

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

3.17 Share Capital, Share Issuance Costs and Dividends

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared and approved.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

3. ACCOUNTING POLICIES (CONT'D)

3.18 Earnings Per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per ordinary share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted to employees.

3.19 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.20 Contingencies

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

3.21 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group.
- (ii) The entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of the same third party.
- (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the Group.
- (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

2020

	At cost				Balance at end RM
	Balance at beginning RM	Additions RM	Disposals RM	Write offs RM	
Freehold land	2,353,354	-	-	-	2,353,354
Buildings	7,124,634	-	-	-	7,124,634
Solar plant	101,549,962	794,132	-	-	102,344,094
Plant and machinery	32,471,753	187,975	(5,700)	(5,220)	32,648,808
Office equipment, furniture and fixtures	3,146,746	43,354	(6,600)	(46,002)	3,137,498
Motor vehicles	7,648,005	1,800	-	-	7,649,805
Capital work in progress	43,183,163	33,371,191	-	-	76,554,354
	197,477,617	34,398,452	(12,300)	(51,222)	231,812,547
	Accumulated depreciation				Balance at end RM
	Balance at beginning RM	Current charge RM	Disposals RM	Write offs RM	
Buildings	3,042,830	139,546	-	-	3,182,376
Solar plant	4,030,580	4,862,044	-	-	8,892,624
Plant and machinery	23,202,370	2,726,406	(3,895)	(3,393)	25,921,488
Office equipment, furniture and fixtures	2,578,863	160,065	(6,599)	(37,310)	2,695,019
Motor vehicles	7,042,100	154,911	-	-	7,197,011
	39,896,743	8,042,972	(10,494)	(40,703)	47,888,518
	Accumulated impairment losses				Balance at end RM
	Balance at beginning RM	Current charge RM	Disposals RM	Write offs RM	
Plant and machinery	3,181,987	5	-	-	3,181,992
Office equipment, furniture and fixtures	27,973	1,133	-	-	29,106
	3,209,960	1,138	-	-	3,211,098
					Carrying amount at end RM
Freehold land					2,353,354
Buildings					3,942,258
Solar plant					93,451,470
Plant and machinery					3,545,328
Office equipment, furniture and fixtures					413,373
Motor vehicles					452,794
Capital work in progress					76,554,354
					180,712,931

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

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

GROUP

2019

	At cost					
	Balance at beginning RM	Additions RM	Disposals RM	Write offs RM	Reclassification RM	Balance at end RM
Freehold land	2,353,354	-	-	-	-	2,353,354
Buildings	7,124,634	-	-	-	-	7,124,634
Solar plant	-	-	-	-	101,549,962	101,549,962
Plant and machinery	32,567,906	11,724	-	(357,877)	250,000	32,471,753
Office equipment, furniture and fixtures	3,075,864	146,984	(3,319)	(72,783)	-	3,146,746
Motor vehicles	7,084,424	563,581	-	-	-	7,648,005
Capital work in progress	125,283,382	19,699,743	-	-	(101,799,962)	43,183,163
	<u>177,489,564</u>	<u>20,422,032</u>	<u>(3,319)</u>	<u>(430,660)</u>	<u>-</u>	<u>197,477,617</u>
	Accumulated depreciation					
	Balance at beginning RM	Current charge RM	Disposals RM	Write offs RM	Reclassification RM	Balance at end RM
Buildings	2,903,284	139,546	-	-	-	3,042,830
Solar plant	-	4,030,580	-	-	-	4,030,580
Plant and machinery	20,485,339	2,817,557	-	(100,526)	-	23,202,370
Office equipment, furniture and fixtures	2,430,318	214,301	(3,316)	(62,440)	-	2,578,863
Motor vehicles	6,918,513	123,587	-	-	-	7,042,100
	<u>32,737,454</u>	<u>7,325,571</u>	<u>(3,316)</u>	<u>(162,966)</u>	<u>-</u>	<u>39,896,743</u>
	Accumulated impairment losses					
	Balance at beginning RM	Current charge RM	Disposals RM	Write offs RM	Reclassification RM	Balance at end RM
Plant and machinery	3,181,987	-	-	-	-	3,181,987
Office equipment, furniture and fixtures	27,973	-	-	-	-	27,973
	<u>3,209,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,209,960</u>
						Carrying amount at end RM
Freehold land						2,353,354
Buildings						4,081,804
Solar plant						97,519,382
Plant and machinery						6,087,396
Office equipment, furniture and fixtures						539,910
Motor vehicles						605,905
Capital work in progress						43,183,163
						<u>154,370,914</u>

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

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

COMPANY

	Furniture and fixtures	
	2020	2019
	RM	RM
At cost		
Balance at beginning	181,789	181,789
Addition	9,250	-
Balance at end	191,039	181,789
Accumulated depreciation		
Balance at beginning	141,116	124,355
Current charge	16,205	16,761
Balance at end	157,321	141,116
Carrying amount	33,718	40,673

GROUP

- (i) The carrying amount of property, plant and equipment which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 20 to the financial statements are as follows:

	2020	2019
	RM	RM
Freehold land and buildings	6,295,612	6,435,158
Plant and machinery	2,907,909	5,389,908
* Capital work in progress	56,374,354	43,183,163
	65,577,875	55,008,229

* Capital work in progress represents landfill cells, integrated materials recovery facility and leachate treatment plant that are currently under construction.

- (ii) The carrying amount of motor vehicles acquired under finance lease are **RM451,049** (2019: RM605,876). The leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 20 to the financial statements.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

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

GROUP (Cont'd)

(iii) The Group's depreciation charge for the financial year is accounted for as follows:

	2020	2019
	RM	RM
Recognised in profit or loss		
- General and administrative expenses	232,598	215,234
- Construction contract costs	7,608,529	7,709
- Cost of sales	91,843	6,920,126
	7,932,970	7,143,069
Capitalised in construction contract costs	110,002	182,502
	8,042,972	7,325,571

(iv) Impairment of property, plant and equipment

The impairment loss of RM1,138 recognised in the current financial year represents a write-down of assets that were left idle and will not be in use following the management's decision to cease its bricks manufacturing division in view of the expected reduction in demand for the foreseeable future.

(v) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

	Carrying amount	Current depreciation
	RM	RM
2020		
Motor vehicles	451,049	154,827

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Group as a lessee

The Group has lease contract for a piece of land on which its solar plant is erected. It has a non-cancellable lease term of three years, with an option to extend the lease for another nineteen years. At the commencement of the lease, the Group has assessed that it is reasonably certain to exercise the extension option. Generally, the Group is restricted from assigning and subleasing the leased asset.

The Group also has certain leases of land and buildings, machinery and motor vehicles with lease terms of 12 months or less. The Group applies the 'short-term leases' and 'leases of low-value assets' recognition exemptions for these leases.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)

Group as a lessee (Cont'd)

Right-of-use asset

Set out below are the carrying amount of right-of-use asset recognised and the movements during the financial year:

GROUP

	Land RM
2020	
Balance at beginning, upon adoption of MFRS 16	5,771,849
Depreciation	<u>(285,030)</u>
Balance at end	<u>5,486,819</u>

Lease liability

Set out below are the carrying amount of lease liability recognised and the movements during the financial year:

GROUP

	RM
2020	
Balance at beginning, upon adoption of MFRS 16	5,771,849
Accretion of interest	134,970
Payments	<u>(420,000)</u>
Balance at end	<u>5,486,819</u>
	RM
Represented by:	
Non-current liabilities	5,292,174
Current liabilities	<u>194,645</u>
Balance at end	<u>5,486,819</u>

The maturity analysis of lease liability is disclosed in Note 30.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	2020 RM
Depreciation expense of right-of-use asset	285,030
Interest expense on lease liability	134,970
Expense relating to short-term leases and leases of low-value assets	<u>3,981,206</u>
Total amount recognised in profit or loss	<u>4,401,206</u>

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

6. INVESTMENT PROPERTIES

GROUP

	Freehold land RM	Leasehold land RM	Buildings RM	Freehold commercial lots and apartments RM	Total RM
2020					
At cost	3,603,944	2,110,553	8,433,974	7,304,604	21,453,075
Accumulated depreciation					
Balance at beginning	-	201,292	209,200	338,800	749,292
Current charge	-	85,475	168,680	141,639	395,794
Balance at end	-	286,767	377,880	480,439	1,145,086
Carrying amount	3,603,944	1,823,786	8,056,094	6,824,165	20,307,989
2019					
At cost	3,603,944	2,110,553	8,433,974	7,304,604	21,453,075
Accumulated depreciation					
Balance at beginning	-	100,646	104,600	169,400	374,646
Current charge	-	100,646	104,600	169,400	374,646
Balance at end	-	201,292	209,200	338,800	749,292
Carrying amount	3,603,944	1,909,261	8,224,774	6,965,804	20,703,783

- (i) Investment properties amounting to **RM14,104,348** (2019: RM14,801,776) are pledged to licensed banks as security for banking facilities granted to certain subsidiaries.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

6. INVESTMENT PROPERTIES (CONT'D)

GROUP (Cont'd)

(ii) Group as lessor

The Group has entered into operating leases on its investment properties. These leases have terms of between two to three years.

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

	2020	2019
	RM	RM
Rental income from investment properties	463,938	533,607
Direct operating expenses arising from:		
- income generating investment properties	341,696	379,871
- non-income generating investment properties	219,127	128,595

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2020	2019
	RM	RM
Within one year	395,305	469,638
More than one year and less than five years	406,876	802,181
	802,181	1,271,819

(iii) The fair value measurement of investment properties is disclosed in Note 31 to the financial statements.

7. INVENTORY PROPERTIES

		GROUP	
	Note	2020	2019
		RM	RM
Non-current:			
Land held for development	7.1	44,117,669	51,249,807
Current:			
Property development costs	7.2	149,991,424	118,521,097
Completed development units	7.3	41,585,975	67,627,197
Balance at end		191,577,399	186,148,294

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

7. INVENTORY PROPERTIES (CONT'D)

7.1. Land held for development (Cont'd)

	GROUP	
	2020	2019
	RM	RM
Freehold land, at cost		
Balance at beginning	48,883,241	48,883,001
Additions	240	240
Balance at end	48,883,481	48,883,241
Development costs		
Balance at beginning	2,366,566	2,348,319
Additions	1,419	18,247
Balance at end	2,367,985	2,366,566
Impairment loss for the financial year	(7,133,797)	-
	44,117,669	51,249,807
Represented by:		
Freehold land, at cost	48,883,481	48,883,241
Development costs	2,367,985	2,366,566
Impairment loss	(7,133,797)	-
	44,117,669	51,249,807

(i) Impairment of land held for development

The impairment loss of RM7,133,797 recognised in the current financial year was a result of a reduction in the fair value of the land held for development based on appraisal performed by independent professional valuers.

(ii) The freehold land with carrying amount of **RM36,374,028** (2019: RM36,507,375) are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 20 to the financial statements.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

7. INVENTORY PROPERTIES (CONT'D)

7.2 Property development costs

	GROUP	
	2020 RM	2019 RM
At cost		
Balance at beginning	216,948,453	191,867,329
Development costs incurred during the financial year	79,234,449	66,903,786
Transfer to inventories	-	(33,573,060)
Reversal of completed projects	-	(8,249,602)
Cost recognised in profit or loss		
Balance at beginning	(98,427,356)	(23,415,322)
Recognised during the financial year	(47,764,122)	(83,261,636)
Reversal of completed projects	-	8,249,602
Balance at end	<u>(146,191,478)</u>	<u>(98,427,356)</u>
	<u>149,991,424</u>	<u>118,521,097</u>
Represented by:		
Freehold land	61,178,378	61,178,378
Development costs	235,004,524	155,770,075
Cost recognised in profit or loss	<u>(146,191,478)</u>	<u>(98,427,356)</u>
	<u>149,991,424</u>	<u>118,521,097</u>

- (i) Included in development costs incurred during the financial year are interest expense of **RM5,946,417** (2019: RM6,679,495).
- (ii) The freehold land with carrying amount of **RM61,178,376** (2019: RM61,178,376) are pledged to licensed banks as security for banking facilities granted to a subsidiary as disclosed in Note 20 to the financial statements.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

7. INVENTORY PROPERTIES (CONT'D)

7.3 Completed development units

	GROUP	
	2020 RM	2019 RM
At cost	32,395,975	56,835,197
At net realisable value	9,190,000	10,792,000
	41,585,975	67,627,197

Recognised in profit or loss:

	GROUP	
	2020 RM	2019 RM
(Reversal)/Addition of inventories written down	(307,608)	2,563,710

Freehold properties amounting to **RM19,429,426** (2019: RM21,703,851) is pledged to licensed banks for banking facilities granted to certain subsidiaries as disclosed in Note 20 to the financial statements.

The reversal of inventories written down was due to their subsequent realisation.

8. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2020 RM	2019 RM
Unquoted shares, at cost	83,636,867	83,636,862
Redeemable non-cumulative preference shares, at cost	14,500,000	14,500,000
	98,136,867	98,136,862

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2020 %	2019 %	
Direct			
PLB-KH Bina Sdn. Bhd.	100	100	Contracting and construction of industrial, residential and commercial building works, renovation works, property development, investment and property holdings and manufacturing of bricks.
PLB Land Sdn. Bhd.	100	100	Property letting, investment holding and property development.
Dynabricks Sdn. Bhd.	100	100	Rental of machineries.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows: (Cont'd)

Name of Company	Effective Equity Interest		Principal Activities
	2020	2019	
	%	%	
Direct			
Gaintrend Sdn. Bhd.	100	100	Building construction and property development.
PLB Ventures Sdn. Bhd.	100	100	Investment holding.
PLB Terang Sdn. Bhd.	65	65	Provision of waste management services.
PLB Ecohab Sdn. Bhd.	100	-	Dormant.
PLB Jelutong Sdn. Bhd.	100	-	Dormant.
PLB Landmark Sdn. Bhd.	100	-	Dormant.
PLB Waterfront Sdn. Bhd.	100	-	Dormant.
PLB Eco City Sdn. Bhd.	100	-	Dormant.
Indirect – held through PLB Land Sdn. Bhd.			
Era Pujaan Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year. Instead the subsidiary rented out a portion of the development properties earmarked for development.
Hektar Pujaan Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Excelgrand Properties Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Indah Mulia Development Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Landsdale Development Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows: (Cont'd)

Name of Company	Effective Equity Interest		Principal Activities
	2020 %	2019 %	
Indirect – held through PLB Land Sdn. Bhd.			
PLB Cemerlang Sdn. Bhd.	100	100	Property development. However, the subsidiary did not undertake any development project during the financial year.
Phoenix Residences Sdn. Bhd.	100	100	Property development.
Indirect – held through PLB Ventures Sdn. Bhd.			
PLB Green Construction Sdn. Bhd.	70	70	Contracting and construction of industrial, residential and commercial building works and renovation works.
PLB Bio Green Sdn. Bhd.	100	100	Provision of green waste management activity.
PLB Eco Solutions Sdn. Bhd.	77.78	77.78	Provision of wood shredding activity, manufacturing and trading of waste recyclable materials.
* PLB Resource Management Sdn. Bhd.	-	60	Dormant.
Indirect – held through PLB Terang Sdn. Bhd.			
# PLB Green Solar Sdn. Bhd.	39	39	Provision of solar energy services.

* During the financial year, the Company had via PLB Ventures Sdn. Bhd. ("PVSB") submitted an application to strike off PLB Resource Management Sdn. Bhd. ("PLBRM"). The effects of the deconsolidation of the said subsidiary is disclosed in the consolidated statements of cash flows.

The Company had consolidated the financial results of PLB Green Solar Sdn. Bhd. ("PLBGS") into its Group despite owning only 39% effective interest as the Company is able to exert control over PLBGS through the control of PLB Terang Sdn. Bhd. ("PLBT"), a 65% owned subsidiary of the Company.

2020

On 24 January 2020, the Company incorporated wholly-owned subsidiaries namely, PLB Ecohab Sdn. Bhd. ("PLBEH"), PLB Jelutong Sdn. Bhd. ("PLBJ"), PLB Landmark Sdn. Bhd. ("PLBLM"), PLB Waterfront Sdn. Bhd. ("PLBWF") and PLB Eco City Sdn. Bhd. ("PLBEC"), with an issued share capital of RM1 comprising of 1 ordinary share respectively.

2019

During the financial year, PLBT had issued 1,800 redeemable cumulative non-convertible preference shares of RM1,000 per share for a total consideration of RM1,800,000 for the purpose of satisfying the amount owing to the Company.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

8.1 Subsidiaries with material non-controlling interests ("NCI")

The Group's subsidiaries, namely PLB Green Construction Sdn. Bhd. ("PGC"), PLBT, PLBGS and PLB Eco Solutions Sdn. Bhd. ("PLBES") that have material non-controlling interests are as follows:

	PGC	PLBT	PLBGS	PLBES	Total
2020					
Percentage of ownership interest (%)	30%	35%	61%	22.22%	
Carrying amount of NCI (RM)	655,372	(4,805,561)	(365,827)	(3,669,920)	(8,185,936)
Profit/(Loss) allocated to NCI (RM)	210,699	41,736	522,688	(97,351)	677,772
2019					
Percentage of ownership interest and voting interest (%)	30%	35%	61%	22.22%	
Carrying amount of NCI (RM)	444,673	(4,847,297)	(888,515)	(3,572,569)	(8,863,708)
Profit/(Loss) allocated to NCI (RM)	465,110	125,991	(393,101)	(1,006,468)	(808,468)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below:

GROUP

	PGC RM	PLBT RM	PLBGS RM	PLBES RM	Total RM
As at 31 August 2020					
Non-current assets	749,384	63,490,942	119,122,116	177,595	183,540,037
Current assets	10,917,597	12,066,544	7,078,656	154,338	30,217,135
Non-current liabilities	(356,862)	(2,006,738)	(102,699,589)	-	(105,063,189)
Current liabilities	(9,125,547)	(71,221,215)	(24,100,899)	(16,648,226)	(121,095,887)
Net assets/(liabilities)	2,184,572	2,329,533	(599,716)	(16,316,293)	(12,401,904)
Year ended 31 August 2020					
Revenue	19,457,378	17,075,798	14,487,612	17,800	51,038,588
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	702,329	(394,875)	856,866	(438,123)	726,197

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

8.1 Subsidiaries with material non-controlling interests ("NCI")

GROUP

	PGC RM	PLBT RM	PLBGS RM	PLBES RM	Total RM
Year ended 31 August 2020					
Net cash generated from/ (used in):					
Operating activities	(107,433)	11,797,289	9,260,801	235,971	20,766,628
Investing activities	(4,957)	(6,434,882)	(20,795,002)	1,850	(27,232,991)
Financing activities	798,669	(3,813,588)	12,901,886	(249,694)	10,057,273
Net change in cash and cash equivalents	<u>686,279</u>	<u>1,548,819</u>	<u>1,367,685</u>	<u>(11,873)</u>	<u>3,590,910</u>
As at 31 August 2019					
Non-current assets	1,149,215	56,456,037	97,523,209	252,624	155,381,085
Current assets	11,362,239	4,949,797	8,540,261	1,167,559	26,019,856
Non-current liabilities	(485,850)	(3,767,841)	(82,589,037)	-	(86,842,728)
Current liabilities	(10,543,361)	(54,913,584)	(20,531,055)	(17,298,353)	(103,286,353)
Net assets/(liabilities)	<u>1,482,243</u>	<u>2,724,409</u>	<u>2,943,378</u>	<u>(15,878,170)</u>	<u>(8,728,140)</u>
Year ended 31 August 2019					
Revenue	<u>18,973,517</u>	<u>16,712,830</u>	<u>10,718,500</u>	<u>730,539</u>	<u>47,135,386</u>
Profit/(Loss) for the financial year, representing total comprehensive income/ (loss) for the financial year	<u>1,550,367</u>	<u>746,632</u>	<u>(644,428)</u>	<u>(4,529,558)</u>	<u>(2,876,987)</u>
Year ended 31 August 2019					
Net cash generated from/ (used in):					
Operating activities	(5,067,149)	18,516,606	(12,212,266)	117,579	1,354,770
Investing activities	(155,812)	(11,736,719)	(9,096,261)	(137,509)	(21,126,301)
Financing activities	5,576,235	(4,524,677)	22,362,675	-	23,414,233
Net change in cash and cash equivalents	<u>353,274</u>	<u>2,255,210</u>	<u>1,054,148</u>	<u>(19,930)</u>	<u>3,642,702</u>
Dividends paid to NCI	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,000</u>

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

9. INVESTMENT IN ASSOCIATES

	GROUP	
	2020 RM	2019 RM
Unquoted shares, at cost	4,155,701	4,155,701
Share of post-acquisition reserves	367,356	365,528
Less: Accumulated impairment losses	(1,261,995)	(61,965)
	3,261,062	4,459,264

The movement of accumulated impairment losses are as follows:

	2020 RM	2019 RM
Balance at beginning	61,965	59,893
Impairment loss during the financial year	1,200,030	2,072
Balance at end	1,261,995	61,965

Details of the associates, which are incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2020 %	2019 %	
Indirect – held through PLB Ventures Sdn. Bhd.			
Diligent Success Sdn. Bhd. ("DSSB")	50	50	Construction of buildings, repair and upgrading works, and the provision of marketing and consultancy services in relation to construction engineering and related works.
Indirect – held through PLB Land Sdn. Bhd.			
Desanova Development Sdn. Bhd. ("DDSB")	40	40	Property development.
Indirect – held through PLB Eco Solutions Sdn. Bhd.			
* PLB Eco Resources Sdn. Bhd. ("PLBER")	-	38.89	Dormant.

* During the financial year, the Company had via PLBES submitted an application to strike off PLB Eco Resources Sdn. Bhd. ("PLBER").

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

9. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the material associate not adjusted for the percentage ownership held by the Group is as follows:

Summarised financial information of DDSB

	2020 RM	2019 RM
As at 31 August		
Non-current assets	7,653,420	7,637,704
Current assets	366	358
Current liabilities	<u>(3,711,191)</u>	<u>(3,689,505)</u>
Net assets	<u>3,942,595</u>	<u>3,948,557</u>

Year ended 31 August

Net loss, representing total comprehensive loss	<u>(5,962)</u>	<u>(9,788)</u>
---	----------------	----------------

Included in total comprehensive income are the following:

Administrative expenses	<u>(5,962)</u>	<u>(9,788)</u>
-------------------------	----------------	----------------

	DDSB RM	Other individually immaterial associates RM	Total RM
--	------------	---	-------------

Reconciliation of net assets to carrying amount

As at 31 August 2020

Group's share of net assets	1,577,038	235,281	1,812,319
Goodwill	<u>1,448,743</u>	<u>-</u>	<u>1,448,743</u>
Carrying amount in the statement of financial position	<u>3,025,781</u>	<u>235,281</u>	<u>3,261,062</u>

As at 31 August 2019

Group's share of net assets	1,579,423	231,068	1,810,491
Goodwill	<u>2,648,773</u>	<u>-</u>	<u>2,648,773</u>
Carrying amount in the statement of financial position	<u>4,228,196</u>	<u>231,068</u>	<u>4,459,264</u>

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

9. INVESTMENT IN ASSOCIATES (CONT'D)

Summarised financial information of DDSB (Cont'd)

	DDSB RM	Other individually immaterial associates RM	Total RM
Group's share of results			
Year ended 31 August 2020			
Group's share of (loss)/profit	<u>(2,385)</u>	<u>4,213</u>	<u>1,828</u>
Year ended 31 August 2019			
Group's share of loss	<u>(3,915)</u>	<u>(4,171)</u>	<u>(8,086)</u>

Contingent liabilities and capital commitments

The associates have no contingent liabilities or capital commitments as at the end of the reporting period.

10. INVESTMENT IN A JOINT VENTURE

	GROUP	
	2020 RM	2019 RM
Unquoted shares, at cost	500,000	500,000
Share of post-acquisition reserves	<u>36,367</u>	<u>156,875</u>
	<u>536,367</u>	<u>656,875</u>

Details of the joint venture, which is incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activity
	2020 %	2019 %	
Indirect – held through PLB Land Sdn. Bhd.			
PLB-Wonder Bay Development Sdn. Bhd. ("PLBWB")	50	50	Property development.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

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

The following table summarises the information of PLBWB and reconciles the information to the carrying amount of the Group's interest in the joint venture.

	2020 RM	2019 RM
As at 31 August		
Assets and liabilities		
Current assets including cash and cash equivalents of RM1,085,230 (2019: RM1,398,072)	1,090,130	1,556,454
Current liabilities	(17,396)	(242,704)
Equity	1,072,734	1,313,750
Group's carrying amount of the investment	536,367	656,875
Year ended 31 August		
Results		
Other income including interest income of RM20,460 (2019: RM8,910)	23,810	19,760
Administrative expenses	(260,867)	(95,543)
Loss before tax	(237,057)	(75,783)
Tax expense	(3,959)	(3,415)
Loss for the financial year	(241,016)	(79,198)
Group's share of loss for the financial year	(120,508)	(39,599)

Contingent liabilities and capital commitments

The joint venture has no contingent liabilities or capital commitments as at the end of the reporting period.

11. OTHER INVESTMENTS

	GROUP	
	2020 RM	2019 RM
Fair value through profit or loss		
Shares quoted in Malaysia, at fair value	2,356	3,155

Financial assets at fair value through profit or loss include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

12. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2020 RM	2019 RM
Gain on revaluation of properties:		
Balance at beginning	(1,189,034)	(1,226,899)
Recognised in profit or loss	37,865	37,865
Balance at end	(1,151,169)	(1,189,034)
Real property gains tax on investment properties:		
Balance at beginning/end	(298,680)	(298,680)
Others:		
Balance at beginning	1,653,653	2,238,053
Recognised in profit or loss	1,620,487	(611,385)
Over provision in prior year	638,991	26,985
Balance at end	3,913,131	1,653,653
	2,463,282	165,939

The recognised deferred tax assets/(liabilities), after appropriate offsetting, are as follows:

	GROUP	
	2020 RM	2019 RM
Deferred tax assets	3,601,976	1,578,505
Deferred tax liabilities	(1,138,694)	(1,412,566)
	2,463,282	165,939

The deferred tax assets/(liabilities) as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2020 RM	2019 RM
Property, plant and equipment	(10,869,034)	(1,173,665)
Profit recognition on construction contracts	1,987,966	2,028,053
Profit recognition on property development	41,381	(2,152,782)
Real property gains tax on investment properties	(251,004)	(251,004)
Tax effect on unrealised profit on construction contracts and property development costs	2,101,058	1,715,337
Unabsorbed capital allowances	8,866,000	-
Unabsorbed tax losses	294,000	-
Unrealised loss on foreign exchange	222,039	-
Others	70,876	-
	2,463,282	165,939

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The following deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised:

	GROUP	
	2020	2019
	RM	RM
Property, plant and equipment	(682,591)	(8,370,058)
Unabsorbed capital allowances	3,761,731	11,289,304
Unabsorbed tax losses	7,756,748	7,996,854
Unabsorbed reinvestment allowance	365,480	365,480

The gross amount and future availability of unused tax losses and unabsorbed allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP	
	2020	2019
	RM	RM
Unabsorbed capital allowances	52,615,546	47,038,767
Unabsorbed tax losses	33,544,783	33,320,225
Unabsorbed reinvestment allowance	1,522,833	1,522,833

The unabsorbed tax losses and unabsorbed reinvestment allowance can be carried forward for seven consecutive years of assessment under the following conditions:

- (i) Unabsorbed tax losses as at 31 August 2018 will expire in the financial year ending 31 August 2025, and current tax loss incurred after 31 August 2018 will expire at the end of the seventh consecutive year of assessment from the financial year in which it is incurred.
- (ii) Unabsorbed reinvestment allowance will expire at the end of the seventh consecutive year of assessment commencing immediately after the expiry of the reinvestment allowance claim eligibility period of 15 years in the financial year ending 31 August 2025.

The expiry of the unabsorbed tax losses is as follows:

	GROUP	
	2020	2019
	RM	RM
YA 2025	29,524,808	29,524,808
YA 2026	3,795,417	3,795,417
YA 2027	224,558	-
	33,544,783	33,320,225

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

13. TRADE AND OTHER RECEIVABLES

	Note	GROUP		COMPANY	
		2020 RM	2019 RM	2020 RM	2019 RM
Non-current asset					
Retention sum receivables		4,722,920	11,045,389	-	-
Current assets					
Trade receivables	13.1	35,490,993	32,226,995	-	-
Retention sum receivables		10,884,506	4,535,694	-	-
Other receivables, deposits and prepayments	13.2	8,191,825	8,721,948	4,078,195	1,314,272
Amount due from subsidiaries	13.3	-	-	89,217,999	81,830,751
Amount due from an associate	13.4	2,496,010	2,486,982	-	-
Amount due from a joint venture	13.5	-	12,741	-	-
		57,063,334	47,984,360	93,296,194	83,145,023

13.1 Trade receivables

	GROUP	
	2020 RM	2019 RM
Trade receivables	36,355,599	33,083,504
Less: Allowance for expected credit losses		
Balance at beginning	(856,509)	(195,962)
Current year	(26,498)	(660,547)
Written off	18,401	-
Balance at end	(864,606)	(856,509)
	35,490,993	32,226,995

Included herein are the followings:

- (i) An amount of **RM1,201,638** (2019: RM1,201,625) due from Desanova Development Sdn. Bhd., an associate of the PLB Land Sdn. Bhd., a subsidiary of the Company.
- (ii) Amount of **RM1,621,885** (2019: RM7,763,549) due from KH-Base Engineering Sdn. Bhd., a company in which persons connected to certain directors of the Company, have substantial financial interests.

The credit terms granted by the Group to its trade receivables range from **14 to 90 days** (2019: 14 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

13. TRADE AND OTHER RECEIVABLES (CONT'D)

13.2 Other receivables, deposits and prepayments

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Other receivables	1,947,825	1,843,175	100	939
Less: Allowance for expected credit losses				
Balance at beginning	(380,564)	(380,564)	-	-
Current year	(125,186)	-	-	-
Written off	1,176	-	-	-
Balance at end	(504,574)	(380,564)	-	-
	1,443,251	1,462,611	100	939
Deposits				
- Refundable	1,569,680	1,657,461	2,000	2,000
- Non-refundable	672,751	869,220	-	-
Prepayments	4,506,143	1,907,411	4,076,095	1,310,809
GST receivable	-	2,825,245	-	524
	8,191,825	8,721,948	4,078,195	1,314,272

GROUP

- (i) Included in other receivables is an amount of **RM447,846** (2019: RM311,355) due from KH-Base Engineering Sdn. Bhd., a company in which persons connected to certain directors of the Company, have substantial financial interests.
- (ii) Included in the non-refundable deposits are deposits paid for the acquisition of development land by a subsidiary amounting to **RM230,527** (2019: RM230,527).

13.3 Amount due from subsidiaries

COMPANY

The amount due from subsidiaries is non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation.

13.4 Amount due from an associate

GROUP

The amount due from an associate is non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

13. TRADE AND OTHER RECEIVABLES (CONT'D)

13.5 Amount due from a joint venture

GROUP

The amount due from a joint venture was non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation.

14. INVENTORIES

	GROUP	
	2020	2019
	RM	RM
At cost		
Raw materials	-	29,829
At net realisable value		
Raw materials	-	39,912
Trading goods	-	324,310
	<u>-</u>	<u>394,051</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	473,553	7,277,447
Inventories written off	272,692	377,597
	<u>272,692</u>	<u>377,597</u>

15. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	2020	2019
Note	RM	RM
Contract assets		
- Construction contracts	15.1 3,685,568	4,438,522
- Property development	15.2 27,940,878	59,918,764
	<u>31,626,446</u>	<u>64,357,286</u>
Contract liabilities		
- Construction contracts	15.1 (23,418,637)	(8,799,168)

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

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

15.1 Contract assets and contract liabilities from construction contracts

The Group issues progress billings to customers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities relating to construction contracts as at the end of the reporting period can be summarised as follows:

	GROUP	
	2020	2019
	RM	RM
Contract assets	3,685,568	4,438,522
Contract liabilities	(23,418,637)	(8,799,168)
	<u>(19,733,069)</u>	<u>(4,360,646)</u>
Balance at beginning	(4,360,646)	(34,034,762)
Revenue recognised during the financial year	35,824,752	73,432,630
Progress billing during the financial year	(51,197,175)	(43,758,514)
Balance at end	<u>(19,733,069)</u>	<u>(4,360,646)</u>

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	GROUP	
	2020	2019
	RM	RM
Within one year	110,059,306	132,832,187
Between one and four years	22,930,540	73,644,948
	<u>132,989,846</u>	<u>206,477,135</u>

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

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

15.2 Contract assets from property development

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

The Group's contract assets relating to property development as at the end of the reporting period can be summarised as follows:

	GROUP	
	2020	2019
	RM	RM
Contract assets	27,940,878	59,918,764
Balance at beginning	59,918,764	31,179,368
Revenue recognised during the financial year	54,066,120	68,577,499
Progress billing during the financial year	(86,044,006)	(39,838,103)
Balance at end	27,940,878	59,918,764

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	GROUP	
	2020	2019
	RM	RM
Within one year	80,211,381	66,679,926
Between one and four years	-	35,904,576
	80,211,381	102,584,502

16. FIXED DEPOSITS WITH LICENSED BANKS

GROUP

Fixed deposits with licensed banks amounting to **RM9,195,339** (2019: RM12,784,523) are pledged as securities for banking facilities granted to certain subsidiaries as disclosed in Note 20 to the financial statements.

The effective interest rates per annum and maturity of the fixed deposits with licensed banks as at the end of the reporting period range from **1.40% to 3.10%** (2019: 2.90% to 3.35%) per annum and from **1 month to 12 months** (2019: 1 month to 12 months) respectively.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

17. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Housing Development Account	7,635,366	336,226	-	-
Cash and bank balances	9,673,121	6,446,675	8,403	3,802
	17,308,487	6,782,901	8,403	3,802

The Housing Development Account (HDA) is maintained in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966 in Malaysia, as amended by the Housing Developers (HDA) (Amendment) Regulation, 2002 in Malaysia, which can only be used for property development activities.

18. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2020	2019	2020 RM	2019 RM
Issued and fully paid	112,395,018	112,395,018	112,395,018	112,395,018

19. RETAINED PROFITS

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

20. BORROWINGS

	GROUP	
	2020 RM	2019 RM
Non-current liabilities		
<u>Finance lease liabilities</u>		
Within one year	177,998	209,620
More than one year and less than two years	130,404	164,903
More than two years and less than five years	254,763	341,563
More than five years	29,444	57,835
Balance carried forward	592,609	773,921

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

20. BORROWINGS (CONT'D)

	GROUP	
	2020 RM	2019 RM
Balance brought forward	592,609	773,921
Finance charges	(50,830)	(34,238)
Carrying amount at end	541,779	739,683
Amount due within one year included under current liabilities	(157,477)	(198,146)
	384,302	541,537
<u>Term loans</u>		
Total amount repayable	230,001,214	226,259,697
Amount due within one year included under current liabilities	(55,883,998)	(18,050,616)
	174,117,216	208,209,081
<u>Revolving credit</u>		
Total amount repayable	20,068,165	16,900,000
Amount due within one year included under current liabilities	(6,900,000)	(16,900,000)
	13,168,165	-
	187,669,683	208,750,618
Current liabilities		
Bank overdrafts	23,684,969	26,377,463
Bankers acceptance	40,921,383	50,107,924
Invoice financing	913,579	338,568
Finance lease liabilities	157,477	198,146
Term loans	55,883,998	18,050,616
Revolving credit	6,900,000	16,900,000
	128,461,406	111,972,717
Total borrowings	316,131,089	320,723,335

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

20. BORROWINGS (CONT'D)

A summary of the effective interest rates and the maturities of the borrowings are as follows:

GROUP	Average effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
2020						
Bank overdrafts	6.06 to 7.20	23,684,969	23,684,969	-	-	-
Bankers acceptance	2.45 to 4.76	40,921,383	40,921,383	-	-	-
Invoice financing	5.19 to 5.49	913,579	913,579	-	-	-
Finance lease liabilities	2.25 to 4.46	541,779	157,477	115,990	239,668	28,644
Term loans	3.34 to 10.00	230,001,214	55,883,998	48,351,489	48,391,234	77,374,493
Revolving credit	4.71 to 6.50	20,068,165	6,900,000	13,168,165	-	-
2019						
Bank overdrafts	7.31 to 8.45	26,377,463	26,377,463	-	-	-
Bankers acceptance	3.48 to 4.27	50,107,924	50,107,924	-	-	-
Invoice financing	6.69	338,568	338,568	-	-	-
Finance lease liabilities	2.25 to 4.46	739,683	198,146	157,477	328,882	55,178
Term loans	4.62 to 10.00	226,259,697	18,050,616	37,389,811	85,243,548	85,575,722
Revolving credit	6.03 to 7.84	16,900,000	16,900,000	-	-	-

The currency profile of borrowings are as follows:

	GROUP	
	2020 RM	2019 RM
Ringgit Malaysia	254,348,485	249,489,835
US Dollar	61,782,604	71,233,500
	316,131,089	320,723,335

The finance lease liabilities are secured over the leased assets (Note 4).

The borrowings (except for finance lease liabilities) are secured by way of:

- (i) Legal charges over certain properties of the subsidiaries;
- (ii) Debenture incorporating a fixed and floating charge over all present and future assets of a subsidiary;
- (iii) Pledge of fixed deposits of a subsidiary;
- (iv) Facility agreement;
- (v) Assignment of contract payment;
- (vi) Power of attorney in the event of default;
- (vii) Corporate guarantee of the Company and certain subsidiaries; and
- (viii) Joint and several guarantee by certain directors of the Company.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

20. BORROWINGS (CONT'D)

Loan covenant

During the financial year, a subsidiary of the Company did not fulfill a loan covenant imposed in the offer letter of a bank loan. The said covenant entails that advances to the Company is to be capped at RM9,291,000. However, the advances from the said subsidiary to the Company amounted to RM12,095,674 as at the end of the reporting period. The credit line maintained with the said financial institution is a tradeline facility comprising of bank overdrafts, term loan and bankers' acceptance amounting to RM11,609,245. The balances owing to the said financial institution are reflected in current liabilities as at the end of the reporting period.

21. TRADE AND OTHER PAYABLES

Note	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current liability				
Retention sum payables	5,927,254	12,616,018	-	-
Current liabilities				
Trade payables	21.1	52,017,816	38,072,229	-
Retention sum payables		7,162,771	6,711,103	-
Other payables and accruals	21.2	20,605,396	27,798,750	368,218
Amount due to subsidiaries	21.3	-	-	26,093,610
		79,785,983	72,582,082	36,759,777
				26,461,828

21.1 Trade payables

Included herein is the amount due to the followings:

	GROUP	
	2020 RM	2019 RM
KH-Base Engineering Sdn. Bhd.	2,953,110	11,748,921
Hoon Teik Enterprise Sdn. Bhd.	112,731	-

Refer to Note 29 (i) for related party relationship.

The trade payables are non-interest bearing and are normally settled within **14 to 90 days** (2019: 14 to 90 days) credit terms.

21.2 Other payables and accruals

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Other payables	8,456,401	9,830,081	2,853,996	33,526
Accruals	10,673,160	14,854,363	438,662	334,692
Purchaser deposits	1,327,337	3,114,306	-	-
GST payables	148,498	-	-	-
	20,605,396	27,798,750	3,292,658	368,218

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

21. TRADE AND OTHER PAYABLES (CONT'D)

21.2 Other payables and accruals (Cont'd)

GROUP

Included in other payables are the followings:

- (a) An amount of **RM Nil** (2019: RM5,527,500) due to the holding company of the Company.
- (b) An amount of **RM2,235,000** (2019: RM Nil) due to a director of the Company.
- (c) An amount of **RM5,000** (2019: RM Nil) due to KH-Base Engineering Sdn. Bhd., a company in which persons connected to certain directors of the Company, have substantial financial interests.

The amount due are non-trade related, unsecured, non-interest bearing and are repayable on demand.

21.3 Amount due to subsidiaries

COMPANY

The amount due to subsidiaries is non-trade related, unsecured, non-interest bearing and is repayable on demand.

22. REVENUE

22.1 Disaggregated revenue information

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Types of goods or service				
Property development revenue	54,066,120	68,577,499	-	-
Construction contract revenue	35,824,752	73,432,630	-	-
Sales of completed development units	48,246,888	64,537,412	-	-
Waste management services income	17,093,598	17,445,213	-	-
Solar energy income	14,487,612	10,718,500	-	-
Trading sales	617,294	7,263,887	-	-
Manufacturing income	19,907	707,498	-	-
Gross rental income	811,310	664,374	-	-
Interest income	7,060	67,225	-	-
Management fee income	-	-	3,883,493	4,309,422
Total revenue from contracts with customers	171,174,541	243,414,238	3,883,493	4,309,422
Geographical markets				
Malaysia, representing total revenue from contracts with customers	171,174,541	243,414,238	3,883,493	4,309,422
Timing of revenue recognition				
At a point in time	81,283,669	101,404,109	3,883,493	4,309,422
Over time	89,890,872	142,010,129	-	-
Total revenue from contracts with customers	171,174,541	243,414,238	3,883,493	4,309,422

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

22. REVENUE (CONT'D)

22.2 Contract balances

	GROUP	
	2020 RM	2019 RM
Trade receivables (Note 13)	51,098,419	47,808,078
Contract assets (Note 15)	31,626,446	64,357,286
Contract liabilities (Note 15)	23,418,637	8,799,168

22.3 Performance obligations

Group

(i) Sales of properties

For sale of development units under development, the performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

For sale of completed properties the performance obligation is satisfied upon delivery of the properties.

(ii) Construction contract

For revenue from construction contract, the performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(iii) Provision of waste management services

Revenue is recognised based on the invoiced value of the weight of waste disposed computed at a pre-determined rate.

(iv) Sale of electricity generated from solar plant

Revenue from sale of electricity is recognised as and when the electricity is generated to the off-taker, based on the invoiced value of sale of electricity computed at a pre-determined rate.

(v) Others

The performance obligations of the other sources of revenue is disclosed in Note 3.12 to the financial statements.

23. DIRECT COSTS

	GROUP	
	2020 RM	2019 RM
Property development costs	47,764,122	83,261,636
Construction contract costs	30,200,011	51,387,090
Cost of completed development units	35,175,139	31,247,953
Waste management expenses	15,631,156	18,515,470
Solar energy costs	7,516,630	6,113,998
Trading costs	290,373	6,879,446
Cost of goods manufactured	455,872	775,598
Rental expenses	353,105	487,235
	137,386,408	198,668,426

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

24. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
After charging:				
Allowance for expected credit losses	151,684	660,547	-	-
Auditors' remuneration				
- statutory audit	192,800	192,300	30,000	30,000
- (over)/under provision in prior year	(4,000)	1,000	-	-
- other services	4,000	5,000	3,000	3,000
Bad debts	171,248	-	161,157	-
Depreciation				
- property, plant and equipment	7,932,970	7,143,069	16,205	16,761
- investment properties	395,794	374,646	-	-
- right-of-use asset	285,030	-	-	-
Directors' remuneration for non-executive directors				
- emoluments	12,000	12,000	12,000	12,000
- fees	120,000	78,000	120,000	78,000
Fair value loss on quoted investments	799	4,433	-	-
Impairment loss				
- inventory properties	7,133,797	-	-	-
- investment in an associate	1,200,030	2,072	-	-
- property, plant and equipment	1,138	-	-	-
Interest expense ⁽ⁱ⁾	10,887,807	9,578,195	-	-
(Reversal)/Addition of inventory properties written down	(307,608)	2,563,710	-	-
Inventories written off	272,692	377,597	-	-
Loss on disposal of property, plant and equipment	-	3	-	-
Loss on fair value adjustment on trade payables	533,090	-	-	-
Loss on fair value adjustment on trade receivables	-	927,359	-	-
Preliminary expenses	7,200	-	-	-
Property, plant and equipment written off	10,519	267,694	-	-
Realised loss on foreign exchange	490,000	-	-	-
Rental of land and buildings	54,590	503,270	232,170	233,520
Rental of machinery	3,788,577	3,740,821	-	-
Rental of motor vehicles	138,039	147,060	-	-
Staff costs ⁽ⁱⁱ⁾	13,505,646	12,394,242	2,041,181	2,545,150
Unrealised loss on foreign exchange	-	1,947,300	-	-

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

24. (LOSS)/PROFIT BEFORE TAX (CONT'D)

This is arrived at: (Cont'd)

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
And crediting:				
Deemed gain on deconsolidation of a subsidiary	95,257	-	-	-
Gain on disposal of property, plant and equipment	394	157	-	-
Gain on fair value adjustment in trade payables	-	1,126,003	-	-
Gain on fair value adjustment in trade receivables	368,492	-	-	-
Interest income	363,153	589,085	-	-
Rental income	74,100	801,174	-	-
Unrealised gain on foreign exchange	1,022,136	-	-	-
(i) Interest expense				
- bank overdraft	1,733,315	1,138,495	-	-
- banker's acceptance	2,933,792	2,861,535	-	-
- lease liability (accretion of interest)	134,970	-	-	-
- term loan	10,835,041	11,682,628	-	-
- revolving credit	1,138,323	517,062	-	-
- finance lease	28,662	24,418	-	-
- others	30,121	33,552	-	-
	16,834,224	16,257,690	-	-
Less: Capitalised in inventory properties (Note 7)	(5,946,417)	(6,679,495)	-	-
	10,887,807	9,578,195	-	-
(ii) Staff costs				
- Salaries, wages, allowance and bonus	15,121,571	13,673,934	1,801,659	2,245,163
- EPF	1,277,278	1,284,306	154,203	200,441
- EIS	10,726	11,027	1,737	1,898
- SOCSO	113,180	110,940	16,872	20,614
- Other staff related expenses	230,753	212,813	66,710	77,034
	16,753,508	15,293,020	2,041,181	2,545,150
Less: Capitalised in construction contract costs	(2,472,250)	(2,898,778)	-	-
Property, plant and equipment	(775,612)	-	-	-
	13,505,646	12,394,242	2,041,181	2,545,150

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

24. (LOSS)/PROFIT BEFORE TAX (CONT'D)

Directors' remuneration

Included in the staff costs of the Group and of the Company is the aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries as shown below:

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Executive directors of the Company:				
- Salaries, allowance and bonus	3,096,730	3,452,500	226,260	684,460
- EPF	100,873	167,740	12,936	43,829
	3,197,603	3,620,240	239,196	728,289
Benefits-in-kind	67,317	80,393	10,560	16,560
	3,264,920	3,700,633	249,756	744,849
Executive directors of subsidiaries:				
- Salaries, allowance and bonus	2,358,639	1,864,900	-	-
- EPF	283,920	225,532	-	-
	2,642,559	2,090,432	-	-
Benefits-in-kind	91,536	56,948	-	-
	2,734,095	2,147,380	-	-
Total executive directors' remuneration	5,999,015	5,848,013	249,756	744,849
The directors' remuneration can be further analysed as:				
Present directors				
- Executive	5,337,856	5,848,013	218,497	744,849
Past director				
- Executive	661,159	-	31,259	-
	5,999,015	5,848,013	249,756	744,849

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

25. TAXATION

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(5,051,344)	(6,902,596)	(257,000)	(249,000)
- Deferred tax relating to the origination and reversal of temporary differences	1,658,352	(573,520)	-	-
	(3,392,992)	(7,476,116)	(257,000)	(249,000)
Over/(Under) provision in prior year				
- Current tax	(173,653)	1,803,458	(745)	(8,284)
- Deferred tax	638,991	26,985	-	-
	465,338	1,830,443	(745)	(8,284)
	(2,927,654)	(5,645,673)	(257,745)	(257,284)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Loss/(Profit) before tax	(2,537,188)	12,396,188	121,800	4,512
Add:				
- Share of results of associates	(1,828)	8,086	-	-
- Share of results of a joint venture	120,508	39,599	-	-
	(2,418,508)	12,443,873	121,800	4,512
Statutory tax rate of 24%	580,442	(2,986,530)	(29,232)	(1,083)
Income not subject to tax	144,483	766,801	29,232	-
Expenses not deductible for tax purposes	(4,235,994)	(4,904,996)	(257,000)	(247,917)
Real property gains tax on investment properties	26,365	26,365	-	-
Deferred tax assets recognised on unabsorbed tax losses and unabsorbed allowances	81,000	-	-	-
Net deferred tax movement not recognised	(788)	(389,256)	-	-
Annual crystallisation of deferred tax on revaluation surplus	11,500	11,500	-	-
	(3,392,992)	(7,476,116)	(257,000)	(249,000)
Over/(Under) provision in prior years	465,338	1,830,443	(745)	(8,284)
	(2,927,654)	(5,645,673)	(257,745)	(257,284)

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

26. (LOSS)/EARNINGS PER SHARE (SEN)

GROUP

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as below:

	2020	2019
(Loss)/Profit attributable to owners of the Company (RM)	<u>(6,142,614)</u>	<u>7,561,051</u>
Weighted average number of ordinary shares in issue	<u>112,395,018</u>	<u>112,395,018</u>
Basic (loss)/earnings per share (sen)	<u>(5.47)</u>	<u>6.73</u>

(b) Diluted (loss)/earnings per share

There is no diluted (loss)/earnings per share as the Company does not have any convertible financial instruments as at end of the reporting period.

27. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segment. No geographical segment information has been presented as the Group's activities and customers are all based in Malaysia.

Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets, revenue and expenses.

Business Segments

The Group comprises the following main business segments:

- | | |
|--------------------------|--|
| (1) Construction | Construction of industrial, residential and commercial building and renovation works. |
| (2) Property development | Housing and property development. |
| (3) Trading | Trading of construction materials. |
| (4) Property letting | Property letting. |
| (5) Waste management | Provision of waste management services, green waste management activity and wood shredding activity. |
| (6) Solar energy | Generation of electricity from solar plant. |
| (7) Investment holding | Investment holding. |
| (8) Others | Manufacturing and advisory services. |

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

27. SEGMENTAL INFORMATION (CONT'D)

	Construction RM	Property development RM	Trading RM	Property letting management RM	Waste management RM	Solar energy RM	Investment holding RM	Others RM	Elimination RM	Note	Total RM
2020											
Revenue from											
External customers	12,365,192	125,779,629	617,294	811,310	17,093,598	14,487,612	-	19,906	-		171,174,541
Inter-segment	99,275,901	-	25,202,753	577,547	-	-	4,855,410	112,350	(130,023,961)	A	-
Total revenue	111,641,093	125,779,629	25,820,047	1,388,857	17,093,598	14,487,612	4,855,410	132,256	(130,023,961)		171,174,541
Result											
Segment results	1,288,793	2,809,235	106,715	460,541	(617,550)	5,294,582	521,403	(272,591)	(3,412,754)		6,178,374
Unallocated income	-	-	-	-	-	-	-	-	-		2,290,925
Profit from operations	-	-	-	-	-	-	-	-	-		8,469,299
Interest expense	-	-	-	-	-	-	-	-	-		(10,887,807)
Share of results of an associate	-	-	-	-	-	-	-	-	-		1,828
Share of results of a joint venture	-	-	-	-	-	-	-	-	-		(120,508)
Profit before taxation	-	-	-	-	-	-	-	-	-		(2,537,188)
Taxation	-	-	-	-	-	-	-	-	-		(2,927,654)
Loss for the financial year	-	-	-	-	-	-	-	-	-		(5,464,842)
Assets											
Segment assets	104,577,187	227,909,666	593,325	14,311,010	62,759,803	121,337,607	4,111,943	17,322	-		535,617,863
Investment in associates	-	2,655,670	-	-	-	-	605,392	-	-		3,261,062
Investment in a joint venture	-	536,367	-	-	-	-	-	-	-		536,367
Tax recoverable	54,500	35,264	-	-	226,150	-	-	-	-		315,914
Fixed deposits with licensed banks	327,303	5,988,173	-	-	1,308,587	2,899,863	-	-	-		10,523,926
Cash and bank balances	3,130,647	9,311,338	-	4,466	2,889,235	1,963,302	9,499	-	-		17,308,487
Deferred tax assets	1,426,374	2,175,602	-	-	-	-	-	-	-		3,601,976
Total assets	109,516,011	248,612,080	593,325	14,315,476	67,183,775	126,200,772	4,726,834	17,322	-		571,165,595
Liabilities											
Segment liabilities	60,507,169	14,717,998	15,672,133	224,667	12,119,538	8,055,631	3,298,057	23,500	-		114,618,693
Borrowings	65,265,131	144,401,183	614,691	-	3,767,940	102,082,144	-	-	-		316,131,089
Provision for taxation	(125,988)	1,313,709	-	14,636	-	7,120	101,639	-	-		1,311,116
Deferred tax liabilities	-	668,694	-	-	-	470,000	-	-	-		1,138,694
Total liabilities	125,646,312	161,101,584	16,286,824	239,303	15,887,478	110,614,895	3,399,696	23,500	-		433,199,592
Other information											
Capital expenditure	182,210	2,876	-	-	14,023,766	20,180,350	9,250	-	-	B	34,398,452
Depreciation	343,639	143,386	-	395,794	2,659,078	5,147,074	16,205	18,620	-	C	8,723,796
Non-cash expenses other than depreciation	217,951	7,023,560	-	-	101,007	-	184,580	272,692	-		7,799,790

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 August 2020

27. SEGMENTAL INFORMATION (CONT'D)

2019	Construction RM	Property development RM	Trading RM	Property letting RM	Waste management RM	Solar energy RM	Investment holding RM	Others RM	Elimination RM	Note	Total RM
Revenue from											
External customers	97,450,550	109,199,972	7,263,887	628,619	17,445,213	10,718,500	-	707,497	-		243,414,238
Inter-segment	20,499,771	33,908,559	20,957,455	530,367	-	-	6,663,480	62,096	(82,621,728)	A	-
Total revenue	117,950,321	143,108,531	28,221,342	1,158,986	17,445,213	10,718,500	6,663,480	769,593	(82,621,728)		243,414,238
Result											
Segment results	8,565,520	8,181,964	335,051	416,741	(3,806,736)	2,634,580	136,820	63,439	3,870,231		20,397,610
Unallocated income											1,624,458
Profit from operations											22,022,068
Interest expense											(9,578,195)
Share of results of an associate											(8,086)
Share of results of a joint venture											(39,599)
Profit before taxation											12,396,188
Taxation											(5,645,673)
Profit for the financial year											6,750,515
Assets											
Segment assets	83,826,139	276,150,648	3,054,508	16,089,708	53,255,558	101,951,370	1,354,975	574,133	-		536,257,039
Investment in associates	-	3,855,700	-	-	-	-	603,564	-	-		4,459,264
Investment in a joint venture	-	656,875	-	-	-	-	-	-	-		656,875
Tax recoverable	98,000	515,119	-	-	118,305	14,400	-	-	-		745,824
Fixed deposits with licensed banks	318,822	8,184,519	-	-	1,275,894	3,005,288	-	-	-		12,784,523
Cash and bank balances	1,371,895	2,980,548	-	14,186	1,388,477	1,021,812	4,918	1,065	-		6,782,901
Deferred tax assets	1,578,505	-	-	-	-	-	-	-	-		1,578,505
Total assets	87,193,361	292,343,409	3,054,508	16,103,894	56,038,234	105,992,870	1,963,457	575,198	-		563,264,931
Liabilities											
Segment liabilities	43,012,013	30,089,320	10,940,029	226,768	7,271,675	2,077,406	373,959	6,098	-		93,997,268
Borrowings	69,730,548	157,051,977	1,981,086	-	7,581,529	84,378,195	-	-	-		320,723,335
Provision for taxation	5,284,544	(1,648,440)	-	13,496	-	-	114,821	-	-		3,764,421
Deferred tax liabilities	37,121	1,375,445	-	-	-	-	-	-	-		1,412,566
Total liabilities	118,064,226	186,868,302	12,921,115	240,264	14,853,204	86,455,601	488,780	6,098	-		419,897,590
Other information											
Capital expenditure	1,209,588	7,654	-	-	9,364,977	9,839,813	-	-	-	B	20,422,032
Depreciation	369,565	156,115	-	374,646	2,752,550	4,030,580	16,761	-	-		7,700,217
Non-cash expenses other than depreciation	3,275,093	1,068,771	-	-	1,278,776	-	47,685	-	-	C	5,670,325

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

27. SEGMENTAL INFORMATION (CONT'D)

Notes to segment information:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consists of property, plant and equipment.
- C Other material non-cash expenses/(income) consist of the following items:

	2020 RM	2019 RM
Allowance for expected credit losses	151,684	660,547
Bad debts	171,248	-
Deemed gain on deconsolidation of a subsidiary	(95,257)	-
Fair value loss on quoted investments	799	4,433
(Gain)/Loss on disposal of property, plant and equipment	(394)	3
Gain on fair value adjustment on trade payables	-	(1,126,003)
Gain on fair value adjustment on trade receivables	(368,492)	-
Impairment loss on inventory properties	7,133,797	-
Impairment loss on investment in an associate	1,200,030	-
Impairment loss on property, plant and equipment	1,138	-
(Reversal)/Addition of inventory properties written down	(307,608)	2,563,710
Inventories written off	272,692	377,597
Loss on fair value adjustment on trade payables	533,090	-
Loss on fair value adjustment on trade receivables	-	927,359
Property, plant and equipment written off	10,519	267,694
Share of results of associates	(1,828)	8,086
Share of results of a joint venture	120,508	39,599
Unrealised (gain)/loss on foreign exchange	(1,022,136)	1,947,300
	<u>7,799,790</u>	<u>5,670,325</u>

28. CAPITAL COMMITMENTS

	GROUP	
	2020 RM	2019 RM
Property, plant and equipment		
- Approved but not contracted	52,685,438	25,484,458
Development land		
- Contracted and not provided for	261,253	261,253
	<u>52,946,691</u>	<u>25,745,711</u>

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

29. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Company has related party relationship with its subsidiaries and associates whilst the Group has related party relationship with its key management personnel and the following companies:

Related party	Relationship
Hoon Teik Enterprise Sdn. Bhd.	: A company in which certain directors of the Company, have substantial financial interests.
KH-Base Engineering Sdn. Bhd.	: A company in which persons connected to certain directors of the Company, have substantial financial interests.
Northern Guide Properties Sdn. Bhd.	: A company in which a director of certain subsidiaries, has substantial financial interest.
Global Jayamaju Sdn. Bhd.	: A company in which the major shareholder is a close member of certain directors of a subsidiary.

(ii) Related party transactions

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Transactions with subsidiaries:				
- Administrative expenses paid	-	-	(150,156)	(282,713)
- Administrative fee received	-	-	1,123,404	714,691
- Management fee income received	-	-	3,883,493	4,033,507
- Rental expenses paid	-	-	(213,600)	(213,600)
Transactions with an associate:				
Progress billings to				
- Desanova Development Sdn. Bhd.	52,207	168,224	-	-
Transactions with related parties:				
Administrative expenses charge to				
- KH-Base Engineering Sdn. Bhd.	1,175	5,917	-	-
Brokerage fees paid to				
- Northern Guide Properties Sdn. Bhd.	(142,283)	-	-	-
Sale of construction materials to				
- KH-Base Engineering Sdn. Bhd.	92,041	6,717,390	-	-
Purchases of construction materials from				
- Hoon Teik Enterprise Sdn. Bhd.	(612,562)	(1,233,598)	-	-

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

29. RELATED PARTY DISCLOSURES (CONT'D)

(ii) Related party transactions (Cont'd)

	GROUP		COMPANY	
	2020 RM	2019 RM	2020 RM	2019 RM
Progress billings from				
- KH-Base Engineering Sdn. Bhd.	(4,235,946)	(2,330,349)	-	-
Progress billings to				
- KH-Base Engineering Sdn. Bhd.	5,510,572	-	-	-
Professional fee paid to				
- Global Jayamaju Sdn. Bhd.	(162,772)	(135,340)	-	-
Reimbursement costs charged to				
- KH-Base Engineering Sdn. Bhd.	1,004,769	-	-	-

(iii) Compensation of key management personnel

The Group and the Company have no other members of key management personnel apart from the Board of Directors which compensation has been shown in Note 24.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2020			
Financial assets			
Other investments	2,356	-	2,356
Receivables and refundable deposits	56,607,360	56,607,360	-
Fixed deposits with licensed banks	10,523,926	10,523,926	-
Cash and bank balances	17,308,487	17,308,487	-
	84,442,129	84,439,773	2,356
Financial liabilities			
Borrowings	316,131,089	316,131,089	-
Payables and accruals	84,237,402	84,237,402	-
	400,368,491	400,368,491	-

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2019			
Financial assets			
Other investments	3,155	-	3,155
Receivables and refundable deposits	53,427,873	53,427,873	-
Fixed deposits with licensed banks	12,784,523	12,784,523	-
Cash and bank balances	6,782,901	6,782,901	-
	<u>72,998,452</u>	<u>72,995,297</u>	<u>3,155</u>
Financial liabilities			
Borrowings	320,723,335	320,723,335	-
Payables and accruals	82,083,794	82,083,794	-
	<u>402,807,129</u>	<u>402,807,129</u>	<u>-</u>
COMPANY			
2020			
Financial assets			
Receivables and refundable deposits	89,220,099	89,220,099	-
Cash and bank balances	8,403	8,403	-
	<u>89,228,502</u>	<u>89,228,502</u>	<u>-</u>
Financial liabilities			
Payables and accruals	36,759,777	36,759,777	-
2019			
Financial assets			
Receivables and refundable deposits	81,833,690	81,833,690	-
Cash and bank balances	3,802	3,802	-
	<u>81,837,492</u>	<u>81,837,492</u>	<u>-</u>
Financial liabilities			
Payables and accruals	26,461,828	26,461,828	-

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transaction.

30.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to the subsidiaries.

30.3.1 Trade receivables

The Group and the Company do not have any significant exposure to any individual customer. The maximum exposure to credit risk of trade receivables is represented by their carrying amounts disclosed in Note 13 to the financial statements.

Credit risk in the property development activity is negligible as sales are normally to purchasers who have obtained financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as stipulated in the sale and purchase agreements. For those sales on a cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered upon full payments. This is the normal industry practice.

As for the Group's other business segments, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness in deciding whether credit shall be extended. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses. The ECL calculated by the Group are not material under MFRS 9 and hence it is not provided for.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Credit risk (Cont'd)

30.3.1 Trade receivables (Cont'd)

The ageing of trade receivables and expected loss allowance of the Group is as follows:

	Gross RM	Loss allowance RM	Net RM
2020			
Not past due	45,748,248	-	45,748,248
1 to 30 days past due	765,275	-	765,275
31 to 60 days past due	764,069	-	764,069
61 to 90 days past due	220,660	-	220,660
Past due more than 91 days	3,600,167	-	3,600,167
	5,350,171	-	5,350,171
Individually impaired	864,606	(864,606)	-
	51,963,025	(864,606)	51,098,419
2019			
Not past due	36,275,348	-	36,275,348
1 to 30 days past due	2,233,017	-	2,233,017
31 to 60 days past due	1,060,039	-	1,060,039
61 to 90 days past due	312,781	-	312,781
Past due more than 91 days	7,926,893	-	7,926,893
	11,532,730	-	11,532,730
Individually impaired	856,509	(856,509)	-
	48,664,587	(856,509)	47,808,078

Receivables that are individually impaired

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

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Credit risk (Cont'd)

30.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the performance of the subsidiaries regularly.

The maximum exposure to credit risk is represented by its carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

30.3.3 Financial guarantees

The Company has issued unsecured financial guarantees to licensed banks for banking facilities granted to certain subsidiaries and unsecured performance guarantees to unrelated parties for performance of contracts by certain subsidiaries as follows:

	2020	2019
	RM	RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	423,118,000	447,218,000
- Maximum exposure	315,589,310	318,342,320
Corporate guarantees issued to financial institutions for bank guarantee facilities granted to certain subsidiaries for contract bond in favour of third parties	5,442,554	7,996,417
Performance guarantees issued to third parties for performance of contracts for works by certain subsidiaries	6,066,808	5,906,170

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment and/or could not perform the contracts for works in accordance with the contracts' terms.

30.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
GROUP						
2020						
Interest bearing borrowings	316,131,089	358,753,074	136,848,946	67,355,651	59,729,802	94,818,675
Payables and accruals	84,237,402	84,829,896	78,310,147	483,632	6,036,117	-
Lease liability	5,486,819	8,085,000	420,000	420,000	1,260,000	5,985,000
	405,855,310	451,667,970	215,579,093	68,259,283	67,025,919	100,803,675
2019						
Interest bearing borrowings	320,723,335	424,911,332	124,445,462	49,330,816	106,248,566	144,886,488
Payables and accruals	82,083,794	83,215,609	70,298,269	7,514,852	5,402,488	-
	402,807,129	508,126,941	194,743,731	56,845,668	111,651,054	144,886,488
COMPANY						
2020						
Payables and accruals	36,759,777	36,759,777	36,759,777	-	-	-
* Financial guarantees	-	327,098,672	327,098,672	-	-	-
	36,759,777	363,858,449	363,858,449	-	-	-
2019						
Payables and accruals	26,461,828	26,461,828	26,461,828	-	-	-
* Financial guarantees	-	332,244,907	332,244,907	-	-	-
	26,461,828	358,706,735	358,706,735	-	-	-

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair values due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period is as follows:

	2020	2019
	RM	RM
Fixed rate instruments		
Financial assets	10,523,926	12,784,523
Financial liabilities	541,779	739,683
Floating rate instruments		
Financial liabilities	315,589,310	319,983,652

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased profit before taxation by **RM549,718** (2019: RM450,277) and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

30.6 Foreign currency exchange risk

The Group is exposed to foreign currency fluctuations as a result of borrowing denominated in United States Dollar ("USD"). The Group maintains bank account denominated in USD to facilitate the repayment of borrowing denominated in USD. This provides some form of natural hedge against adverse foreign exchange fluctuations.

A 10% strengthening of the RM against the USD at the end of the reporting period would increase the Group's profit by **RM6,178,260** (2019: RM7,123,332) and a corresponding weakening would have an equal but opposite effect. This analysis confines to the carrying amounts of financial assets and liabilities denominated in USD as at the end of the reporting period and assumes that all other variables remain constant.

31. FAIR VALUE MEASUREMENT

31.1 Fair value measurement of financial instruments

The carrying amounts of the Group's and the Company's financial assets (other than investments in quoted financial instruments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature. The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

The fair value of the non-current portion of trade receivable and trade payable is estimated by discounting expected cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

31. FAIR VALUE MEASUREMENT (CONT'D)

31.2 Fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
2020				
Investment properties	-	24,060,000	-	24,060,000
2019				
Investment properties	-	24,060,000	-	24,060,000
Fair value				

The fair value for investment properties for disclosure purposes is categorised under Level 2 of the fair value hierarchy (refer to Note 2.2 to the financial statement for definition of fair value hierarchy). The fair value is derived based on appraisal performed by independent professional valuers using the sales comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, age and condition of the building. The most significant input into this valuation approach is price per square foot of comparable properties.

31.3 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Fair value of financial instruments			Total RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
GROUP					
2020					
Financial assets					
Quoted shares	2,356	-	-	2,356	2,356
2019					
Financial assets					
Quoted shares	3,155	-	-	3,155	3,155

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 during the financial year.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

A licensed bank with which a subsidiary of the Company obtained overdraft facility had imposed a debt covenant that requires the Group to maintain a gearing ratio of not more than 3 times throughout the tenure of the facility.

The directors monitor and maintain an optimal gearing ratio that complies with the debt covenant and other regulatory requirements.

As at the end of the reporting period, the gearing ratio of the Group is as follows:

	2020	2019
	RM	RM
Total borrowings	316,131,089	320,723,335
Total equity	137,966,003	143,367,341
Gearing ratio (times)	2.29	2.24

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

- (i) On 21 February 2020, the Company had entered into a conditional joint development agreement ("JDA") with the Government of the State of Penang and Penang Development Corporation ("PDC") to undertake the following:
- the safe rehabilitation of the existing dumpsite for the disposal of various types of waste on the land measuring approximately eighty four (84) acres located in Jelutong, Penang along Lebuhraya Tun Dr Lim Chong Eu ("Existing Area") and the additional area in excess of the existing area to be rehabilitated by the Company as required and approved by the relevant authorities ("Rehabilitation Works") and to secure the perimeters for the purpose of the Company carrying out and completing the Rehabilitation Works ("Additional Area");
 - the construction and operation of a new integrated recycling centre for receiving, sorting and recovery of construction and demolition, green and excavation waste only and the preparation thereof for reuse or recycling. The centre is to be located on a site to be procured and acquired by the Company;
 - the development comprising residential, commercial and tourism projects to be constructed on PLB's Entitled Land (i.e., 75% and 70% of the Existing Area and Additional Area respectively which has been rehabilitated by the Company).

In conjunction with the JDA entered above, the Company had subsequently on 20 March 2020 entered into a Memorandum of Understanding ("MOU") with China Railway Engineering Corporation (M) Sdn. Bhd. ("CRECM") to establish a basis of collaboration for the engineering, procurement and construction work for the Rehabilitation Works. Pursuant to the MOU, CRECM will receive 90% of PLB's Entitled Land as settlement for undertaking, management, implementation and construction of the Rehabilitation Works.

Notes To The Financial Statements (Cont'd)

For The Financial Year Ended 31 August 2020

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

On 19 October 2020, the Company had applied to PDC for an extension of time of up to four (4) months to, amongst others, fulfil the conditions precedent of the JDA. The conditions precedent are as follows:

- the Company obtained approvals from all relevant authorities including Environmental Impact Assessment, Traffic Impact Assessment and Social Impact Assessment for the Rehabilitation Works, not later than eighteen (18) months from the date of the JDA;
- the Company obtained the approval of its shareholders in an EGM to be convened not later than nine (9) months from the date of the JDA.

Subsequently, the Company had appointed Henry Butcher Malaysia (Penang) Sdn. Bhd., an independent registered valuer, to conduct a valuation on PLB's Entitled Land which was estimated to be at RM779 million prior to Rehabilitation Works being carried out.

As at the date of this report, the decision on the approval of the application for extension of time is still pending from PDC.

- (ii) On 9 June 2020, PLBT had entered into a MOU with Welle Environmental & Renewable Energy Sdn. Bhd. ("Welle") to set up a Municipal Solid Waste To Energy Plant ("WTE Plant") with a capacity of 1,000 metric tons per day in the State of Penang, Malaysia.

As at the date of this report, there is no material development on the status of this MOU entered into with Welle.

- (iii) The World Health Organisation declared the 2019 Novel Coronavirus outbreak ("COVID-19") a pandemic on 11 March 2020. This was followed by our government issuing a Gazetted Order known as the Movement Control Order ("MCO") which was effective for the period from 18 March 2020 to 3 May 2020 and Conditional Movement Control Order ("CMCO") from 4 May 2020 to 9 June 2020. Subsequently, Recovery Movement Control Order ("RMCO") was gazetted which is effective for the period from 10 June 2020 to 31 December 2020.

This pandemic has significantly disrupted many business operations and caused uncertainties around the world including the Group's operations. The Group's revenue has been affected mainly because the property and construction divisions could not operate during the MCO.

The Group have also identified construction contracts which are behind the planned schedule due to the disruption of operation and applied for Extension of Time from customers. Consensus was reached with customers that the delay will not result in Liquidated Ascertained Damages claim against the Group.

The Group's property development division is not expected to be significantly affected by the pandemic. This is because with the enactment of COVID-19 Act by the Malaysian Government, the period from 18 March 2020 to 31 August 2020 shall be disregarded in the calculation of the time of delivery of vacant possession to property purchasers. The Group had applied for this extension of time. The Group has planned for ongoing development projects to be completed as scheduled and purchasers to take possession within the stipulated time frame.

Nevertheless, the Group will continue to monitor the situation surrounding the pandemic closely so as to enable the Group to formulate measures in a swift and decisive manner to any potential impact arising from the pandemic.

Group List Of Properties

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
1) <u>PLB-KH BINA SDN BHD</u>							
No.3A-07-01, Wisma Sri Weld, Pengkalan Weld, 10300 Penang	Office Lot/Vacant	1/7/1996	Freehold	2,106 sq.ft.	368,000	26.5	23.5
No.3A-07-04, Wisma Sri Weld, Pengkalan Weld, 10300 Penang	Office Lot/Vacant	1/7/1996	Freehold	1,673 sq.ft.	293,600	26.5	23.5
Flat unit known as Parcel No.5, 4th Floor erected on part of the land known as Grant No.33173, Lot 4640, Mukim 1, Province Wellesley, Central Penang. (4-05, Jalan Kurau, Taman Chai Leng 13700 Perai, Penang)	Flat/Rented	1/7/1996	Freehold	678 sq.ft.	111,800	26.5	23.5
Parcel unit No.12, 1st Floor, Jalan Sempilai, Wisma Sempilai Jaya, 13700 Perai, Penang.	Office/Rented	26/10/1995	Freehold	1,778 sq.ft.	205,000	27	23
Grant (First Grade) No. Lot No. 1044, Section 4, Town of Butterworth, Province Wellesley North Penang. (No.2, Jalan Telekom, 12000 Butterworth, Penang)	5-Storey Building/ Partially Rented	1/7/1996	Freehold	4,199 sq.ft/ 16,558 sq.ft.	3,261,595	26.5	23.5
H.S. (D) No.84 P.T. No PTB/A/076 Section 4, Town of Butterworth, Province Wellesley, North Penang (No.35 Tingkat Limbungan 1, Off Jalan Chain Ferry, 12100 Butterworth, Penang)	2-Storey Building/ Rented	1/7/1996	Freehold	1,690 sq.ft./ 3,000 sq.ft.	314,641	26.5	23.5
Suite No.1102, Tower No. Block B, Wisma Pantai, Plaza Pantai, Kuala Lumpur. (Suite B-11-1, Wisma Pantai, No.5, Jalan 4/83A Off Jalan Pantai Bahru 59200 Kuala Lumpur)	Office Lot/Rented	7/5/1996	Freehold	1,470 sq.ft.	565,446	29	21
H.S. (M) 211/1982, Plot No.30, Mukim of Sungai Pasir, District of Kuala Muda, Kedah.	Industrial land/ Partially Rented	16/4/2001	Leasehold land for 60 years expiry on 30.07.2043	174,246 sq. ft./ 1,400 sq. ft.	1,351,775	23	37
64, Jalan Seroja 1/2, Persiaran Amanjaya 2, 08000 Amanjaya, Kedah.	Shop office/Vacant	24/11/1998	Freehold	2,800 sq. ft	281,286	30	20
6-02, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	79,900	30	20
9-03, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	79,900	30	20

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
9-04, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	79,900	30	20
A-G-03, Blk A, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600, Lot 950 & 380, Mukim 6, S.P.T, Penang	Shoplot/Vacant	21/6/2002	Freehold	473 sq. ft	65,200	31	19
A-G-04, Blk A, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600, Lot 950 & 380, Mukim 6, S.P.T, Penang	Shoplot/Vacant	21/6/2002	Freehold	473 sq. ft	65,200	31	19
Parcel 12, GF, Low Cost Shoplot (Katsura), Geran 35138, Lot 2205, Mukim 5, SPU, Penang. (Address : G-12-A, Jalan Sintuk 1, Taman Permatang Sintuk, 13100 Penaga, Penang.)	Shoplot/Vacant	21/6/2005	Freehold	1,162.08 sq ft	150,000	34	16
Parcel 13, GF, Low Cost Shoplot (Katsura), Geran 35138, Lot 2205, Mukim 5, SPU, Penang. (Address : G-12A-A, Jalan Sintuk 1, Taman Permatang Sintuk, 13100 Penaga, Penang.)	Shoplot/Vacant	21/6/2005	Freehold	1,162.08 sq ft	150,000	34	16
No. Shop 5, LG-Block A, GM550, Lot No. 18 in Mukim 13, North East District, Penang. (Add: No 9A-G-5, Taman Sri Idaman, Lorong Semarak Api 3, 11500 Pulau Pinang)	Shoplot/Vacant	2/07/2004	Freehold	45.56 sq. meter	135,300	33	17
No. Shop 6, LG-Block A, GM550, Lot No. 18 in Mukim 13, North East District, Penang. (Add: No 9A-G-6, Taman Sri Idaman, Lorong Semarak Api 3, 11500 Pulau Pinang)	Shoplot/Rented	2/7/2004	Freehold	45.56 sq. meter	135,300	33	17
Geran Mukim No. Hakmilik 2789 Lot No. 10486, Mukim 13, Tempat Pantai Jerjak, Daerah Timur Laut, Negeri Pulau Pinang. (Address: No. 36, Lintang Pantai Jerejak 3, Taman Jerejak Indah, 11700 Gelugor, Penang.)	Double Storey Semi-Detached House/Vacant	7/10/2008	Freehold	208 sq. meter/ 175 sq. meter	1,317,330	38	12
Lot PT666, Taman Sungai Kob, Mukim Karangan, Daerah Kulim, Negeri Kedah under H.S.(M) 231/1993	Vacant Land (For Bungalow Lot)	1/7/2009	Freehold	318 sq. meter	68,000	-	12
Lot 252, 253, 1962 and 2029, GM Nos. 188, 614, 784 and 1108 Respectively, Mukim 16, District of Seberang Perai Tengah and State of Penang	Vacant Land	29/12/2009	Freehold	45,928.7345 sq. meter	3,909,720	-	11

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
1782, Lot 253, Mukim 16, Bukit Teh, Bukit Mertajam, Seberang Perai Tengah	Single Storey House/Store	4/8/2011	Freehold	1,100 sq. ft/ 660 sq ft	177,292	40	10
Lot 723, Mukim 1, Daerah SPT (No 1321 Jalan Baru, Taman Chai Leng, 13700 Prai)	5-storey building/ Vacant	19/3/2016	Freehold	3,681 sq ft/ 17,028 sq ft	2,718,400	45	5
Lot10434, No 1 Lorong Prestij 7, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Semi Detached/Vacant	27/11/2015	Freehold	5,073 sq.ft 2,156 sq.ft	1,090,200	-	5
Lot10441, No 15 Lorong Prestij 7, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Semi Detached/Vacant	27/11/2015	Freehold	5,073 sq.ft 2,156 sq.ft	1,090,200	-	5
Lot10442, No 16 Lorong Prestij 7, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Semi Detached/Vacant	27/11/2015	Freehold	4,087 sq.ft 2,024 sq.ft	934,800	-	5
Plot 12, No 50 Kuala Jalan Baru, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Shop Office/ Vacant	12/1/2017	Freehold	1,771 sq.ft 3,127 sq. ft	928,000	-	4
Plot 27, No 20 Kuala Jalan Baru, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Shop Office/ Vacant	2/5/2019	Freehold	1,200 sq. ft 179.03 sq. meter	563,500	-	1.5
Plot 29, No 16 Kuala Jalan Baru, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Shop Office/ Vacant	2/05/2019	Freehold	1,200 sq. ft 179.03 sq. meter	563,500	-	1.5
Plot 35, No 2A Kuala Jalan Baru, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Shop Office/ Rented	2/5/2019	Freehold	2.356.44 sq. ft 340.50 sq. meter	928,000	-	1.5
Plot 12, No 23 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	31/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 14, No 27 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/ Vacant	31/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000.00	-	1.5
Plot 15, No 29 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	31/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 16, No 31 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/ Vacant	31/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 19, No 37 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Plot 20, No 39 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 21, No 41 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 24, No 47 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 25, No 49 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 27, No 53 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Plot 29, No 57 Lorong Prestij 2, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
Lot 95, No 45 Lorong Prestij 3, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Double Storey Terence/ Vacant	2/5/2019	Freehold	1,400 sq. ft 1,840 sq. ft	500,000	-	1.5
A-01-02, BLK 5-01-02, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	31/8/2019	Freehold	911 sq. ft	230,000	-	1.5
A-01-07, BLK 5-01-07, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	31/8/2019	Freehold	911 sq. ft	230,000	-	1.5
A-01-10, BLK 5-01-10, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	31/8/2019	Freehold	911 sq. ft	230,000	-	1.5
A-01-12A, BLK 5-01-12A, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	31/8/2019	Freehold	911 sq. ft	230,000	-	1.5
A-01-15, BLK 5-01-15, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	31/8/2019	Freehold	911 sq. ft	230,000	-	1.5
A-01-16, BLK 5-01-16, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	31/8/2019	Freehold	911 sq. ft	230,000	-	1.5
A-02-10, BLK 5-02-10, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-02-12, BLK 5-02-12, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
A-02-12A, BLK 5-02-12A, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-02-16, BLK 5-02-16, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-03-12B, BLK 5-03-12B, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-3A-02, BLK 5-3A-02, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-3A-10, BLK 5-3A-10, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-3A-12, BLK 5-3A-12, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-3A-12A, BLK 5-3A-12A, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-3A-12B, BLK 5-3A-12B, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
A-3A-15, BLK 5-3A-15, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
B-02-05, BLK 3-02-05, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
B-02-09, BLK 3-02-09, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
B-3A-12, BLK 3-3A-12, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
B-05-05, BLK 3-05-05, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	911 sq. ft	230,000	-	1.5
C-01-11, BLK 1-01-11, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	2/5/2019	Freehold	917 sq. ft	230,000	-	1.5
C-01-12A, BLK 1-01-12A, Halaman Prestij, Taman Prestij III, 11000 Balik Pulau, Pulau Pinang	Apartment/ Vacant	31/8/2019	Freehold	917 sq. ft	230,000	-	1.5

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
21 A-07-03, Tingkat Paya Terubong 5, Taman Terubong Indah, 11060 Penang	Flat/Vacant	18/1/2017	Freehold	700 sq.ft	160,000	-	4
21 A-07-04, Tingkat Paya Terubong 5, Taman Terubong Indah, 11060 Penang	Flat/Vacant	18/1/2017	Freehold	700 sq.ft	160,000	-	4
21 B-14-03, Tingkat Paya Terubong 5, Taman Terubong Indah, 11060 Penang	Flat/Vacant	18/1/2017	Freehold	700 sq.ft	160,000	-	4
No 21-1-1, Tingkat Paya Terubong Indah 5, Taman Terubong Indah, 11060, Pulau Pinang (L-01-01)	Light Industry/ Vacant	31/8/2019	Freehold	1,410 sq ft	650,000	-	1.5
No 21-1-2, Tingkat Paya Terubong Indah 5, Taman Terubong Indah, 11060, Pulau Pinang(L-01-02)	Light Industry/ Vacant	31/8/2019	Freehold	1,410 sq ft	650,000	-	1.5
No 21-1-3, Tingkat Paya Terubong Indah 5, Taman Terubong Indah, 11060, Pulau Pinang(L-01-03)	Light Industry/ Vacant	31/8/2019	Freehold	1,283 sq ft	590,000	-	1.5
No 21-3-5, Tingkat Paya Terubong Indah 5, Taman Terubong Indah, 11060, Pulau Pinang (Shop-C-03-03)	Shop Lot/ Vacant	31/8/2019	Freehold	926.99 sq ft	280,000	-	1.5
2) <u>DYNABRICKS SDN BHD</u>							
Lot No. 1283 Mukim 3, Province Wellesley, North Penang.	Agricultural Land	1/7/1996	Leasehold land for 74 years expiring on 31.12.2039	2.19 acres	245,143	19	55
3) <u>PLB LAND SDN BHD</u>							
H.S. (D) No.169 P.T. No PTBM/C.005 Mukim 1, Province Wellesley, Central Penang (No. 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Panang)	5-storey building/ PLB's Corporate Office	1/7/1996	Freehold	7,541 sq.ft./ 33,378 sq.ft.	2,174,200 3,663,737	27	23
Lot No.1594, Section 2, Town of Tanjung Tokong, North East District, Penang. No.12372 P2-02-27 (98-1-27, Prima Tanjung, Jalan Fettes, Bandar Tanjung Tokong 11200 Penang)	2nd levels of a 4-storey building/ Rented	7/1/2000	Freehold	1,283 sq.ft.	653,856	30	20
Lot No.1594, Section 2, Town of Tanjung Tokong, North East District, Penang. No.12372 P2-01-15,P2-02-15,P2-03-15,P2-04-15 & P2-05-15 (98-G-15, 98-1-15, 98-2-15, 98-3-15, 98-3A-15 Prima Tanjung, Jalan Fettes, Bandar Tanjung Tokong 11200 Penang)	Entire 5-storey office building/ Rented	25/5/2000	Freehold	9,561 sq.ft.	3,985,762	30	20

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Lot 4702, Taman Mengkudu Juru, 14000 Bukit Mertajam	Vacant Land	31/8/2006	Freehold	19,867.264 sq ft	1	-	15
Lot 4703, Taman Mengkudu Juru, 14000 Bukit Mertajam	Vacant Land	31/8/2006	Freehold	142,522.656 sq ft	1	-	15
GRN58466 Lot9818, GRN58468 Lot9820, GRN58469 Lot9821, GRN58470 Lot9822, GRN58473 Lot9825, Lot GRN58474 Lot9826 in the Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	14/9/2011	Freehold	59,446 sq meter	27,260,455	-	9
Lot6435 GM1680 and Lot6436 GM1681, MK, 13, N.E.D. Penang	Development Land	9/12/2011	Freehold	9,471 sq meter	13,302,165	-	9
GRN58461 Lot9813, GRN58462 Lot9814, GRN58463 Lot9815, GRN58464 Lot9816, GRN58465 Lot9817, Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	18/2/2013	Freehold	170,361 sq meter	41,361,651	-	8
Phase 2B GRN58460 Lot9812, Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	18/2/2013	Freehold	21,840 sq meter	3,501,454	-	8
Phase 3A GRN58467 Lot9819, Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	18/2/2013	Freehold	30,496 sq meter	196,471,489	-	8
Lot 2174, Lot 2175, Lot 2193, Lot 2194, Lot 2195, Seksyen 12, Bandar Georgetown, Daerah Timur Laut, Pulau Pinang	Development Land	10/4/2013	Freehold	611 sq meter	7,774,422	-	8
Geran 107852 Lot 1814 and Geran 107853 Lot 1815 at Mukim 13, Seberang Perai Utara, Penang	Development Land	7/10/2013	Freehold	195.463 acres	27,046,650	-	7
GRN 23058, Lot 2589, Mukim 8, Seberang Perai Utara, Penang	Development Land	23/3/2014	Freehold	15,448.9321 sq meter	1,968,621	-	7
GM51 Lots 1173, GM357 Lots 796 & GM363 Lots 816 at Mukim 13, Seberang Perai Utara, Penang	Development Land	9/4/2014	Freehold	16,147.863 sq meter	590,788	-	7
GRN 58471 Lot 9823, GRN 58472 Lot 9824, GRN 58475 Lot 9827, GRN 58476 Lot 9828, GRN 58475 Lot 9830, GRN 58479 Lot 9831, GRN 58480 Lot 9832, GRN 58481 Lot 9834, GRN 58482 Lot 9835, GRN 58536 Lot 9836, GRN 58537 Lot 9837, GRN 58538 Lot 9838, GRN 58540 Lot 9841, Mk 13, Daerah Timur Laut, Pulau Pinang	Development Land	27/8/2014	Freehold	75,589 sq meter	15,979,595	-	7

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
GM1117, Lot 1797, Mukim Jabi, Machang Kudung, Daerah Pokok Sena, Kedah.	Development Land	18/2/2016	Freehold	21,881 sq meter	696,969	-	5
BLK 3-G-02, Lorong Prestij 10, Taman Prestij III, Balik Pulau, 11000 Pulau Pinang.	Low Cost Flat / Vacant	29/1/2016	Freehold	650 sq ft	42,000	-	5
No 21-1-23, Tingkat Paya Terubong Indah 5, Taman Terubong Indah, 11060, Pulau Pinang (Canteen)	Canteen/ Vacant	20/1/2017	Freehold	2,189.37 sq ft	120,108	-	4
4) <u>EXCELGRAND PROPERTIES SDN BHD</u>							
Grant No. 104192 Lot No. 6195, Mukim 11, Province Wellesley, South Penang.	Agricultural Land/ Partially Rented	1/7/1996	Freehold	4.73 acres	346,129	-	27
5) <u>ERA PUJAAAN SDN BHD</u>							
Grant (First Grade) No. 26109, 26128 & 26140, Lot No. 11, 49 & 84, Section 5, Town of Bukit Mertajam, Province Wellesley, Central Penang.	Development Land/ Partially Rented	1/7/1996	Freehold	1.282 acres	2,791,979	-	26
6) <u>HEKTAR PUJAAAN SDN BHD</u>							
S.P. 26165 & 26166, Lot Nos. 495 & 496, Mukim of Junjong District of Kulim, Kedah.	Agricultural Land/ Vacant	1/7/1996	Freehold	15.20 acres	859,760	-	29
Grant No. 42087, Lot 347, Mukim of Serdang, District of Bandar Bahru, Kedah.	Agricultural Land/ Vacant	17/12/1996	Freehold	5.67 acres	406,727	-	25
7) <u>GAINTREND SDN BHD</u>							
No. HS (D) 1239, Lot No. 3149, Mukim 13, Daerah S.P.T., Negeri Pulau Pinang. (No. 2, Jalan Industri Beringin, Taman Perindustrian Beringin, 14100 Juru, Penang.)	Double Storey Light Industry Factory/Office, Store and Engineering Works	8/2/1995	Freehold	14,208 sq.ft./ 6,000 sq.ft.	280,378	27	23
Pajakan Negeri No. Pendaftaran 1643, No. Lot 002785, Bandar BW, Seksyen 3, Daerah S.P.U. Penang. (No. 40, Lorong Mak Mandin 5/1, Kawasan Perindustrian Mak Mandin, 13400 Butterworth, Penang.)	1 1/2 Storey Light Industry / Vacant	30/10/1998	99 years leasehold land expiry on 05.03.2069	2,250 sq.ft./ 3,150 sq ft	443,925	49	50

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Pajakan Negeri No. Pendaftaran 1701, No. Lot 002843, Bandar BW, Seksyen 3, Daerah S.P.U. Penang. (No. 48, Lorong Mak Mandin 5/3, Kawasan Perindustrian Mak Mandin, 13400 Butterworth, Penang.)	1 1/2 Storey Light Industry/Rented	30/6/1999	99 years leasehold land expiry on 05.03.2069	2,400 sq.ft./ 3,300 sq ft	461,989	49	50
No. Lot 10487, Pantai Jerjak, Mukim 13, Daerah Timur Laut, Pulau Pinang (No. 38, Lintang Pantai Jerjak 3, 11700 Gelugor, Penang)	Double Storey Semi-Detached House/Land	22/11/2005	Freehold	2,238 sq.ft./ 1,886 sq.ft.	1,313,128	35	15
No. Lot 10488, Pantai Jerjak, Mukim 13, Daerah Timur Laut, Pulau Pinang (No. 38-A, Lintang Pantai Jerjak 3, 11700 Gelugor, Penang)	Double Storey Semi-Detached House/ Land	28/8/2006	Freehold	2,378 sq.ft./ 1,886 sq.ft.	1,329,244	35	15
No.Lot 156, Studio L, Storey Cluster Link (No. 8, Lorong Cassia Tengah 38, Bandar Cassia, 14100 Simpang Empat, Pulau Pinang.)	Double Storey Terrace Cluster House/Land	30/6/2008	99 years leasehold land expiry on 06.07.2104	1,657 sq. ft/ 1,217 sq. ft	197,678	84	15
No.Lot 190, Studio L, Storey Cluster Link No. 20, Lorong Cassia Tengah 36, Bandar Cassia, 14100 Simpang Empat, Pulau Pinang.	Double Storey Terrace Cluster House/Land	30/6/2008	99 years leasehold land expiry on 06.07.2104	1,151 sq. ft/ 1,217 sq. ft	179,689	84	15
H.S.D 21688, Lot No. 4031, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang.	Vacant Land	31/8/2010	Freehold	1,173 sq.ft/ 1,600 sq.ft	55,251	-	11
H.S.D 21690, Lot No. 4032, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 22, Lorong Tempua 1, Taman Tempua, 14100 Simpang Empat, Pulau Pinang.)	Double Storey Terrace/ Vacant	31/8/2010	Freehold	1,173 sq.ft/ 1,600 sq.ft	229,047	-	11
8) <u>PLB CEMERLANG SDN BHD</u>							
Geran 644 Lots1121, Geran 288 Lots1709, Geran 289 Lots1711 at Mukim 1, Seberang Perai Utara, Penang	Development Land	31/12/2013	Freehold	389,981.59 sq. ft.	2,533,170	-	7
Geran 569 Lot 781, Geran 807 Lot780, Geran 568 Lot 779, Geran 35 Lot 773, Geran 34 Lot 772, Geran 286 Lot 1704, Geran 285 Lot 1703, Geran 284 Lot 1702, MK1, Geran 36 Lot 774, MK1, Seberang Perai Utara, PP	Development Land	8/7/2015	Freehold	502,264.90 sq.Ft	2,967,154	-	6

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
9) <u>INDAH MULIA DEVELOPMENT SDN BHD</u>							
Lot 70690, Mukim 12, Daerah Barat, Pulau Pinang	Vacant Land	22/5/2013	Freehold	65 Sq. meter	1	-	8
Lot 70699, Mukim 12, Daerah Barat, Pulau Pinang	Vacant Land	22/5/2013	Freehold	430 Sq. meter	1	-	8
10) <u>PHOENIX RESIDENCES SDN BHD</u>							
Plot No.A2, Lot No.71270, No.26, Lebuh Batu Maung 1/2, Taman Seri Indah, 11960 Bayan Lepas,	Double Storey Semi-Detached	11/2/2019	Freehold	3,630 Sq. meter	1,232,181	-	2
Plot No.A5, Lot No.71282, No.27, Lebuh Batu Maung 1/2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	3,033 Sq. meter	1,075,136	-	2
Plot No.A10, Lot No.71277, No.37, Lebuh Batu Maung 1/2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,756 Sq. meter	1,059,638	-	2
Plot No.A11, Lot No.71276, No.39, Lebuh Batu Maung 1/2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,756 Sq. meter	1,059,638	-	2
Plot No.A12, Lot No.71275, No.41, Lebuh Batu Maung 1/2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	3,010 Sq. meter	1,109,773	-	2
Plot No.A13, Lot No.71290, No.62, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	3,983 Sq. meter	1,300,000	-	2
Plot No.A14, Lot No.71289, No.62A, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,756 Sq. meter	1,059,638	-	2
Plot No.A16, Lot No.71287, No.68, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,756 Sq. meter	1,059,591	-	2
Plot No.A17, Lot No.71286, No.70, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,756 Sq. meter	1,059,591	-	2
Plot No.A18, Lot No.71285, No.72, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,756 Sq. meter	1,059,591	-	2

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Plot No.A19, Lot No.71284, No.72A, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,756 Sq. meter	1,059,591	-	2
Plot No.A21, Lot No.71296, No.33, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,957 Sq. meter	1,099,327	-	2
Plot No.A22, Lot No.71295, No.31, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,957 Sq. meter	1,099,327	-	2
Plot No.A23, Lot No.71294, No.29, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,957 Sq. meter	1,099,327	-	2
Plot No.A24, Lot No.71293, No.27, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,957 Sq. meter	1,099,327	-	2
Plot No.A25, Lot No.71292, No.25, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,957 Sq. meter	1,099,327	-	2
Plot No.A26, Lot No.71291, No.23, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	3,063 Sq. meter	1,120,321	-	2
Plot No.A27, Lot No.71299, No.32, Lebuh Batu Maung 6, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	5,019 Sq. meter	1,300,000	-	2
Plot No.A28, Lot No.71300, No.30, Lebuh Batu Maung 6, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	4,323 Sq. meter	1,300,000	-	2
Plot No.B1, Lot No.71273, No.32, Lebuh Batu Maung 1/2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	3,407 Sq. meter	1,159,566	-	2
Plot No.B2, Lot No.71274, No.32A, Lebuh Batu Maung 1/2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	3,333 Sq. meter	1,144,945	-	2
Plot No.B4, Lot No.71297, No.35, Lebuh Batu Maung 2, Taman Seri Indah, 11960 Bayan Lepas, Pulau Pinang.	Double Storey Semi-Detached	11/2/2019	Freehold	2,957 Sq. meter	1,070,682	-	2

Group List Of Properties (Cont'd)

At 31 August 2020

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	Carrying amount 31/8/2020 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Lot No.72416, HSM 4003, Lot 72416, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Vacant Land	11/2/2019	Freehold	4822 Sq. meter	541,491	-	2
Lot No.72417,GM 3505, Lot 71301, Mukim 12, Daerah Barat Daya,Pulau Pinang.	Vacant Land	11/2/2019	Freehold	2281 Sq. meter	256,241	-	2
Lot No.71301, HSM 4004, Lot 72417, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Vacant Land	11/2/2019	Freehold	1474 Sq. meter	165,590	-	2
Lot No.72418, HSM 4005, Lot 72418, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Vacant Land	11/2/2019	Freehold	2378 Sq. meter	267,119	-	2
Lot No.72419, HSM 4006, Lot 72419, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Vacant Land	11/2/2019	Freehold	3778 Sq. meter	424,249	-	2

Shareholdings Statistics

As At 30 November 2020

SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders as at 30 November 2020 the substantial shareholders and their respective shareholdings are as follows:-

Name of Substantial Shareholder	No. of shares beneficially held		% of Shareholding	
	Direct	Indirect	Direct	Indirect
Leading Builders Sdn. Bhd.	67,437,420*		60.00*	-
Dato' Seri Ong Choo Hoon	5,295,868	68,313,251 # @	4.71	60.78#@
Dato' Dr. Ong Seng Soon	99,166	67,437,420 #	0.09	60.00#

Notes:-

* 11,225,000 and 6,875,000 shares are held through HLB Nominees (Tempatan) Sdn. Bhd. and AMSEC Nominees (Tempatan) Sdn Bhd respectively.

Indirect interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

@ Indirect Interest by virtue of the interest of his children in the Company pursuant to Section 59(11)(c) of the Act.

DIRECTORS' INTEREST

Based on the Register of Directors' Shareholdings, the Directors and their respective shareholdings as at 30 November 2020 are as follows :-

Name of Directors	No. of shares beneficially held		% of Shareholding	
	Direct	Indirect	Direct	Indirect
Dato' Ong Choo Hoon	5,295,868	68,313,251* @	4.71	60.78* @
Dato' Ong Guat Beng	65,416	312,500**	0.06	0.28**
Ong Seng Chye	82,916	-	0.07	-
Mardzukhi bin Abu Bakar	10,416	-	0.01	-
Saw Chin Eng	-	-	-	-
Teoh Siew Tin	-	-	-	-
Wein Siew Fen	-	-	-	-

Notes:-

* Indirect interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

** Indirect interest by virtue of the interest of her daughter in the Company pursuant to Section 59(11)(c) of the Act.

@ Indirect Interest by virtue of the interest of his children in the Company pursuant to Section 59(11)(c) of the Act.

Shareholdings Statistics (Cont'd)

As At 30 November 2020

Issued and Fully Paid	: RM112,395,018
Class of Shares	: Ordinary Shares of RM1.00 each fully paid
No. of Shareholders	: 1,119
Voting Rights	: On show of hand - One vote per person On a poll - One vote for one ordinary share

Analysis of Shareholdings as at 30 November 2020

Size of Shareholdings	No. of holders	%	No. of shares	%
1 – 99	142	12.69	7,217	0.01
100 – 1,000	70	6.26	28,787	0.03
1,001 – 10,000	689	61.57	2,310,928	2.06
10,001 – 100,000	175	15.64	5,133,552	4.56
100,001 – 5,619,749	40	3.57	37,477,114	33.34
5,619,750 and above **	3	0.27	67,437,420	60.00
Total	1,119	100.00	112,395,018	100.00

Notes:-

* Less than 5% of issued shares.

** 5% and above of issued shares

Top 30 Shareholders as at 30 November 2020

No.	Name of Shareholders	No. of shares	%
1	LEADING BUILDERS SDN. BHD.	36,359,795	32.35
2	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEADING BUILDERS SDN BHD (PNG644)	11,225,000	9.99
3	LEADING BUILDERS SDN. BHD.	10,061,250	8.95
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LEADING BUILDERS SDN.BHD.(SMART)	6,875,000	6.12
5	DATO' SERI ONG CHOO HOON	5,283,368	4.70
6	TAN BUN HUI	4,453,875	3.96
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ONG SENG WAN (PB)	2,788,000	2.48
8	LEADING BUILDERS SDN. BHD.	2,416,375	2.15
9	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN BUN HUI (SMART)	2,250,000	2.00
10	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN YEE HUI (SMART)	2,250,000	2.00
11	ONG SENG ENG	2,239,500	1.99

Shareholdings Statistics (Cont'd)

As At 30 November 2020

Top 30 Shareholders as at 30 November 2020

No.	Name of Shareholders	No. of shares	%
12	TAN YEE HUI	1,942,550	1.73
13	CHENG MOOH TAT	1,500,000	1.33
14	TAN HAN PENG	1,500,000	1.33
15	THEOH MOOI TENG	1,500,000	1.33
16	TAN YEE HUI	1,296,675	1.15
17	TAN BUN HUI	1,067,500	0.95
18	TAN BUN CHOW	1,034,875	0.92
19	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SEE SEE (MG0000122)	991,300	0.88
20	ZULKHARNAIN BIN ARIFFIN	907,916	0.81
21	TIU JON HUI	893,875	0.80
22	LEE SEE SEE	544,125	0.48
23	LEADING BUILDERS SDN. BHD.	500,000	0.45
24	PERNIAGAAN MUHIBBAH RIA SDN BHD	500,000	0.45
25	YEAP CYNDY	312,500	0.28
26	ONG GUAT EONG	295,833	0.26
27	ONG SENG KIAT	284,167	0.25
28	TAN SIEW HUAT	281,275	0.25
29	LEE SEE SEE	278,625	0.25
30	ONG GUAT HUNG	277,082	0.25

Notice Of Twenty-Fourth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting of the Company will be held at PLB Engineering Berhad, 3rd Floor, Training Room, 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang on Friday, 29 January 2021 at 3.00 p.m. for the following purposes:-

AGENDA

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 August 2020 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Notes |
| 2. | To approve the payment of Directors' fees and benefits of RM132,000.00 for the financial year ending 31 August 2021. | Ordinary Resolution 1 |
| 3. | To re-elect the following Directors retiring by rotation pursuant to Article 111 of the Company's Constitution:- | |
| | a) Encik Mardzukhi Bin Abu Bakar | Ordinary Resolution 2 |
| | b) Madam Teoh Siew Tin | Ordinary Resolution 3 |
| | c) Madam Wein Siew Fen | Ordinary Resolution 4 |
| 4. | To re-appoint Messrs Grant Thornton as auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

As special business:-

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

5. **AUTHORITY TO ALLOT AND ISSUE SHARES**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 20% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

Ordinary Resolution 6

6. **PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT, subject always to the provisions of the Companies Act 2016 (the "Act"), the Constitution of the Company, Main Market Listing Requirements of the Bursa Securities or other regulatory authorities, approval be and is hereby given to the Company and/or subsidiary companies to enter into all arrangements and/or transactions as specified in Section 2.2 of the Circular to Shareholders of the Company dated 31 December 2020, involving the interests of directors, major shareholders or persons connected with such directors or major shareholders of the Company ("Related Parties") as detailed in Section 2.2 of the Circular to Shareholders of the Company dated 31 December 2020, provided that such arrangements and/or transactions are:-

- (i) recurrent transactions of a revenue or trading nature;

Notice Of Twenty-Fourth Annual General Meeting (Cont'd)

6. **PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)**

- (ii) necessary for day-to-day operations; and
- (iii) carried out in the ordinary course of business or the normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to be detriment of the minority shareholders of the Company.

(the "Shareholders' Mandate")

THAT the Shareholders' Mandate shall take effect from this resolution and shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340 (2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

And THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

Ordinary Resolution 7

7. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

"THAT approval be and is hereby given to the following Directors who have served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company :-

- a) Madam Teoh Siew Tin
- b) Mr Saw Chin Eng

Ordinary Resolution 8

Ordinary Resolution 9

- 8. To transact any other business of which due notices shall have been given.

By Order of the Board,

HING POE PYNG (MAICSA 7053526)
SSM PC NO. 202008001322

WONG YEE LIN (MIA 15898)
SSM PC NO. 201908001793

Joint Company Secretaries
Penang

Date: 31 December 2020

Notice Of Twenty-Fourth Annual General Meeting (Cont'd)

Notes :

1. A member of the Company entitled to appoint at least one (1) but not more than two (2) proxies to attend, speak and vote on his/her/its behalf. A proxy may but need not be a member of the Company.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportions of shareholdings to be represented by each proxy are specified.
3. Where a Member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in 1 securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account its holds.
4. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act. Where a member is a corporation, it may appoint a proxy or proxies under the Proxy Form, or appoint such person as its representative at the meeting in accordance with section 333 of the Companies Act 2016.
5. To be valid, the proxy form duly completed must be deposited at the registered office of the Company, 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang not less than twenty-four (24) hours before the time for holding the meeting. Proxy Form via facsimile or electronic mail will not be accepted.
6. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
7. For the purpose of determining a member who shall be entitled to attend the meeting, a Record of Depositors ("ROD") as at 18 January 2021 has been requested. Only a depositor whose name appears on the ROD shall be entitled to attend, speak and vote at this meeting or appoint proxies to attend and/or speak and/or vote in his/her behalf.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

Explanatory Notes on Ordinary Business:

1. **Agenda 1 – To receive the Audited Financial Statements for the financial year ended 31 August 2020 together with the Reports of the Directors and Auditors thereon.**
This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.
2. **Ordinary Resolution 1 – To approve the payment of Directors' fees and benefits of RM132,000.00 for the financial year ending 31 August 2021**
The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits calculated based on the number of scheduled Board and Committee meetings for year 2021 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to additional unscheduled Board/Committee meetings or enlarged Board size), approval will be sought at the next Annual General Meeting ("AGM") for additional fees and benefits to meet the shortfall.

Explanatory Notes on Special Business:

1. **Ordinary Resolution 6 – Authority to allot and issue shares**
The proposed ordinary resolution 6, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 20% of the issued share capital of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM. The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition. As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

Notice Of Twenty-Fourth Annual General Meeting (Cont'd)

Explanatory Notes on Special Business: (cont'd)

2. **Ordinary Resolution 7 – Proposed New and Renewal of Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed ordinary resolution 7 in relation to Proposed of New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature is to seek approval from the shareholders for renewal of the shareholders' mandate granted by the shareholders of the Company at the Twenty-Third AGM held on 21 January 2020. The Proposed Shareholders' Mandate will enable the Company and its subsidiaries to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations involving the interest of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("Related Parties"), subject to the transactions being in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This authority unless revoked or varied at a general meeting, will expire at the conclusion of the Twenty-Fourth AGM of the Company.

3. **Ordinary Resolution 8 – Retention of Independent Non-Executive Director, Madam Teoh Siew Tin**

The proposed ordinary resolution 8 is to seek shareholders' approval through a two tier voting process and, if passed, will enable the Independent Directors who had served more than 12 years to be retained and continued to act as Independent Directors of the Company to fulfil the requirements of paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to be in line with the practice 4.2 of the Malaysian Code of Corporate Governance. The details of justifications are set out in the Company's Annual Report for the financial year ended 31 August 2020.

4. **Ordinary Resolution 9 – Retention of Independent Non-Executive Director, Mr Saw Chin Eng**

The proposed ordinary resolution 9 is to seek shareholders' approval through a two tier voting process and, if passed, will enable the Independent Directors who had served more than 12 years to be retained and continued to act as Independent Directors of the Company to fulfil the requirements of paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to be in line with the practice 4.2 of the Malaysian Code of Corporate Governance. The details of justifications are set out in the Company's Annual Report for the financial year ended 31 August 2020.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

Statement Accompanying Notice Of Annual General Meeting (Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

No individual is standing for election as a Director at the forthcoming AGM of the Company.

Notes on Administrative Matters :-

1. All attendees must sanitise their hands and will be required to wear face masks, undergo temperature check, provide contact details and make health declaration prior to entering the meeting venue.
2. All attendees are required to wear face mask at all times and are required to download MySejahtera mobile application and scan the QRcode at the AGM venue for contact tracing, if required in the future by any relevant parties.
3. All attendees are required to practise social distancing of 1 meter throughout the AGM and only allowed to sit at the place arranged by the Company.
4. Shareholders/proxies who are feeling unwell or have been placed on quarantine orders or stay-at-home notices, you are advised to refrain from attending the AGM in person.
5. Any attendee with body temperature at 37.5°C and above or exhibits flu-like symptoms will not be allowed to enter the meeting hall.
6. All attendees who are under Investigation and/or Person under Surveillance of COVID-19 are not allowed to attend the AGM.
7. There will be no refreshment and no door-gift provided to the attendees.
8. Shareholders/proxies are advised to arrive early at the AGM venue given that the above-mentioned precautionary measures may cause delay in the registration process.
9. Shareholders are required to register ahead of the AGM to allow the Company to make the necessary arrangements in relation to the meeting i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants. Thus, kindly RSVP your intention to attend the AGM by email to kumutha@plbgroup.com.my



Proxy Form

CDS ACCOUNT NO.												
				-								

*I/We
(FULL NAME OF SHAREHOLDERS AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

(NRIC/Passport/Company No.) of

.....
(ADDRESS & TEL NO. & EMAIL ADDRESS)

being a * member/members of the abovenamed Company, hereby appoint

.....
(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

(NRIC/Passport No.) of

.....
(ADDRESS & TEL NO. & EMAIL ADDRESS)

or failing him,

.....
(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

(NRIC/Passport No.) of

.....
(ADDRESS & TEL NO. & EMAIL ADDRESS)

or failing him/her, the Chairman of the meeting as * my / our proxy to vote for * me / us on * my / our behalf at the 24th Annual General Meeting of the Company to be held at PLB Engineering Berhad, 3rd Floor, Training Room, 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang on Friday, 29 January 2021 at 3:00 p.m. and any adjournment thereof.

No	Resolutions	For	Against
Ordinary Resolution 1	To approve the payment of Directors' fees and Directors' benefits amounting to RM132,000.00 for the financial year ending 31 August 2021.		
Ordinary Resolution 2	To re-elect Encik Mardzukhi Bin Abu Bakar who retires pursuant to Article 111 of the Company's Constitution.		
Ordinary Resolution 3	To re-elect Madam Teoh Siew Tin who retires pursuant to Article 111 of the Company's Constitution.		
Ordinary Resolution 4	To re-elect Madam Wein Siew Fen who retires pursuant to Article 111 of the Company's Constitution.		
Ordinary Resolution 5	To re-appoint Messrs. Grant Thornton as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	To authorise Directors to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016.		
Ordinary Resolution 7	To approve the Proposed New and Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New and Renewal Of Shareholders' Mandate")		
Ordinary Resolution 8	Retention of Madam Teoh Siew Tin as an Independent Non-Executive Director.		
Ordinary Resolution 9	Retention of Mr Saw Chin Eng as an Independent Non-Executive Director.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction for voting is given, the proxy may vote as he thinks fit.

No. of shares held

.....

Signed this day of, 2021.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
Total		100

.....
Signature(s)/Common Seal of Shareholder

Notes:

- A member of the Company entitled to appoint at least one (1) but not more than two (2) proxies to attend, speak and vote on his/her/its behalf. A proxy may but need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportions of shareholdings to be represented by each proxy are specified.
- Where a member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owners in 1 securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- An exempt authorised nominee refers to an authorised nominee defined under the Security Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act. Where a member is a corporation, it may appoint a proxy or proxies under the Proxy Form, or appoint such person as its representative at the meeting in accordance with Section 333 of the Companies Act 2016.
- To be valid, the proxy form duly completed must be deposited at the registered office of the Company, 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang not less than twenty-four (24) hours before the time for holding the meeting. Proxy Form via facsimile or electronic mail will not be accepted.
- The instrument appointing a proxy or proxies shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
- For purpose of determining a member who shall be entitled to attend the meeting, a Record of Depositors ("ROD") as at 18 January 2021 has been requested. Only a Depositor whose name appears on the ROD shall be entitled to attend, speak and vote at this meeting or appoint proxies to attend and/or speak and/or vote in his/her behalf.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be voted by poll.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

Please fold across the lines and close

*Affix
Postage
Stamp*

The Company Secretaries

PLB Engineering Berhad

Company No.: 199701002728 (418224-X)

51-8-A Menara BHL

Jalan Sultan Ahmad Shah

10050 Penang

Please fold across the lines and close



PLB ENGINEERING BERHAD

Company No.: 199701002728 (418224-X)

1320, Jalan Baru, Taman Chai Leng,
13700 Perai, Pulau Pinang, Malaysia.

Tel : + 604-390 5737
Fax : + 604-399 8323

Email : info@plbgroup.com.my
Website : www.plb.com.my
www.plbhomes.com.my



PLB-KH Bina Sdn. Bhd.
MS ISO 9001-2008
CERT NO: AR2341



Gaintrend Sdn. Bhd.
MS ISO 9001-2008
CERT NO: AR2730



PLB Green Construction Sdn. Bhd.
MS ISO 9001-2008