



ACB RESOURCES BERHAD

Registration No. 197401003539 (20667-M)

Laporan Tahunan

2020

Annual Report

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 45th Annual General Meeting of ACB Resources Berhad ("45th AGM") will be held fully virtual at the Broadcast Venue, Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 24 November 2020 at 10.30 am for the following purposes:

AGENDA

- | | |
|---|---------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 and the Reports of the Directors and Auditors thereon. | Note 1 |
| 2. To approve the payment of Directors' fees amounting to RM53,000 for the financial year ended 30 June 2020 (2019: RM53,000). | Resolution 1 |
| 3. To approve the payment of Directors' benefits of up to RM14,000 for meeting allowances for the period commencing after the 45th AGM until the next annual general meeting of the Company (2019: RM14,000). | Resolution 2 |
| 4. To re-elect the following Directors who retire by rotation in accordance with Clause 108 of the Company's Constitution and who being eligible, have offered themselves for re-election: | |
| (i) Y. Bhg. Datuk M. Chareon Sae Tang @ Tan Whye Aun | Resolution 3 |
| (ii) Mr Tan Siak Tee | Resolution 4 |
| 5. To re-appoint Messrs Ong Boon Bah & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 5 |
| 6. To transact any other business for which due notice shall have been given. | |

By Order of the Board

WONG PHOOI LIN (MAICSA 7013812)
SSM PC No. 202008002964

LIM KWEE PENG (MAICSA 7015250)
SSM PC No. 202008002981
Secretaries

Kuala Lumpur
2 November 2020

Notes:

- *Proxy*
 - (i) *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 17 November 2020 shall be eligible to attend the Meeting.*
 - (ii) *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than 2 proxies to attend and vote instead of him. A proxy need not be a member of the Company.*
 - (iii) *If a member appoints 2 proxies, the proportion of his shareholdings represented by each proxy must be specified.*
 - (iv) *The instrument appointing a proxy must 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 seal or the hand of an officer or attorney duly authorised.*
 - (v) *Where a member of the Company is an exempt authorised nominee which holds 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.*
 - (vi) *The instrument appointing a proxy shall be deposited at the Office of the Poll Administrator of the Company for the Meeting, SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting.*
 - (vii) *Completed Form of Proxy sent through facsimile transmission or any electronic or digital manner shall not be accepted.*
- *In light of the COVID-19 pandemic, please refer to the Administrative Guide for the 45th AGM for registration and participation at the Meeting.*
- 1. *Audited Financial Statements for the financial year ended 30 June 2020*

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. As such, this Agenda item is not a business which requires a resolution to be put to vote by Members.

CORPORATE INFORMATION

Board of Directors	: Y. Bhg. Tan Sri Cheng Heng Jem (Chairman) Y. Bhg. Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim Y. Bhg. Datuk M. Chareon Sae Tang @ Tan Whye Aun Mr Tan Siak Tee
Secretaries	: Ms Wong Phooi Lin (MAICSA 7013812) SSM PC No. 202008002964 Ms Lim Kwee Peng (MAICSA 7015250) SSM PC No. 202008002981
Registration No	: 197401003539 (20667-M)
Registered Office	: Level 14, Lion Office Tower No. 1 Jalan Nagasari 50200 Kuala Lumpur Wilayah Persekutuan Tel No : 03-21420155 Fax No : 03-21413448 Website : www.lion.com.my/acb
Share Registrar	: Secretarial Communications Sdn Bhd Level 13, Lion Office Tower No. 1 Jalan Nagasari 50200 Kuala Lumpur Wilayah Persekutuan Tel Nos : 03-21420155, 03-21418411 Fax No : 03-21428409
Auditors	: Ong Boon Bah & Co. B-10-1 Megan Avenue 1 189 Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan
Principal Bankers	: Bank of China (Malaysia) Berhad Malayan Banking Berhad RHB Bank Berhad

DIRECTORS' PROFILE

Tan Sri Cheng Heng Jem *Chairman*

Y. Bhg. Tan Sri Cheng Heng Jem, a Malaysian, male, aged 77, was appointed to the Board on 21 February 1976 and has been the Chairman of the Company since 23 August 2011.

Tan Sri Cheng has more than 45 years of experience in the business operations of the Lion Group encompassing retail, branding, food and beverage, credit financing and money lending services, property development, mining, steel and tyre manufacturing, motor, agriculture and computer industries.

Tan Sri Cheng was the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM") and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("KLSCCCI") from 2003 to 2012 and is now a Life Honorary President of ACCCIM and KLSCCCI. He was also the President of Malaysia Retailers Association ("MRA") from August 2014 to May 2018 and was appointed an Honorary President of MRA from June 2018 to July 2020. In July 2020, he was again appointed the President of MRA. He was the Chairman of the Federation of Asia-Pacific Retailers Associations ("FAPRA") from October 2017 to September 2019, and in September 2019, he was appointed the Vice Chairman of the FAPRA. He is a Trustee of ACCCIM's Socio-Economic Research Trust and the President of Malaysia Steel Association.

Tan Sri Cheng's other directorships in public companies are as follows:

- Chairman Lion Posim Berhad (formerly known as Lion Forest Industries Berhad), a public listed company
- Chairman and Managing Director of Parkson Holdings Berhad, a public listed company
- Chairman and Managing Director of Lion Corporation Berhad
- A Founding Member and a Permanent Trustee of The Community Chest, a company limited by guarantee established by the private sector for charity purposes

Tan Sri Cheng has a deemed interest in 634,485,255 ordinary shares in the Company. By virtue of his substantial interest in the Company, he is deemed to be interested in the subsidiaries of the Company, both wholly-owned and those set out on page 10 of this Annual Report.

Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim *Director*

Y. Bhg. Datuk Seri Abdul Manap bin Ibrahim, a Malaysian, male, aged 81, was appointed to the Board on 30 March 1994 and is also the Chairman of the Audit Committee of the Company.

Datuk Seri Abdul Manap joined the Malaysian Army as an Officer Cadet in 1959. He was a graduate of the Royal Military College at Sungei Besi, the British Army School of Infantry in Netheravon, England, the US Army Command and General Staff College in Fort Leavenworth (Kansas), the US Naval Post Graduate School in Monterey (California) and the fellowship at US Army War College in Carlyle Barracks (Pennsylvania). He held many important staff and command appointments at the Ministry of Defence, in the field and abroad. He retired in 1994 as Deputy Chief of the Army from the Malaysian Armed Forces after having served 34 years in the military.

Datuk Seri Abdul Manap has also served as Chief Operating Officer with SUKOM Ninety Eight Berhad, the Organizing Committee of the highly successful Kuala Lumpur 98, XVI Commonwealth Games. He was an independent non-executive Director of WTK Holdings Berhad, a public listed company, from 1996 to 2019. At present, he is a Director with a local company in the Information Communications Technology (ICT) sector.

Datuk M. Chareon Sae Tang @ Tan Whye Aun

Director

Y. Bhg. Datuk M. Chareon Sae Tang @ Tan Whye Aun, a Malaysian, male, aged 81, was appointed to the Board on 25 March 1998. He is also a member of the Audit Committee of the Company.

Datuk Tang obtained his Bachelor of Law from King's College, the University of London and is a Barrister-at-Law of the Inner Temple London. He has been in legal practice since 1968; first as a legal assistant in Messrs Shearn & Delamore, and later as a Partner at Messrs Chye, Chow Chung & Tang until 1976. Presently, he manages his own legal practice, Messrs C.S. Tang & Co.

Datuk Tang is also a Director of Tomei Consolidated Berhad, a public listed company, and Lion Corporation Berhad, a public company.

Tan Siak Tee

Director

Mr Tan Siak Tee, a Malaysian, male, aged 80, was appointed to the Board on 14 August 1998. He is also a member of the Audit Committee of the Company.

Mr Tan obtained his Bachelor of Commerce from the University of New South Wales, Australia. He is an Associate of the Institute of Chartered Accountants of Australia and the Institute of Chartered Secretaries and Administrators. He is also a member of the Malaysian Institute of Certified Public Accountants.

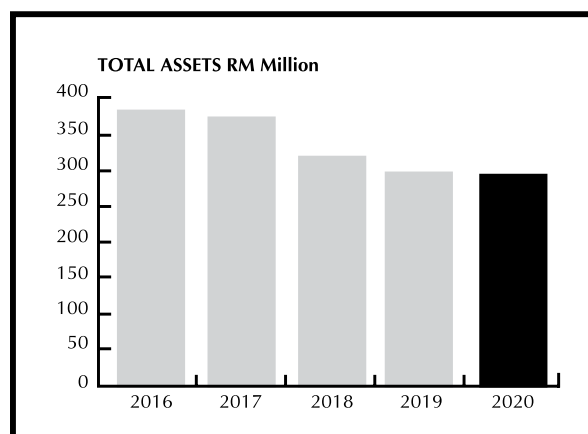
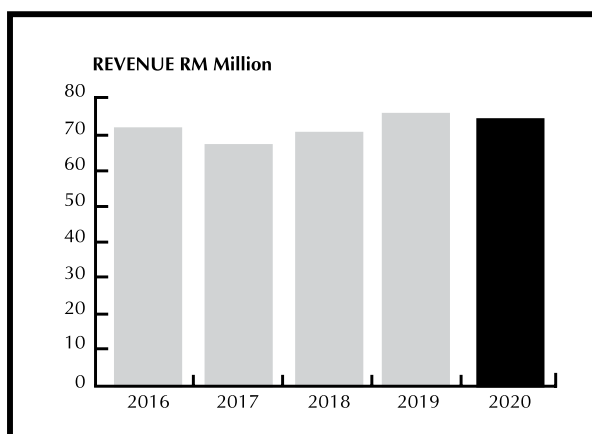
In 1965, Mr Tan started his career as an Auditor in Coopers & Lybrand, Sydney and was later seconded to Coopers & Lybrand, Kuala Lumpur. He has extensive experience in the banking industry. He was the Chief Internal Auditor for Malaysian operations in Overseas Chinese Banking Corporation and Chung Khiaw Bank for the period from 1969 to 1971 and 1971 to 1973 respectively. He joined Lee Wah Bank Limited in 1973 as Manager of Malaysia Central Office and was promoted to Director and Chief Executive Officer for Malaysian operation in 1975. He was a Director and Chief Executive Officer of United Overseas Bank (M) Berhad for the period from 1994 to 1997 after Lee Wah Bank Malaysian operation was incorporated in Malaysia in 1994.

He had held directorship in the following companies:

- Director and Adviser of Asia Commercial Finance Berhad from 1997 to 1999
- Independent non-executive Director of Bank of China (Malaysia) Berhad from 2000 to 2013
- Independent non-executive Director of Sunway City Berhad from 2001 to 2011
- Independent non-executive Director of SunREIT Capital Berhad from 2011 to 2014

5 YEARS GROUP FINANCIAL HIGHLIGHTS

Financial years ended 30 June		2016	2017	2018	2019	2020
Revenue	(RM'000)	71,164	67,285	70,228	75,820	74,319
Profit/(Loss) before tax	(RM'000)	(147,573)	(99,924)	43,532	(86,658)	(123,365)
Profit/(Loss) after tax	(RM'000)	(150,474)	(102,602)	40,697	(90,833)	(126,346)
Net profit/(loss) attributable to owners of the Company	(RM'000)	(154,703)	(106,687)	37,853	(94,770)	(130,544)
Total assets	(RM'000)	381,625	372,951	317,658	299,565	292,570
Net assets/(liabilities)	(RM'000)	(1,391,725)	(1,526,770)	(1,505,368)	(1,602,315)	(1,718,774)
Total borrowings	(RM'000)	1,636,345	1,758,146	1,701,622	1,802,915	1,910,826



REVIEW OF OPERATIONS

GROUP FINANCIAL PERFORMANCE

For financial year 2020, the Group posted a 2% lower revenue to RM74.3 million compared to RM75.8 million recorded in the last financial year, mainly due to lower revenue registered by the investment holding and others division. The Group recorded an unrealised foreign exchange loss of RM54.9 million (2019: RM23.8 million) on translation of its debts denominated in US Dollar as the Ringgit Malaysia weakened against the former.

Overall, the Group posted a higher loss before tax of RM123.4 million (2019: RM86.7 million) for the financial year under review.

REVIEW OF OPERATIONS

Security services

Secom (Malaysia) Sdn Bhd ("Secom"), a joint-venture with Secom Co., Ltd, Japan and Koperasi Polis Diraja Malaysia Berhad, provides total integrated 24-hour security services under the SECOM brand. Secom has a broad range of products and services covering central monitoring services with emergency response, supply and installation of closed circuit televisions ("CCTV"), access control, CCTV remote monitoring, security audit, and the supply of security guards for industrial and commercial premises. Secom provides total security solutions to enhance customers' security needs.

For the year under review, revenue and operating profit of Secom improved by 1.6% and 5.1% to RM69.3 million and RM11.2 million respectively compared to that recorded a year ago, mainly spurred by better performance from static guard fees.

We faced a slight slowdown in our sales business and collections during the Movement Control Order ("MCO") that was imposed on 18 March 2020 due to the COVID-19 pandemic. However, our operations continued to operate throughout the MCO period as security services were deemed as essential services.

Secom will continue to strengthen its response team to increase response coverage in major towns, widen its product range to cater to the expanding market needs, reduce cost and increase productivity to remain competitive with the ever changing business dynamics.

Investment holding and others

This Division is primarily involved in manufacturing and sale of tools and dies, and investment holding. For the financial year under review, these activities collectively recorded a lower revenue of RM5.1 million (2019: RM7.7 million) and a higher loss of RM9.9 million (2019: RM8.7 million) as compared to the previous year.

FINANCIAL STATEMENTS

2020

For The Financial Year Ended 30 June 2020

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company is disclosed in Note 17 to the financial statements.

RESULTS

	GROUP RM'000	COMPANY RM'000
Net loss for the financial year	(126,346)	(200,610)
(Loss)/Profit attributable to:		
Owners of the Company	(130,544)	(200,610)
Non-controlling interests	4,198	-
	(126,346)	(200,610)

RESERVES AND PROVISIONS

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

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend for the financial year ended 30 June 2020.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS OF THE COMPANY

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

Tan Sri Cheng Heng Jem
Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim
Datuk M. Chareon Sae Tang @ Tan Whye Aun
Tan Siak Tee

DIRECTORS OF SUBSIDIARIES

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Chai Kian Chong
Cheng Hui Ya, Serena
Choong Boon Pin
Chuah Say Chin
Dato' Kamaruddin @ Abas bin Nordin
Derek K.F Liew
Eduardo Delos Angeles
Haji Mohamad Khalid bin Abdullah
Insinyur Haji Andryani AS
Iwan Agung Setiawan
Jose Ivan T. Justiniano
Jose MA. J. Fernandez
Jose N. Rodulfa
Juliana Cheng San San

Jusup Sutrisno
Koh Yong Heng
Lee Tak Suan
Lee Whay Keong
MA. Liza Joson
Ooi Kim Lai
Stephen Delos Reyes
Susumu Kiryu
Tan Kim Kee
Tan Sri Cheng Heng Jem
Tan Sri Cheng Yong Kim
Teodoro R. Villanueva
Wang Wing Ying
Yulianto

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than those disclosed in Note 8(b) to the financial statements) by reason of a contract made by the Company or a related corporation with any 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, save and except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and its related corporations and certain corporations in which the Director of the Company has a substantial interest as disclosed in Note 31 to the financial statements.

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors and Officers of the Group and of the Company are covered under a Directors' and Officers' Liability Insurance up to an aggregate limit of RM50 million against any legal liability, if incurred by the Directors and Officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiary companies.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	As at 1.7.2019	Addition	Disposal	As at 30.6.2020
Deemed Interest				
Tan Sri Cheng Heng Jem	634,485,255	-	-	634,485,255

The interests of the Directors in office at the end of the financial year in shares in the related corporations during and at the end of the financial year are as follows:

Deemed Interest

Tan Sri Cheng Heng Jem

		Number of Ordinary Shares			As at 30.6.2020
		As at 1.7.2019	Addition	Disposal	
	Nominal value per share				
Kobayashi Optical Sdn Bhd	*	700,000	-	-	700,000
Lion Plantations Sdn Bhd	*	8,000,000	-	-	8,000,000
Salient Care Sdn Bhd	*	1,400,000	-	-	1,400,000
Secom (Malaysia) Sdn Bhd	*	5,100,000	-	-	5,100,000
Secom-KOP Security Systems Sdn Bhd	*	300,000	-	-	300,000
PT Amsteel Securities Indonesia	Rp1,000	9,350,000	-	-	9,350,000
PT Kebunaria	Rp1,000,000	17,000	-	-	17,000

* Shares in companies incorporated in Malaysia do not have a par value.

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

OTHER STATUTORY INFORMATION

Before the statements of profit or loss, the statements of other comprehensive income and the statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad receivables and the making of allowance for doubtful receivables and had satisfied themselves that all known bad receivables had been written off and that adequate allowance had been made for doubtful receivables; and
- (b) to ensure that any current assets which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records 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:

- (a) which would render the amounts written off for bad receivables or the amount of allowance for doubtful receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
- (d) 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:

- (a) 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; or
- (b) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

Except as disclosed in the financial statements, no contingent 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, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except as disclosed in the financial statements:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
- (c) no contingent 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 substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

SIGNIFICANT EVENT

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

AUDITORS' REMUNERATION

The remuneration of the auditors for the financial year ended 30 June 2020 is disclosed in Note 8(a) to the financial statements.

AUDITORS

The auditors, Ong Boon Bah & Co, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 1 October 2020.

TAN SRI CHENG HENG JEM

Chairman

LT. JEN (B) DATUK SERI ABDUL MANAP BIN IBRAHIM

Director

Kuala Lumpur

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		GROUP		COMPANY	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	6	74,319	75,820	1,094	1,696
Other operating income		4,921	24,028	174	7,233
Changes in inventories		19	(3)	-	-
Raw materials and consumables used		(1,130)	(1,958)	-	-
Employee benefits expenses	7	(39,016)	(36,893)	-	-
Depreciation and amortisation expenses		(5,189)	(5,835)	-	-
Other operating expenses		(32,678)	(53,241)	(77,617)	(172,515)
Profit/(Loss) from operations	8	1,246	1,918	(76,349)	(163,586)
Loss on foreign exchange					
- unrealised		(54,911)	(23,773)	(51,407)	(35,243)
Finance costs	9	(67,868)	(66,034)	(72,516)	(70,686)
Share in results of associated companies		(1,832)	1,231	-	-
Loss before tax		(123,365)	(86,658)	(200,272)	(269,515)
Tax expenses	10	(2,981)	(4,175)	(338)	(1,375)
Net loss for the financial year		(126,346)	(90,833)	(200,610)	(270,890)
(Loss)/Profit attributable to:					
Owners of the Company		(130,544)	(94,770)	(200,610)	(270,890)
Non-controlling interests		4,198	3,937	-	-
		(126,346)	(90,833)	(200,610)	(270,890)
Loss per share:	11				
Basic (sen)		(9.8)	(7.1)		

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

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net loss for the financial year	(126,346)	(90,833)	(200,610)	(270,890)
Other comprehensive income/(expense)				
<u>Items that may be reclassified</u> <u>subsequently to profit/(loss)</u>				
Change in translation reserve	14,085	(2,177)	-	-
Total comprehensive expense for the financial year	(112,261)	(93,010)	(200,610)	(270,890)
Total comprehensive (expense)/income for the financial year attributable to:				
Owners of the Company	(116,459)	(96,947)	(200,610)	(270,890)
Non-controlling interests	4,198	3,937	-	-
	(112,261)	(93,010)	(200,610)	(270,890)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		GROUP		COMPANY	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	29,691	31,816	-	112
Investment properties	13	268	275	-	-
Right-of-use assets	14	934	-	-	-
Biological assets	15	-	-	-	-
Associated companies	16	40,461	42,293	4,000	4,000
Subsidiary companies	17	-	-	-	-
Investments	18	237	237	128	128
Goodwill	19	-	-	-	-
Deferred tax assets	29	489	173	-	-
		72,080	74,794	4,128	4,240
Current assets					
Contract costs	20(a)	527	957	-	-
Inventories	21	4,103	4,303	-	-
Receivables	22	117,055	125,209	81,629	89,338
Tax recoverable		5,820	5,811	5,785	5,780
Investment in cash funds	23(a)	63,635	59,694	1,661	1,435
Deposits, cash and bank balances	23(b)	29,350	28,797	19,316	17,433
		220,490	224,771	108,391	113,986
TOTAL ASSETS		292,570	299,565	112,519	118,226
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	24	1,561,363	1,561,363	1,561,363	1,561,363
Reserves	25	349,558	335,473	-	-
Accumulated losses		(3,629,695)	(3,499,151)	(4,511,210)	(4,310,600)
		(1,718,774)	(1,602,315)	(2,949,847)	(2,749,237)
Non-controlling interests		44,968	42,730	-	-
Total equity		(1,673,806)	(1,559,585)	(2,949,847)	(2,749,237)

STATEMENTS OF FINANCIAL POSITION (continued)

AS AT 30 JUNE 2020

		GROUP		COMPANY	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current liabilities					
Term loan	27	3,791	5,159	-	-
Lease liabilities	28	187	-	-	-
Deferred liabilities		2,267	2,197	-	-
Deferred tax liabilities	29	9	12	-	-
		6,254	7,368	-	-
Current liabilities					
Payables	30	51,376	53,439	1,114,428	1,031,918
Contract liabilities	20(b)	680	517	-	-
ACB Bonds and USD Debts	26	1,905,674	1,796,502	1,947,938	1,835,545
Term loan	27	1,361	1,254	-	-
Lease liabilities	28	769	-	-	-
Tax liabilities		262	70	-	-
		1,960,122	1,851,782	3,062,366	2,867,463
Total liabilities		1,966,376	1,859,150	3,062,366	2,867,463
TOTAL EQUITY AND LIABILITIES		292,570	299,565	112,519	118,226

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	GROUP		COMPANY	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(123,365)	(86,658)	(200,272)	(269,515)
Adjustment for non-cash items, interests and dividends	33(a)	136,095	118,509	199,502	268,513
Operating profit/(loss) before working capital changes		12,730	31,851	(770)	(1,002)
Increase in inventories		(1,780)	(2,722)	-	-
(Increase)/Decrease in trade and other receivables		(925)	6,376	1,208	4,651
Decrease in contract costs		430	626	-	-
Decrease in trade and other payables		(2,168)	(24,419)	(527)	(2,785)
Increase in contract liabilities		163	145	-	-
Cash generated from/(used in) operations		8,450	11,857	(89)	864
Tax paid		(2,789)	(4,089)	(337)	(1,412)
Net cash inflow/(outflow) from operating activities		5,661	7,768	(426)	(548)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(534)	(14,706)	-	(12)
Proceeds from disposal of property, plant and equipment		62	75	-	-
Advance to subsidiary companies		-	-	(2)	-
Decrease in investment in cash funds		(3,941)	(1,435)	(226)	-
Changes in deposits in licensed financial institutions		-	(446)	-	-
Dividends received		256	77	256	35
Interest received		2,602	3,072	839	1,661
Net cash (outflow)/inflow from investing activities		(1,555)	(13,363)	867	1,684

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		GROUP		COMPANY	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to non-controlling interests		(1,960)	(1,960)	-	-
Payment of lease liabilities		(809)	-	-	-
Increase in fixed deposits earmarked for ACB Bonds and USD Debts redemption		(4,121)	(6,325)	(4,089)	-
Net (repayment)/proceeds from term loan		(1,261)	6,413	-	-
Finance cost paid		(303)	(109)	-	-
Advance from/(Repayment to) subsidiary companies		-	-	1,442	(3,596)
Net cash outflow from financing activities		(8,454)	(1,981)	(2,647)	(3,596)
Effect of exchange rate changes on cash and cash equivalents					
		780	2,738	-	-
Net decrease in cash and cash equivalents		(3,568)	(4,838)	(2,206)	(2,460)
Cash and cash equivalents at beginning of the financial year		13,702	18,540	2,756	5,216
Cash and cash equivalents at end of the financial year	33(b)	10,134	13,702	550	2,756

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

GROUP	<----- Attributable to owners of the Company ----- >					
	Non-distributable			Total	Non-controlling interests	Total equity
	Share capital RM'000	Reserves RM'000 (Note 25)	Accumulated losses RM'000		RM'000	RM'000
At 1 July 2018	1,561,363	337,650	(3,404,381)	(1,505,368)	40,753	(1,464,615)
Total comprehensive (expense)/income for the financial year	-	(2,177)	(94,770)	(96,947)	3,937	(93,010)
Dividend paid by subsidiary	-	-	-	-	(1,960)	(1,960)
At 30 June 2019	1,561,363	335,473	(3,499,151)	(1,602,315)	42,730	(1,559,585)
At 1 July 2019	1,561,363	335,473	(3,499,151)	(1,602,315)	42,730	(1,559,585)
Total comprehensive income/(expense) for the financial year	-	14,085	(130,544)	(116,459)	4,198	(112,261)
Dividend paid by subsidiary	-	-	-	-	(1,960)	(1,960)
At 30 June 2020	1,561,363	349,558	(3,629,695)	(1,718,774)	44,968	(1,673,806)

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

COMPANY

	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 July 2018	1,561,363	(4,039,710)	(2,478,347)
Total comprehensive expense for the financial year	-	(270,890)	(270,890)
At 30 June 2019	<u>1,561,363</u>	<u>(4,310,600)</u>	<u>(2,749,237)</u>
At 1 July 2019	1,561,363	(4,310,600)	(2,749,237)
Total comprehensive expense for the financial year	-	(200,610)	(200,610)
At 30 June 2020	<u>1,561,363</u>	<u>(4,511,210)</u>	<u>(2,949,847)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and the principal place of business of the Company are both located at Level 14, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are shown in Note 17. There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary companies during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 1 October 2020.

2. GOING CONCERN

The Group and the Company incurred net loss attributable to the owners of the Company of RM131 million and RM201 million respectively during the year ended 30 June 2020 and, as at that date, the Group and the Company have deficit in their net equity attributable to the owners of the Company of RM1,719 million and RM2,950 million respectively and their current liabilities exceeded their current assets by RM1,740 million and RM2,954 million respectively. In addition, as disclosed in Note 26, the ACB Bonds and USD Debts of the Group and of the Company which are repayable within 12 months amounting to RM1,906 million and RM1,948 million respectively. The cash flows for the redemption/repayment will be sourced from the proceeds of the disposal of assets/companies and cash flows from the operations.

The Directors are of the opinion that the financial statements be prepared on a going concern basis and accordingly do not include any adjustments that may be necessary if the Group and the Company are unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies and are in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"). All values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Subsidiary companies

(i) Basis of consolidation and subsidiary companies

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiary companies). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary companies are those entities controlled by the Company. Subsidiary companies are consolidated using the purchase method of accounting. Under the purchase method of accounting, the results of subsidiary companies acquired during the financial year are included in the consolidated financial statements from the effective date of acquisition. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. At the Group's level, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup transactions, balances and unrealised gains and losses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Subsidiary companies (cont'd)

(i) Basis of consolidation and subsidiary companies (cont'd)

Non-controlling interests in the consolidated statements of financial position consist of the non-controlling interests' share of fair values of the identifiable assets and liabilities of the acquiree as at acquisition date and the non-controlling interests' share of movements in the acquiree's equity since then.

In the Company's separate financial statements, investments in subsidiary companies are measured at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(c) Associated companies

Associated companies are entities in which the Group has significant influence and where the Group participates in its financial and operating policies through Board representation. Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited or management financial statements of the companies concerned made up to the Group's financial year end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

Under the equity method of accounting, the Group's share of results of associated companies during the financial year is included in the consolidated financial statements. The Group's share of results of associated companies acquired or disposed of during the year, is included in the Group's profit or loss from the date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

Unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies.

The Group's interest in associated companies is carried in the consolidated statements of financial position at cost plus the Group's share of post-acquisition changes in the share of the net assets of the associated companies, less impairment losses.

Goodwill relating to an associated company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of net fair value of the associated company's identifiable assets, liabilities and contingent liabilities over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associated company's results in the period in which the investment is acquired.

When the Group's share of losses equals or exceeds its interest in an equity accounted associated company, including any long term interest that, in substance, form part of the Group's net investment in the associated company, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the associated company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Associated companies (cont'd)

In the Company's separate financial statements, investments in associated companies are measured at cost less impairment losses.

(d) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are measured at cost less accumulated depreciation and accumulated impairment losses.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Leasehold land is measured at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Buildings are measured at revalued amount, which is the fair value at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professional qualified valuers.

Freehold land has an unlimited useful life and therefore is not depreciated but reviewed at each reporting date to determine whether there is an indication of impairment. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 10%
Plant and machinery	2% - 33%
Tools and equipment	10% - 20%
Furniture and office equipment	5% - 25%
Motor vehicles	13% - 20%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(e) Biological assets

Bearer plants mainly include mature and immature oil palm plantations. Immature plantations are measured at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are measured at acquisition cost less accumulated depreciation and impairment. Oil palm is considered mature in the fifth year after planting.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Biological assets (cont'd)

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognised.

(f) Investment property

Investment property is property which is held either to earn rental income or for capital appreciation or for both. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar property and the valuation is performed by independent professional valuers.

Gains or losses arising from changes in the fair values of investment property are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment property is 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.

When an item of investment property carried at fair value is transferred to property, plant and equipment following a change in its use, the property's deemed cost for subsequent accounting in accordance with MFRS 116 *Property, Plant and Equipment* shall be its fair value at the date of change in use.

(g) Contract Costs (costs to fulfil a contract) and Contract Liabilities

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that have been recognised had there been no impairment loss recognised previously.

A contract liability is measured at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers. 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 performs under the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Inventories

(i) Properties

Inventories comprise land held for development, properties under construction and completed properties held for sales.

Inventories are measured 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.

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these land. Accordingly, land held for property development are classified as non-current assets in the statement of financial position and are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

(ii) Raw Material, Finished Goods, Work-In-Progress and Others

Raw material, finished goods, work-in-progress and others are measured at lower of cost and net realisable value.

The cost of raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present locations and conditions. The cost of finished goods and work-in-progress consists of direct materials, direct labour, other direct costs and appropriate production overheads where applicable and is determined on a weighted average basis.

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

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Impairment of non-financial assets

The carrying amounts of non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life, the recoverable amount is estimated at each reporting date or more frequently when there are indications of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Impairment of non-financial assets (cont'd)

For the purpose of impairment testing of these assets, recoverable amount 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, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the fair value reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill 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 an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(k) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or a financial liability is initially measured at fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, any directly attributable transaction cost incurred at the acquisition or issuance of the financial instrument. A trade receivable that does not contain a significant financing component, is initially measured at the transaction price.

No change to the accounting policy in relation to regular way purchases or sales (purchases or sales under a contract whose terms require delivery of financial assets within a time frame established by regulation or convention in the marketplace concerned).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

Financial assets

The Group categorise financial instruments as follows:-

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial asset not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(c) Fair value through profit or loss (cont'd)

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through comprehensive income, are subject to impairment assessment (see Note 3(l)).

Financial liabilities

At initial recognition, all financial liabilities are subsequently measured at fair value through profit or loss or at amortised cost.

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group recognised that amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch, and remaining amount of the change in fair value in profit or loss.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses are also recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Financial instruments (cont'd)

(iii) Derecognition (cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(l) Impairment of assets

(i) Financial assets

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without resource by the Group to actions such as realising security.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, while 12 months ECLs are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. The Group estimate the ECLs on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Impairment of assets (cont'd)

(ii) Other assets

The carrying amounts of other assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

A cash-generating unit is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets and groups. An impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

(m) Cash and cash equivalents

For the purposes of statements of cash flows, cash and cash equivalents include cash in hand and at bank, deposits at call and short term highly liquid investments which have insignificant risk of changes in value, net of outstanding bank overdrafts and pledged deposits.

(n) Provisions

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event 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 reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Liquidated ascertained damages which have been accrued based on estimates of settlement sums to be agreed, are charged to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Leases and Right-of-use Assets

Current financial year

The Group, as lessee, assess at inception of the contract whether a contract is or contains a lease.

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) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities 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. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group use 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.

(ii) Short term leases and leases of low-value assets

The Group applies the short term lease recognition exemption to their short term leases (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.

(iii) Right-of-use assets

The Group recognises the right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use asset includes the amount of lease liabilities recognised and lease payments made. Right-of-use assets are depreciated on a straight-line basis over the shorter of lease term or useful lives. The estimated useful lives of the asset based on the lease term is as follow:

Buildings (premises and depots)

1 to 5 years

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Leases and Right-of-use Assets (cont'd)

Previous financial year

Prior to the adoption of MFRS 16, the accounting policies of the Group for leases were as follows:

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. All other leases are classified as operating leases.

Rentals payables under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread evenly over the lease term.

(p) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(q) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated at the rates prevailing on the statements of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the comprehensive income. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in the other comprehensive income for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Foreign currencies (cont'd)

(ii) Foreign currency transactions (cont'd)

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the statement of financial position date;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the statement of financial position date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiary companies before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2020	2019
	RM	RM
Foreign currencies		
1 United States Dollar	4.281	4.141
1 Singapore Dollar	3.071	3.059
1 Hong Kong Dollar	0.552	0.530
100 Philippine Peso	8.550	8.045
100 Indonesian Rupiah	0.029	0.028
1 Chinese Renminbi	0.606	0.603

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Revenue recognition

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

(i) Sale of goods and services

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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

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

(ii) Dividend income

Dividend income is recognised when the Group's or the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised using the effective interest method in profit or loss.

(iv) Rental income

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

(s) Borrowing costs

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset until the asset is ready for its intended use. Capitalisation of finance cost is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised as an expense in profit or loss in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group. 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.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(u) Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from business combination that is an acquisition, in which case deferred tax is included in the resulting goodwill or negative goodwill on acquisition.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

(v) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and segment liabilities are determined before intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

4. STANDARDS AND INTERPRETATIONS

Adoption of New and Amended Malaysian Financial Reporting Standards ("MFRS")

On 1 July 2019, the Group and the Company adopted the new and amended MFRSs and Issues Committee Interpretation ("IC Interpretation") issued by the Malaysian Accounting Standards Board that are effective for annual financial periods beginning on or after 1 January 2019 as follows:

Effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty Over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of the new and amended MFRSs did not result in significant changes on the accounting policies of the Group and of the Company and has no material effect on financial position and accounting policies of the Group and of the Company except as disclosed below:

MFRS 16 Leases

MFRS 16, supersedes MFRS 117 Leases and the related interpretations, provides a single lessee accounting model that requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The Group has applied MFRS 16 on 1 July 2019 using the modified retrospective method, under which the comparative information was not restated. There was no contract that met the definitions of MFRS 117 and rental expenses were recognised previously.

4. STANDARDS AND INTERPRETATIONS (cont'd)

Adoption of New and Amended MFRS (cont'd)

MFRS 16 Leases (cont'd)

The financial impact of the initial application of MFRS 16 on statement of financial position of the Group as at 1 July 2019 is as follow:

	As at 30 June 2019 RM'000	Effect of MFRS 16 RM'000	As at 1 July 2019 RM'000
Group			
Non-current asset			
Right-of-use assets	-	1,592	1,592
Non-current liability			
Lease liabilities	-	823	823
Current liability			
Lease liabilities	-	769	769

Standards and Amendments to Standards issued but not yet effective

At the date of authorisation for issue of these financial statements, the following new MFRSs, Amendments to MFRSs and IC Interpretations have been issued by the MASB but not yet effective and have not been applied by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2020:

Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to Reference to the Conceptual Framework in MFRS Standards	

Effective for financial periods beginning on or after 1 June 2020:

Amendments to MFRS 16	Covid-19 Related Rent Concessions
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Effective for financial periods beginning on or after 1 January 2021:

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform-Phase 2
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4. STANDARDS AND INTERPRETATIONS (cont'd)

Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract

Effective for financial periods beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

Deferred to a date to be determined by the MASB:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group and the Company will adopt the above new MFRSs and Amendments to MFRSs when they become effective. The adoption of the above new MFRSs and Amendments to MFRSs is not expected to have a material impact on the financial statements in the period of initial application.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical judgement made in applying accounting policies

Management is of the opinion that the instances of the application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimation.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of tangible assets

When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, will be assessed. The assessment of recoverable amounts involves various methodologies.

Fair value of an asset is estimated by reference to net assets of the investee or based on prevailing market value determined by professional valuers.

In determining the value in use of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group makes estimates and assumptions that required significant judgements and estimates. While the Group believes these estimates and assumptions to be reasonable and appropriate, changes in these estimates and assumptions of value in use could impact on the Group's financial position and results.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment except for freehold land and capital work-in-progress, is depreciated on a straight-line basis over the assets' useful lives. Management reviews the remaining useful lives of these property, plant and equipment at the end of each financial year and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges.

(iii) Impairment of receivables

The Group makes impairment losses based on assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact carrying value of receivables.

(iv) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts initially recognised, such differences will impact the income tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 10.

(v) Deferred tax

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which the losses and capital allowances 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.

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the Directors have concluded that investment properties are not being held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly, the presumption that the carrying amounts of the investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, deferred taxes have not been recognised on changes in fair value of investment properties as no tax consequences would arise on disposal of the investment properties.

6. REVENUE

Revenue of the Group and of the Company consists of the following:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Sales of goods	18,896	21,006	-	-
Rendering of service	54,329	53,076	-	-
Dividend income	256	77	256	35
Interest income	838	1,661	838	1,661
	74,319	75,820	1,094	1,696

Timing of revenue recognition:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
At a point in time	20,545	23,888	1,094	1,696
Over time	53,774	51,932	-	-
	74,319	75,820	1,094	1,696

7. EMPLOYEE BENEFITS EXPENSES

	GROUP	
	2020	2019
	RM'000	RM'000
Salaries, wages and bonuses	20,516	20,335
Defined contribution plans	2,700	2,545
Other staff related expenses	15,800	14,013
	39,016	36,893

8. PROFIT/(LOSS) FROM OPERATIONS

(a) Profit/(Loss) from operations is arrived at:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation of:				
- property, plant and equipment	4,351	4,872	-	-
- right-of-use assets	831	-	-	-
Directors' remuneration (Note 8(b))	60	60	60	60
Auditors' remuneration:				
- current year	275	291	61	58
- prior year	2	-	3	-
Amortisation of:				
- biological assets	-	957	-	-
- investment properties	7	6	-	-
Impairment losses on:				
- biological assets	-	3,611	-	-
- property, plant and equipment	-	1,692	-	-
- property development costs	-	147	-	-
Rental of land and buildings	-	916	-	-
Net impairment losses on receivables:				
- subsidiary companies	-	-	70,062	162,494
- others	9,072	22,447	6,499	1,786
Property, plant and equipment written off	114	12	112	-
And crediting:				
Bad debt recovered	1,324	135	-	-
Interest income	1,763	2,015	-	-
Rental income	536	268	-	-
Gain on disposal of property, plant and equipment	34	58	-	-
Gain/(Loss) on foreign exchange				
- realised	149	(66)	-	-

8. PROFIT/(LOSS) FROM OPERATIONS (cont'd)

(b) Directors' remuneration

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fees	53	53	53	53
Other emoluments	7	7	7	7
Total	60	60	60	60

The number of Directors and their range of remuneration are as follows:

Range of remuneration	Number of Directors	
	2020	2019
RM20,000 and below	4	4

9. FINANCE COSTS

Finance costs from operations is as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expenses on:				
- ACB Bonds and USD Debts	67,565	65,925	22,459	22,398
- ACB Debts	-	-	50,057	48,288
- Term loan	244	109	-	-
- Lease liabilities (Note 28)	59	-	-	-
Total	67,868	66,034	72,516	70,686

10. TAX EXPENSES

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	3,121	3,383	338	433
- prior years	179	1,137	-	942
Deferred tax (Note 29):				
- current year	84	(58)	-	-
- prior years	(403)	(287)	-	-
Total tax expenses	2,981	4,175	338	1,375

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at effective income tax rate of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loss before tax	(123,365)	(86,658)	(200,272)	(269,515)
Tax calculated at Malaysian statutory tax rate of 24% (2019: 24%)	(29,608)	(20,798)	(48,065)	(64,684)
Income not subject to tax	(7,147)	(6,759)	(304)	(1,736)
Expenses not deductible for tax purposes	39,960	30,882	48,707	66,853
Under/(Over)provision in prior years:				
- income tax	179	1,137	-	942
- deferred tax	(403)	(287)	-	-
Total	2,981	4,175	338	1,375

11. LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the loss 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 follows:

	GROUP	
	2020	2019
Loss for the financial year attributable to owners of the Company (RM'000)	(130,544)	(94,770)
Weighted average number of ordinary shares in issue ('000)	1,331,175	1,331,175
Basic loss per share (sen)	(9.8)	(7.1)

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, tools and equipment RM'000	Furniture and office equipment RM'000	Motor vehicles RM'000	Total RM'000
2020							
GROUP							
COST							
At 1 July 2019	14,022	2,477	6,658	71,054	10,007	4,341	108,559
Additions	-	-	-	53	303	178	534
Disposals	-	-	-	-	(158)	(280)	(438)
Transfer from inventories	-	-	-	1,834	-	-	1,834
Exchange difference	-	42	2	4	1	-	49
Written off	-	-	-	(1)	(565)	-	(566)
At 30 June 2020	14,022	2,519	6,660	72,944	9,588	4,239	109,972
LESS: ACCUMULATED DEPRECIATION							
At 1 July 2019	-	9	829	62,230	9,196	2,787	75,051
Charge for the financial year	-	1	133	3,186	482	549	4,351
Disposals	-	-	-	-	(146)	(264)	(410)
Exchange difference	-	-	2	4	1	-	7
Written off	-	-	-	(1)	(451)	-	(452)
At 30 June 2020	-	10	964	65,419	9,082	3,072	78,547
LESS: ACCUMULATED IMPAIRMENT LOSS							
At 1 July 2019	-	1,692	-	-	-	-	1,692
Exchange difference	-	42	-	-	-	-	42
At 30 June 2020	-	1,734	-	-	-	-	1,734
CARRYING AMOUNTS							
At 30 June 2020	14,022	775	5,696	7,525	506	1,167	29,691

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, tools and equipment RM'000	Furniture and office equipment RM'000	Motor vehicles RM'000	Total RM'000
2019							
GROUP							
COST							
At 1 July 2018	5,222	2,405	2,055	67,646	9,842	4,192	91,362
Additions	8,800	-	4,600	141	560	605	14,706
Disposals	-	-	-	-	(86)	(449)	(535)
Transfer from inventories	-	-	-	3,328	-	-	3,328
Exchange difference	-	72	3	7	1	-	83
Written off	-	-	-	(68)	(310)	(7)	(385)
At 30 June 2019	14,022	2,477	6,658	71,054	10,007	4,341	108,559
LESS: ACCUMULATED DEPRECIATION							
At 1 July 2018	-	8	762	58,645	9,027	2,617	71,059
Charge for the financial year	-	1	64	3,643	554	610	4,872
Disposals	-	-	-	-	(85)	(433)	(518)
Exchange difference	-	-	3	7	1	-	11
Written off	-	-	-	(65)	(301)	(7)	(373)
At 30 June 2019	-	9	829	62,230	9,196	2,787	75,051
LESS: ACCUMULATED IMPAIRMENT LOSS							
At 1 July 2018	-	-	-	-	-	-	-
Addition	-	1,692	-	-	-	-	1,692
At 30 June 2019	-	1,692	-	-	-	-	1,692
CARRYING AMOUNTS							
At 30 June 2019	14,022	776	5,829	8,824	811	1,554	31,816

At 30 June 2020, certain freehold land and buildings with an aggregate carrying amount of RM13 million (2019: RM13 million) are subject to a registered charge to secure term loan facilities granted to a subsidiary company as disclosed in Note 27.

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment RM'000	Total RM'000
2020		
COMPANY		
COST		
At 1 July 2019	127	127
Written off	(127)	(127)
At 30 June 2020	-	-
LESS: ACCUMULATED DEPRECIATION		
At 1 July 2019	15	15
Written off	(15)	(15)
At 30 June 2020	-	-
CARRYING AMOUNT		
At 30 June 2020	-	-
2019		
COMPANY		
COST		
At 1 July 2018	115	115
Addition	12	12
At 30 June 2019	127	127
LESS: ACCUMULATED DEPRECIATION		
At 1 July 2018/30 June 2019	15	15
CARRYING AMOUNT		
At 30 June 2019	112	112

13. INVESTMENT PROPERTIES

	GROUP	
	2020	2019
	RM'000	RM'000
At 1 July	275	281
Amortisation for the financial year	(7)	(6)
At 30 June	<u>268</u>	<u>275</u>
Fair value	<u>400</u>	<u>400</u>
Analysed as:		
Leasehold land and building	<u>268</u>	<u>275</u>

No rental income earned by the Group for the financial years ended 30 June 2020 and 30 June 2019 from its investment properties. Direct operating expenses incurred by the Group for investment properties that did not generate rental income during the financial year amounted to RM1,958 (2019: RM2,327).

Investment properties are representing investment properties held under lease terms.

The fair value of the investment properties was determined by the Directors based on valuations by independent valuers, who hold recognised qualifications and have relevant experience, by reference to market evidence of transaction prices of similar properties or comparable available market data.

14. RIGHT-OF-USE ASSETS

	Buildings	Total
	RM'000	RM'000
2020		
GROUP		
At 1 July 2019, on adoption of MFRS 16	1,592	1,592
Addition	173	173
Charge for the financial year	(831)	(831)
At 30 June 2020	<u>934</u>	<u>934</u>

The Group leases a number of buildings (premises and depots) that run between one year and five years, with an option to renew the lease after that date.

15. BIOLOGICAL ASSETS

	GROUP	
	2020	2019
	RM'000	RM'000
COST		
At 1 July	19,138	18,321
Exchange fluctuation	-	817
At 30 June	19,138	19,138
LESS: ACCUMULATED AMORTISATION		
At 1 July	15,527	13,948
Charge for the financial year	-	957
Exchange fluctuation	-	622
At 30 June	15,527	15,527
LESS: ACCUMULATED IMPAIRMENT LOSSES		
At 1 July	3,611	-
Addition	-	3,611
At 30 June	3,611	3,611
CARRYING AMOUNT		
At 30 June	-	-

16. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares - at cost	9,381	9,381	4,000	4,000
Share in post acquisition reserves	31,080	32,912	-	-
Total	40,461	42,293	4,000	4,000

The Group's unrecognised share of loss of associated companies for the financial year are as follows:

	GROUP	
	2020 RM'000	2019 RM'000
At 1 July 2019/30 June 2020	(41,038)	(41,038)

Certain unquoted shares of the Group and of the Company amounting to RM9.4 million (2019: RM9.4 million) and RM4.0 million (2019: RM4.0 million) at cost respectively were pledged as securities for the bonds issued by the Company pursuant to the Group Wide Restructuring Scheme ("GWRS").

The associated companies are:

Name of Company	Country of Incorporation	Holding in Equity		Accounting Year End	Principal Activities
		2020 %	2019 %		
Bonuskad Loyalty Sdn Bhd * ("Bonuskad")	Malaysia	33.33	33.33	31 December	# Providing marketing services by means of "BonusLink Loyalty Programme"
Renor Pte Ltd (in liquidation)*	Singapore	42.50	42.50	30 June	# Investment holding
Lion Jianmin Pte Ltd *	Singapore	30	30	30 June	# Investment holding
Steel Industries (Sabah) Sdn Bhd *	Malaysia	20	20	31 December	Manufacturing and trading of steel bars

Holding in equity by subsidiary companies.

* Financial statements of associated companies not audited by Ong Boon Bah & Co.

16. ASSOCIATED COMPANIES (cont'd)

Summarised financial information in respect of the Group's material associated company - Bonuskad is set out below:

	2020 RM'000	2019 RM'000
Assets and liabilities		
Current assets	198,378	209,084
Non-current assets	4,451	4,830
Current liabilities	(98,044)	(108,095)
Net assets	104,785	105,819
Results		
Revenue	59,525	74,503
Net (loss)/profit for the financial year	(1,300)	6,072
Group's share of net (loss)/profit for the financial year	(433)	2,024

Reconciliation for the summarised financial information to the carrying amount of the equity interest in Bonuskad recognised in the financial statements:

	2020 %	2019 %
Group's equity interest in Bonuskad	33.33	33.33
	2020 RM'000	2019 RM'000
Net assets of Bonuskad	104,785	105,819
Group's share of net assets	34,925	35,269
Other adjustment to equity	(4,506)	(4,418)
Carrying amount of the Group's equity interest in Bonuskad	30,419	30,851

17. SUBSIDIARY COMPANIES

	COMPANY	
	2020 RM'000	2019 RM'000
Unquoted shares in Malaysia - at cost	477,377	477,377
Impairment losses	(477,377)	(477,377)
	-	-
Unquoted shares outside Malaysia - at cost	2,236	2,236
Impairment losses	(2,236)	(2,236)
	-	-
Total	-	-

17. SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are:

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2020 %	2019 %	
Amalgamated Rolling Mill Sdn Bhd	Malaysia	100	100	Trading in steel products and other related services
ACB Harta Holdings Sdn Bhd	Malaysia	100	100	Investment holding and property development
Ambang Jaya Sdn Bhd	Malaysia	100	100	Investment holding
Amsteel Capital Holdings Sdn Bhd	Malaysia	100	100	Investment holding and provision of management services to its related companies
Amsteel Harta (L) Limited *	Malaysia	100	100	Treasury business
Amsteel Harta (M) Sdn Bhd	Malaysia	100	100	Managing of debts novated from the Company and certain of its subsidiary companies pursuant to the GWRS
Angkasa Marketing (Singapore) Pte Ltd *	Singapore	100	100	Investment holding
Lion Plantations Sdn Bhd	Malaysia	70	70	Investment holding
Lion Tooling Sdn Bhd	Malaysia	100	100	Manufacturing and sale of tools and dies
Mastrama Sdn Bhd	Malaysia	100	100	Investment holding
Timuriang Sdn Bhd	Malaysia	100	100	Investment holding
Subsidiary companies of ACB Harta Holdings Sdn Bhd				
Chembong Malay Rubber Company (1920) Limited *	United Kingdom	100	100	Ceased operation
Henrietta Rubber Estate Limited *	United Kingdom	100	100	Ceased operation
Lion Commodities And Futures Trading Sdn Bhd	Malaysia	100	100	Ceased operation
Segamat Land Sdn Bhd	Malaysia	100	100	Ceased operation
P T Kebunaria *	Indonesia	85	85	Ceased operation
Anika Developments Sdn Bhd	Malaysia	100	100	Dormant

17. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2020 %	2019 %	
Subsidiary companies of ACB Harta Holdings Sdn Bhd (continued)				
Westlake Landscape Sdn Bhd	Malaysia	100	100	Landscaping business
Secom (Malaysia) Sdn Bhd * ("Secom")	Malaysia	51	51	Provision of electronic surveillance of premises and other security related services and sale of security equipment
Masbeef Sdn Bhd	Malaysia	100	100	Ceased operation
Subsidiary company of Secom				
Secom-KOP Security Systems Sdn Bhd *	Malaysia	60	60	Provision of electronic surveillance of premises and other security related services and sale of security equipment
Subsidiary companies of Ambang Jaya Sdn Bhd				
Cibber Limited *	Hong Kong	100	100	Ceased operation
Romiti Limited *	Hong Kong	100	100	Ceased operation
Subsidiary companies of Amsteel Capital Holdings Sdn Bhd				
Amcap Consultants Limited *	Hong Kong	100	100	Ceased operation
Amsteel Holdings (H.K.) Limited *	Hong Kong	100	100	Investment holding
Amsteel Holdings Philippines, Inc. *	Philippines	100	100	Investment holding
Datavest Sdn Bhd	Malaysia	100	100	Investment holding
P T Amsteel Securities Indonesia * ^	Indonesia	85	85	Ceased operation
Subsidiary company of Amsteel Holdings (H.K.) Limited				
Amsteel Finance (H.K.) Limited *	Hong Kong	100	100	Ceased operation

17. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2020 %	2019 %	
Subsidiary company of Amsteel Holdings Philippines, Inc.				
Amsteel Securities Philippines, Inc. *	Philippines	100	100	Ceased operation
Subsidiary company of Datavest Sdn Bhd				
Amsteel Equity Capital Sdn Bhd *	Malaysia	100	100	Ceased operation
Subsidiary company of Amsteel Securities Philippines, Inc.				
Amsteel Strategic Investors Alliance, Inc. *	Philippines	100	100	Ceased operation
Subsidiary companies of Amsteel Equity Capital Sdn Bhd				
Amsteel Research (M) Sdn Bhd * (Dissolved on 4.11.2019)	Malaysia	-	100	Dormant
Amsteel Equity Realty (M) Sdn Bhd *	Malaysia	100	100	Property investment and management
Subsidiary company of Mastrama Sdn Bhd				
Salient Care Sdn Bhd	Malaysia	70	70	Dormant
Subsidiary companies of Timuriang Sdn Bhd				
Kobayashi Optical Sdn Bhd	Malaysia	70	70	Ceased operation
Parkson Retail Consulting And Management Sdn Bhd	Malaysia	100	100	Investment holding
Sukhothai Food Sdn Bhd	Malaysia	100	100	Investment holding
WGD Retail Consultancy Sdn Bhd	Malaysia	100	100	Ceased operation
Natvest Parkson Sdn Bhd	Malaysia	100	100	Investment holding

17. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2020 %	2019 %	
Subsidiary companies of Timuriang Sdn Bhd (continued)				
Umatrac Enterprises Sdn Bhd	Malaysia	100	100	Investment holding
Subsidiary company of Sukhothai Food Sdn Bhd				
Masoni Investment Pte Ltd *	Singapore	52.6 47.4 ^a	52.6 47.4 ^a	Investment holding
Subsidiary company of Umatrac Enterprises Sdn Bhd				
Hiap Joo Chong Realty Sdn Bhd	Malaysia	100	100	Investment holding

* Financial statements of subsidiary companies as at 30 June 2020 not audited by Ong Boon Bah & Co.

[^] Consolidated based on management accounts.

^a Held by Parkson Retail Consulting And Management Sdn Bhd.

Non-controlling interests in subsidiary companies

Secom, the subsidiary company with non-controlling interests which the Group regards as material to the Group is set out below. The non-controlling interests of the other companies are not material to the Group.

The equity interest held by non-controlling interests is as follows:

Name of Company	2020 %	2019 %
Secom	49	49

The Group's subsidiary companies that have non-controlling interests are as follows:

	2020 RM'000	2019 RM'000
Accumulated non-controlling interests:		
Secom	44,324	42,093
Other individually immaterial subsidiary companies	644	637
	44,968	42,730
Profit allocated to non-controlling interests:		
Secom	4,191	3,929
Other individually immaterial subsidiary companies	7	8
	4,198	3,937

17. SUBSIDIARY COMPANIES (cont'd)

Non-controlling interests in subsidiary companies (cont'd)

Summarised financial information in respect of each of the Group's subsidiary companies that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Secom	
	2020	2019
	RM'000	RM'000
Summarised Statement of Profit or Loss		
Revenue	69,250	68,165
Profit for the year	8,558	8,022
Dividends paid to non-controlling interests	1,960	1,960
Summarised Statement of Financial Position		
Non-current assets	25,007	25,574
Current assets	81,150	77,822
Non-current liabilities	(6,245)	(7,338)
Current liabilities	(9,266)	(9,970)
Non-controlling interests	(187)	(183)
Net assets	90,459	85,905
Summarised Statement of Cash Flows		
Operating activities	9,606	10,596
Investing activities	(3,649)	(14,629)
Financing activities	(6,070)	2,413
Net decrease in cash and cash equivalents	(113)	(1,620)

18. INVESTMENTS

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Non-current				
Fair value through other comprehensive income				
Unquoted shares and investments	237	237	128	128

19. GOODWILL

	GROUP	
	2020 RM'000	2019 RM'000
COST		
At 1 July	49,183	49,183
Written off	(49,183)	-
At 30 June	-	49,183
LESS: ACCUMULATED IMPAIRMENT LOSSES		
At 1 July	(49,183)	(49,183)
Written off	49,183	-
At 30 June	-	(49,183)
CARRYING AMOUNT		
At 30 June	-	-

20. CONTRACT COSTS/LIABILITIES

	GROUP	
	2020 RM'000	2019 RM'000
(a) Contract costs		
Costs to fulfil a contract	527	957
(b) Contract liabilities		
Contract liabilities	680	517

The contract liabilities of a subsidiary company, primarily relate to the central management services fee income receivable from customers who are billed in advance either on a monthly or quarterly basis for service contract, which revenue is recognised over time during the contract period.

21. INVENTORIES

	GROUP	
	2020 RM'000	2019 RM'000
Current		
Property development at costs	147	147
Less: Impairment losses	(147)	(147)
	-	-

21. INVENTORIES (cont'd)

	GROUP	
	2020	2019
	RM'000	RM'000
<u>Other inventories</u>		
At cost:		
Raw materials	50	52
Finished goods	3,117	3,425
General and consumable	71	83
Work-in-progress	1,974	1,852
	5,212	5,412
Less: Allowance for slow-moving and obsolete inventories	(1,109)	(1,109)
	4,103	4,303
Total	4,103	4,303

22. RECEIVABLES

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Trade receivables	29,460	56,320	-	-
Impairment losses	(17,900)	(42,926)	-	-
	11,560	13,394	-	-
Other receivables, deposits and prepayments	415,034	436,732	221,354	243,357
Impairment losses	(309,539)	(324,917)	(139,730)	(154,022)
	105,495	111,815	81,624	89,335
Amounts due from subsidiary companies	-	-	2,009,565	1,939,501
Impairment losses	-	-	(2,009,560)	(1,939,498)
	-	-	5	3
Amounts due from associated companies	65,650	65,650	65,650	65,650
Impairment losses	(65,650)	(65,650)	(65,650)	(65,650)
	-	-	-	-
Total	117,055	125,209	81,629	89,338

22. RECEIVABLES (cont'd)

The Group's normal trade credit term ranges from 21 days to 90 days (2019: 21 days to 90 days). Other credit terms are assessed and approved on a case-to-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single customer or to groups of customers.

The amounts due from subsidiary companies which arose mainly from inter-company advances are unsecured and repayable on demand. The amount due from certain subsidiary companies bears an effective interest rate of 1% (2019: 1%) per annum.

The amounts due from associated companies which arose mainly from inter-company advances are unsecured, interest free (2019: interest free) and repayable on demand.

Included in other receivables of the Group and of the Company is an amount of RM81 million (2019: RM82 million) which represents deferred cash payments from disposal and redemption of LCB Bonds and LCB redeemable convertible secured loan stocks ("RCSLS"). Included in the Group's other receivables is an amount of RM32 million (2019: RM32 million) which represents consideration for the disposal of a subsidiary company.

Included in the Group's trade receivables balance are receivables which are past due at the end of the reporting period for which the Group has not provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered fully recoverable. The Group does not hold any collateral over these balances.

The table below is an analysis of trade receivables as of 30 June 2020:

	GROUP	
	2020 RM'000	2019 RM'000
Neither past due nor impaired	6,013	5,840
1 - 30 days past due but not impaired	1,482	2,301
31 - 90 days past due but not impaired	2,508	2,784
More than 90 days past due but not impaired	1,557	2,469
	11,560	13,394
Past due and impaired	17,900	42,926
Total trade receivables	29,460	56,320

Movement in the impairment losses of trade receivables as of 30 June 2020 is as follows:

	GROUP	
	2020 RM'000	2019 RM'000
At 1 July	42,926	42,926
Impairment losses recognised during the year	2,076	-
Written off	(27,050)	-
Reversal	(52)	-
At 30 June	17,900	42,926

22. RECEIVABLES (cont'd)

Movement in the impairment losses of other receivables as of 30 June 2020 is as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 July	324,917	302,470	154,022	152,236
Impairment losses recognised during the year	7,048	22,447	6,499	1,786
Written off	(22,426)	-	(20,791)	-
At 30 June	<u>309,539</u>	<u>324,917</u>	<u>139,730</u>	<u>154,022</u>

In determining the recoverability of a trade receivable, the Group and the Company consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The currency exposure profile of receivables is as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	72,375	80,606	81,629	89,338
Chinese Renminbi	36,630	36,446	-	-
Hong Kong Dollar	7,756	7,502	-	-
Philippine Peso	287	269	-	-
United States Dollar	7	6	-	-
Indonesian Rupiah	-	13	-	-
Singapore Dollar	-	367	-	-
	<u>117,055</u>	<u>125,209</u>	<u>81,629</u>	<u>89,338</u>

23. INVESTMENT IN CASH FUNDS, DEPOSITS, CASH AND BANK BALANCES

(a) Investment in cash funds

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fair value through profit or loss				
Investment in cash funds	<u>63,635</u>	<u>59,694</u>	<u>1,661</u>	<u>1,435</u>

23. INVESTMENT IN CASH FUNDS, DEPOSITS, CASH AND BANK BALANCES (cont'd)

(b) Deposits, cash and bank balances

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed financial institutions	21,722	18,788	18,766	16,167
Cash and bank balances	7,628	10,009	550	1,266
	29,350	28,797	19,316	17,433

Certain deposits included in deposits with licensed financial institutions are:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Earmarked for bond redemption under the GWRS	19,216	15,095	18,766	14,677

The currency exposure profile of deposits, cash and bank balances is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	27,834	27,247	19,316	17,433
Others	1,516	1,550	-	-
	29,350	28,797	19,316	17,433

The average interest rates of deposits of the Group and of the Company at the end of the financial year are 2.79% (2019: 3.22%) per annum and 2.70% (2019: 3.00%) per annum respectively.

The average maturity of deposits of the Group and of the Company at the end of the financial year are 170 days (2019: 170 days) and 7 days (2019: 7 days) respectively.

24. SHARE CAPITAL

	GROUP AND COMPANY			
	2020		2019	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued share capital:				
Ordinary shares:				
At beginning and end of financial year	1,331,175	1,561,363	1,331,175	1,561,363

25. RESERVES

	<----Non-distributable---->		
	Translation reserve RM'000	Capital reserve RM'000	Total RM'000
GROUP			
At 1 July 2018	(131,791)	469,441	337,650
Total comprehensive expense for the financial year	(2,177)	-	(2,177)
At 30 June 2019	(133,968)	469,441	335,473
Total comprehensive income for the financial year	14,085	-	14,085
At 30 June 2020	(119,883)	469,441	349,558

Included in capital reserve was profits recognised by a subsidiary company set up to manage the Ringgit Malaysia debts novated from the Company and certain of its subsidiary companies pursuant to the GWRS amounting to RM437.9 million.

26. ACB BONDS AND USD DEBTS - SECURED

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
- ACB Bonds	588,281	565,822	588,281	565,822
- ACB Debts	-	-	1,359,657	1,269,723
- ACB Consolidated and Rescheduled Debts	1,317,393	1,230,680	-	-
	1,905,674	1,796,502	1,947,938	1,835,545

The currency exposure profile of ACB Bonds and USD Debts is as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	588,281	565,822	588,281	565,822
United States Dollar	1,317,393	1,230,680	1,359,657	1,269,723
	1,905,674	1,796,502	1,947,938	1,835,545

The Company had on 27 February 2009, implemented the corporate and debt restructuring scheme ("ACB Scheme") which is to address its debts obligations to repay the ACB Bonds and USD Debts issued by the Company and its subsidiary company pursuant to the GWRS.

The implementation of the ACB Scheme led to consequential changes to the principal terms and conditions of the ACB Bonds and USD Debts.

26. ACB BONDS AND USD DEBTS - SECURED (cont'd)

The principal terms and conditions of the ACB Bonds and USD Debts are as follows:

- (i) The tranches of RM denominated bonds ("ACB Bonds") issued by the Company are as follows:

ACB Bonds	Nominal Value RM'000	Net Present Value RM'000	Maturity Date	Cash Yield to Maturity (per annum)
Class A(1)	40,058	34,740	31 December 2011	7.00%
Class A(2)	32,907	29,133	31 December 2011	6.00%
Class B(a)	265,537	232,460	31 December 2014	4.00%
Class B(b)	*	*	31 December 2014	7.00%
Class C #	340,049	303,475	31 December 2011	4.75%

- (ii) The tranches of USD Debts ("ACB Debts") issued by the Company to a subsidiary company are as follows:

ACB Debts	Nominal Value USD'000	Net Present Value USD'000	Maturity Date	Cash Yield to Maturity (per annum)
Class A(1)	142,059	123,186	31 December 2011	6.75%
Class A(2)	1,620	1,443	31 December 2011	5.50%
Class B	134,253	118,949	31 December 2014	3.50%
Class C #	198,849	179,761	31 December 2011	4.25%

- (iii) The tranches of USD Debts ("ACB Consolidated and Rescheduled Debts") issued by a subsidiary company are as follows:

USD Debts	Nominal Value USD'000	Net Present Value USD'000	Maturity Date	Cash Yield to Maturity (per annum)
Class A(1)	125,285	109,778	31 December 2011	6.50%
Class A(2)	1,441	1,313	31 December 2011	5.25%
Class B	126,016	113,065	31 December 2014	3.25%
Class C #	194,328	176,698	31 December 2011	4.00%

* Less than RM1,000.

There is no change to the yield to maturity and maturity date of the Class C ACB Bonds and USD Debts in view that Class C ACB Bonds and USD Debts are not restructured.

26. ACB BONDS AND USD DEBTS - SECURED (cont'd)

Securities and covenants for the ACB Bonds and USD Debts

The Security Trustee holds the following securities for the benefit of the holders of ACB Bonds and USD Debts ("Securities"):

- (a) Class B LCB Bonds received by the Company pursuant to the GWRS; and
- (b) The Redemption Account held by the Company where it will capture the "Dedicated Cash Flows" pursuant to the GWRS and the ACB Scheme. Dedicated Cash Flows mean cash flows from the following sources:
 - net surplus proceeds from the disposal of any assets in the Divestment Programme of the Group over which there is existing security, if applicable and assets under the Agreement;
 - net proceeds from the disposal of any assets in the Divestment Programme of the Group over which there is no existing security;
 - any Back-End Amount and Loyalty Payment received by the Company as a holder of LCB Bonds;
 - net proceeds of the redemption of LCB Bonds and LCB RCSLS (not fully tendered and/or exchanged for) received by the Company;
 - net proceeds from the disposal of LCB RCSLS received by the Company pursuant to the put and call option agreement with Tan Sri Cheng Heng Jem;
 - net proceeds from the disposal of any residual assets (other than the assets in the Divestment Programme) of the Group;
 - net proceeds from the adjusted assets and liabilities pursuant to ACB internal reorganisation under the ACB Scheme; and
 - net proceeds from such other securities as may be provided by the Group.

Classes A(1) and A(2) ACB Bonds and USD Debts and Class B ACB Bonds and USD Debts rank *pari passu* among each other over the Securities under items (a) and (b) above held by the Security Trustee.

Class C ACB Bonds and USD Debts rank *pari passu* amongst each other over the Securities under items (a) and (b) above held by the Security Trustee.

The Classes A(1), A(2) and B ACB Bonds and USD Debts will rank in priority over Class C ACB Bonds and USD Debts over the Securities under items (a) and (b) above held by the Security Trustee.

26. ACB BONDS AND USD DEBTS - SECURED (cont'd)

In addition, the following are the securities provided in respect of the USD Debts ("SPV Securities"):

- (a) assignment of all the rights attaching to the ACB Debts including the rights to receive payments from the Company and rights to other entitlements;
- (b) a debenture over the assets (namely ACB Debts) of a subsidiary company;
- (c) a charge over a subsidiary company's Redemption Account which will capture the proceeds from the repayment of the ACB Debts by the Company; and
- (d) corporate guarantee by the Company to the Facility Agent for the benefit of the holders of the USD Debts.

Monies captured in the Redemption Account can only be utilised towards the repayment of USD Debts and cannot be utilised by the subsidiary company for any other purposes.

The Classes A(1), A(2) and B USD Debts will rank *pari passu* among each other in respect of the SPV Securities listed under items (a) to (d) and rank ahead of the Class C USD Debts in respect of the SPV Securities. Meanwhile, the Class C USD Debts will rank *pari passu* among each other in respect of the SPV Securities.

Classes A(1), A(2), B and C ACB Bonds and USD Debts shall rank *pari passu* with all other unsecured and unsubordinated creditors of the Group in respect of the Group's assets which are not part of the Securities.

The main covenants of the ACB Bonds and USD Debts are as follows:

(a) Permitted indebtedness

At any time, any indebtedness for borrowed moneys incurred or assumed by the Group and any scheme companies in respect of which the aggregate principal amount committed or provided by the lenders together with the aggregate amount of all indebtedness of the Group and any scheme companies at the time of incurrence does not exceed the following limits:

- (i) where the total redemption amounts of the ACB Bonds redeemed, or cancelled pursuant to an early redemption or purchase, and the total repayment amounts of the USD Debts repaid and in the case of an early repayment or purchased, the total repayment amounts in respect of the USD Debts repaid or purchased, up to the relevant time when the indebtedness is incurred or proposed to be incurred (which amount shall exclude amounts paid in respect of the Class B(b) Bonds) and the up-front cash payment made on 31 January 2003 (collectively, the "Repaid Amount") is less than 50% of the aggregate outstanding nominal value of all ACB Bonds and the outstanding repayment amounts of all the USD Debts (other than the Class B(b) Bonds) as at the issue date of the ACB Bonds, the limit shall be 20% of that Repaid Amount;
- (ii) where the total Repaid Amount is equal to or exceeding 50% but less than 75% of the aggregate outstanding for nominal values of all ACB Bonds and the outstanding repayment amounts of all the USD Debts (other than the Class B(b) Bonds) as at the issue date of the ACB Bonds, the limit shall be 35% of that Repaid Amount; and
- (iii) where the total Repaid Amount is equal to or more than 75% of the aggregate outstanding nominal values of all ACB Bonds and the outstanding repayment amounts of all the USD Debts (other than the Class B(b) Bonds) as at the issue date of the ACB Bonds, the limit shall be 50% of that Repaid Amount.

26. ACB BONDS AND USD DEBTS - SECURED (cont'd)

(b) Disposal of Divestment Assets

The disposal of Divestment Assets shall require prior consent from the Security Trustee where:

- (i) the disposal price of such Divestment Assets is at a discount rate of 20% or more of the market value of the said Divestment Assets; and/or
- (ii) the disposal price of such Divestment Assets is equal to or more than RM5.0 million; and/or
- (iii) the sale of such Divestment Assets is to a related party.

(c) Disposal of assets/shares (other than Divestment Assets and those assets acquired by the Group after 14 March 2003 which are funded from monies other than the Dedicated Cash flow)

The disposal of assets/shares shall require prior consent from the Security Trustee where:

- (i) the disposal price is more than RM25.0 million or 20% or more than the audited consolidated net tangible assets of the Company, whichever is lower; and
- (ii) the disposal price is at a discount rate of 20% or more of the market value of the said assets/shares.

(d) Capital expenditure

Prior written consent from the Security Trustee/Facility Agent before the Group (other than the excluded companies) incurs any capital expenditure:

- (i) for any new investment which is not within the core business(es) of the Group as set out in the Trust Deed; and
- (ii) exceeding 25% of the consolidated net tangible assets of the Company.

As reported in the previous financial statements:

- (a) in consideration of the holders of ACB Bonds and USD Debts granting the indulgence and approval to vary the redemption date and the repayment date of ACB Bonds and USD Debts, additional securities were charged in favour of the Security Trustee on shares in certain subsidiary companies of the Company with an adjusted net tangible assets of RM5 million or more, provided such shares are not encumbered; and
- (b) commencing 1 January 2005, interest payable as penalty for late redemption/repayment of any redemption amount/repayment amount shall be calculated on a simple interest basis instead of on a compound basis.

During the previous financial years, the deferment of the Class B ACB Bonds and USD Debts, Class C ACB Bonds and USD Debts were not passed.

The Class A ACB Bonds and USD Debts were fully redeemed by the Company and its subsidiary company.

27. TERM LOAN

	GROUP	
	2020 RM'000	2019 RM'000
Secured		
Non-current	3,791	5,159
Current	1,361	1,254
	5,152	6,413

The term loan of a subsidiary company is secured by a registered charged over its certain freehold land buildings as disclosed in Note 12. The facility bears interest at 3.35% (2019: 4.47%) per annum.

The term loan is repayable as follows:

	GROUP	
	2020 RM'000	2019 RM'000
Less than one year	1,361	1,254
Later than one year and not later than five years	3,791	5,159
	5,152	6,413

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows have been, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flow from/(used in) financing activities.

	1 July 2019 RM'000	Financing cash flows RM'000	Interest RM'000	Translation adjustment RM'000	30 June 2020 RM'000
Group					
ACB Bonds and USD Debts	1,796,502	-	67,565	41,607	1,905,674
Term loan	6,413	(1,261)	-	-	5,152
Company					
ACB Bonds and USD Debts	1,835,545	-	72,516	39,877	1,947,938
	1 July 2018 RM'000	Financing cash flows RM'000	Interest RM'000	Translation adjustment RM'000	30 June 2019 RM'000
Group					
ACB Bonds and USD Debts	1,701,622	-	65,925	28,955	1,796,502
Term loan	-	6,413	-	-	6,413
Company					
ACB Bonds and USD Debts	1,737,938	-	70,686	26,921	1,835,545

28. LEASE LIABILITIES

	GROUP 2020 RM'000
At 1 July 2019, on adoption of MFRS 16	1,592
Addition	173
Finance cost (Note 9)	59
Payment of lease rental	(868)
At 30 June 2020	<u>956</u>

The minimum lease payments for the lease liability are payable as follows:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Less than one year	795	(26)	769
Later than one year and not later than five years	192	(5)	187

Reconciliation of movement of liabilities to cash flows arising from financing activities

	1 July 2019 RM'000	Financing cash flows RM'000	Acquisition of new lease RM'000	30 June 2020 RM'000
Group				
Lease liabilities	1,592	(809)	173	956

29. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP 2020 RM'000	2019 RM'000
At 1 July	161	(184)
Transfer from/(to) profit or loss (Note 10):		
- Property, plant and equipment	34	232
- Deductible temporary differences	285	113
	<u>319</u>	<u>345</u>
At 30 June	<u>480</u>	<u>161</u>

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statements of financial position:

	GROUP 2020 RM'000	2019 RM'000
Deferred tax assets	489	173
Deferred tax liabilities	(9)	(12)
	<u>480</u>	<u>161</u>

29. DEFERRED TAX ASSETS/LIABILITIES (cont'd)

Deferred tax assets/liabilities provided in the financial statements are in respect of the tax effects of the following:

	GROUP	
	2020	2019
	RM'000	RM'000
Deferred tax assets		
Deductible temporary differences	1,766	1,252
Offsetting	(1,277)	(1,079)
Deferred tax assets (after offsetting)	489	173
Deferred tax liabilities		
Property, plant and equipment	1,053	1,079
Deductible temporary differences	233	12
	1,286	1,091
Offsetting	(1,277)	(1,079)
Deferred tax liabilities (after offsetting)	9	12

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

	GROUP	
	2020	2019
	RM'000	RM'000
- unabsorbed capital allowances	1,304	1,304
- unutilised tax losses	128,315	128,315
	129,619	129,619

As announced in the Annual Budget 2019, effective from year of assessment 2019, the unused tax losses of Malaysian entities as at 31 December 2018 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unused tax losses will be disregarded. The unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiary companies in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiary companies in the Group and they have arisen in subsidiary companies that have a recent history of losses.

The unutilised tax losses and unabsorbed capital allowances carried forward are subject to agreement by the tax authority.

30. PAYABLES

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Trade payables	2,226	4,636	-	-
Other payables	49,150	48,803	19,267	19,791
Amounts due to subsidiary companies	-	-	1,095,161	1,012,127
	51,376	53,439	1,114,428	1,031,918

The normal trade credit term granted to the Group ranges from 30 days to 120 days (2019: 30 days to 120 days).

The amounts due to subsidiary companies which arose mainly from inter-company advances are unsecured, interest free (2019: interest free) and repayable on demand.

The currency exposure profile of payables is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	44,347	46,435	760,889	689,719
United States Dollar	566	551	352,482	341,142
Others	6,463	6,453	1,057	1,057
	51,376	53,439	1,114,428	1,031,918

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are entities in which a Director or a substantial shareholder of the Company or its subsidiary companies and/or persons connected with such Director or substantial shareholder has an interest, excluding those parties disclosed as related companies in the financial statements.

(a) Sales of goods and services

	GROUP	
	2020	2019
	RM'000	RM'000
Sales of goods and services to:		
- Amsteel Mills Sdn Bhd	1,530	2,842
- Antara Steel Mills Sdn Bhd	361	587
- Parkson Corporation Sdn Bhd	870	1,076

Amsteel Mills Sdn Bhd and Antara Steel Mills Sdn Bhd are subsidiary companies of Lion Industries Corporation Berhad, a substantial shareholder of the Company.

Parkson Corporation Sdn Bhd is a wholly-owned subsidiary of Parkson Retail Asia Limited wherein a Director and substantial shareholder of the Company is also a Director and substantial shareholder.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(b) Purchases of goods

	GROUP	
	2020	2019
	RM'000	RM'000
Purchases of goods from:		
- Secom Co., Ltd.	348	870
- Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd.	380	744

Secom Co., Ltd. is a substantial shareholder of Secom (Malaysia) Sdn Bhd, a subsidiary company of the Company.

Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd. is a subsidiary company of Secom Co., Ltd.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no more favourable to the related parties than those arranged with independent third parties.

32. SEGMENT INFORMATION

(a) Business Segments

The Group is organised into two major business segments as follows:

- | | |
|------------------------------------|--|
| (i) Security services | - provision of security services and sale of security related equipment; and |
| (ii) Investment holding and others | - investment holding, manufacturing and sale of tools and dies, and others. |

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are no more favourable to the related parties than those arranged with unrelated parties.

32. SEGMENT INFORMATION (cont'd)

(a) Business Segments (cont'd)

30 June 2020

	Security services RM'000	Investment holding and others RM'000	Eliminations RM'000	Total RM'000
Revenue				
External sales	<u>69,250</u>	<u>5,069</u>	<u>-</u>	<u>74,319</u>
Results				
Segment results	11,195	(9,949)	-	1,246
Loss on foreign exchange - unrealised				(54,911)
Finance costs				(67,868)
Share in results of associated companies	-	(1,832)	-	(1,832)
Loss before tax				(123,365)
Tax expenses				(2,981)
Net loss for the financial year				<u>(126,346)</u>
Assets				
Segment assets	105,668	140,132	-	245,800
Investment in associated companies	-	40,461	-	40,461
Unallocated assets				6,309
Consolidated total assets				<u>292,570</u>
Liabilities				
Segment liabilities	15,292	1,950,813	-	1,966,105
Unallocated liabilities				271
Consolidated total liabilities				<u>1,966,376</u>
Other information				
Capital expenditure	518	16	-	534
Depreciation	4,970	212	-	5,182
Amortisation	-	7	-	7
Other non-cash expenses	-	9,186	-	<u>9,186</u>

32. SEGMENT INFORMATION (cont'd)

(a) Business Segments (cont'd)

30 June 2019

	Security services RM'000	Investment holding and others RM'000	Eliminations RM'000	Total RM'000
Revenue				
External sales	68,165	7,655	-	75,820
Results				
Segment results	10,650	(8,732)	-	1,918
Loss on foreign exchange - unrealised				(23,773)
Finance costs				(66,034)
Share in results of associated companies	-	1,231	-	1,231
Loss before tax				(86,658)
Tax expenses				(4,175)
Net loss for the financial year				(90,833)
Assets				
Segment assets	103,050	148,238	-	251,288
Investment in associated companies	-	42,293	-	42,293
Unallocated assets				5,984
Consolidated total assets				299,565
Liabilities				
Segment liabilities	17,280	1,841,788	-	1,859,068
Unallocated liabilities				82
Consolidated total liabilities				1,859,150
Other information				
Capital expenditure	14,670	36	-	14,706
Depreciation	4,625	247	-	4,872
Amortisation	-	963	-	963
Other non-cash expenses	-	27,909	-	27,909

32. SEGMENT INFORMATION (cont'd)

(b) Geographical Segments

The Group operates in the following main geographical areas:

Malaysia - mainly in the provision of security services and sale of security related equipment, manufacturing and sale of tools and dies, investment holding and others; and

Other countries - investment holding and others.

	Revenue		Total assets		Capital expenditure	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	74,319	75,820	253,206	254,957	534	14,706
Other countries	-	-	39,364	44,608	-	-
	74,319	75,820	292,570	299,565	534	14,706

33. STATEMENTS OF CASH FLOWS

(a) Adjustment for non-cash items, interests and dividends:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- property, plant and equipment	4,351	4,872	-	-
- right-of-use assets	831	-	-	-
Impairment loss on:				
- biological assets	-	3,611	-	-
- property, plant and equipment	-	1,692	-	-
- property development costs	-	147	-	-
Amortisation of:				
- biological assets	-	957	-	-
- investment properties	7	6	-	-
Net impairment losses on receivables:				
- subsidiary companies	-	-	70,062	162,494
- others	9,072	22,447	6,499	1,786
Interest expenses	67,868	66,034	72,516	70,686
Property, plant and equipment written off	114	12	112	-
Share in results of associated companies	1,832	(1,231)	-	-
Interest income	(2,601)	(3,676)	(838)	(1,661)
Gain on disposal of property, plant and equipment	(34)	(58)	-	-
Dividend income	(256)	(77)	(256)	(35)
Loss on foreign exchange - unrealised	54,911	23,773	51,407	35,243
	136,095	118,509	199,502	268,513

(b) Cash and cash equivalents at end of the financial year:

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	7,628	10,009	550	1,266
Deposits with licensed financial institutions	21,722	18,788	18,766	16,167
	29,350	28,797	19,316	17,433
Less: Fixed deposits earmarked for bond redemption	(19,216)	(15,095)	(18,766)	(14,677)
	10,134	13,702	550	2,756

34. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board of Directors for observation in the day-to-day operations for the controlling and management of the risks associated with the financing, investing and operating activities of the Group.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

Capital Risk Management

The objective of the Group's and of the Company's capital management is to safeguard the Group's and the Company's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance.

The capital structure of the Group and of the Company consists of net debts (borrowings offset by investment in cash funds, deposits, cash and bank balances) and equity of the Group and of the Company (comprising issued capital, reserves and non-controlling interests).

Gearing Ratio

The gearing ratio at end of the reporting period is as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Debt (i)	1,910,826	1,802,915	1,947,938	1,835,545
Investment in cash funds, deposits, cash and bank balances	(92,985)	(88,491)	(20,977)	(18,868)
Net debt	1,817,841	1,714,424	1,926,961	1,816,677
Equity (ii)	(1,673,806)	(1,559,585)	(2,949,847)	(2,749,237)
Debt to equity ratio	NM	NM	NM	NM

(i) Debt is defined as long term and short term borrowings as disclosed in Notes 26 and 27 respectively.

(ii) Equity includes issued capital, reserves and non-controlling interests.

NM = Not meaningful

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

34. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Fair value through other comprehensive income:				
Unquoted shares and other investments	237	237	128	128
Fair value through profit or loss:				
Investment in cash funds	63,635	59,694	1,661	1,435
Amortised cost:				
Receivables	117,055	125,209	81,629	89,338
Deposits, cash and bank balances	29,350	28,797	19,316	17,433
Financial liabilities at amortised cost				
Payables	51,376	53,439	1,114,428	1,031,918
Term loan	5,152	6,413	-	-
ACB Bonds and USD Debts	1,905,674	1,796,502	1,947,938	1,835,545
Deferred liabilities	2,267	2,197	-	-
Lease liabilities	956	-	-	-

Foreign currency sensitivity analysis

The Group and the Company are mainly exposed to the foreign currency of United States Dollar ("USD").

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 10% change in foreign currency rates. A positive number below indicates a gain in profit or loss where the Ringgit Malaysia strengthens 10% against the USD. For a 10% weakening of the Ringgit Malaysia against the USD, there would be a comparable impact on profit or loss, the balances below would be negative.

	GROUP		COMPANY	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
USD	131,739	123,068	171,214	161,087

The Group's and the Company's sensitivity to foreign currency is mainly attributable to the exposure of outstanding USD payables of the Group and of the Company at the end of the reporting period.

In management's opinion, the sensitivity analysis does not represent the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial year.

Market risk

Market risk is the risk that changes market prices, such as foreign exchange rates, interest rates and other prices which will affect the Group's financial position or cash flows.

34. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk

The Group's and the Company's exposures to interest rate on borrowings in ACB Bonds and USD Debts, term loan and finance lease liabilities are limited because the interest rate is fixed upon inception. The interest rates for the ACB Bonds and USD Debts, term loan and lease liabilities are disclosed in Notes 26, 27 and 28 respectively.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's loss net of tax and equity arising from the effect of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from receivables and the Company's exposure to credit risk arises primarily from advances to subsidiaries. For other financial assets (investments, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks of the Group are minimised and monitored via strictly limiting association to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

Concentration of credit risk

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

The Group has applied the simplified approach to measure the loss allowance at lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix, where applicable, estimated based on historical credit loss experience based on the past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

34. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Receivables (cont'd)

Concentration of credit risk (cont'd)

The following ageing of trade receivables provides information about the exposure to credit risk and ECLs for trade receivables:

	Gross- carrying amount RM'000	Individual impairment RM'000	ECL RM'000	Net balance RM'000
GROUP				
2020				
Not past due	6,013	-	(46)	5,967
1 to 30 days past due	1,482	-	(70)	1,412
31 to 90 days past due	2,508	-	(329)	2,179
More than 90 days past due	18,242	(15,933)	(307)	2,002
Individually impaired	1,215	(1,215)	-	-
	<u>29,460</u>	<u>(17,148)</u>	<u>(752)</u>	<u>11,560</u>
2019				
Not past due	5,840	-	(126)	5,714
1 to 30 days past due	2,301	-	(118)	2,183
31 to 90 days past due	2,784	-	(349)	2,435
More than 90 days past due	44,542	(27,616)	(13,864)	3,062
Individually impaired	853	(853)	-	-
	<u>56,320</u>	<u>(28,469)</u>	<u>(14,457)</u>	<u>13,394</u>

Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of the funding so as to ensure that all financing, repayment and funding needs are met. As part of the overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

34. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Liquidity and cash flow risks (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total RM'000	Contractual interest %
GROUP					
2020					
Financial liabilities					
Trade payables	2,226	-	-	2,226	-
Other payables	49,150	-	-	49,150	-
ACB Bonds and USD					
Debts	1,905,674	-	-	1,905,674	3.25 - 7.00
Deferred liabilities	-	-	2,267	2,267	-
Lease liabilities	795	192	-	987	4.50
Term loan	1,512	1,512	2,128	5,152	3.35
	<u>1,959,357</u>	<u>1,704</u>	<u>4,395</u>	<u>1,965,456</u>	
2019					
Financial liabilities					
Trade payables	4,636	-	-	4,636	-
Other payables	48,803	-	-	48,803	-
ACB Bonds and USD					
Debts	1,796,502	-	-	1,796,502	3.25 - 7.00
Deferred liabilities	-	-	2,197	2,197	-
Term loan	1,512	1,512	3,389	6,413	4.47
	<u>1,851,453</u>	<u>1,512</u>	<u>5,586</u>	<u>1,858,551</u>	
COMPANY					
2020					
Financial liabilities					
Other payables	19,267	-	-	19,267	-
Amount due to subsidiary companies	1,095,161	-	-	1,095,161	-
ACB Bonds and USD					
Debts	1,947,938	-	-	1,947,938	3.50 - 7.00
	<u>3,062,366</u>	<u>-</u>	<u>-</u>	<u>3,062,366</u>	
2019					
Financial liabilities					
Other payables	19,791	-	-	19,791	-
Amount due to subsidiary companies	1,012,127	-	-	1,012,127	-
ACB Bonds and USD					
Debts	1,835,545	-	-	1,835,545	3.50 - 7.00
	<u>2,867,463</u>	<u>-</u>	<u>-</u>	<u>2,867,463</u>	

34. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Determination of fair values

(a) Financial Instrument Carried at Amortised Cost

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

- (i) Cash and cash equivalents, trade and other receivables/payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

- (ii) Unquoted shares and investments

It is not practical to estimate the fair value of the Group's unquoted shares and investments due to lack of market information and the inability to estimate fair value without incurring excessive costs. However, the Group does not expect the carrying amounts to be significantly different from recoverable amounts.

- (iii) ACB Bonds and USD Debts, term loan and deferred liabilities

The carrying amount of short term borrowings approximates fair value because of the short maturity period. The fair value of long term borrowings is estimated based on the current rates available for borrowings with the same maturity profile.

Fair value of term loan is estimated based on discounted cash flows using a rate based on the current market rate of borrowing, which approximates the original rate of borrowing.

Fair values of deferred liabilities are estimated based on present value using a rate based on overnight policy rate at the end of the reporting period.

(b) Financial Instrument Carried at Fair Value

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or;
- (ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfer between Levels 1, 2 and 3 during the financial year.

34. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Determination of fair values (cont'd)

(b) Financial Instrument Carried at Fair Value (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
GROUP				
2020				
Financial assets				
Unquoted shares and other investments	-	-	237	237
Investment in cash funds	-	63,635	-	63,635
2019				
Financial assets				
Unquoted shares and other investments	-	-	237	237
Investment in cash funds	-	59,694	-	59,694
COMPANY				
2020				
Financial assets				
Unquoted shares and other investments	-	-	128	128
Investment in cash funds	-	1,661	-	1,661
2019				
Financial assets				
Unquoted shares and other investments	-	-	128	128
Investment in cash funds	-	1,435	-	1,435

35. SIGNIFICANT EVENT

The COVID-19 pandemic was announced by the World Health Organisation in March 2020 given the outbreak of the virus in countries across the world including Malaysia. The COVID-19 pandemic has resulted in disruptions to businesses and various macro-economic impacts. A nationwide movement control order ("MCO") was enforced with effective from 18 March 2020 to contain the COVID-19 outbreak, resulting in restrictions to travel and gatherings, and the closure of all business premises except for essential services.

As at the date of the financial statements are authorised for issuance, the COVID-19 situation is still evolving and unpredictable. As a result, it is not practicable for the Group and the Company to estimate the financial effect of COVID-19 at this juncture. The Group and the Company are actively monitoring and managing the Group's and the Company's operations to minimise any impacts that may arise from COVID-19.

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
GROUP			
2019			
Statement of Financial Position			
Deposit, cash and bank balances	88,491	(59,694)	28,797
Investment in cash funds	-	59,694	59,694
	<u> </u>	<u> </u>	<u> </u>
COMPANY			
2019			
Statement of Financial Position			
Deposit, cash and bank balances	18,868	(1,435)	17,433
Investment in cash funds	-	1,435	1,435
	<u> </u>	<u> </u>	<u> </u>

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, TAN SRI CHENG HENG JEM and LT. JEN (B) DATUK SERI ABDUL MANAP BIN IBRAHIM, being two of the Directors of ACB RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 13 to 83 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 1 October 2020.

TAN SRI CHENG HENG JEM
Chairman

LT. JEN (B) DATUK SERI ABDUL MANAP BIN IBRAHIM
Director

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, LIOW SWEE KAN, the officer primarily responsible for the financial management of ACB RESOURCES BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 13 to 83 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed LIOW SWEE KAN at Kuala Lumpur in the Federal Territory on 1 October 2020.

LIOW SWEE KAN
MIA 9991

Before me
W530
TAN SEOK KETT
Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACB RESOURCES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACB RESOURCES BERHAD which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 83.

We do not express our opinion on the accompanying financial statements of the Group and of the Company because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements as at 30 June 2020, and of their financial performance and their cash flows for the year then ended.

Basis for Disclaimer of Opinion

We draw attention to Note 2 to the financial statements, which indicates that the Group and the Company incurred net loss attributable to owners of the Company of RM131 million and RM201 million respectively during the year ended 30 June 2020 and, as of that date, the Group and the Company have deficit in their net equity attributable to the owners of the Company of RM1,719 million and RM2,950 million and their current liabilities exceeded their current assets by RM1,740 million and RM2,954 million respectively.

As described in Note 26 to the financial statements, ACB Bonds and USD Debts of the Group and of the Company are repayable within 12 months amounting to RM1,906 million and RM1,948 million respectively. The cash flows for the said redemption/repayment will be sourced from the proceeds of the disposal of assets/companies and cash flows from the operations.

We were unable to obtain sufficient and appropriate audit evidences to satisfy ourselves as to the adequacy of cash flows for the ACB Bonds and USD Debts to be fully redeemed/repaid by the Group and the Company.

All the above events indicate a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

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 responsibility is to conduct an audit of the Group's and of the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act 2016 ("Act") in Malaysia, except for those disclosed in the Basis for disclaimer of opinion section, we also report that the accounting and other records and registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors as disclosed in Note 17 to the financial statements have been properly kept in accordance with the provisions of the Act.

Other Matters

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

ONG BOON BAH & CO
AF: 0320
Chartered Accountants

Kuala Lumpur
1 October 2020

WONG SOO THIAM
01315/12/2020 J
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

Issued Shares as at 9 October 2020

Total Number of Issued Shares	:	1,331,174,812
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share

Distribution of Shareholdings as at 9 October 2020

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	2,526	8.69	104,486	0.01
100 to 1,000	14,852	51.12	7,546,954	0.57
1,001 to 10,000	8,804	30.30	33,303,942	2.50
10,001 to 100,000	2,405	8.28	82,568,484	6.20
100,001 to less than 5% of issued shares	463	1.59	332,557,487	24.98
5% and above of issued shares	5	0.02	875,093,459	65.74
	<u>29,055</u>	<u>100.00</u>	<u>1,331,174,812</u>	<u>100.00</u>

Substantial Shareholders as at 9 October 2020

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Tan Sri Cheng Heng Jem	—	—	634,485,255	47.66
2. Lim Fook Kee	265,834,962	19.97	—	—
3. Lion Corporation Berhad	82,900,000	6.23	551,585,255	41.44
4. Lion Rubber Works Sdn Bhd	245,535,746	18.45	—	—
5. Century Container Industries Sdn Bhd	180,822,751	13.58	—	—
6. Bright Steel Sdn Bhd	—	—	180,822,751	13.58
7. Total Triumph Investments Limited	—	—	180,822,751	13.58
8. PMB Jaya Sdn Bhd	100,000,000	7.51	—	—
9. PMB Building System Sdn Bhd	—	—	100,000,000	7.51
10. Lion Construction & Engineering Sdn Bhd	—	—	100,000,000	7.51
11. Lion Industries Corporation Berhad	—	—	634,485,255	47.66
12. LLB Steel Industries Sdn Bhd	—	—	634,485,255	47.66
13. Steelcorp Sdn Bhd	—	—	634,485,255	47.66
14. Amsteel Mills Sdn Bhd	—	—	634,485,255	47.66
15. Lion Diversified Holdings Berhad (In liquidation)	—	—	634,485,255	47.66

Thirty Largest Registered Shareholders as at 9 October 2020

Registered Shareholders	No. of Shares	% of Shares
1. Lim Fook Kee	265,834,962	19.97
2. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lion Rubber Works Sdn Bhd	245,535,746	18.45
3. Century Container Industries Sdn Bhd	180,822,751	13.58
4. PMB Jaya Sdn Bhd	100,000,000	7.51
5. Lion Corporation Berhad	82,900,000	6.23
6. HLB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Berhad	45,877,176	3.45
7. Affin Hwang Nominees (Asing) Sdn Bhd Wide Fidelity Limited for Limpahjaya Sdn Bhd	14,995,653	1.13
8. Kumpulan Perangsang Selangor Berhad	14,738,956	1.11
9. Lim Seng Chee	14,137,800	1.06
10. Tee Yeow	10,000,000	0.75
11. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	9,565,100	0.72
12. Ng Teng Song	9,254,800	0.70
13. HSBC Nominees (Asing) Sdn Bhd Exempt AN for Clearstream Banking S.A.	8,847,644	0.66
14. Tee Yeow	8,050,720	0.60
15. RHB Merchant Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Limpahjaya Sdn Bhd (LCB-B3)	5,804,320	0.44
16. Heng Nam Import & Export (M) Sdn Bhd	5,299,000	0.40
17. Projek Lebuh raya Utara-Selatan Berhad	5,052,784	0.38
18. Lim Gim Leong	3,931,600	0.30
19. Jacob LDC	3,871,801	0.29
20. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	3,523,902	0.26
21. HSBC Nominees (Asing) Sdn Bhd Exempt AN for the Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	3,148,200	0.24
22. Patricia Tan Siew Ling	3,094,600	0.23
23. Lau Wai Fong	3,000,000	0.23
24. Mrs Kuo-Ting Yer Ping	3,000,000	0.23
25. Ong Lew King	2,950,000	0.22
26. Maybank Nominees (Tempatan) Sdn Bhd Remedial Management for Malayan Banking Berhad (260488)	2,694,699	0.20
27. Limpahjaya Sdn Bhd	2,586,685	0.19
28. Toh Lay Beng	2,538,061	0.19
29. Wi Mui Ngo @ Wong Mooi Ngoh	2,400,000	0.18
30. Ta Chong Bank Ltd	2,323,081	0.17

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