大穩控股有限公司

TA WIN HOLDINGS BERHAD

(Registration No.: 199401005913 (291592-U))

ANNUAL REPORT 2020

CONTENTS

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Dato' Yeo Boon Leong, JP *(Chairman)*
Non-Independent Non-Executive Director

Dato' Sri Ngu Tieng Ung, JP
Managing Director

Mr. Tan Poo Chuan
Executive Director

Dato' Paduka Dr. Hii King Hiong
Independent Non-Executive Director

Datin Seri Azreen Binti Abu Noh
Independent Non-Executive Director

Datuk Zakaria Bin Sharif
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Paduka Dr. Hii King Hiong *(Chairman)*
Datin Seri Azreen Binti Abu Noh
Datuk Zakaria Bin Sharif

RISK MANAGEMENT COMMITTEE

Dato' Paduka Dr. Hii King Hiong *(Chairman)*
Datin Seri Azreen Binti Abu Noh
Mr. Tan Poo Chuan

NOMINATION COMMITTEE

Datuk Zakaria Bin Sharif *(Chairman)*
Datin Seri Azreen Binti Abu Noh

REMUNERATION COMMITTEE

Datin Seri Azreen Binti Abu Noh *(Chairman)*
Dato' Paduka Dr. Hii King Hiong
Dato' Yeo Boon Leong, JP

COMPANY SECRETARY

Ms. Kimberly Ong Sweet Ee
(SSM Practicing Certificate No. 201908000841)
(LS0009852)

AUDITORS

Ecovis Malaysia PLT (AF 001825)
No. 54, Jalan Kempas Utama 2/2,
Taman Kempas Utama,
81200 Johor Bahru,
Johor Darul Takzim, Malaysia.
Contact No. : 07-562 9000
Fax No. : 07-562 9090

REGISTERED OFFICE

Unit 26-11 & 26-12,
Level 26, Q Sentral,
Jalan Stesen Sentral 2,
50470 Kuala Lumpur, Malaysia.
Contact No. : 03-2276 6522
Fax No. : 03-2276 6511
Email : info@ta-win.com
Website : www.ta-win.com

SHARE REGISTRARS

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Malaysia.
Contact No. : 03-2084 9000
Fax No. : 03-2094 9940

PRINCIPAL BANKERS

Malayan Banking Berhad
MBSB Bank Berhad
AmBank Berhad
CIMB Bank Berhad

INVESTOR RELATIONS

Tan Poo Chuan
Executive Director

Mr. Wong Weng Keong
Group Finance Manager

Contact : 03-2276 6522
Fax : 03-2276 6511
Email : info@ta-win.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

	Ordinary Shares	Preference Shares	Warrants
Stock Name	TAWIN	TAWIN-PA	TAWIN-WA
Stock Code	7097	7097PA	7097WA

CORPORATE **PROFILE**

Ta Win Holdings Berhad ("Ta Win") was incorporated in Malaysia under the Companies Act, 1965 (deemed registered under the Companies Act, 2016) on 7 March 1994 under the name Sinmah Holdings Berhad. Subsequently, on 15 November 1994, the Company changed its name to Medan Perdana Berhad. The Company assumed its present name on 27 June 1998.

Ta Win's shares were offered to the public on 15 August 2000 in conjunction with its listing on Bursa Malaysia Securities Berhad. Ta Win is currently listed under the "Industrial Products & Services" Sector of the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of Ta Win are investment holding and provision of management services while the principal activities of its subsidiaries are as follows:-

COMPANY	DATE AND COUNTRY OF INCORPORATION	EQUITY INTEREST (%)	PRINCIPAL ACTIVITIES
Ta Win Industries (M) Sdn. Bhd.	12 February 1990, Malaysia	100.00	Manufacturing of copper wires and copper rods to overseas market, Licensed Manufacturing Warehouses and local customers.
TWH Energy Sdn. Bhd.	28 December 2017, Malaysia	100.00	Project management, consultancy, R&D, production, marketing, distribution of products in applications and relation of Electron Beam Irradiation Technology, Radiation Vulcanization of Natural Rubber Latex Technology, Gamma Radiation Technology or Applied Sterilization Technology.
Ta Win Manufacturing Sdn. Bhd.	19 April 2018, Malaysia	100.00	Manufacturing of copper wires and copper rods.
Cyprium Capital Sdn. Bhd.	31 January 2019, Malaysia	100.00	Investment holding and venture capital for metal and copper, related products and industries, manufacturing and trading of non-ferrous metals including copper power cable and other copper related products.
Twin Industrial (H.K.) Co. Ltd.	21 July 1989, Hong Kong, SAR	100.00	Trading copper wires and copper rods to overseas markets.
Ta Win Copper Biohealth Sdn. Bhd.	17 September 2020, Malaysia	100.00	Design, R&D, production, marketing, investment and venture capital of healthcare and pharmaceutical products, devices and services which include application of antimicrobial copper, copper additives, biochemistry and chemistry of copper and copper proteins.

CORPORATE PROFILE
(continued)

COMPANY	DATE AND COUNTRY OF INCORPORATION	EQUITY INTEREST (%)	PRINCIPAL ACTIVITIES
Ta Win Copper Ecocycle Sdn. Bhd.	13 August 2020, Malaysia	100.00	Investment and management company specially setup to undertake the design, development, financing, build to operate, sell and market the industrial park called "Terengganu Ecocycle Park".
Ta Win Copper Sdn. Bhd.	19 September 2018, Malaysia	65.00	Manufacturing of copper wires and copper rods and all kind of copper.
Held through a subsidiary:-			
Cyprium Wire Technology Sdn. Bhd.	15 April 2019, Malaysia	80.00	Manufacturing wire and/or cable products, using electron beam irradiation technology which utilise proprietary cross-linking/ ionizing radiation treatment.

CORPORATE **STRUCTURE**

TA WIN HOLDINGS BERHAD
(199401005913 (291592-U))

- **TA WIN INDUSTRIES (M) SDN. BHD.** (199001001762 (193324-U)) — 100%
- **TA WIN COPPER BIOHEALTH SDN. BHD.** (202001028493 (1384813-T)) — 100%
- **TA WIN COPPER ECOCYCLE SDN. BHD.** (202001023430 (1379750-V)) — 100%
- **CYPRIUM CAPITAL SDN. BHD.** (201901004093 (1313420-T)) — 100%
  - **CYPRIUM WIRE TECHNOLOGY SDN. BHD.** (201901013079 (1322407-H)) — 80%
- **TWH ENERGY SDN. BHD.** (201701047553 (1261729-V)) — 100%
- **TA WIN MANUFACTURING SDN. BHD.** (201801015468 (1277484-H)) — 100%
- **TWIN INDUSTRIAL (H.K.) CO. LTD.** (258865) — 100%
- **TA WIN COPPER SDN. BHD.** (201801033696 (1295723-A)) — 65%

PROFILE OF
BOARD OF DIRECTORS

DATO' YEO BOON LEONG, JP

MALAYSIAN, MALE, AGE 54
CHAIRMAN, NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Yeo Boon Leong, JP ("Dato' Yeo") joined the Board as a Chairman and a Non-Independent Non-Executive Director on 23 November 2017. He is a member of the Company's Remuneration Committee.

Dato' Yeo graduated with a Bachelor of Commerce Degree from Victoria University of Wellington, New Zealand. He is the Executive Chairman and a substantial shareholder of Asia Poly Holdings Bhd. He is also currently a substantial shareholder of Ta Win Holdings Berhad.

With close to 25 years' experience under his belt, Dato' Yeo is an entrepreneur where he started as a Sales Manager in Denko Industrial Bhd. From there, he ventured into industries which involve the retailing, distributing and manufacturing of household and industrial products, logistics and warehouse management, property development and construction, energy & power plant concessionaire and multimedia technology programmes.

Dato' Yeo is also the Managing Director in various other private companies in Malaysia such as Gere Industries (M) Sdn Bhd ("Gere") which is renowned for manufacturing, assembly and packaging of door lock & handle and other household DIY hardware based in Puchong, High Reserve Marketing Sdn Bhd., an exclusive marketer for Gere's products for export across Asia countries, and Dian Be Hardware Co. Sdn Bhd, a specialised retailer for all household hardware products based across the Peninsular States of Malaysia.

DATO' SRI NGU TIENG UNG, JP

MALAYSIAN, MALE, AGE 53
MANAGING DIRECTOR

Dato' Sri Ngu Tieng Ung, JP ("Dato' Sri Ngu") joined the Board as a Non-Independent Executive Director on 9 November 2018. He was appointed as the Managing Director of the Company on 1 July 2020 and is currently a substantial shareholder of Ta Win Holdings Berhad.

Dato' Sri Ngu graduated with a Honours UK Degree in Accountancy and a Member of the Association International Accountants.

He is equipped with close to two decades of experience as an accountant-turned entrepreneur and a venture capitalist with specialisation in corporate finance, business consultancy, investment banking and venture capital.

Dato' Sri Ngu diverted his business ventures beyond Malaysia frontiers and participated in several public and private investments as chief investment strategist and investor in Mongolia, Kazakhstan, China, Hong Kong, Indo-China, Australia, PNG, New Zealand, USA, Canada, UK and Indonesia. These investments span across a broad spectrum of business sectors including oil & gas, minéralisation, commodities & non ferrous metals, info technology, manufacturing, financial services, plantation and real-estate development. The broad-based business set-up has created for him a wealth of business experience and valuable business networking from the Asia to Europe and the North America business community.

MR. TAN POO CHUAN

MALAYSIAN, MALE, AGE 63
EXECUTIVE DIRECTOR

Mr. Tan Poo Chuan ("Mr. Tan") joined the Board as an Independent Non-Executive Director on 5 December 2017 and was re-designated as a Non-Independent Executive Director of the Company on 20 April 2018. He is also a member of the Company's Risk Management Committee and currently a substantial shareholder of Ta Win Holdings Berhad.

With close to 4 years' experience under his belt, Mr. Tan has more than 40 years of experience in the industrial business dealing with the export and import of motor vehicle parts, commercial machinery & equipment, property investment and development in Malaysia.

PROFILE OF BOARD OF DIRECTORS (continued)

DATO' PADUKA DR. HII KING HIONG
MALAYSIAN, MALE, AGE 75
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Paduka Dr. Hii King Hiong ("Dato' Paduka Dr. Hii") joined the Board as an Independent Non-Executive Director on 22 February 2018. He is also a Chairman of the Audit and Risk Management Committees as well as a member of the Remuneration Committee of the Company.

He holds a Bachelor of Commerce from Singapore and University of Otago, New Zealand. He also has a PHD in Economics from the United States of America.

Dato' Paduka Dr. Hii has been a Founder and Managing Partner of Hii King Hiong & Co with branches span across Malaysia in Miri, Bintulu, Kuching, Sibu, Sarikei, Bintangor and Kuala Lumpur. He also sits on the board of various private companies mostly in plantation, agricultural, property development, oil & gas exploration, mineral mining, tour and traveling sector.

Dato' Paduka Dr. Hii is also an active politician and vibrant communities' leader. He was three-term Barisan Nasional Member of Sarawak State Legislative Assemblyman (ADUN) for Meradong from 1983-1996, Vice Chairman of Meradong-Julau District Council, Sarawak from 1981-1984, Board Member of Sarawak Land Custody and Development Agency from 1987-1996 and Pemanca for Meradong from 2014-present. He is currently a member of the United People Party (UPP).

Dato' Paduka Dr. Hii is a Member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, Chartered Tax Institute of Malaysia, Institute of Cooperative Auditors Malaysia, New Zealand Institute of Chartered Accountants and an Associate Member of the Institute of Cooperative & Management Accountants.

DATIN SERI AZREEN BINTI ABU NOH
MALAYSIAN, FEMALE, AGE 51
INDEPENDENT NON-EXECUTIVE DIRECTOR

Datin Seri Azreen Binti Abu Noh ("Datin Seri Azreen") joined the Board as an Independent Non-Executive Director on 22 February 2018. She is also a Chairman of the Remuneration Committee and a member of the Audit, Risk Management and Nomination Committees of the Company.

She is a graduated in The National University of Malaysia (Universiti Kebangsaan Malaysia) with a Bachelor of Law LLB (Hons).

Datin Seri Azreen was admitted as an Advocate and Solicitor of the High Court of Malaya in 1996. In addition, she is a senior professional lawyer specialised in construction, corporate litigation, arbitration and commercial matters. Since 2003, she is the Managing Partner of Messrs Firuz Jaffril, Aidil & Zarina where she built her reputation on managing legal aspects of Tenaga Nasional Berhad (TNB), Kuala Lumpur International Airport (KLIA) and other government's construction related joint venture projects.

Besides her solid legal background, Datin Seri Azreen is also a Managing Director for various private companies where she accumulated vast entrepreneurial experience such as organizing annual food feast, mountain biking and children with learning disability charity event for her Black Forest Golf Club in 2015, business setup and franchise expansion of Deluxe Merchant Sdn Bhd's branded F&B cafe business in 2016 which involved Petronas Dagangan Berhad as its new franchise partner. She was awarded by Niaga Times the Personaliti Industri Usahawan Malaysia in 2017 for her immense contribution to expand the F&B cafe franchise business.

She is currently an Independent Non-Executive Director of Amway (Malaysia) Holdings Berhad and Asia Poly Holdings Bhd.

PROFILE OF BOARD OF DIRECTORS (continued)

DATUK ZAKARIA BIN SHARIF
MALAYSIAN, MALE, AGE 63
INDEPENDENT NON-EXECUTIVE DIRECTOR

Datuk Zakaria Bin Sharif ("Datuk Zakaria") joined the Board as an Independent Non-Executive Director on 7 August 2020. He is also a Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

Datuk Zakaria has vast experiences in the corporate world including auditing, property development, re-insurance and fund management. He has served in Lembaga Tabung Angkatan Tentera Group since 1988 to 2019 where he retired as Deputy Chief Executive. Datuk Zakaria served on the Board of public listed and private companies not only as a Board member but also as Chairman and member of Investment and Audit subcommittees of the Board.

He is a Fellow of the Australian Society of Certified Practising Accountants, Associate of the Malaysian Institute of Certified Public Accountants and Member of Malaysian Institute of Accountants. He holds a Bachelor of Degree in Economics majoring in Accountancy from Monash University, Australia.

Notes:

Family Relationships

None of the Directors has any family relationship with any other Director and/or major shareholder of the Company.

Conflict of Interest

None of the Directors has any conflict of interest with the Company.

Conviction for Offences

None of the Directors has been convicted for any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2020.

Attendance at Board Meetings

The attendance of the Directors at Board Meetings for the financial year ended 30 June 2020 is disclosed in the Corporate Governance Overview Statement.

PROFILE OF KEY SENIOR MANAGEMENT

MR. NG SU YAU
MALAYSIAN, MALE, AGE 36
GENERAL MANAGER (SALES AND MARKETING) – TA WIN HOLDINGS BERHAD GROUP

Mr. Ng Su Yau ("Mr. Ng") joined the Company as a General Manager (Sales and Marketing) on 6 April 2020. He holds a Bachelor of Degree of Multimedia from Inti International University, Malaysia.

Mr. Ng has wide working experiences in corporate sales and marketing having served Metrod Holdings Bhd ("Metrod") as an Assistant Manager before joining Ta Win Holdings Berhad Group. With close to 12 years' experience in the copper industry, Mr. Ng has mastered the pertinent skills and knowledge in this particular field. He was awarded a top sales trophy by hitting 100,000MT group annual sales for Metrod under Domestic and South East Asia market category.

MR. WONG WENG KEONG
MALAYSIAN, MALE, AGE 45
FINANCE MANAGER – TA WIN HOLDINGS BERHAD GROUP

Mr. Wong Weng Keong ("Mr. Wong") joined the Company as a Finance Manager on 1 August 2019. He graduated with a degree in ACCA.

Mr. Wong is experienced in the finance managerial position has more than 20 years since from the year of 1995 in the respective industrial dealing with property investment, construction & development, manufacturing, auditing, food & beverage in local and overseas, and corporate.

MR. YEOH CHIN KIANG
MALAYSIAN, MALE, AGE 67
MANAGING DIRECTOR – TA WIN INDUSTRIES (M) SDN. BHD.

Mr. Yeoh Chin Kiang ("Mr. Yeoh") joined Ta Win Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company as a Managing Director in 26 July 2017. He holds a Bachelor of Degree of Business Administration from National Taiwan University, Taiwan.

Mr. Yeoh has more than 30 years of marketing experiences in the copper cable and wire industry and held various senior management positions in Central Cable Bhd in the past. He sits on the boards of several private limited companies presently and is now the Managing Director of Ta Win Industries (M) Sdn. Bhd. in assisting the development of marketing strategies for the Group.

MR. TAN KANG SHU
MALAYSIAN, MALE, AGE 35
GENERAL MANAGER – TA WIN INDUSTRIES (M) SDN. BHD.

Mr. Tan Kang Shu ("Mr. Tan") joined Ta Win Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company as a General Manager on 1 July 2018. He holds a Bachelor of Degree in Finance and Accounting from Sheffield Hallam University, UK.

Mr. Tan has 7 years' experience in finance, accounting and also banking market research. He has also extensive experience as General Manager dealing with the import and export of car parts and commercial vehicles for approximately five years. Well equipped with his involvements and experiences in import and export businesses, Mr. Tan thereafter joined Ta Win Industries (M) Sdn. Bhd. as a General Manager and is currently involved in the factory management and business development of the Company.

PROFILE OF KEY SENIOR MANAGEMENT (CONTINUED)

MR. ONG JIT WEE

MALAYSIAN, MALE, AGE 48
QUALITY ASSURANCE MANAGER – TA WIN INDUSTRIES (M) SDN. BHD.

Mr. Ong Jit Wee ("Mr. Ong") joined Ta Win Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company as a Quality Assurance Executive in 18 September 2000 and promoted as Quality Assurance Manager on 1 August 2004. He holds a Bachelor of Degree in Economics (Business Administration) from University of Malaya.

Mr. Ong has immense experience working as a Futures broker representative at OSK Futures and Options. Thereafter, Mr. Ong attached to Ta Win Industries (M) Sdn. Bhd. as a Quality Assurance Executive. With his hands-on experience in the manufacturing field, he was promoted as a Quality Assurance Manager.

MR. GAN SENG HOCK

MALAYSIAN, MALE, AGE 46
SALES MANAGER – TA WIN INDUSTRIES (M) SDN. BHD.

Mr. Gan Seng Hock ("Mr. Gan") joined Ta Win Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company as Assistant Sales Manager in 2 December 2002 and promoted as Sales Manager on 1 August 2004. He graduated in Diploma in Electronic Engineering from Federal Institute of Technology, Malaysia.

Mr. Gan started his vocation as a Technician at Asian Line Machinery. He also attached to Tecro Industries as Assistant Manager, from then he joined Ta Win Industries (M) Sdn. Bhd. as Assistant Sales Manager.

MR. NAGENDRA BELUR NARAYANA SWAMY

MALAYSIAN, MALE, AGE 56
PRODUCTION ENGINEER – TA WIN INDUSTRIES (M) SDN. BHD.

Mr. Nagendra Belur Narayana Swamy ("Mr. Nagendra") joined Ta Win Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company as a Production Engineer on 19 December 2014 and promoted as an Electrolytic Copper Specialist on 20 December 2016. He holds a Bachelor of Degree in Mechanical Engineering from University of Mysore, India.

Early in his career, Mr. Nagendra started as a Production & Quality Assurance (QA) Engineer at SCR Wire Products, India. He then joined Copper Rod Industries Pvt Ltd, India as a Production & Quality Assurance Manager and subsequently joined Ta Win Industries (M) Sdn. Bhd. as a Production Engineer.

He has a vast experience in production, planning and control in a continuos process industry manufacturing winding cables, enamelled conductors and insulated conductors. He has successfully completed Cu plant annual production target of 12,000 MT/ 8 MM OFHC Cu wire rod for consecutive of 10 years in Ta Win Industries (M) Sdn. Bhd.

PROFILE OF KEY SENIOR MANAGEMENT (CONTINUED)

MR. WONG AH PIAW

MALAYSIAN, MALE, AGE 68
CHIEF TECHNICAL DIRECTOR – CYPRIUM WIRE TECHNOLOGY SDN. BHD.

Mr. Wong Ah Piaw ("Mr. Wong") joined Cyprium Wire Technology Sdn. Bhd., a wholly-owned subsidiary of Cyprium Capital Sdn. Bhd., which in turn the subsidiary of the Company as a Chief Technical Director on 2 May 2019. He holds a Bachelor of Degree of Chemical Engineering from Cheng Kong University, Taiwan.

Mr. Wong commenced his career as a Production Supervisor in Golden Lady Textile Sdn. Bhd. in 1975. From 1978 to 1980, he was employed as a Production Engineer in Malayan Weaving Mills Bhd and Flywheel Rubber Works Sdn. Bhd. where he implemented various effective cost-cutting measures which successfully improved factories' operational and production efficiency. From 1981 to 2006, he was employed as Senior Manager in Chong Sing Cable Sdn. Bhd., Leader Universal Cable Bhd and Flexomers Sdn. Bhd. and developed various cost-saving and efficient cable products for his clients from the automobile, electrical and electronics and oil & gas industries.

He was appointed as Independent Non-Executive Director in Wonderful Wire & Cable Bhd and Managing Director in Wonderful Compound Sdn. Bhd. from 2007 to 2014. He further fine-tuned his skills in the research and development of a proprietary electron beam irradiation cross-linked wire production technology for application in the automobile and telecommunication sector in Malaysia. During the period of 2014 up to present, he is an interim Technical Consultant for various wire, cable, and chemical local companies which include FEC Cables (M) Sdn. Bhd.

Mr. Wong was also awarded a RM3million Techno Grant by the Ministry of Science, Technology (MOSTI) and Innovation in September 2009 for Commercialization of Product Improvement and Product Scaling Up of Flame Retardant Compounds for Radiation Crosslinked Automotive Wire and Cable Applications (TF0309D043).

MR. WONG CHEN FENG

MALAYSIAN, MALE, AGE 36
MANAGING DIRECTOR – CYPRIUM WIRE TECHNOLOGY SDN. BHD.

Mr. Wong Chen Feng ("Mr. Wong") joined Cyprium Wire Technology Sdn. Bhd., a wholly-owned subsidiary of Cyprium Capital Sdn. Bhd., which in turn the subsidiary of the Company as a Sales and Business Development Director on 2 May 2019. He was appointed as a Managing Director of Cyprium Wire Technology Sdn. Bhd. on 2 July 2020. He holds a Bachelor of Degree of Business Administration from Tamkang University, Taiwan.

Mr. Wong commenced his career as a Sales Technical Executive of Wonderful Wire & Cable Bhd in 2009 and as a Sales Technical & Administration Manager in 2011 in its subsidiary, Wonderful Compound Sdn. Bhd. During his tenure, Mr. Wong has successfully boosted Wonderful's group of businesses with an increase in its annual sales from 10+ million (2011) to 20+ million (2012). During the period of 2014 up to present, he is an interim Technical Consultant for various wire, cable, and chemical local companies which include FEC Cables (M) Sdn. Bhd., etc.

Together with his father Wong Ah Piaw, Mr. Wong had successfully developed and fine-tuned a proprietary electron beam irradiation cross-linked wire production technology to enable numerous local companies to compete in both local and international cable & wire supply markets that had long been monopolized by their Western, Japanese and Korean counterparts. The technology had been patented in Malaysia on 16 June 2015 with Application No. P12014701606.

PROFILE OF KEY SENIOR MANAGEMENT (CONTINUED)

MR. FAM HONG CHIANG

MALAYSIAN, MALE, AGE 65
FACTORY AND PRODUCTION MANAGER – CYPRIUM WIRE TECHNOLOGY SDN. BHD.

Mr. Fam Hong Chiang ("Mr. Fam") joined Cyprium Wire Technology Sdn. Bhd., a wholly-owned subsidiary of Cyprium Capital Sdn. Bhd., which in turn the subsidiary of the Company as a Factory and Production Manager on 1 August 2019.

He has 30 years of business operation experience in the industrial production and manufacturing sector. He was also a Production Superintendence, Factory Cum Production Manager at Wonderful Wire & Cable Sdn. Bhd. and subsequently joined Metro Wire & Cable Sdn. Bhd. as a Factory Manager.

DATO' SR. DR. KAMARUL RASHDAN BIN SALLEH

MALAYSIAN, MALE, AGE 48
PROJECT ASSOCIATE DIRECTOR – TA WIN HOLDINGS BERHAD GROUP

Dato' Sr. Dr. Kamarul Rashdan Bin Salleh ("Dato' Kamarul") joined the Company as Project Associate Director of Ta Win Holdings Berhad Group ("Group") on 2 January 2020. Dato' Kamarul graduated with a Bachelor of Science (Honors) in Quantity Surveying from Glasgow Calendonian University, United Kingdom ("UK"). Subsequently, he obtained his Master of Philosophy majoring in Management from the University of Strathclyde, UK. He also obtainted his Doctor of Philosophy in Construction Economics from the University of Salford, UK. Dato' Kamarul is a member of Royal Institution of Chartered Surveyors United Kingdom and Royal Institution of Surveyors Malaysia.

With close to 20 years' experience under his belt, Dato' Kamarul is expert in terms of property development, project management, cost management and facilities management in a wide range of sectors particularly in industrial, commercial, residential, education and healthcare in UK and Malaysia.

Dato' Kamarul began his career in EC Harris (now Arcadis) in United Kingdom in 1999 as a Quantity Surveyor in providing cost consultancy and contract administration services. In 2002, he then joined Balfour Beatty in United Kingdom as a Commercial Manager in providing cost advice, contractual compliance and services.

He was an Associate Director of CM Parker Browne, Davis Langdon and Mace Group (UK) from 2006 to 2008, providing cost consultancy, project management, technical risk advisory and contract administration services.

In 2009, Dato' Kamarul was appointed as a Managing Director of Syarikat Perumahan Negara Berhad ("SPNB") to lead and oversee the Malaysian Government's affordable homes initiative. He was also appointed as a Director of Felcrabina Sdn. Bhd. to oversee the construction of Malaysian Anti-Corruption Commission (MACC).

In 2015, Dato' Kamarul was appointed as a Chief Operating Officer of Syarikat Pembinaan BLT Sdn. Bhd. to lead and manage the construction of 74 projects under Polis Diraja Malaysia (PDRM). He was also appointed as a Director of Aman Sukuk Berhad to work on Islamic Medium-Term Notes (IMTN).

Following that, he joined Kampong Bharu City Centre Sdn. Bhd., a subsidiary of Widad Group Berhad as the Non-Executive Director in 2018 to oversee the mixed development and capital investment of 221 acres land of Kampong Bharu.

Presently, Dato' Kamarul joined Ta Win Holdings Berhad as an Associate Project Director of the Group to initiate the sustainable industrial development of Terengganu Ecocycle – the first South East Asian One Stop Non-Ferrous Metal Industrial Ecosystem on 500 acres land in Jabor, Terengganu.

PROFILE OF KEY SENIOR MANAGEMENT (CONTINUED)

MR. RAYMOND CHONG MING KONG

MALAYSIAN, MALE, AGE 57
DIRECTOR – TA WIN COPPER ECOCYCLE SDN. BHD.

Mr. Raymond Chong Ming Kong ("Mr. Chong") joined Ta Win Copper Ecocycle Sdn. Bhd., a subsidiary of the Company as a Director on 15 August 2020. Mr. Chong graduated with a Bachelor of Building Science from the University of Science, Malaysia. Subsequently, he pursued a Master of Business Administration from the University of Malaya.

Mr. Chong has more than 30 years of working experience in the construction and property development industry. He started off as a Development Officer in Bandar Raya Development Bhd in 1988, and in 1990, he joined MBF Property Services Sdn. Bhd. as an Assistant Project Manager. He was later employed by Mulpha International Bhd as a Development Manager in 1994.

In 1997, Mr. Chong was the Senior Development Manager at Bolton Bhd (now known as Symphony Life Bhd). During his employment with Bolton Berhad, he was involved in the project management and sub-contract works for the development of Tijani 1 and Tijani 2 in Bukit Tunku, Kuala Lumpur.

In 2003, Mr. Chong left Bolton Berhad and joined Fraser & Neave Holdings Berhad as a Senior Property Manager. He was involved in the project management and sub-contract works for the development of Fraser Business Park in Jalan Loke Yew, Kuala Lumpur with a gross development value of RM690 million.

He later joined Genting Plantation Berhad as a Vice President in the Property Division in 2008 and was promoted to Senior Vice President in 2016 to head the Property Division, overseeing the functions of Sale and Marketing, Procurement, Contract Administration, Project Management & Customer Service in 2 integrated township projects in Johor. He also held the position of directors in few of its subsidiaries. Mr. Chong left Genting Plantations Berhad in 2019 to pursue his own business interest in the property development industry before joining Ta Win Copper Ecocycle Sdn. Bhd.

DATO' DR. ZULKIFLI BIN MOHAMED HASHIM

MALAYSIAN, MALE, AGE 61
DIRECTOR AND ADVISOR – TWH ENERGY SDN. BHD. & TA WIN COPPER BIOHEALTH SDN. BHD.

Dato' Dr. Zulkifli Bin Mohamed Hashim ("Dato' Zulkifli") joined TWH Energy Sdn. Bhd., a wholly-owned subsidiary of the Company as Director and Advisor on 6 November 2019. He graduated with a B.Sc. (Nuclear Science) from Universiti Kebangsaan Malaysia (1982), obtained a Master of Philosophy (Radiation Chemistry) from the University of Leeds, United Kingdom (1984) and completed his Doctorate of Philosophy (Physical Chemistry) from the University of Manchester Institute of Science & Technology (UMIST), United Kingdom in 1997.

Dato' Zulkifli has been the advisor, the consultant, the public keynote speaker and the appraiser in many important (business, educational and political) functions, meetings, conferences and seminars organized individually or jointly by Malaysian Nuclear Agency, various governmental and corporate agencies across the world. He has successfully worked on dozens of joint venture initiatives to commercialize, transfer of technology and develop projects such as radioisotope/radiophamarceutical, Iridium-192 Sealed Source, Nuclear Reactor produced radioisotopes, Cyclotron, Cobalts-60 Sterilization Facility, Radiation dosimeter/film Badge, Biofertilizer, Tissue Cultures and few others. Served as an expert, development projects and courses director for International Atomic Energy Agency (IAEA) programmes in various technology areas as well as active involvement in the Regional Cooperative Agreement (RCA) project management.

In 2014, he was seconded as Deputy Secretary General at the Ministry of Science, Technology & Innovation (MOSTI) for 2 years. During this term, he had accumulated huge experience in managing and monitoring of various developmental innovation projects awarded and implemented by 23 agencies funded by MOSTI.

Prior to retirement from the Government of Malaysia in 2019, Dato' Zulkifli was promoted as Deputy Director General of Research and Development of Technology. Currently, he is the President of Malaysia Radiation Protection Association (MARPA), Chairman of Joint Management Committee of residence, Member of the National Committee of Radiation Protetion Officer (JKPPS), Board of Directors for Government Link Companies (GLCs), and Chairman of the 10th International Conference on Isotope (10ICI) to be held in 2020 in Kuala Lumpur.

PROFILE OF KEY SENIOR MANAGEMENT (CONTINUED)

MR. YEOH ENG TONG
MALAYSIAN, MALE, AGE 28
ENGINEER – TA WIN INDUSTRIES (M) SDN. BHD. & TWH ENERGY SDN. BHD.

Mr. Yeoh Eng Tong ("Mr. Yeoh") joined Ta Win Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company as an Engineer on 1 May 2018. He possesses a Degree of Master of Science in Applied Process Control from Newcastle University with Merit Result.

During his Master's years, he had done dissertation about Modelling Calciner Expansion with Sellafield Ltd, a nuclear decommissioning Site Licence Company (SLC) controlled by the Nuclear Decommissioning Authority (NDA), a Government body set up specifically to deal with the nuclear legacy under the Energy Act 2004.

Mr. Yeoh started as a Technical Sales Executive at Niche Chemicals Sdn. Bhd. in 2017. He had actively involved in trading chemical raw material for paint & coating divison and personal care division. Besides sales and marketing, his major roles were to act as technical receiver and presenter for the company.

Mr. Yeoh then joined as an Engineer at Ta Win Industries (M) Sdn. Bhd. As an engineer, his major responsibility is to utilise his data analyst knowledge for the optimisation of production capacity in order to reduce scrapping costs.

Notes:-

(a) None of the Key Senior Management has any conflict of interest with the Group.
(b) None of the Key Senior Management has been convicted of any offenses within the past five (5) years other than traffic. There was no public sanction or penalty imposed by any regulatory bodies on them during the financial year.
(c) Except Tan Kang Shu is a son of Tan Poo Chuan, a Director of the Group and of the Company, none of the other Key Senior Management has any family relationship with any other directors/major shareholders of the Company.
(d) None of the Key Senior Management has directorship in any public company or listed public companies.

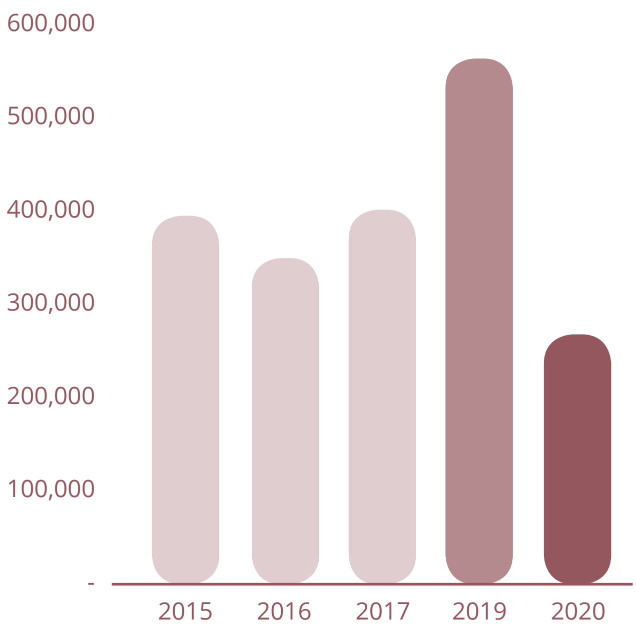
5-YEARS GROUP
FINANCIAL SUMMARY

	GROUP				
PERIOD/YEAR ENDED	**2020**	**2019**	**2017**	**2016**	**2015**
	^	#	^(12 Months Year Results Ended Dec)		
KEY COMPREHENSIVE INCOME STATEMENT DATA (RM'000)					
Revenue	251,779	563,130	401,516	339,771	395,276
Operating (loss)/profit	(11,698)	6,874	5,892	420	13,104
(L)/EBITDA	(9,575)	8,182	6,708	4,526	17,005
(Loss)/profit before taxation	(14,156)	1,984	3,684	(1,724)	11,068
(Loss)/profit from continuing operations	(14,457)	888	2,750	(1,582)	9,441
(Loss)/profit from discontinuing operations	–	–	–	3,703	(8,984)
Net (loss)/profit attributable to equity holders	(13,721)	1,156	2,750	2,121	457
KEY FINANCIAL POSITION STATEMENT DATA (RM'000)					
Total assets	181,018	177,733	122,688	125,283	170,518
Total borrowings	57,408	80,948	47,185	56,584	69,751
Shareholders equity	108,589	87,153	67,287	64,488	66,520
SHARE INFORMATION					
Per share (sen)					
Basic (loss)/earnings	(3.84)	1.45	4.28	3.30	0.71
Gross dividend	–	–	–	–	–
Net assets per share (RM)	0.30	1.09	1.05	1.00	1.03
Share price	0.09	0.52	1.17	0.35	0.26
	>	>	*	*	*
FINANCIAL RATIOS (%)					
Gross profit/(loss) margin	0.22	(0.05)	1.36	1.25	3.66
Net (loss)/profit margin	(5.74)	0.16	0.68	0.62	0.12
Return on equity	(12.64)	1.33	4.09	3.29	0.69
Gearing ratio	10.96	39.08	38.27	40.44	55.17

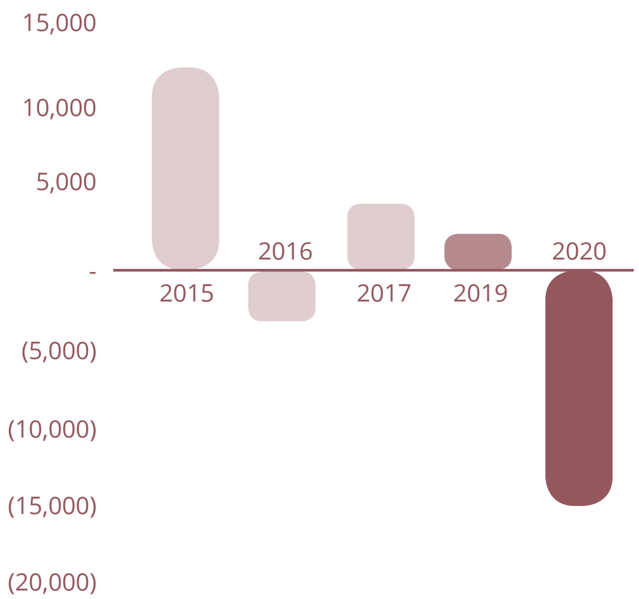
refering to the 18 months financial period ended 30 June
> referring to the last market transaction day for the financial period/year ended 30 June
* referring to the last market transaction day for the financial year ended 31 December

5-YEARS GROUP FINANCIAL SUMMARY (CONTINUED)

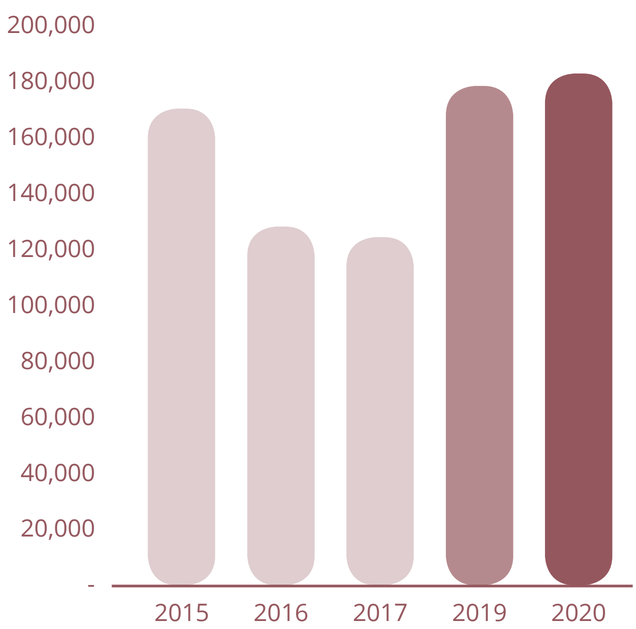
REVENUE
(RM'000)



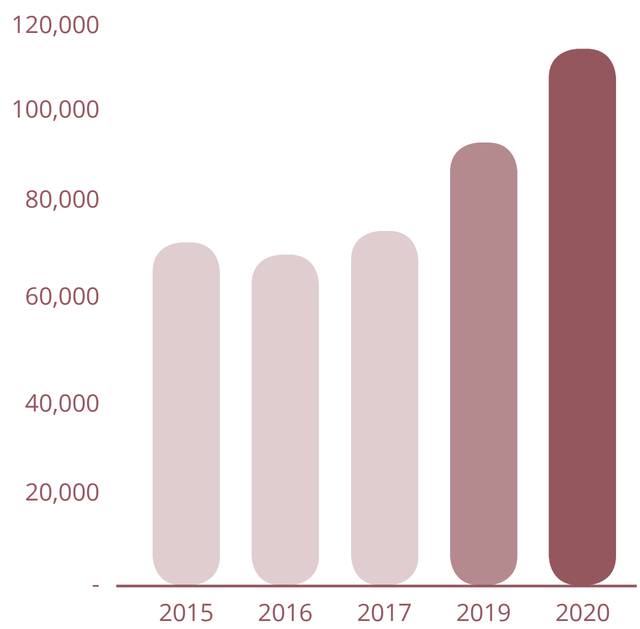
PROFIT / (LOSS BEFORE TAXATION)
(RM'000)



TOTAL ASSETS
(RM'000)



SHAREHOLDERS EQUITY
(RM'000)



referring to the 12 months financial year ended 31 December
referring to the 18 months financial period ended 30 June
referring to the 12 months financial year ended 30 June

MANAGEMENT **DISCUSSION & ANALYSIS**

On behalf of the Board of Directors ("the Board") of the Company and its subsidiaries ("the Group"), it is my pleasure to present to you the management discussion and analysis ("MD&A") of the Group. The objective of this MD&A is to provide shareholders with an overview of the Group's business, operations, and financial position in the year 2020 and outlook for the year 2021. Under new management since 2018, the Group has been undergoing a major transformation on a strategic, operational, and financial level.

STRATEGIC REVIEW

On a strategic level, the Company has made it a priority to transform into a modern diversified and horizontally and vertically integrated copper-related manufacturing business with an international focus. The Group aim to augment the value we create along our value chain by venturing downstream and upstream while discontinuing any business segments that do not present favorable prospects. To that end, the Group have discontinued the enamelled wire business, which targeted a declining industry and was dragging down our performance due to a lack of scale.

The Group continues to streamline its copper rod, cable, and wire manufacturing business with numerous cost measures and joint production cooperation in between the two major subsidiaries Ta Win Industries (M) Sdn. Bhd. ("TWI") and Ta Win Copper Sdn. Bhd. ("TWC") to contain the high operating costs of operating below break-even capacity this year as well to strengthen the business of Cyprium Wire Technology Sdn. Bhd. ("CWT") to develop its high margin premium grade product portfolios.

The two strategic investment initiatives have also been launched to strengthen its core copper, wire, and cable manufacturing business via (i) acquisition of a 51% equity stake in Sin Line Tek Electronic Co. Sdn. Bhd. ("SLTEC"); and (ii) a joint venture with Perbadanan Memajukan Iktisad Negeri Terengganu ("PMINT"), a state government's investment arm to setup Ta Win Copper Ecocycle Sdn. Bhd. ("TWCE") to develop a 500-acre industrial Terengganu Ecocycle Park.

The acquisition of SLTEC is expected to strengthen the Group's core business, better cross-sells its business solutions, and create more opportunities to tap into SLTEC's customer markets of manufacturing, OEM, and trading of cable, wire harness, AC & DC power cords for electrical and electronic equipment and appliances. The research and development capabilities will be enhanced to undertake more expansive wire harness and product assembly range for the application in automotive and other hi-tech industries. With the long-term supply of copper rod and wire to SLTEC on favorable terms and the lesser reliance of SLTEC on external copper rod and wire suppliers, the Group's business competitiveness and earning capability will be strategically strengthened.

The joint venture with PMINT will enhance the Group's diversification prospects to pool industry players from upstream and downstream of the copper supply chain (including recycled metal processors, smelters, refiners) to form a cost-efficient one of its kind non-ferrous metal industrial ecosystem in South East Asia. This is expected to reduce the Group's reliance on its existing core businesses. Additional income streams generated through TWCE'S business of building, selling, leasing, and renting the lands, buildings, and facilities at the Ecocycle Park are expected to be more predictable and stabilize will help to the Group's financial performance from its existing businesses.

These two new businesses are expected to contribute significantly to the top and bottom lines of the Company in the coming year.

In addition, CWT is currently undergoing a test trial run in the first year of its operation. CWT is in the midst of pursuing its quality management system (IATF:16949 and IS0:9001) and product (local MS and international IEC standard) certifications. In the second year of operation, CWT expects to apply more expansive product safety such as UL, CSA, VDE, JIS and NZ/AS certifications to further enhance its product quality profile which will in turn strengthen its ability to procure larger and longer-term sales order from more established automotive customers. CWT is expected to provide a steadier and stronger product material source of support to SLTEC export markets.

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

OPERATIONAL REVIEW

Due to the prevailing challenges of the negative effect from the implementation of the Malaysian Movement Control Order to contain the widespread of the Covid-19 pandemic, the profitability of the Group's businesses has been severely impacted.

The average utilization rate of 2,000 metric tonnes of combined TWI and TWC monthly production capacities is 63.3% an above the average. Whereas, CWT's average utilization rate of its approximately 400 metric tonnes of monthly capacity is 20% in its merely 5-month-old of first trial run year. Upon the economic recovery from the pandemic, the Group expects the combined capacities of TWI and TWC to retrieve back to at least 80%. Upon obtaining the necessary compliance, CWT is expected to operate at 80% capacity which will be attributed to a massive increment in sales order from major automobile players in Malaysia.

Despite optimistically viewing the Terengganu Ecocycle Park as one of its kind of a very profitable project to pursue, the Group remains very conservative at handling the operation of the project to avoid any unnecessary costs overrun.

Despite the breadth of pandemic challenges besetting the Group's performance and growth this year, the Group remains focused on the continuous improvement of its businesses. The Risk Management Committee has addressed and assessed all possible risks faced by the Group. The Risk Management Committee has recommended appropriate and relevant actions to be taken to overcome adversities and to mitigate operating risks. The official management meetings were actively held this year to address the ongoing risk management issues facing the Group.

FINANCIAL REVIEW

TWI and TWC contributed to at least 99% of the Group's sales for the financial year ended 30 June. Whereas, the balance of less than 1% was contributed by CWT. The Group recorded a revenue of RM252 million for the FYE for financial year ended 30 June 2020 as compared to RM375.4 million in the annualized financial year ended 30 June 2019, representing a decrease of RM123.4 million or 32.9%. The Group had also recorded a Loss Before Tax of RM14.2 million as compared to a Profit before Tax of RM2.0 million in the financial year ended 30 June 2019, representing a decline of RM16.2 million. The decrease in revenue and profitability were mainly due to the outbreak of the pandemic which had severely disrupted global logistics, supply chain, and trade, and the imposition of anti-subsidy by India for 5 years on copper wire rods from Indonesia, Malaysia, Thailand, and Vietnam.

Our focus so far has been to continuously grow our businesses under the prevailing challenging economic condition. We have always in mind to secure sufficient capital to support our growth ambitions. To that end, We have maintained our bank facilities over RM100 million with an additional of RM3.5million under industrial hire purchase from leasing companies. We have also successfully raised RM35 million via rights issue corporate exercise last year, of which RM12 million were spent on new machinery to improve our production efficiency, RM10 million on repayment of bank loan - trade facilities and RM13 million on copper raw material material purchase and for working capital purposes.

The Company have successfully secured sufficient funding to operate our businesses and supported by the two strategic investment initiatives to strengthen our core businesses. The Company expect our new operations to pick up in strengths, which will result in substantial improvement to the profitability of the Group.

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

BUSINESS RISKS

(a) Foreign exchange and commodity price risks

Fluctuation in foreign exchange and copper commodity price may affect the Group's margins and profitability from the sales of products and the purchases of raw materials. Any difference in foreign exchange and copper price could give rise to foreign exchange and copper price gains or losses that would affect the Group's financial performance.

To mitigate the foreign exchange risk, the Group uses FX hedging facilities with its banks. Besides, payments received from its international customers in USD (or Hong Kong / Taiwan Dollar) are used to make payments to suppliers in USD (or Hong Kong / Taiwan Dollar) without having to convert the currency. To mitigate the commodity price risk, the Group attempts to pass through the cost of increment from its suppliers to its customers by locking in the copper prices via the back to back arrangements.

(b) Competition Risks

The Group faces stiff competition from existing competitors and new entrants. Any stiff competition may impact the Group's market share, revenue, and profitability. The Group's ability to compete depends on many factors, amongst others, the principal elements of competition include quality, innovation in products and technologies, expertise, pricing, reliability, reputation, brand name, and customer service. There can be no assurance that the Group would be able to sustain its competitiveness against current and future competitors.

(c) Investment Risks

There are risks that any anticipated benefits from investing in SLTEC, the Terengganu Ecocycle Park, and its other future new ventures will be realized or that the Group will be able to generate sufficient returns to offset the associated cost of investments. Nevertheless, the Group has exercised due care in considering the potential risks and benefits associated with such investments and believes that the investment will be valued accretive to the Group.

(d) Business Risks

The Group has no prior experience in developing an industrial park or industrial properties. The joint venture with PMINT, may expose the Group to risks inherent to the property development and construction industries. These may include, amongst others, demand for industrial properties within the Terengganu Ecocycle Park, an increase in the cost of building materials, shortage of skilled workers, and changes in the legal and environmental framework within which the property development and construction industries operate. Although the Group seeks to limit these risks through, inter-alia, leverage on its key management's expertise in the property development and construction industries, engage the services of professionals and contractors with proven track records, and careful planning and allocation of resources, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business and earnings in the future.

(e) Project Completion Risks

Delays in completion could result from unforeseen circumstances such as natural disasters, shortage of construction/manufacturing materials, adverse weather conditions, major labour disputes, unfavorable credit terms, unsatisfactory performance of building/ OEM/ sub-contractors appointed for its development, construction, and manufacturing operations, delays in obtaining the necessary approvals from local authorities, major changes in government/local authorities' policies and/or other unforeseen circumstances or any adverse developments may lead to interruptions or delays in the completion of the Group's business or projects, which may consequently result in cost overruns that affect the Group's profitability and cash flow. The Group seeks to limit this risk by careful planning, close monitoring of the development, construction, and manufacturing progress of its business operations.

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

BUSINESS RISKS (CONTINUED)

(f) Licensing Risks

If the Group fails to comply with all applicable regulations, renew or retain any of these licenses or registrations or renew them promptly or at all, the development, construction, and manufacturing progress of its business operations may be adversely affected. There may even be restrictions imposed on licenses, approvals/ permits, limitations on foreign workers imposed by the Ministry of Home Affairs, restrictions/ ceiling on import of certain building/ raw materials, or any other unfavorable laws introduced or amended from time to time. Nevertheless, the Group will use its best endeavors to obtain and retain those licenses and ensure full compliance with the requirements in obtaining such licenses.

(g) Economic, Political, and Regulatory Risks

The prospects and profitability level of the Group's property industrialization, development and manufacturing business operations may be affected by any development in the economic, political and regulatory environment of Malaysia. Political and economic uncertainties which include changes in general economic, business and credit conditions, Government legislation and policies affecting its investors, suppliers, and customers, inflation, interest rates, political or social welfare development, renegotiation or nullification of existing contracts, methods of taxation.

The Group will constantly review its business operations to adapt to the prevailing economic, political, regulatory environment, practice prudent financial risk management, and efficient operating procedures to control its business operating cost. However, there is no assurance that adverse economic and political developments, which are beyond the control of the Group, will not materially affect the Group.

IMPLICATIONS OF COVID-19

The recent outbreak of COVID-19 has negatively impacted economic conditions globally. The Group is an industrial export-quality company whereby its manufactured copper rod, cable and wire, and other copper-related products are exported overseas to various countries across Asia, Australia, and Europe. Besides, the Group also relies on imported pure copper cathode and recycled raw materials from Taiwan, Europe, Singapore, and Hong Kong.

If the COVID-19 outbreak continues and results in a prolonged period of commercial and other similar restrictions such as the MCO imposed since 18 March 2020 to contain the COVID-19 outbreak in Malaysia, the Group could experience disruptions in its business operations as well as the supply chain. If such supply disruptions were to prolong, the Group may not be able to source for alternate supply expeditiously. Any unexpected shortage of raw materials could disrupt the Group's production schedules, resulting in a loss of revenues and could materially affect its business, cash flows, financial condition, and results of operations.

The outbreak of COVID-19 is an event of force majeure that is beyond the control of the Group. The Government had on 23 September 2020, announced an Additional Economic Stimulus Package 2020 themed Supplementary Initiative Package valued at RM10 billion (which bring the total value of the 2020 economic package to over RM305 billion) as part of its effort to help businesses in Malaysia to recover from the impact of the COVID-19 pandemic. Nevertheless, the success of the aforesaid economic stimulus measures or any future measures which may be introduced by the Government cannot be ascertained at this juncture, and the long term impact of COVID-19 on the Group's business operations and financial performance remains uncertain at this juncture as the outbreak continues to progress and the conditions are unpredictable.

Given the prevailing economic uncertainties arising from the COVID-19 pandemic, the Board of the Directors expects the outlook for the current financial year to be challenging. Notwithstanding the above, the Board will continue to monitor the status and progress of COVID-19 and shall endeavor, to the extent possible, to review the performance and progress of the Group's operations and financial performance as well as introduce necessary measures to minimize its operating costs.

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

FORWARD-LOOKING

Overall, the Group with the various action plans and strategies that have been put in place in the past years to address the respective challenges faced for this pandemic year, the Group looks forward to the upcoming financial year with renewed vigour against the backdrop of a global economic uncertainty caused by the pandemic.

Moving forward, the Group endeavors to strengthen its core business by focusing to grow organically or via joint ventures, mergers and acquisitions on: i) Copper rod and wire manufacturing; ii) cable and wire harness (with electron beam or cross-linking technology application) for clienteles in automobile industry; iii) AC & DC power cords equipment and appliances for clienteles in electrical and electronic industry; iv) R&D and manufacturing of pharmaceutical drug, biotechnological and healthcare products, antimicrobial medical equipment utilizing biochemistry and chemistry of copper, copper proteins and additives for clinics, hospitals, cosmetic health centers, cinemas, food manufacturing and beverages businesses across the globe; and v) eco-cycle industrial park development. Notwithstanding the above, the Group will undertake feasibility studies to provide a risk-reward assessment on the viability of such organic / inorganic growth initiatives before implementing any strategies to achieve such growths.

The Group's business strategy will also focus on adapting to the new way of doing business taking into consideration the rapid transformation in the end-wire and cable design and manufacturing industry, biotechnological, healthcare and pharmaceutical industry as well as the development in industrial property park business whilst we will continue in our efforts to achieve operational excellence for all our existing businesses. The Group will also continuously leverage its extensive network of business capabilities to procure various business collaborations and investors participation to support such ambitious initiatives.

The Group will work diligently to increase productivity by prioritizing the efficiency in our operations and aggressively seeking new businesses in various lucrative industries. Consistent growth in revenues and earnings in the future will be our Board's priorities. The Board will continue to strive to create and enhance value for its stakeholders with new business strategies.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to thank all the Management and the staff for their commitment, contribution, and loyalty to the Group and during the year 2019 and 2020 have been difficult years, involving a major turnaround effort to set up the Group for continued sustainable success in its existing markets as well as new markets. All of this hard work will pay off in 2021 when our efforts will start to cascade into improvements in financial results.

I would like to convey our deepest appreciation and thanks to our valued customers, suppliers, bankers, business associates and advisers for their contribution towards the Group's growth and success as well as their unwavering confidence and endorsement and I sincerely hope that our relationships will continue to flourish for many years to come.

I would also like to express gratitude to various government and statutory organizations and our shareholders for their ongoing assistance and continued support, trust, and confidence in the Group.

Finally, I would like to thank the Board members for their untiring efforts, professional advice, continuous support, and invaluable contribution to the growth and success of the Group, and I hope that the Board continues to be committed to achieve the Group's objectives as we move forward.

DATO' SRI NGU TIENG UNG, JP
Group Managing Director

SUSTAINABILITY STATEMENT

INTRODUCTION

Ta Win Holdings Berhad and its subsidiaries ("the Group") is in the business of (i) manufacturing copper rods, wires, cables, and other copper-related products which include wire harness, AC & DC power cords for electrical and electronic equipment and appliances; and (ii) development and management of the industrial eco-cycle park. The Board of Directors ("the Board") has the overall responsibility of the Group sustainability matters which are organized into 3 categories, namely economic, environmental, and social ("EES").

The Board is fully committed to carry out its activities in a sustainable manner and to deliver its strategic and operational objectives in accordance with the applicable laws and principles of good governance as well as high standards of integrity. These include efforts to engage with stakeholders and investors through various channels of communications such as our corporate website, quarterly financial reports, and Annual General Meeting.

This Sustainability Statement discloses material sustainability issues and impacts arising from the activities of the Group.

SCOPE OF REPORT

Period covered: 12 month period ended 30 June 2020 (July 2019 to June 2020)

COVERAGE

The scope of reporting covers the manufacturing site that is located in Malaysia. This Sustainability Statement is to be read in conjunction with the rest of the Company's Annual Report, which highlights other financial and non-financial aspects of our business.

ECONOMIC

The Group strives to maintain a high standard of corporate ethics, good corporate governance, and strict compliance with all legal and regulatory requirements.

The Group's long-term sustainability business is built on the trust and confidence of our customers by offering good quality products and services with competitive pricing as well as listening to the customers' feedback. Therefore, the Group regularly reviews the capital structure to ensure optimal functions and shareholder returns, taking into consideration future capital requirements and capital efficiency before the distribution of economic value to shareholders.

In addition, over 90% of our raw materials are supplied from overseas. Procurement is critical in facilitating the operations and the Group aims to build mutually beneficial relationships with the suppliers in the long run. The Group reviews the suppliers based on, price and payment terms, product and service quality, operation scale, and geographical proximity to the production facilities. The Group took reasonable efforts to conduct appropriate evaluation and assess the background information of the potential suppliers. The Group constantly monitors the performance of the suppliers - quotations from various suppliers are obtained to ensure the competitiveness of the pricing. Suppliers failing to fulfill the requirements on product and services quality may cause the Group to remove them from the approved supplier list.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENT

The Group recognizes the need for and importance of environmental conservation. The Group believes that it can play a part in managing its internal environment through waste management, energy savings, and water conservation. Environmental impacts on our Group's business are primarily energy usage and paper consumption.

The Management took steps to conserve energy and reduce the consumption of electricity by increasing production during non-peak hours where the tariff is lower. The Group reduced paper consumption by encouraging the employees to prioritize electronic copies such as to share and store documents and to reduce printing or photocopying. Employees are encouraged to practice 3 R's – Reuse, Reduce and Recycle in its daily activities both in the office as well as in the factory to improve our energy savings as well as reduce paper consumption.

Furthermore, the Group have discontinued the enamelled wire business not only for economic reasons but also for environmental reasons. Without enamelled wire production, our factory no longer uses its chimneys and hence air pollution is eliminated.

The Group is committed to implementing a culture of safety and health. This helps to enhance not only the working environment but also to protect and conserve the environment for the future generation. In this respect, all scrap copper wires are collected and sent for recycling, and then used again in our production since it is now more versatile and able to use recycled copper.

The Group ensures strict compliance with all environmental regulations and laws such as matters concerning the Akta Kualiti Alam Sekeliling (1974) (Malaysia). The Group are now in the process of obtaining the ISO 14001 (Environmental Management System) certification for our subsidiaries.

SOCIAL

The Group recognizes that human capital is the main impetus towards achieving its goals. The Management carries out the following steps:-

- Monthly performance evaluation to reward employees' contributions through increment and performance bonuses annually.
- Ensure competitive market remuneration package through benefit review exercise.
- Arrange various in-house training or developmental programs to equip its employees with the required skills and knowledge to stay ahead.

The Group ensured that the safety, health, and welfare of all employees were not compromised by consistently promoting a quality work environment and a healthy and safe workplace through various awareness campaigns that were in line with the established Occupational Safety and Health Policy.

In ensuring that safety and health were maintained at the highest level, there were ongoing efforts to promote an awareness of the corporate philosophy. This meant that all staffs adhered to the 6S concepts of Seiri (means Organise), Seiton (means Neatness), Seiso (means Cleaning), Seiketsu (means Standardization), Shitsuke (means Discipline), and Safety to improve the workplace all of which to ensure that employees' safety and health were duly protected at work.

The Group's contributions to the social sector include generating employment and business opportunities in its areas of operations. It also strives to provide a safe working environment for all its employees and business partners.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("the Board") of Ta Win Holdings Berhad recognises the importance of good Corporate Governance and is committed to uphold and implement a high standard of Corporate Governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board is pleased to present this Statement which outlines the key aspects of how the Group has applied the principles and best practices of the Malaysian Code of Corporate Governance 2017 ("MCCG 2017") or ("the code") during the financial year ended 30 June 2020. This statement is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and takes guidance from the key CG principles as set out in the MCCG 2017. It is to be read together with the Corporate Governance Report of the Company which is available on the Company's website at www.ta-win.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

Board's Roles and Responsibilities

The Board is responsible to ensure long term success and delivering of sustainable value to its stakeholders through its leadership and management of the Group's businesses. For the foregoing, the Board sets the strategic direction of the Group while exercising oversight on day-to-day management and operation delegated to Managing Director and/or Executive Director(s) and the Senior Management to ensure that the conduct of the business of the Group is in compliance with relevant laws, practices, standards and guidelines applicable to the Group. The Board sets the appropriate tone at the top, providing leadership and managing good governance and practices throughout the Group.

To ensure orderly and effective discharge of the Board's function and responsibilities, the Board has in place an internal governance model for the Group where specific powers of the Board are delegated to the relevant Board Committees and the Senior Management. The respective Chairman of the Board Committees will report to the Board on key issues deliberated by the Board Committees in order to develop effective communication.

Internal Governance Model

Board of Directors	Board Committees	Executive Directors & Senior Management	Risk Management Committee
Leadership and oversight	1. Audit Committee 2. Risk Management Committee 3. Nomination Committee 4. Remuneration Committee Entrusted by the Board with specific responsibilities to oversee the Group's affairs	Day to day operations and management decisions	Managing Risks

Separation of Responsibilities of the Chairman and Chief Executive Officer

The role of Chief Executive Officer ("CEO") is assumed by Dato' Sri Ngu Tieng Ung, JP, the Group Managing Director. He was re-designated as the Group Managing Director on 1 July 2020. The roles of the Chairman and the CEO are separate with clear distinction of responsibilities between them to provide effective leadership of the Board and the Group. Dato' Yeo Boon Leong, JP, the Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. While the CEO is responsible for the effective running of the business and implementation of the Board's policies and decisions. The detail of the responsibilities of the Chairman and CEO is clearly set out in the Board Charter. This segregation ensures there is a balance of power and authority so that no one individual can influence or dominate the Board's decision.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(I) BOARD RESPONSIBILITIES (CONTINUED)

Separation of Responsibilities of the Chairman and Chief Executive Officer (continued)

The Chairman is primarily responsible for ensuring that the Board meets regularly throughout the year and the meetings are conducted in an orderly manner. The Chairman also plays a pivotal role in ensuring that the Directors are effectively apprised on the business and operations of the Group and encourages healthy debate on issues arising at the Board Meetings to ensure that decisions are arrived after taking into consideration the interests of shareholders, employees, customers and other stakeholders. The Chairman also bears the responsibility of ensuring the integrity and effectiveness of the Non-Executive Directors. The CEO is focus on the business and day-to-day management of the Group's businesses, which include implementing the policies and decisions of the Board, overseeing the operations to ensure organizational effectiveness, and managing the development and implementation of the Company's business and corporate strategies.

Qualified and Competent Company Secretary

Mr. Ho Meng Chan and Ms. Wu Siew Hong resigned as Company Secretaries of the Company on 3 March 2020 and Ms. Kimberly Ong Sweet Ee was appointed as the Company Secretary of the Company in place thereof. All of them are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.

The key role of the Company Secretary is to provide advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

During the financial year ended 30 June 2020, the Board is supported by suitably qualified and competent Company Secretaries under Section 235 of the Companies Act 2016 in discharging their functions. The Company Secretaries play an advisory role to the Board in advising on its roles and responsibilities, governance matters and ensuring the Company is complied with its own Constitution and all the laws and regulations prescribed by Companies Act, 2016 and MMLR of Bursa Malaysia Securities Berhad.

The Company Secretaries also ensures that all meetings of the Board and Board Committees are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory records of the Company. The Company Secretaries have an oversight on overall corporate secretarial functions.

Access to Information and Advice

The Board has access to the information and advices, from the Senior Management and the Company Secretaries as well as to independent professional advisers including the External Auditors, which facilitate Directors to oversee the Company's business affairs and performance. The Board is regularly updated and advised by the Company Secretaries, who are qualified, experienced and competent on the new statutory requirements and the implications to the Company and Directors in discharging their duties and responsibilities.

A set of Board papers on the matters to be deliberated are made available to Directors prior to each Board Meeting to enable the Directors to obtain further information. The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting. Minutes of each Board Meeting are circulated to all Directors in advance for their perusal prior to confirmation of these minutes at the commencement of the Board Meeting. The Directors are allowed to make comments before the minutes were tabled for confirmation as a correct record of the proceedings.

Board Charter

The Board Charter which sets out the roles, composition, responsibilities, operations and processes of the Board and also outlines the matters and decisions reserved for the Board. It serves as a reference and primary induction literature providing insights to prospective Board members and senior management. In addition, it would assist the Board in the assessment of its own performance and that of its individual Directors.

The Board Charter was last reviewed and updated on 27 February 2019 and would be reviewed and updated periodically.The Board Charter is available on the Company's website at www.ta-win.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(I) BOARD RESPONSIBILITIES (CONTINUED)

Code of Conduct and Ethics

The Group has in place a Code of Conduct and Ethics which sets out the rules or standard for all who participating in the Group and represent themselves outside the Group. Its covers among others, all aspect affecting the business operations such as standards of conduct, conflicts of interest, other business opportunity, bribes, gifts, gratuities, hospitality, confidentiality and sensitive information, insider dealing, accuracy of information, compliance with laws & regulations, health & safety, protection of assets, corruption and money laundering.

The employees are made aware that relevant disciplinary actions will be taken for unethical behaviour and gross misconduct that is in contravention with the ethos of the said Code. Heads of Departments play an important role to oversee the culture of the Group to ensure it engenders ethical conduct.

The Code of Conduct and Ethics was last reviewed and updated on 27 February 2019 and would be reviewed and updated periodically. The Code of Conduct and Ethics is available at the Company's website at www.ta-win.com.

Whistle Blowing Policy

The Group has in place a Whistle Blowing Policy to provide an avenue for all employees of the Group and the members of the public to voice their grievances and raise concerns on any improper conduct and irregularities through an established channel without fear of reprisal.

The policy also sets out the steps the Company will take in respect of the report received from the employees and members of the public with the strict enforcement of this policy. It will reduce the risk to the Group's reputation from fraudulent acts.

The Whistle Blowing Policy was last reviewed and updated on 27 February 2019 and would be reviewed and updated periodically. The Whistle Blowing Policy is available at the Company's website at www.ta-win.com.

Anti-Bribery Anti-Corruption Policy

The Board had on 27 May 2020 has adopted an Anti-Bribery Anti-Corruption Policy which sets out parameters to prevent the occurrence of bribery and corrupt practices in the conduct of the Group's business. This policy is to provide information and guidelines to all Directors and employees of the Group on the standard of behaviour which they must adhere to and how to recognise and deal with bribery and corruption. The Anti-Bribery Anti-Corruption Policy is available at the Company's website at www.ta-win.com.

(II) BOARD COMPOSITION

Board Balance and Independence

The Company's diverse Board includes and leverages differences in skills, industry experience, background, gender, and other attributes. Board members have a wide range of relevant experiences in accounting, law, economics, investment, and business operations, to bear on the governance, strategies, resources, and performance of the Group.

The Board comprises six (6) Directors and three (3) of whom are Independent Directors. This complies with Paragraph 15.02(1) of the MMLR of Bursa Malaysia Securities Berhad which requires at least two (2) or one third (1/3) of the Board of the Company, whichever is higher, to be independent directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(II) BOARD COMPOSITION (CONTINUED)

The present members of the Board are as follows:-

Name	Designation	Directorship
Dato' Yeo Boon Leong, JP	Chairman	Non-Independent Non-Executive Director
Dato' Sri Ngu Tieng Ung, JP (1)	Member	Managing Director
Mr. Tan Poo Chuan	Member	Executive Director
Dato' Paduka Dr. Hii King Hiong	Member	Independent Non-Executive Director
Datin Seri Azreen Binti Abu Noh	Member	Independent Non-Executive Director
Datuk Zakaria Bin Sharif (2)	Member	Independent Non-Executive Director

Notes:-
(1) Dato' Sri Ngu Tieng Ung, JP was re-designated as a Managing Director on 1 July 2020.
(2) Datuk Zakaria Bin Sharif was appointed as an Independent Non-Executive Director on 7 August 2020.
(3) Mr. Yao Kee Boon resigned as an Independent Non-Executive Director on 7 August 2020.

Tenure of Independent Directors

The MCCG 2017 recommends that the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it should justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

During the financial year ended 30 June 2020, none of the Independent Directors have served on the Board for more than nine (9) years.

The Board has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years and will address the issue if the need arise.

Diverse Board and Senior Management Team

The Board acknowledges the importance of fostering diversity to enhance effectiveness of the Board and Senior Management. Having a range of diverse dimensions brings different perspectives to the boardroom and to various levels of Management within the Group.

Nomination Committee is responsible to identify and select potential candidate(s) and to make recommendations to the Board for the appointment of Director(s) based on a set of selection criteria in order to ensure the Board has the right mix of skill to meet its objectives.

The Managing Director and/or Executive Director(s) are responsible for selection and appointment of candidates for Senior Management position based on selection criteria which best matches the requirements of the open position.

All appointments and employment are based on objective criteria including (but not limited to) diversity in skills, experience, age, cultural background and gender.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

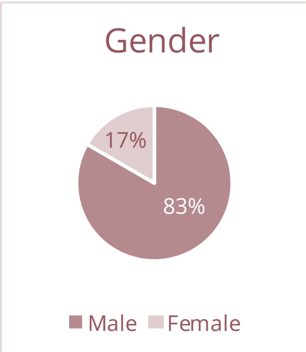
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

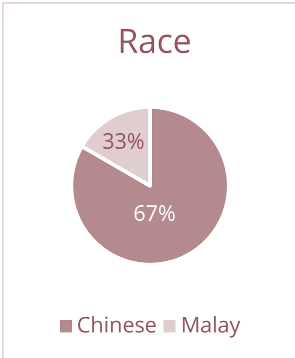
(II) BOARD COMPOSITION (CONTINUED)

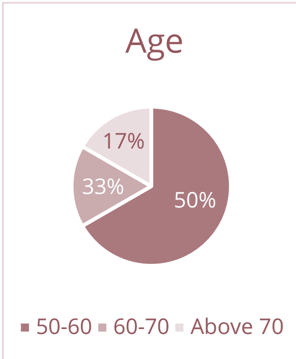
Diverse Board and Senior Management Team (continued)

The Group is committed to maintaining an environment of respect for people in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion or age.

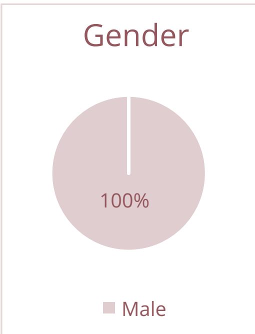
(a) Gender, Ethnicity and Age diversity in the Board

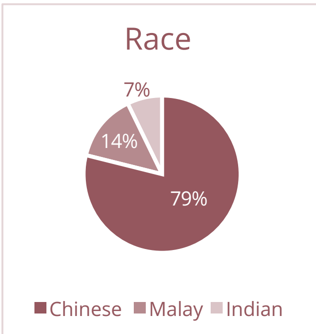


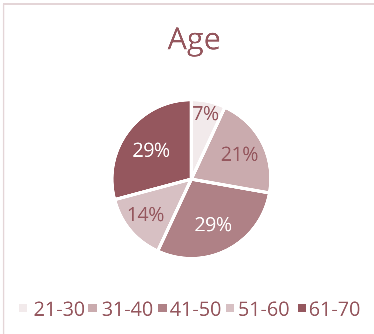




(b) Gender, Ethnicity and Age diversity in the Senior Management







Gender Diversity

The Board is judicious of the gender diversity recommendation promoted by the Code in order to offer greater depth and breadth for discussions and constructive debates in Board and Senior Management level.

The Board practices gender diversity and has one (1) female Director which represents 17% of seats at Board level, out of a total of six (6) Directors, even though it does not have a formalised policy on setting targets for female candidates. The Group will continue to identify suitable candidates for appointment to the Board based on merit and competence and the contribution that each potential candidate can bring to further strengthen the Board.

Appointment of additional women to the Board in order to meet the target will be made when a suitable candidate who can add value to the Board is identified.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(II) BOARD COMPOSITION (CONTINUED)

Time Commitment

The Board meets on a quarterly basis with additional meetings convened as and when required.

Details of the attendance of Board and Board Committees who were in office during the financial year ended 30 June 2020 are set out below. All Directors in office during the said period have complied with the minimum 50% attendance requirement under the MMLR of Bursa Malaysia Securities Berhad.

Directors	Board Meeting	Audit Committee Meeting	Nomination Meeting	Remuneration Meeting
Dato' Yeo Boon Leong, JP	5/5	–	–	2/2
Dato' Sri Ngu Tieng Ung, JP (1)	5/5	–	–	–
Mr. Tan Poo Chuan	5/5	–	–	–
Dato' Paduka Dr. Hii King Hiong	5/5	5/5	–	2/2
Datin Seri Azreen Binti Abu Noh	5/5	5/5	2/2	2/2
Datuk Zakaria Bin Sharif (2)	–	–	–	–
Mr. Yao Kee Boon (3)	4/5	4/5	2/2	–

Notes:-
(1) Dato' Sri Ngu Tieng Ung, JP was re-designated as a Managing Director on 1 July 2020.
(2) Datuk Zakaria Bin Sharif was appointed as an Independent Non-Executive Director on 7 August 2020. He does not attend any meeting during the financial year ended 30 June 2020.
(3) Mr. Yao Kee Boon resigned as an Independent Non-Executive Director on 7 August 2020.

The Board is satisfied with the level of commitment given by the Directors in fulfilling their roles and responsibilities as Directors of the Company. To ensure that the Directors devote sufficient time to carry out their roles and responsibilities and in line with the MMLR of Bursa Malaysia Securities Berhad, a Director of the Company must not hold directorships of more than five (5) Public Listed Companies.

In the intervals between Board Meetings, any matters requiring urgent Board decisions and/or approvals can be sought via circular resolutions which are supported with all the relevant information and explanations required for informed decisions to be made.

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of the Company and for notification to Companies Commission of Malaysia accordingly.

To facilitate the work of the Board, the Board has approved a formal schedule of matters reserved specifically for its decision to ensure the overall control of the Group is firmly in its hands.

Meeting of the Board and Board Committees

Meeting notices, agendas and board papers are circulated to the Board with sufficient time for members to prepare for Board and Board Committee meetings. All Board and Board Committee meetings held during the year were conducted in an open atmosphere which allowed for constructive challenge and debate, and all Directors were able to exert their independent judgement to bear on issues discussed. The Directors and Management continue to be in frequent contact between meetings.

The Board has unrestricted access to independent and expert advice at the Company's expense in performing its duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(III) BOARD COMMITTEES

(a) Nomination Committee

The Board through its Nomination Committee conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals. The Board through the Nomination Committee considers gender diversity as part of its selection of candidates for the Board and Senior Management positions.

Presently, the Nomination Committee is chaired by Datuk Zakaria Bin Sharif in place of Mr. Yao Kee Boon, who resigned as Director of the Company on 7 August 2020. The present members of Nomination Committee are made up entirely of Independent Non-Executive Directors, whose membership is:-

Name	Designation	Directorship
Datuk Zakaria Bin Sharif [(1)]	Chairman	Independent Non-Executive Director
Datin Seri Azreen Binti Abu Noh	Member	Independent Non-Executive Director

Notes:-
(1) Datuk Zakaria Bin Sharif was appointed as a Chairman of Nomination Committee on 7 August 2020.
(2) Mr. Yao Kee Boon resigned as a Chairman of Nomination Committee on 7 August 2020.

The Chairman ensures that the Board's decisions are reached by consensus or failing this, by the will of the majority, and any concern or dissenting view expressed by any Director on any matter deliberated at meetings of the Board or any of its Board Committees will be addressed and the meetings decisions duly recorded in the minutes of the meeting.

The terms of reference of the Nomination Committee was last reviewed and updated on 27 February 2019 and would be reviewed and updated periodically. The terms of reference of the Nomination Committee is available at the Company's website at www.ta-win.com.

New Candidates for Board Appointment

The Company has in place its procedures and criteria for appointment of new directors. Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the Directors, management, major shareholders or external parties including the Company's contacts in related industries.

The Company has sourced for the most suitable candidates from various sources such as recommendation of the existing Board and referrals from external sources to fill the casual vacancy arising from the resignation of Mr. Yao Kee Boon. Datuk Zakaria Bin Sharif was appointed as the Independent Non-Executive Director upon evaluation by the Board.

Annual Evaluation

The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance.

During financial period ended 30 June 2020, the Company Secretary assisted in the preparation of documents and facilitation the annual evaluation.

The evaluation process was led by Chairman of the Nomination Committee with the assistance of the Company Secretary. Each Director participated in the evaluation by answering a set of questionnaire.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(III) BOARD COMMITTEES (CONTINUED)

(a) Nomination Committee (continued)

Annual Evaluation (continued)

The evaluation process was based on self assessments whereby the Directors assessed each other and themselves, the Board as a whole and the performance of each Board Committee. The results of all assessments and comments were collated and summarised by the Company Secretary and were deliberated at the Nomination Committee meeting and thereafter the Nomination Committee's Chairman reported the results and deliberation to the Board.

Activities of the Nomination Committee

During the financial year ended 30 June 2020, the Nomination Committee met thrice and carried out the following mentioned activities, in accordance with its Terms of Reference and in compliance with MMLR of Bursa Malaysia Securities Berhad:-

(a) assessed the size and composition of the Board, board balance and contribution of each Director and the effective of the Board Committees;
(b) assessed the independence of each Independent Director by taking into their self-assessments/ declarations and based on the guidelines as set out in the MMLR of Bursa Malaysia Berhad and other criteria such as tenure, relationship between the Independent Directors and the Company and their involvement in any significant transaction with the Company;
(c) deliberated on the re-election of the affected Directors retiring pursuant to the Company's Constitution before making recommendations to the Board for its consideration;
(d) conducted an evaluation and assessment o the compliance status of the Company in respect of the Code;
(e) assessed the training needs for Directors; and
(f) reviewed the succession planning programme.

Directors' Training

Directors will receive further training from time to time on various aspects of their responsibilities as Directors of the Company such as new laws and regulations, to further enhance their skills and knowledge, where relevant. All the Directors have attended the Mandatory Accreditation Programme and continuously attend educational training and seminars to keep abreast with new regulatory developments and the business environment. The Directors attended seminars and were given briefings, which assisted them in the discharge of their duties. The seminars attended by the Directors during the financial year ended 30 June 2020 are listed below:-

Name	Course Attended
Dato' Sri Ngu Tieng Ung, JP	In-House Training on 26 June 2020:- National Anti-Corruption Plan, 2019 – 2023, Section 17A of the MACC Act 2009, Ministerial Guidelines on Adequate Procedures and MS ISO 37001:2006
Mr. Tan Poo Chuan	In-House Training on 26 June 2020:- National Anti-Corruption Plan, 2019 – 2023, Section 17A of the MACC Act 2009, Ministerial Guidelines on Adequate Procedures and MS ISO 37001:2006
Dato' Paduka Dr. Hii King Hiong	In-House Training on 26 June 2020:- National Anti-Corruption Plan, 2019 – 2023, Section 17A of the MACC Act 2009, Ministerial Guidelines on Adequate Procedures and MS ISO 37001:2006

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(III) BOARD COMMITTEES (CONTINUED)

(a) Nomination Committee (continued)

Directors' Training (continued)

Name	Course Attended
Datin Seri Azreen Binti Abu Noh	In-House Training on 26 June 2020:- National Anti-Corruption Plan, 2019 – 2023, Section 17A of the MACC Act 2009, Ministerial Guidelines on Adequate Procedures and MS ISO 37001:2006
Yao Kee Boon	In-House Training on 26 June 2020:- National Anti-Corruption Plan, 2019 – 2023, Section 17A of the MACC Act 2009, Ministerial Guidelines on Adequate Procedures and MS ISO 37001:2006

In addition, Directors' education also includes briefings by the Internal Auditors, External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Audit Committee and Board Meetings.

Save for the above disclosures, although Dato' Yeo Boon Leong, JP did not attend any official training during the financial period under review, enhanced their knowledge and kept abreast with the latest development on statutory and regulatory requirements from the briefings given by the Internal Auditors, External Auditors and the Company Secretaries from time to time during the Audit Committee and Board Meetings. They also enhanced their knowledge by focusing on business news and extensive reading of relevant business and regulatory materials. They actively seek advice and interact with the relevant professional personnel to enhance their skills and knowledge on specific area.

(b) Remuneration Committee

A Remuneration Committee was established by the Board comprising of Non-Executive Directors, a majority of whom are Independent Directors. The membership of Remuneration Committee are as follows:-

Name	Designation	Directorship
Datin Seri Azreen Binti Abu Noh	Chairman	Independent Non-Executive Director
Dato' Paduka Dr. Hii King Hiong	Member	Independent Non-Executive Director
Dato' Yeo Boon Leong, JP	Member	Non-Independent Non-Executive Director

Remuneration Committee's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Executive Director and Senior Management to ensure that their remuneration commensurate with that of their responsibilities and commitment.

The Chairman of the Committee may request for a meeting as and when deemed necessary. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee.

The terms of reference of the Remuneration Committee was last reviewed and updated on 27 February 2019 and would be reviewed and updated periodically. The terms of reference of the Remuneration Committee is available at the Company's website at www.ta-win.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(III) BOARD COMMITTEES (CONTINUED)

(b) Remuneration Committee (continued)

Remuneration policy

The Board has in place a set policies and procedures for remuneration of Directors and Senior Management. The objective of Remuneration Policy of the Company is to attract, retain and motivate Directors and Senior Management of the quality required to manage the business of the Group. The remuneration of Managing Director/ Executive Director(s) and Senior Management comprises basic salary, allowances, bonuses and other customary benefits as appropriate. In the case of the Non-Executive Directors, a basic fee as ordinary remuneration and meeting allowances will be paid.

The Managing Director/ Executive Director(s) play no part in deciding their own remuneration. It is the ultimate responsibility of the Board to approve the remuneration package of Managing Director/ Executive Director(s). The Directors' Fee payable and other benefits payable to Directors are subject to the members' approval at the Annual General Meeting ("AGM") in accordance with Section 230(1) of the Companies Act 2016.

On 27 February 2019, the Board reviewed and adopted the new Remuneration Policy and Procedures for Directors and Senior Management to ensure it is relevant and appropriate in the current structure of the Group. The Remuneration Policy and Procedures for Directors and Senior Management is available on the Company's website at www.ta-win.com.

Details of Directors' Remuneration

Details of Directors' remuneration of the Company and of the Group for the financial period ended 30 June 2020 are as follows:-

(i) Company

	Salaries (RM)	Bonuses (RM)	Fees (RM)	Other Remuneration (RM)	Total (RM)
Executive Directors					
Dato' Sri Ngu Tieng Ung, JP	860,000	80,000	–	2,100	942,100
Mr. Tan Poo Chuan	860,000	80,000	–	2,100	942,100
Non-Executive Directors					
Dato' Yeo Boon Leong, JP	–	–	–	900,000	900,000
Dato' Paduka Dr. Hii King Hiong	–	–	–	53,100	53,100
Datin Seri Azreen Binti Abu Noh	–	–	–	52,200	52,200
Mr. Yao Kee Boon	–	–	–	50,800	50,800
Total	1,720,000	160,000	–	1,060.300	2,940,300

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(III) BOARD COMMITTEES (CONTINUED)

(b) Remuneration Committee (continued)

Details of Directors' Remuneration (continued)

(ii) Group

	Salaries (RM)	Bonuses (RM)	Fees (RM)	Other Remuneration (RM)	Total (RM)
Executive Directors					
Dato' Sri Ngu Tieng Ung, JP	860,000	80,000	–	2,100	942,100
Mr. Tan Poo Chuan	860,000	80,000	–	2,100	942,100
Non-Executive Directors					
Dato' Yeo Boon Leong, JP	–	–	–	900,000	900,000
Dato' Paduka Dr. Hii King Hiong	–	–	–	53,100	53,100
Datin Seri Azreen Binti Abu Noh	–	–	–	52,200	52,200
Mr. Yao Kee Boon	–	–	–	50,800	50,800
Total	1,720,000	160,000	–	1,060.300	2,940,300

Remuneration of Top Five Senior Management

The top five (5) Senior Management's remuneration for the financial period ended 30 June 2020 are as follows:-

Range of Remuneration (RM)	Top Five Senior Management
250,000-500,000	1
200,000-250,000	1
150,000-200,000	2
100,000-150,000	1
Total	5

The Board is of the opinion that the disclosure of the Senior Management Personnel names and the various remuneration component (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and sensitivity of each remuneration package.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) AUDIT COMMITTEE

Audit Committee Composition and Chairman

The present Chairman of the Audit Committee is Dato' Paduka Dr. Hii King Hiong. He was re-designated as Chairman of Audit Committee on 2 August 2018. The Chairman of the Board is Dato' Yeo Boon Leong, JP.

Having the positions of Board Chairman and Audit Committee Chairman assumed by different individuals allows the Board to objectively review the Audit Committee's findings and recommendations.

The Chairman of the Audit Committee is responsible to ensure the overall effectiveness and independence of the Audit Committee. The roles and responsibilities of the Committee as well as the rights are set out in the Terms of Reference of the Audit Committee, which is published on the Company's website.

Details of activities carried out by the Audit Committee during the financial period ended 30 June 2020 are set out in the Audit Committee Report of this Annual Report.

Policy on Appointment of a Former Key Audit Partner as Audit Committee Member

As a measure to safeguard the independence and objectivity of the audit process, the Company has incorporated a policy stipulation that governs the appointment of a former key audit partner to the Audit Committee.

The policy, which is codified in the Audit Committee's terms of reference, requires a former key audit partner to observe a cooling-off period of at least two (2) years before he can be considered for appointment as an Audit Committee member.

Policies and Procedures to Assess the Suitability, Objectivity and Independence of the External Auditors

The policies and procedures to assess the suitability, objectivity and independence of the external auditors are in place. The said policies and procedures is available at the Company's website at www.ta-win.com.

In the annual assessment on the suitability, objectivity and independence of the auditors, the Audit Committee is guided by the factors as prescribed under MMLR of Bursa Malaysia Securities Berhad as well as the policies and procedures which were adopted by the Board.

The Audit Committee comprises solely Independent Directors

The Audit Committee consists of three (3) Independent Non-Executive Directors.

All Audit Committee Members are Financially Literate

All members of the Audit Committee are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. The present Chairman of the Audit Committee, Dato' Paduka Dr. Hii King Hiong is a member of Malaysian Institute of Accountants (MIA). They possess sufficient financial knowledge to provide satisfactory input on financial matters. The Committee members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

(II) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control

The Board affirms its overall responsibility for maintaining a sound internal control system and risk management as well as reviewing its adequacy and integrity of the system.

The Risk Management Committee assessed and monitored the efficacy and effectiveness of the risk management controls and measures taken whilst the adequacy and effectiveness of the internal controls were reviewed by the Audit Committee in conjunction with the activities and reports of the outsourced Internal Auditors.

Risk Management Committee

The Board has changed the Risk Management Committee on 26 June 2020, chaired by an independent director, with participation of two (2) Independent Directors and one (1) Executive Director. The Risk Management Committee is to identify, evaluate and manage significant risks faced by the Group, if any and report to the Board.

The Risk Management Committee has clear written terms of reference and the Board receives reports of its proceedings and deliberations. The terms of reference of the Risk Management Committee is available at the Company's website at www.ta-win.com. The Risk Management Committee will report to the Board the outcome of its meetings and such reports are incorporated in the minutes of the Board Meeting.

Internal Audit Function

The Group's Internal Audit function is outsourced to a professional service firm, Messrs. Ivan Law & Co., to provide the Audit Committee with an independent assessment on the adequacy and effectiveness of the Group's system of internal controls.

During the financial year ended 30 June 2020, the outsourced internal audit function carried out audits in accordance with the risk-based internal audit plan reviewed and approved by the Audit Committee. The results of their review presented in the Internal Audit Report, which include a summary of internal audit findings and management's responses, were discussed with Senior Management and subsequently presented to the Audit Committee. Follow up visits were also conducted by Internal Auditors to ensure that management's action plans in respect of the matters highlighted in the internal audit reports have been adequately addressed. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

To ensure effectiveness of the Group Internal Audit function, the Audit Committee assessed the following in respect of internal audit amongst others, the terms of engagements, scope of work, Company's financial budget, Internal Audit Reports and quality of deliverables:-

(a) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and
(b) the internal audit plan, processes, the results of the internal audit assessment, processes or undertakings and whether or not appropriate action is taken on the recommendations of the internal audit function.

The engagement partner of the outsourced internal audit function, Mr. Ivan Law, has diverse professional experience in internal audits, risk management and corporate governance advisory and possess relevant qualification.

The internal audit staff on the engagement, are free from any family relationship with any Directors and/or major shareholders and do not have any conflict of interest with the Group.

The internal audit was conducted using a risk-based approach and was guided by a recognised framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

(I) COMMUNICATION WITH STAKEHOLDERS

Effective Communication Channels

The Board leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through Annual Reports, Circular to Shareholders, announcements to Bursa Malaysia Securities Berhad, media releases, AGM, Extraordinary General Meeting ("EGM") and the Company's website, www.ta-win.com.

Integrated Reporting

The Company is not a Large Company as defined by the Code. The Company will consider adopting integrated reporting if the Board is of the view that the benefits of the adoption outweigh the costs.

(II) CONDUCT OF GENERAL MEETINGS

Notice of Annual General Meeting

The AGM and other general meetings of the Company are the primary forum for dialogue with its shareholders. All notices of general meetings and accompanying explanatory materials are published on the Company website (www.ta-win.com), advertised in a leading mainstream local newspaper, and the necessary announcement made to Bursa Malaysia Securities Berhad. In addition, the notice of AGM, which forms part of the Annual Report, and the CD-ROM, is circulated to its shareholders. The form and content of the notices of the general meetings comply with the Companies Act 2016 and any other applicable regulatory requirements under Bursa Malaysia Securities Berhad and the Securities Commission Malaysia.

Attendance of Directors at General Meetings

The Board's members had attended the following general meetings held during the financial period ended 30 June 2020:-

Date	Meeting
28 November 2019	Twenty Fifth AGM

Leverage Technology to Facilitate Voting and Remote Shareholders Participation

Shareholders are provided with the sufficient notices of general meetings and accompanying explanatory material such as notes, circular and Annual Report in order for the shareholders to make arrangements to attend the general meetings and exercise their rights. Shareholders are encouraged to appoint proxy/proxies to vote on their behalf if they are unable to attend the meeting. The copies of the proxy forms are available in the Company's website and in the Company's Annual Report.

The Company's Twenty Fifth AGM on 28 November 2019 were held at the factory of Ta Win Industries (M) Sdn. Bhd., a subsidiary of the Company, situated in Melaka with the intention to create a sense of "family" to its shareholders and to allow its shareholders to have more understanding of the Group's businesses by leading them to visit the factory after the meeting.

The Company has less than four thousand (4,000) shareholders (inclusion of preference shareholders) as such, while all practical efforts are taken to ensure that shareholders' ability to participate at general meetings, considering the cost involved, it is not economically justifiable to enable voting in absentia or remote shareholders' participation at general meetings. Nonetheless, with the advent technology, the appointed proxies may communicate with shareholders instantaneously on matters deliberated at all general meetings.

However, the Company will explore on the leverage of technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs and EGMs of the Company where circumstances permit.

This Corporate Governance Overview Statement was approved by the Board of Directors on 20 October 2020.

AUDIT COMMITTEE **REPORT**

MEMBERSHIP AND AUTHORITY

The Board of Directors ("the Board") is pleased to present the following Audit Committee Report and its activities for the financial period ended 30 June 2020.

The Audit Committee was established with the objective to assist the Board in the area of corporate governance, systems of internal control and management and financial practices of the Group.

The Audit Committee comprises three (3) Independent Non-Executive Directors. The present members of the Audit Committee are as follows:-

Name	Designation	Directorship
Dato' Paduka Dr. Hii King Hiong	Chairman	Independent Non-Executive Director
Datin Seri Azreen Binti Abu Noh	Member	Independent Non-Executive Director
Datuk Zakaria Bin Sharif	Member (1)	Independent Non-Executive Director

Notes:-
(1) Datuk Zakaria Bin Sharif was appointed as a member of the Audit Committee on 7 August 2020.
(2) Mr. Yao Kee Boon resigned as a member of the Audit Committee on 7 August 2020.

The composition of the Audit Committee meets the requirement of paragraph 15.09 (1)(a) and (b) and 15.10 of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad. The Audit Committee consists of members with a broad spectrum of skills, professional experience, and backgrounds with high integrity. Alternate directors cannot be appointed as a member of the Audit Committee.

Dato' Paduka Dr. Hii King Hiong is a member of Malaysian Institute of Accountants and fulfills the requirement of paragraph 15.09 (1)(c)(i) of the MMLR.

The Board has entrusted the Nomination Committee to review the terms of office of the Audit Committee members and the performance of the Audit Committee and its members through an annual evaluation. The Board is satisfied that the Audit Committee its members discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the Audit Committee. The Terms of Reference of the Audit Committee is available at the Company's website, www.ta-win.com.

During the financial period ended 30 June 2020, the Chairman of the Audit Committee has engaged on a continuous basis with the Management, Internal Auditors and the External Auditors, in order to keep abreast of matters and issues affecting the Company.

ATTENDANCE OF MEETINGS

During the financial year ended 30 June 2020, the Audit Commitee held a total of five (5) meetings. The details of attendance of the Audit Committee members are as follows:-

Members	Attendance
Dato' Paduka Dr. Hii King Hiong	5/5
Datin Seri Azreen Binti Abu Noh	5/5
Datuk Zakaria Bin Sharif (1)	–
Mr. Yao Kee Boon (2)	4/5

Notes:-
(1) Datuk Zakaria Bin Sharif was appointed as a member of the Audit Committee on 7 August 2020. He does not attend any meeting during the financial year ended 30 June 2020.
(2) Mr. Yao Kee Boon resigned as a member of the Audit Committee on 7 August 2020.

AUDIT COMMITTEE REPORT (CONTINUED)

ATTENDANCE OF MEETINGS (CONTINUED)

The Audit Committee meetings were convened with proper notices and agenda. The Chairman of the Audit Committee reported the key issues discussed at each meeting to the Board. The management was invited to all Audit Committee meetings to facilitate direct communication and to provide clarification on audit issues and the Group's operations.

All deliberations during the Audit Committee meetings were duly minuted. Minutes of the Audit Committee meetings were tabled for confirmation at every succeeding Audit Committee meeting and the Minutes were distributed to each Board member for their notation.

SUMMARY OF WORKS PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2020

During the year under review, the Audit Committee carried out the following work in the discharge of its functions and duties:-

(1) Financial Reporting

Reviewed the unaudited quarterly reports on consolidated results and financial statements' result to ensure that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on:-

- the going concern assumption;
- compliance with accounting standards and regulatory requirements;
- any changes in accounting policies and practices;
- significant issues and unusual event; and
- significant adjustment arising from the audit, if any.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with the management and External Auditors on the salient accounting and audit issues, significant risks and audit focus areas, any deficiency on internal control, reasonableness of significant judgements, amendments to the reporting standards and other legal requirements.

(2) External Audit

(a) Reviewed, evaluated and approved the Messrs. Ecovis AHL PLT's Audit Planning Memorandum for the financial period ending 30 June 2020. The statutory responsibilities of the Auditors, audit approach, areas of audit emphasis, engagement team, the timing of audit, accounting standards updates and other updates amongst others were discussed and brought to the attention of Audit Committee;

(b) Reviewed the Audit Review Memorandum presented by the External Auditors which serves to provide the Audit Committee a status update of the key findings and issues arising from the audit. A summary of key findings was presented to the Audit Committee;

(c) Reviewed with the External Auditors the approved accounting standards applicable to the financial statements of the Group;

(d) Reviewed the annual audited financial statements of the Company and the Group prior to the submission to the Board for approval;

(e) Reviewed and discussed the audit and accounting matters highlighted by the External Auditors and recommendations made by them and the management's responses;

(f) Reviewed and assessed the independence and performance of the External Auditors;

(g) Assessed the fee chargeable by the auditors to ensure that the policies governing the provision of non-audit fees are observed; and

(h) Conducted independent meetings (without the presence of Management) with the external auditors.

AUDIT COMMITTEE REPORT (CONTINUED)

SUMMARY OF WORKS PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)

During the year under review, the Audit Committee carried out the following work in the discharge of its functions and duties (continued):-

(3) Internal Audit

(a) Reviewed the letter of engagement of Messrs. Ivan Law & Co. as Internal Auditors of the Group;

(b) Reviewed and approved the Internal Audit Plan to ensure that the scope and coverage of the internal audit on the Group's operations is adequate and that all the risk areas are audited by Internal Auditors;

(c) Reviewed and deliberated internal audit reports containing approaches of internal audit reviews, findings, the recommendation action plans, and the management's response and the status of implementation of the action plans; and

(d) Reviewed the effectiveness of internal audit processes as well as the adequacy of the scope, functions, competency, and resources of the internal audit function and whether it has the necessary authority to carry out its works.

(4) Other activities

(a) Reviewed the related party transactions entered by the Company or its subsidiaries to ensure that the related party transactions are in the best interest of the Company, fair, reasonable and on normal commercial terms and are not detrimental to the interest of the non-interested shareholders of the Company;

(b) Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report;

(c) Reviewed the Audit Committee Report for inclusion in the Annual Report;

(d) Reviewed the allocation of Options under Employee Share Option Scheme to ensure that it had been carried out according to the criteria and procedures as contained in the By-Laws;

(e) Reviewed and recommended to the Board the Anti-Bribery and Anti-Corruption Policy of the Company in compliying with the MMLR of Bursa Malaysia Securities Berhad and Malaysian Anti-Corruption Commission Act;

(f) Reviewed the Policies and Procedures to access the Suitability and Independence of External Auditors; and

(g) Reviewed the proposed corporate exercises.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE FINANCIAL YEAR ENDED 30 JUNE 2020

The Group outsourced its internal audit function to Messrs. Ivan Law & Co. as internal auditors of the Group to assist the Audit Committee in discharging its duties and responsibility more effectively. Messrs. Ivan Law & Co. acted independently and with due professional care and presented the Internal Audit Reports on the findings and recommendations to the Audit Committee.

The internal audit reviews were performed in accordance with accepted auditing practices. The internal audit reviews involved walk through the process and procedures, discussion with key staffs, review documentation as well as observation of the current practices. The Internal Auditors also reviewed and considered the six broad control components ie. Control Activities, Segregation of Duties, Authorization, Access to Assets, Assets Accountability and Recording in the respective functional areas.

AUDIT COMMITTEE REPORT (CONTINUED)

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)

The Audit Committee has full and direct access to the outsourced Internal Auditors, reviews its internal audit plan and reports on audits performed and monitors its performance. The Audit Committee also reviews the adequacy of the scope, functions, competency and resources of outsourced internal audit functions from time to time.

In respect of the financial year ended 30 June 2020, the Internal Auditors had carried out internal audit reviews on Ta Win Industries (M) Sdn. Bhd. and Cyprium Wire Technology Sdn. Bhd., a wholly-owned of the Company and a wholly-owned subsidiary Cyprium Capital Sdn. Bhd., which in turn a subsidiary of the Company respectively, which involved the following functional areas:-

(1) Treasury Management

- Daily/ weekly cash flow management process
- Weekly/ monthly cash flow forecasting procedure
- Receipt and deposit procedure
- Payment and disbursement procedure
- Physical cash management policy and procedure
- Bank reconciliation procedure
- Debt financing management
- Insurance coverage

(2) Sales & Collection

- New Customer Identification Process and Procedures
- Customer Enquiry Handling
- Quotation Preparation Process and Procedures
- Customer Order Processing
- Biling and Collection Process (Invoice Processing and Recognition)
- Credit and Accounts Receivable Management
- Customer Rentention Management
- Customer complaint Process

They also had carried out follow-up audit visits to review the implementation status of management's action plans that were reported in the previous Internal Audit Reports.

The audit findings and recommendations for improvement and the status of the implementation status of management's action plans were presented at the Audit Committee meetings.

The fees incurred in maintaining the outsourced internal audit function for the financial year ended 30 June 2020 amounted to RM23,380.00.

This Audit Committee Report was approved by the Board of Directors on 20 October 2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors ("the Board") to maintain a sound risk management framework and internal control system. Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad requires the Board of public listed companies to include in the Annual Report a "statement about the state of risk management and internal control of the listed corporation as a group". The Board and Managemet is committed to maintaining a sound system of risk management and internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group.

The Board has changed the Members of Risk Management Committee on 26 June 2020, chaired by an Independent Director, with participation of two (2) Independent Directors and one (1) Executive Director. The Risk Management Committee is to identify, evaluate and manage significant risks faced by the Group, if any and report to the Board.

BOARD RESPONSIBILITY

The Board acknowledges and is committed to its overall responsibility for maintaining a sound internal control system and for reviewing its adequacy and integrity on financial, operational, environmental, and compliance controls, and risk management procedures. Its responsibilities also include embedding the risk management framework in all aspects of the Group's activities and approving the Board's acceptable risk appetite after assessing whether the risks are managed within tolerable ranges. The Board believes that an integrated and effective system of governance, risk management, and internal control is desirable to sustain the Group's success. The Board considers that it is in the public's interest that the Group is well managed, act ethically, be transparent, and more responsive to the shareholders.

The Board recognises the reviewing of the Group's system of internal control that involves a concerted and continuing process where the system is designed to manage rather than eliminate the risks of failures to achieve all business goals and objectives. However, in pursuing this objective, the Group's internal control system is designed to only provide a reasonable and not absolute assurance against material misstatement, operational failure, fraud, or loss. The concept of reasonable assurance recognises that the cost of control procedures shall not exceed the expected benefits. Furthermore, because of the changing business environment, the effectiveness of an internal control system may vary over time. The rationale of implementing the internal control system is to assist the Group in achieving its corporate objectives within acceptable risk, including the likelihood of a significant adverse impact arising from a future event or situation. The Board has also received reasonable assurance from the Management that the Group's risk management and internal control system are operating adequately and effectively in all material aspects concerned.

The Board is assisted by the Risk Management Committee in reviewing and assessing the risk governance framework and the risk management processes of the Group with respect to their adequacy and effectiveness. The Board will receive formal feedback on the adequacy of risk management and internal control from the internal auditors on a half-yearly basis.

MANAGEMENT RESPONSIBILITY

The Management is responsible for establishing, implementing, and maintaining the processes for identifying, evaluating, monitoring, and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for assuring the Board that the processes have been carried out.

The Board assigned these responsibilities to the Key Senior Management including the Managing Director/ Executive Director(s), Chief Operating Officer, and Finance Manager, who will provide the Board with an annual report on the adequacy and efficacy of the Group's risk management and internal control process in all material aspects, based on the Group's risk management template. Upon taking the appropriate steps to resolve the risks, the Management shall inform and bring to the Board's attention continuously an adjustment to the risks or emerging risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT

The Board and Management recognise that effective risk management is an integral part of business management practice. The Board also acknowledges that all areas of the Group's activities involve some degree of risk and is committed to ensuring that the Group has an effective risk management framework that allows the Group to identify, evaluate and manage risks within defined risk parameters to achieve the Group's business objectives. The Board will continue to identify, assess, and manage a key business, operational, and financial risks.

During the financial year ended 30 June 2020, the Risk Management Committee met with the Audit Committee to report on the processes, findings, and actions taken by the Management. The Risk Management Committee will continuously identify new risks by taking into consideration the Group's business objectives, strategies, targets, and external environmental factors. This covers matters such as responses to significant risks identified, the output from monitoring processes, and changes made to the internal control systems. The Audit Committee or Risk Management Committee then reports any significant changes in the business and the external environment to the Board.

INTERNAL CONTROL

The board entrusts the Managing Director/ Executive Directors and the overall management team with the day-to-day running of the business. The Managing Director/ Executive Director(s) and the rest of the Management team would receive timely performance and profitability information through monthly and weekly reports consisting of quantitative and qualitative trends and analyses.

The Managing Director have a crucial role to play in communicating with the Management of the Board's requirements of an internal control process. This is accomplished by their frequent engagement in business operations and their participation at numerous scheduled meetings of the Management Committee. The Management Committee, which includes department heads, meets weekly to discuss production, operational, sales, and human resources issues. These meetings represent the platform through which the activities of the Group are monitored to ensure that any critical issues are identified and resolved on time. The Managing Director/ Executive Director(s) track the progress of these issues through regular management meetings and minutes of the Management Committee updates.

The Board monitors the Group's performance, operations, and business development through Board papers which are tabled at quarterly meetings. In addition, the Managing Director/ Executive Director(s), Chief Operating Officer and Finance Manager, brief the Board on the Group's activities while highlighting significant matters that require further discussion and decision making.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The Board has implemented an internal control system, which comprises underlying control environment, control processes and, communication and monitoring system such as the following:-

- Organizational structure with well-defined lines of responsibility, a delegation of authority, segregation of duties, and the flow of information which are effectively communicated to all levels. Besides the predominantly non-executive standing committees, such as the Audit, the Remuneration, and the Nomination Committees, the Managing Director/ Executive Director(s) and Management Committees will support the Board. These Committees convene at Board and Management meetings to assess performance and controls in all areas of operations to ensure that the risk management and control framework is embedded into the culture, processes, and structures of the Company;

- Document internal policies and procedures for the Group including those set out in the Quality Management System under ISO 9001:2000 and various overseas' product certification awarded from Underwriters Laboratories;

- Provide continuous training and developmental programs for all employees to maintain competency and efficiency;

- Prepare timely public releases of quarterly reports upon review by the Audit Committee and the approval of the Board; and

- Monitor mechanisms in the form of financial and operational reports and operational review meetings which are responsive to changes in the business environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT

The objective of the Audit Committee is to monitor reviews of all pertinent systems on controls, procedures, and operations to ensure that the overall internal control system is adequate and satisfactory. The internal auditors report directly to the Audit Committee. Their role is to provide the Audit Committee with independent and objective reports on the effectiveness of the internal control systems within the Group.

The internal auditors assist the Audit Committee in monitoring the effectiveness of policies, processes, and activities that should manage internal controls and maintain risk management and corporate governance processes during the year. The internal auditors assist the Audit Committee to identify any internal control weaknesses. In addition, the Audit Committee also plays a key role in reviewing and deliberating on any matters relating to internal controls highlighted by the external auditors when preparing the audit for the Group's financial statements.

During the year under review, the internal auditors carried out various internal audit tests. Several minor internal control weaknesses were identified during the year, all of which have been, or are being, addressed. None of the weaknesses had resulted in any material losses, contingencies, or uncertainties that would require disclosure in the Group's Annual Report.

Besides, as required by the ISO 9001:2000 where certification is accredited to the Group, scheduled internal ISO audits are conducted once a year. The results of these audits were reported to the Managing Director/ Executive Director(s).

THE BOARD'S COMMITMENT

The Board believes that there is no significant breakdown or weaknesses in the internal control system of the Group that may result in material losses for the financial year ended 30 June 2020. The Group continues to take the necessary measures to strengthen its internal controls.

This Statement of Risk Management and Internal Control was approved by the Board of Directors on 20 October 2020.

STATEMENT OF **DIRECTORS' RESPONSIBILITY** in respect of Audited Financial Statements

The Directors are responsible to ensure that the financial statements are drawn up in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and cash flows for the financial year then ended.

In preparing these financial statements for the year ended 30 June 2020, the Directors have:-

- selected suitable accounting policies and then applied them consistently;
- made estimates and judgements that are reasonable and prudent;
- prepared the financial statements on and on going concern basis unless it is inappropriate to presume that the Group will continue its business; and
- ensured that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

This Statement of Directors' Responsibilities was approved by the Board of Directors on 20 October 2020.

ADDITIONAL COMPLIANCE INFORMATION

(1) Utilisation of Proceeds

(a) Rights Issue

During the financial year ended 30 June 2020, the Company has undertaken the Renounceable Rights Issue of 238,841,790 new ordinary shares in the Company ("Right Shares") and 477,683,580 Irredeemable Convertible Preference Shares ("ICPS") in the Company together with 159,227,757 free detachable Warrants ("Warrants") which was completed on 13 August 2019.

The status of utilisation of proceeds raised from the Rights Shares and ICPS as at 30 September 2020 are as follows:-

Purpose	Approved Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Estimated time Frame for utilization of proceeds from date of listing of the Rights Shares and ICPS
Working Capital	34,576	34,576	–	Within 12 months
Estimated expenses for the Proposal	1,250	1,250	–	Immediate
Total	35,826	35,826	–	

(2) Non-Audit Fees

The amount of non-audit fees paid or payable to the External Auditors or a firm or corporation affiliated to the Auditors' firm for the financial year ended 30 June 2020 are as follows: -

For the Financial Year Ended 30 June 2020	The Company	The Group
Non-Audit Fees paid or payable to External Auditor:- - Review of the Statement on Risk Management and Internal Control	RM3,000	RM3,000
Non-Audit Fees paid or payable to a firm or corporation affiliated to the Auditors' firm	–	–
TOTAL	**RM3,000**	**RM3,000**

(3) Material Contracts

The Company and its subsidiaries do not have any material contracts involving the interests of Directors and major shareholders either subsisting at the end of the financial year or entered into since end of the previous financial year.

(4) Recurrent Related Party Transaction of Revenue Nature

There were no material recurrent related party transactions of a revenue by nature during the year other than those which are disclosed in Note 27 of the financial statements.

ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

(5) Workforce Diversity

The Company did not discriminate staffs based on age, gender, physical disability, race or religion. Diversity enriched the work environment. The experience and perspectives of staffs helped the Company form relationships with a wider spectrum of customers. The Company had made it its policy to hire talented people from diverse backgrounds from Malaysia and abroad. The Company encouraged workforce diversity and provided equal opportunity for all team members regardless of age, gender, race, religion, nationality and education to work in harmony and to have equal opportunity to succeed.

The total workforce by gender, age and race as at 30 June 2020 were as follows:-

Gender/ Age Group	Malay (M)	Chinese (C)	Indian (I)	Foreigner	Total
Below 21	0	0	0	2	2
21 - 30	8	12	1	26	47
31 - 40	2	10	3	17	32
41 - 55	10	12	2	3	27
Above 55	4	8	0	1	13
Total Workforce	**24**	**42**	**6**	**49**	**121**

Category	Full Time Employment												
	Malaysian									Foreign National			Total
	Degree			Diploma/ Technical			Others			Degree	Diploma/ Technical	Others	
	M	C	I	M	C	I	M	C	I				
Board of Directors	1	5	0	0	0	0	0	0	0	0	0	0	6
Managerial Staff	2	9	1	0	7	0	0	5	1	1	0	1	27
Executive	4	9	1	0	0	0	1	2	4	0	0	5	26
Technical Staff	5	1	0	0	0	0	0	0	0	0	0	0	6
Operators	0	0	0	0	0	0	1	0	0	0	0	47	48
Clerical Staff	0	1	0	1	0	0	3	7	2	0	0	0	14
Total	**12**	**25**	**2**	**1**	**7**	**0**	**8**	**12**	**7**	**1**	**0**	**56**	**127**

FINANCIAL STATEMENTS

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 activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss for the year		
Attributable to:-		
Owners of the Company	(13,721)	(4,232)
Non-controlling interests	(736)	–
	(14,457)	(4,232)

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

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

i) 238,841,790 ordinary shares of RM0.10 each and 477,683,580 Irredeemable Convertible Preference Shares ("ICPS") of RM0.025 each together with 159,227,757 free detachable warrants via the rights issue on the basis of 3 rights shares and 6 ICPS together with 2 warrants for every 1 existing ordinary share held in the Company;

ii) 38,935,600 ordinary shares of RM0.10 each via the conversion of ICPS.

All the new ordinary shares that were issued rank pari passu in all respects with the existing shares of the Company.

There was no issue of debentures by the Company during the financial year.

DIRECTORS' REPORT
(continued)

ISSUE OF WARRANTS

The Company issued 159,227,757 warrants pursuant to its rights issue of 238,841,790 ordinary shares and 477,683,580 ICPS. The warrants 2019/2022 were constituted under the Deed Poll dated 17 April 2019.

As at the financial year end, 159,227,757 warrants remained unexercised.

The salient features of warrants and further information are disclosed in Note 11 to the financial statements.

DIRECTORS

The directors who served during the financial year up to the date of this report are:-

Dato' Yeo Boon Leong, JP	
Dato' Sri Ngu Tieng Ung, JP	
Tan Poo Chuan	
Dato' Paduka Dr. Hii King Hiong	
Datin Seri Azreen Binti Abu Noh	
Datuk Zakaria Bin Sharif	(appointed on 7.8.2020)
Yao Kee Boon	(resigned on 7.8.2020)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year up to the date of this report are:-

Wong Ah Piaw	
Wong Chen Feng	
Tan, YongTao	
Yeoh Chin Kiang	
Dato' Dr. Zulkifli Bin Mohamed Hashim	(appointed on 2.1.2020)
Lui Kim Chui Danny	(appointed on 30.1.2020)
YB Dato' Haji Tengku Hassan Bin Tengku Omar	(appointed on 13.8.2020)
Tuan Haji Wan Adnan Bin Wan Derahman	(appointed on 13.8.2020)
Chong Ming Kong	(appointed on 13.8.2020)
Stanislav Zabolotsky	(resigned on 31.1.2020)
Lam Wing Fu	(resigned on 30.1.2020)

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit, other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the directors from the Company, or the fixed salary of a full time employee of the Company as disclosed in the financial statements, by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than certain directors who have substantial financial interests in companies which traded with the Company in the ordinary course of business.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, being arrangements with the object of enabling directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT
(continued)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the interests and deemed interests of Directors in office at the end of the financial year in the shares and options over shares of the Company and its related corporation during the financial year are as follows:-

	<------------------ Number of ordinary shares ------------------>			
	As at 1.7.2019	**Acquired**	**Disposed**	**As at 30.6.2020**
Company				
Dato' Yeo Boon Leong, JP				
- direct interest	1,500,000	5,193,600	–	6,693,600
- deemed interest (^)	8,000,000	27,713,777	(35,713,777)	–
- deemed interest (#)	–	35,713,777	–	35,713,777
Dato' Sri Ngu Tieng Ung, JP				
- deemed interest (#)	–	35,713,777	–	35,713,777
- deemed interest (@)	–	6,408,200	–	6,408,200
- deemed interest (&)	–	330,000	–	330,000
Mr. Tan Poo Chuan				
- indirect interest (+)	20,000	60,000	–	80,000
- deemed interest (^)	8,000,000	27,713,777	(35,713,777)	–
- deemed interest (#)	–	35,713,777	–	35,713,777
- deemed interest (@)	–	6,408,200	–	6,408,200

	<----------- Number of irredeemable convertible preference shares ----------->			
Dato' Yeo Boon Leong, JP				
- direct interest	–	10,387,200	–	10,387,200
Dato' Sri Ngu Tieng Ung, JP				
- deemed interest (#)	–	50,927,554	–	50,927,554
- deemed interest (@)	–	17,016,400	–	17,016,400
- deemed interest (&)	–	38,096,600	–	38,096,600
Mr. Tan Poo Chuan				
- indirect interest (+)	–	120,000	–	120,000
- deemed interest (#)	–	50,927,554	–	50,927,554
- deemed interest (@)	–	17,016,400	–	17,016,400

(+) By virtue of his child's direct shareholding
(^) Held through Tenggara Kapital Sdn. Bhd.
(#) Held through Triad Capital Sdn. Bhd.
(@) Held through Heritage Winners Sdn. Bhd.
(&) Held through Timur Enterprise Sdn. Bhd.

None of the other directors in office at the end of the financial year hold any shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT
(continued)

INDEMNITY AND INSURANCE COST

The directors and officers of the Group and of the Company are covered by Directors and Officers Liability Insurance ("D&O") for any liability incurred in the discharges of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of D&O insurance effected for the directors and officers of the Group was RM3,000,000. The insurance premium for the D&O insurance paid during the financial year amounted to RM12,200. Other than as disclosed, no other indemnity has been given to or insurance effected for the directors or officers of the Group or of the Company during the financial year.

To the extent permitted by the Companies Act, 2016, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year.

DIRECTORS' REMUNERATION

Details of directors' remuneration are set out in Note 20 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 20 to the financial statements.

OTHER STATUTORY INFORMATION

(a) The directors, before the Statements of Profit or Loss and Other Comprehensive Income and Statements of Financial Position of the Group and of the Company were prepared, took reasonable steps:-

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) The directors are not aware of any circumstances, at the date of this report, which would render:-

  (i) the amount written off for bad debts or the allowance for doubtful debts inadequate to any substantial extent; or

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

DIRECTORS' REPORT
(continued)

OTHER STATUTORY INFORMATION (CONTINUED)

(e) As at the date of this report, there does not exist:-

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

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

(f) In the opinion of the directors:-

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial year which will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

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

SUBSEQUENT EVENTS

The events subsequent to the reporting date are as disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, ECOVIS MALAYSIA PLT, have expressed their willingness to accept re appointment.

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

DATO' SRI NGU TIENG UNG, JP

TAN POO CHUAN

SELANGOR

Date: 20 October 2020

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, **DATO' SRI NGU TIENG UNG, JP** and **TAN POO CHUAN**, being two of the directors of **TA WIN HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the financial statements set out on pages 60 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2020 and of their financial performance and cash flows for the year then ended.

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

DATO' SRI NGU TIENG UNG, JP

TAN POO CHUAN

SELANGOR

Date: 20 October 2020

STATUTORY **DECLARATION**

Pursuant to Section 251(1) of the Companies Act, 2016

I, **DATO' SRI NGU TIENG UNG, JP**, being the director primarily responsible for the financial management of **TA WIN HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 60 to 125, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
DATO' SRI NGU TIENG UNG, JP at Puchong in the state)
of Selangor Darul Ehsan on 20 October 2020)

DATO' SRI NGU TIENG UNG, JP

Before me,

INDEPENDENT AUDITORS' REPORT
To the members of Ta Win Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **TA WIN HOLDINGS 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 and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. We have determined that there are no key audit matters to communicate in our report on financial statements of the Company. The key audit matter for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories Inventories represent approximately 22% of the consolidated total assets as at 30 June 2020. Inventories are carried in the financial statements at the lower of cost and net realisable value. The cost of inventories is highly dependent on the market prices of copper as listed on London Metal Exchange ("LME"), which are subject to volatility. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value. The Group also exposed to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying value. The directors conducted their impairment test to assess the recoverability of the cost of inventories. In order to establish whether an indication of impairment exists, net realisable value which represent estimated selling price less estimated costs of completion are determined and compared to the purchase cost associated with conversion costs.	Our audit procedures included testing the internal controls over the inventories as well as substantive testing on quantity and price components affecting the inventory value. We assessed the inventory taking processes and attended the inventory count at the end of the financial year. In addition, we performed a recalculation of the major inventory balances at the year end. We reviewed client's basis for pricing inventories and work-in-progress and determine that basis used is consistent with previous financial period. We found that the costing of inventories is to be within a reasonable range. Net realisable value test was carried out, on a sample basis, by comparing the carrying amount of the inventories to transacted sales subsequent to the reporting period in order to determine their net realisable value. We noticed that there is indication of impairment and the impairment loss are taken up in the financial statements of the subsidiary and consolidated financial statements. Thus, the inventories are written down to its net realisable value. We tested the long aged inventory for subsequent sales or usage after year end and reperformed the calculation for the allowance for obsolete and slow-moving inventories. We also considered the disclosure of inventories to be appropriate for purpose for the consolidated financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

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.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

KHOR KENG LIEH
02733/07/2021 J
Chartered Accountant

JOHOR BAHRU

Date: 20 October 2020

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	3	50,267	44,999	391	337
Intangible assets	4	3,150	–	–	–
Investment in subsidiaries	5	–	–	100,832	100,832
		53,417	44,999	101,223	101,169
CURRENT ASSETS					
Inventories	6	39,133	32,728	–	–
Trade and other receivables	7	40,516	63,626	1,148	809
Amount due by subsidiaries	8	–	–	18,426	6,161
Current tax assets		308	–	–	–
Cash and bank balances	9	47,644	36,380	7,088	77
		127,601	132,734	26,662	7,047
TOTAL ASSETS		181,018	177,733	127,885	108,216
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	10	104,708	73,725	104,708	73,725
Reserves	11	19,188	12,808	6,369	–
(Accumulated losses)/ Retained profits		(15,307)	(1,562)	9,550	13,795
		108,589	84,971	120,627	87,520
Non-controlling interests		2,046	2,182	–	–
TOTAL EQUITY		110,635	87,153	120,627	87,520

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

STATEMENTS OF FINANCIAL POSITION (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	12	4,968	4,927	–	–
Lease liabilities	13	509	339	–	–
		5,477	5,266	–	–
CURRENT LIABILITIES					
Trade and other payables	14	6,277	3,770	264	188
Provisions	15	1,730	–	–	–
Amount due to subsidiaries	8	–	–	6,786	20,449
Loans and borrowings	16	56,516	80,523	–	–
Lease liabilities	13	383	86	132	–
Current tax liabilities		–	935	76	59
		64,906	85,314	7,258	20,696
TOTAL LIABILITIES		70,383	90,580	7,258	20,696
TOTAL EQUITY AND LIABILITIES		181,018	177,733	127,885	108,216

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	Group Year ended 2020 RM'000	Group Period ended 2019 RM'000	Company Year ended 2020 RM'000	Company Period ended 2019 RM'000
REVENUE	17	251,779	563,130	836	65
COST OF SALES		(251,320)	(563,401)	–	–
GROSS PROFIT/(LOSS)		459	(271)	836	65
ADD: OTHER INCOME	18	1,727	20,869	8	–
LESS: DISTRIBUTION EXPENSES		(1,646)	(2,606)	–	–
LESS: ADMINISTRATIVE EXPENSES		(8,596)	(9,400)	(5,004)	(2,024)
LESS: OTHER OPERATING EXPENSES		(3,642)	(1,718)	–	–
(LOSS)/PROFIT FROM OPERATIONS		(11,698)	6,874	(4,160)	(1,959)
LESS: FINANCE COSTS	19	(2,458)	(4,890)	(51)	(144)
(LOSS)/PROFIT BEFORE TAX	20	(14,156)	1,984	(4,211)	(2,103)
INCOME TAX EXPENSE	21	(301)	(1,096)	(21)	–
(LOSS)/PROFIT FOR THE YEAR/PERIOD		(14,457)	888	(4,232)	(2,103)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation surplus of property		–	8,899	–	–
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		11	(12)	–	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX		11	8,887	–	–
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR/PERIOD		(14,446)	9,775	(4,232)	(2,103)

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

	Note	Group Year ended 2020 RM'000	Group Period ended 2019 RM'000	Company Year ended 2020 RM'000	Company Period ended 2019 RM'000
(LOSS)/PROFIT ATTRIBUTABLE TO:					
Owners of the Company		(13,721)	1,156	(4,232)	(2,103)
Non-controlling interests		(736)	(268)	–	–
		(14,457)	888	(4,232)	(2,103)
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME/ATTRIBUTABLE TO:					
Owners of the Company		(13,710)	10,043	(4,232)	(2,103)
Non-controlling interests		(736)	(268)	–	–
		(14,446)	9,775	(4,232)	(2,103)
EARNINGS PER ORDINARY SHARE (SEN)					
Basic	22	(3.84)	1.09		
Diluted	22	Anti-dilutive	–		

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2020

Group	<----- Attributable to owners of the Company				----->		
	<----- *Non-distributable*		----->	*Distributable*			
	Share capital (Note 10) RM'000	Translation reserve (Note 11) RM'000	Revaluation reserve (Note 11) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2018	66,084	(399)	4,320	(2,718)	67,287	–	67,287
Profit for the period	–	–	–	1,156	1,156	(268)	888
Other comprehensive income:							
Revaluation surplus of property	–	–	8,899	–	8,899	–	8,899
Foreign currency translation differences for foreign operations	–	(12)	–	–	(12)	–	(12)
Total comprehensive income for the period	–	(12)	8,899	1,156	10,043	(268)	9,775
Contributions by and distributions to owners of the Company							
Issue of ordinary shares:							
- Share options exercised	4,002	–	–	–	4,002	–	4,002
- Special issue	3,307	–	–	–	3,307	–	3,307
- Share–based payment expenses	332	–	–	–	332	–	332
	7,641	–	–	–	7,641	–	7,641
Arising from business combination	–	–	–	–	–	2,450	2,450
Total transactions with owners of the Company	7,641	–	–	–	7,641	2,450	10,091
At 30 June 2019	73,725	(411)	13,219	(1,562)	84,971	2,182	87,153

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

STATEMENTS OF CHANGES IN EQUITY (continued)

Group	Share capital (Note 10) RM'000	Irredeemable convertible preference share (Note 10) RM'000	Warrants reserve (Note 11) RM'000	Translation reserve (Note 11) RM'000	Revaluation reserve (Note 11) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	<---- Attributable to owners of the Company						---->		
	<---- *Non-distributable*				---->	*Distributable*			
At 1 July 2019	73,725	–	–	(411)	13,219	(1,562)	84,971	2,182	87,153
Adjustment on initial application of MFRS 16, net of tax	–	–	–	–	–	(24)	(24)	–	(24)
At 1 July 2019, as restated	73,725	–	–	(411)	13,219	(1,586)	84,947	2,182	87,129
Loss for the year	–	–	–	–	–	(13,721)	(13,721)	(736)	(14,457)
Other comprehensive income:									
Foreign currency translation differences for foreign operations	–	–	–	11	–	–	11	–	11
Total comprehensive income for the year	–	–	–	11	–	(13,721)	(13,710)	(736)	(14,446)

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

STATEMENTS OF CHANGES IN EQUITY (continued)

	<------ Attributable to owners of the Company						------>		
	<------ *Non-distributable*				------>	*Distributable*			
Group	**Share capital (Note 10) RM'000**	**Irredeemable convertible preference share (Note 10) RM'000**	**Warrants reserve (Note 11) RM'000**	**Translation reserve (Note 11) RM'000**	**Revaluation reserve (Note 11) RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Contributions by and distributions to owners of the Company									
Issue of ordinary shares:									
- Rights issue with warrants	17,515	–	–	–	–	–	17,515	–	17,515
- Conversion of irredeemable convertible preference share	3,893	–	–	–	–	–	3,893	–	3,893
- Share issuance expenses	(1,394)	–	–	–	–	–	(1,394)	–	(1,394)
Issue of irredeemable convertible preference share:									
- Rights issue with warrants	–	11,942	–	–	–	–	11,942	–	11,942
- Conversion of ordinary shares	–	(973)	–	–	–	–	(973)	–	(973)
Issue of warrants	–	–	6,369	–	–	–	6,369	–	6,369
	20,014	10,969	6,369	–	–	–	37,352	–	37,352
Changes in ownership interests in a subsidiary	–	–	–	–	–	–	–	600	600
Total transactions with owners of the Company	20,014	10,969	6,369	–	–	–	37,352	600	37,952
At 30 June 2020	93,739	10,969	6,369	(400)	13,219	(15,307)	108,589	2,046	110,635

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

STATEMENTS OF CHANGES IN EQUITY (continued)

	<------------- *Non-distributable*		------------->	*Distributable*	
	Share capital (Note 10) RM'000	Irredeemable convertible preference shares (Note 10) RM'000	Warrants reserve (Note 11) RM'000	Retained profits (Note 11) RM'000	Total RM'000
At 1 January 2018	66,084	–	–	15,898	81,982
Loss/Total comprehensive expense for the period	–	–	–	(2,103)	(2,103)
Issue of ordinary shares:					
- Share options exercised	4,002	–	–	–	4,002
- Special issue	3,307	–	–	–	3,307
- Share–based payment expenses	332	–	–	–	332
At 30 June 2019, *as previously reported*	73,725	–	–	13,795	87,520
Adjustment on initial application of MFRS 16, net of tax	–	–	–	(13)	(13)
At 1 July 2019, *as restated*	73,725	–	–	13,782	87,507
Loss/Total comprehensive expense for the year	–	–	–	(4,232)	(4,232)
Issue of ordinary shares:					
- Rights issue with warrants	23,884	–	–	–	23,884
- Conversion of irredeemable convertible preference shares	3,893	–	–	–	3,893
- Share issuance expenses	(1,394)	–	–	–	(1,394)
Issue of irredeemable convertible preference shares:					
- Rights issue with warrants	–	11,942	–	–	11,942
- Conversion of ordinary shares	–	(973)	–	–	(973)
Issuance of warrants	(6,369)	–	6,369	–	–
At 30 June 2020	93,739	10,969	6,369	9,550	120,627

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

STATEMENTS OF CASH FLOWS
For the year ended 30 June 2020

	Group		Company	
	Year ended 2020 RM'000	Period ended 2019 RM'000	Year ended 2020 RM'000	Period ended 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(14,156)	1,984	(4,211)	(2,103)
Adjustments for:-				
Amortisation of intangible assets	278	–	–	–
Bad debts written off	548	–	–	–
Depreciation of property, plant and equipment	2,162	1,308	94	123
Depreciation of right-of-use assets	212	-	212	–
Impairment loss on inventories	699	733	–	–
Interest expenses	2,458	4,890	51	144
(Gain)/Loss on fair value of derivative	(420)	838	–	–
Share-based payment expenses	–	332	–	–
Gain on disposal of investment property	–	(300)	–	–
Gain on disposal of property, plant and equipment	(18)	(8,723)	–	–
Unrealised (gain)/loss on foreign exchange	(587)	124	–	–
Interest income	(574)	(354)	–	–
Rental income	(36)	(119)	(2)	–
Operating (loss)/profit before changes in working capital	(9,434)	713	(3,856)	(1,836)
Decrease/(Increase) in working capital				
Inventories	(7,104)	(2,396)	–	–
Trade and other receivables	23,908	5,059	(339)	(693)
Trade and other payables	4,710	(3,365)	76	146
Cash generated from/(used in) operations	12,080	11	(4,119)	(2,383)
Interest paid	(2,458)	(4,890)	(51)	(144)
Interest received	574	354	–	–
Tax (paid)/refunded	(1,503)	(334)	(4)	312
Net cash from/(used in) operating activities	8,693	(4,859)	(4,174)	(2,215)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of intangible assets	(3,428)	–	–	–
Acquisition of subsidiaries	–	–	–	(7,050)
Purchase of property, plant and equipment (Note 24)	(6,880)	(13,836)	(24)	(332)
Proceeds from disposal of property, plant and equipment	103	209	–	–
Placement of pledged fixed deposit	(1,013)	(13,051)	–	–
Rental received	36	119	2	–
Net cash used in investing activities	(11,182)	(26,559)	(22)	(7,382)

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

STATEMENTS OF CASH FLOWS
(continued)

	Group		Company	
	Year ended 2020 RM'000	Period ended 2019 RM'000	Year ended 2020 RM'000	Period ended 2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares	25,410	7,309	25,410	7,309
Proceeds from issuance of ordinary shares to non-controlling interests	600	2,450	–	–
Proceeds from issuance of irredeemable convertible preference shares	11,942	–	11,942	–
Subsidiaries	–	–	(25,928)	2,437
Directors	(936)	764	–	(172)
Drawdown of loans and borrowings	221,143	416,085	–	–
Repayment of loans and borrowings	(245,150)	(382,667)	–	–
Repayment of hire purchase financing	(176)	(155)	–	–
Repayment of lease obligation	(228)	–	(217)	–
Net cash from financing activities	12,605	43,786	11,207	9,574
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,116	12,368	7,011	(23)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	19,216	6,857	77	100
Effects of exchange rate changes on the balance of cash held in foreign currencies	135	(9)	–	–
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	29,467	19,216	7,088	77
Cash and cash equivalents (Note 9 (b))	29,467	19,216	7,088	77
Cash outflows for leases as a lessee				
Included in net cash from operating activities:				
Payment relating to short-term leases (Note 20)	28	–	–	–
Payment relating to low value assets (Note 20)	24	–	9	–
Interest paid in relation to lease liabilities (Note 19)	54	–	14	–
Included in net cash from financing activities:				
Payment of lease liabilities	404	–	217	–
Total cash outflows for leases	510	–	240	–

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 26-11 & 26-12, Level 26, Q Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur. The principal place of business of the Company is located at Unit 26-11 & 26-12, Level 26, Q Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur, Wilayah Persekutuan.

The consolidated financial statements of the Group as at and for the financial year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 October 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and comply with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the Companies Act, 2016 in Malaysia.

The financial statements are reported in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(b) Statement of compliance

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

Amendments to MFRS 3, Business Combinations – Definition of Business
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 June 2020

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 17 August 2020

Amendments to MFRS 4, Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

Amendment to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 - 2020)
Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework
Amendment to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020)
Amendment to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018 - 2020)
Amendments to MFRS 116, Property, Plant and Equipment - Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
Amendment to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018 - 2020)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

MFRS 17, Insurance Contracts and Amendments to MFRS 17, Insurance Contracts
Amendments to MFRS 101, Presentation of Financial Statements – Classification of liabilities as current or non-current

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

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

The Group plans to apply the abovementioned standards, amendments and interpretations in the respective financial years when the above standards, amendments and interpretations become effective.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior period financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The Group and the Company has adopted MFRS 16 Leases with a date of initial application of 1 July 2019.

MFRS 16 replaces the guidance in MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU asset is depreciated throughout the shorter of the lease period and the estimated useful lives of the assets in accordance with the depreciation requirements of MFRS 116 Property, Plant and Equipment whereas lease liability is accreted to reflect interest and is reduced to reflect lease payments made. Lease that were classified as finance leases under MFRS 117, the carrying amount of the ROU asset and lease liability at the date of initial application shall be the carrying amount of the lease asset and lease liability immediately before the date of initial application.

As permitted by the transitional provision of MFRS 16, the Group and the Company has elected to adopt modified retrospective approach where cumulative effects of initial application are recognised on 1 July 2019 as an adjustment to the opening balance of retained earnings.

Other than the above, the Group and the Company elected to apply exemption for leases of equipment within twelve months by recognised the lease payments as an expense on a straight-line basis over the remaining lease terms.

(d) Basis of consolidation

(i) Subsidiaries

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

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

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

(ii) Business combination

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

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

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

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

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Acquisitions from entities under common controls

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that the common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of the equity of the acquired entities are added to the same components within Group equity and any resulting gain or loss is recognised directly in equity.

(v) Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

(vi) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

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

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

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The parties are bound by a contractual arrangement which gives two or more parties joint control of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

(vii) Joint arrangements (continued)

- **Joint operation**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are known as joint operators.

The Group and the Company recognise in relation to its interest in a joint operation:

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly.

When the Group transacts with a joint operation (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, as such the gains and losses resulting from the transactions are recognised only to the extent of interests of other parties in the joint operation.

When the Group transacts with a joint operation (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

- **Joint venture**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is an objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount with its carrying amount.

The Group determines the type of joint arrangement in which it is involved, based on the rights and obligations of the parties to the arrangement. In assessing the classification of interests in joint arrangements, the Group considers:

(a) the structure of the joint arrangement;
(b) the legal form of joint arrangements structured through a separate vehicle;
(c) the contractual terms of the joint arrangement agreement; and
(d) any other facts and circumstances.

When there are changes in the facts and circumstances, the Group reassesses whether the type of joint arrangement in which it is involved has changed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

(viii) Non-controlling interests

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

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

(ix) Transactions eliminated on consolidation

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

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

(e) Foreign currencies

(i) Functional and presentation currency

The separate financial statements of each entity of 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 transaction and balances

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

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

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value thought other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currencies (continued)

(iii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

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

(f) Financial instruments

(i) Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and the Company becomes a party to the contractual provisions for the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contact is not measured at fair value through profit or loss. The host contract, in the event embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Classification and subsequent measurement

Financial assets: Classification

On initial recognition, a financial asset is classified as measured at:

(a) amortised cost;
(b) fair value through other comprehensive income ("FVOCI") – debt investment;
(c) fair value through other comprehensive income ("FVOCI") – equity investment; or
(d) fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets: Classification (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Group or the Company change 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 in the business model.

A financial asset is measured at amortised cost if it is 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 FVTPL.

A debt investment is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, 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 FVTPL.

An equity investment is measured at FVOCI if it is not held for trading and the Company can irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on investment-by-investment basis. If not elected, equity investment is measured at FVTPL.

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

Financial assets: Subsequent measurement and gains and losses

(a) Financial assets at amortised cost

These financial assets are subsequently 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.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets: Subsequent measurement and gains and losses (continued)

(c) Debt investments at FVOCI

These assets are subsequently measured at fair value. 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 OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(d) Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividend and other net gains and losses are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject for impairment assessment.

Financial liabilities: Classification and subsequent measurement and gains or losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is a derivative (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 FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss. For financial liabilities categorised as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability credit risk would create or enlarge an accounting mismatch.

Other financial liabilities not categorised as FVTPL 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 gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

The Group and the Company derecognise a financial asset or a part of it when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred to another party without retaining control or substantially all risks and rewards of the asset. 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 the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(iii) Derecognition (continued)

The Group and the Company derecognise a financial liability or a part of it when, and only when, the obligation specified in the contract is discharged, cancelled or expires. 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.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount or which a property could be exchanged between knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within ‘other income’ and ‘other expenses’ respectively in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Property, plant and equipment under the revaluation model

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. 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.

Freehold land is not depreciated. Property, plant and equipment under construction is not depreciated until the assets are ready for their intended use.

The annual depreciation rates used for the current and comparative periods are as follows:-

Leasehold land	50 - 99 years
Buildings	50 years
	%
Plant and machinery	10
Furniture and equipment	10 - 20
Motor vehicles	20
Renovation	10
Right-of-use assets	36 months

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases

The Company has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 July 2019. Accordingly, the comparative information presented for financial year 2019 has not been restated – ie. it is presented, as previously reported under MFRS 117, Leases and related interpretations.

Current financial year

(i) Definition of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases (continued)

Current financial year (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

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

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases (continued)

Current financial year (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

Operating lease

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

Finance lease

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, Financial Instruments.

Previous financial year

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or both.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases (continued)

Previous financial year

(ii) Operating lease

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

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

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

(i) Intangible assets

Intangible assets, that are acquired by the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised from the date that are available for use. Amortisation is based on the cost of an assets less its residual value. Amortisation is recognised in profit or loss on a straight-line basis aver the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:-

Intellectual property	3 to 15 years

(j) Inventories

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

The cost of inventories is calculated using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(k) Contract assets and liabilities

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments*.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

(ii) Costs to fulfill a contract

The Group or the Company 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 or the Company, 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 the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. When 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 would have been recognised had there been no impairment loss recognised previously.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(n) Impairment

Financial instruments and contract assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability – weighted estimate of credit losses.

The Group and the Company apply a two-step approach to measure the ECL on financial assets other than trade receivables, contract assets and lease assets.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment (continued)

Financial instruments and contract assets (continued)

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses 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 expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Group and the Company estimate the expected credit losses 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 the profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

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

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

Other assets

The carrying amounts of the other assets (except for inventories, contract assets, lease receivables, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment (continued)

Other assets (continued)

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating unit) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that 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 financial year in which the reversals are recognised.

(o) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity is recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Preference share capital

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) Revenue and other income

Revenue is measured at the fair value of consideration received or receivable in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service.

The Group or the Company recognises revenue from contracts with customers at a point in time unless one of the following over time criteria is met:

(i) Does not create an asset with an alternative use to the Group or the Company and has an enforceable right to payment for performance completed to date; or
(ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(iii) Provides benefits that the customer simultaneously receives and consumes as the Group or the Company performs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue and other income (continued)

(a) Revenue from contracts with customers

(i) Sales of manufactured goods

The Group recognises revenue when customers obtain control of manufactured goods when they take possession of the goods. Invoices are generated and revenue is recognised at that point in time.

For contracts that permit the customer to return an item, under MFRS 15 revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific type of goods. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. In such circumstances, a refund liability and a right to recover returned goods asset are recognised.

(ii) Management fees

Management fees are recognised over time when services are rendered.

(b) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis in the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(c) Dividend income

Dividend income is recognised in profit or loss on the date the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(d) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from investment and subleased properties are recognised as other income.

(e) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Borrowing costs

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

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

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

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

(t) Income tax

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

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

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

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

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

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

Any unutilised portion of a tax incentive that is not a tax base of an asset is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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

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

(v) Operating segments

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

(w) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

Where an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(x) Fair value measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Fair value measurement (continued)

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

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

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

(y) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(i) Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. The reviews require the use of judgements and estimates. Possible changes in these estimates may result in revision to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT

	As at 1.7.2019 RM'000	Adjustment on initial application of MFRS 16 RM'000	Additions RM'000	Disposals/ Written off RM'000	Reclassifi-cation RM'000	As at 30.6.2020 RM'000
Group						
2020						
At valuation						
Leasehold land	6,175	–	–	–	–	6,175
Buildings	24,129	–	571	–	420	25,120
	30,304	–	571	–	420	31,295
At cost						
Plant and machinery	28,455	–	2,671	(102)	10,179	41,203
Furniture and equipment	1,483	–	147	–	–	1,630
Motor vehicles	2,516	–	581	–	–	3,097
Renovation	419	–	142	–	–	561
Capital–in–progress	11,138	–	3,334	–	(10,654)	3,818
Right–of–use assets	–	636	–	–	–	636
	74,315	636	7,446	(102)	(55)	82,240

	As at 1.7.2019 RM'000	Adjustment on initial application of MFRS 16 RM'000	Charge for the year RM'000	Disposals/ Written off RM'000	Reclassifi-cation RM'000	As at 30.6.2020 RM'000
Group						
2020						
Accumulated depreciation						
Leasehold land	695	–	87	–	–	782
Buildings	3,635	–	496	–	–	4,131
Plant and machinery	21,951	–	1,134	(17)	–	23,068
Furniture and equipment	1,268	–	50	–	–	1,318
Motor vehicles	1,654	–	286	–	–	1,940
Renovation	113	–	109	–		222
Right-of-use assets	–	300	212	–	–	512
	29,316	300	2,374	(17)	–	31,973

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	As at 1.1.2018 RM'000	Additions RM'000	Revaluation RM'000	Disposals/ Written off RM'000	Reclassifi–cation RM'000	As at 30.6.2019 RM'000
Group						
2019						
At valuation						
Leasehold land	4,092	–	2,083	–	–	6,175
Buildings	13,485	1,169	9,475	–	–	24,129
	17,577	1,169	11,558	–	–	30,304
At cost						
Plant and machinery	53,829	607	–	(31,461)	5,480	28,455
Furniture and equipment	1,317	166	–	–	–	1,483
Motor vehicles	2,342	845	–	(671)	–	2,516
Renovation	123	296	–	–	–	419
Capital-in-progress	5,365	11,253	–	–	(5,480)	11,138
	80,553	14,336	11,558	(32,132)	–	74,315

	As at 1.1.2018 RM'000	Charge for the period RM'000	Revaluation RM'000	Disposals/ Written off RM'000	Reclassifi–cation RM'000	As at 30.6.2019 RM'000
Group						
2019						
Accumulated depreciation						
Leasehold land	861	93	–	–	(259)	695
Buildings	2,915	461	–	–	259	3,635
Plant and machinery	52,765	361	–	(31,175)	–	21,951
Furniture and equipment	1,227	41	–	–	–	1,268
Motor vehicles	2,086	239	–	(671)	–	1,654
Renovation	–	113	–	–		113
	59,854	1,308	–	(31,846)	–	29,316

	2020 RM'000	2019 RM'000
Net carrying amount		
Leasehold land	5,393	5,480
Buildings	20,989	20,494
Plant and machinery	18,135	6,504
Furniture and equipment	312	215
Motor vehicles	1,157	862
Renovation	339	306
Capital-in-progress	3,818	11,138
Right-of-use assets	124	–
	50,267	44,999

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2019 RM'000	Adjustment on initial application of MFRS 16 RM'000	Additions RM'000	As at 30.6.2020 RM'000
Company				
2020				
At cost				
Furniture and equipment	41	–	21	62
Renovation	419	–	3	422
Right-of-use assets	–	636	–	636
	460	636	24	1,120

	As at 1.7.2019 RM'000	Adjustment on initial application of MFRS 16 RM'000	Charge for the year RM'000	As at 30.6.2020 RM'000
Company				
2020				
Accumulated depreciation				
Furniture and equipment	10	–	10	20
Renovation	113	–	84	197
Right-of-use assets	–	300	212	512
	123	300	306	729

	As at 1.1.2018 RM'000	Additions RM'000	As at 30.6.2019 RM'000
Company			
2019			
At cost			
Furniture and equipment	5	36	41
Renovation	123	296	419
	128	332	460

	As at 1.1.2018 RM'000	Charge for the period RM'000	As at 30.6.2019 RM'000
Company			
2019			
Accumulated depreciation			
Furniture and equipment	–	10	10
Renovation	–	113	113
	–	123	123

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2020 RM'000	2019 RM'000
Net carrying amount		
Furniture and equipment	42	31
Renovation	225	306
Right-of-use assets	124	–
	391	337

(i) Revaluation of land and buildings

Had the revalued leasehold land and buildings been carried at cost model, their carrying amounts would have been as follows:

	Group	
	2020 RM'000	2019 RM'000
Leasehold land	968	981
Buildings	5,749	4,936
	6,717	5,917

The leasehold land and buildings are stated at valuation by accredited independent valuers having appropriate recognised professional qualification based on the open market values on an existing use basis, as follow:

Date of valuation	Description of property	Valuation amount RM'000
20 October 2015	Apartment	523
5 July 2018	Factory	25,500

(ii) Lease

(a) Leasehold land

Leasehold land is in respect of right-of-use assets for which the Group has land title. Certain leasehold land and buildings of a subsidiary with carrying amount of RM25,999,811 (2019: RM25,580,827) are charged to banks as security for banking facilities granted to the subsidiary as referred to in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(ii) Lease (continued)

(b) Asset held under finance lease

The movement of property, plant and equipment of the Group held under the hire purchase arrangement as referred to in Note 13 are as follows:-

	Motor Vehicles RM'000	Plant and machinery RM'000	Total RM'000
Carrying amount as at 1 July 2019	433	–	433
Addition	581	68	649
	1,014	68	1,082
Less: current year depreciation	(187)	(4)	(191)
Carrying amount as at 30 June 2020	827	64	891

(c) Right-of-use assets

The right-of-use assets are held under lease liabilities as referred to in Note 13.

The Company leases building that run for three years that include an extension option for additional one to two years. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and to align with the Company's business needs. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The lease arrangements generally do not allow for subleasing of the leased assets to another party.

4. INTANGIBLE ASSETS

	Group 2020 RM'000	Group 2019 RM'000
Intellectual property		
Cost		
At 1 July	–	–
Addition	3,428	–
At 30 June	3,428	–
Accumulated amortisation		
At 1 July	–	–
Amortisation for the year	(278)	–
At 30 June	(278)	–
Net carrying amount	3,150	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. INTANGIBLE ASSETS (CONTINUED)

The Group entered into Consulting and Service Agreement ("CSA") as well as Technology Transfer and Sales Agreement ("TTSA") for the right to use the intellectual property ("IP") in relation to the production of copper and irradiation PVC compound material. These would allow the Group the rights to use the IP exclusively for a period of three years for CSA and a period of ten years with an automatic extension of another 5 years at the end of the tenth years for TTSA.

The intellectual property has commenced amortisation as the Group has commenced to use during the current financial year. The amortisation is recognised as administrative expenses in profit or loss.

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
At cost: -		
Unquoted shares	113,541	113,541
Less: Impairment loss	(12,709)	(12,709)
	100,832	100,832

Details of the subsidiaries are as follows: -

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest 2020	Effective ownership interest 2019
Ta Win Industries (M) Sdn Bhd ("TWI")	Malaysia	Manufacturing of copper wires and copper rods	100%	100%
Twin Industrial (H.K.) Company Limited *^	Hong Kong	Trading of enamelled copper wires and copper rods	100%	100%
TWH Energy Sdn Bhd ^	Malaysia	Project management, consultancy, research and development, marketing, distribution of products	100%	100%
Ta Win Manufacturing Sdn Bhd ^	Malaysia	Manufacturing of copper wires and bare copper wire	100%	100%
Ta Win Copper Sdn Bhd	Malaysia	Manufacturing of copper wires, copper rods and dealing in all kinds of copper products	65%	65%
Cyprium Capital Sdn Bhd ^	Malaysia	Investment holdings and venture capital for metal and copper related products and industries, manufacturing and trading of non-ferrous metals including copper power cable and other copper	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):-

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest 2020	Effective ownership interest 2019
Held through subsidiary:				
Cyprium Wire Technology Sdn Bhd	Malaysia	Manufacturing wire and cable products using electron bean irradiation technology	80%	100%

* Not audited by Ecovis Malaysia PLT.
^ The subsidiaries remained dormant during the financial year.

6. INVENTORIES

	Group 2020 RM'000	Group 2019 RM'000
Raw materials	27,077	13,122
Work-in-progress	2,112	14,889
Finished goods	4,892	2,276
Consumables	4,610	1,952
Spare parts	442	489
	39,133	32,728
Recognised in profit or loss:		
Inventories recognised as cost of sales	272,227	563,401
Write-down to net realisable value	699	733

The write-down are included in other operating expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables				
- Third parties	22,971	39,639	–	–
- Subsidiary	–	–	256	–
	22,971	39,639	256	–
Asset receivables	7,282	10,700	–	–
Sundry receivables	5,460	10,120	330	30
Sundry deposits	4,219	237	87	87
Prepayments	584	2,922	475	692
	17,545	23,979	892	809
Derivatives at fair value through profit or loss	–	8	–	–
	40,516	63,626	1,148	809

Credit terms of trade receivables range from 1 to 3 months (2019: 1 to 3 months).

8. AMOUNT DUE BY/(TO) SUBSIDIARIES

These are unsecured, bears interest at average of 0% to 7% (2019: 0% to 6.5%) and repayable on demand.

9. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits placed with licensed banks	18,177	24,164	–	–
Short-term funds	12,788	–	5,788	–
Bank balances and cash	16,679	12,216	1,300	77
	47,644	36,380	7,088	77

(a) The fixed deposits placed with licensed banks of the Group are pledged for banking facilities granted to a subsidiary as referred to in Note 16.

(b) Short-term funds represent investments in highly liquid money market instruments which are readily convertible to known amount of cash and are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CASH AND BANK BALANCES (CONTINUED)

(c) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits placed with licensed bank	18,177	24,164	–	–
Short-term funds	12,788	–	5,788	–
Bank balances and cash	16,679	12,216	1,300	77
	47,644	36,380	7,088	77
Less: Deposits pledged to licensed bank	(18,177)	(17,164)	–	–
Cash and cash equivalents	29,467	19,216	7,088	77

(d) The reconciliation of liabilities arising from financing activities are as follows:

	Directors RM'000	Loans and borrowings RM'000	Hire purchase payables RM'000	Lease obligations RM'000	Total RM'000
Group					
At 1 January 2018	172	47,105	80	–	47,357
Cash flows:					
Advances and drawdown	764	416,085	–	–	416,849
Repayment	–	(382,667)	(155)	–	(382,822)
Non-cash changes:					
Addition	–	–	500	–	500
At 30 June 2019	936	80,523	425	–	81,884
Cash flows:					
Advances and drawdown	–	221,143	–	–	221,143
Repayment	(936)	(245,150)	(176)	(228)	(246,490)
Non-cash changes:					
Addition	–	–	511	–	511
Adjustment on initial application of MFRS 16	–	–	–	360	360
At 30 June 2020	–	56,516	760	132	57,408

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CASH AND BANK BALANCES (CONTINUED)

(d) The reconciliation of liabilities arising from financing activities are as follows (continued):

	Subsidiaries RM'000	Directors RM'000	Lease obligations RM'000	Total RM'000
Company				
At 1 January 2018	12,183	172	–	12,355
Cash flows:				
Advances	2,437	–	–	2,437
Repayment	–	(172)	–	(172)
Non-cash changes:				
Share based payment expenses	(332)	–	–	(332)
At 30 June 2019	14,288	–	–	14,288
Cash flows:				
Repayment	(25,928)	–	(217)	(26,145)
Non-cash changes:				
Adjustment on initial application of MFRS 16	–	–	349	349
At 30 June 2020	(11,640)	–	132	(11,508)

10. SHARE CAPITAL

	Group/Company			
	2020		2019	
	Number ('000)	RM'000	Number ('000)	RM'000
Ordinary shares:-				
Issued and fully paid				
At 1 July/1 January	79,614	73,725	64,286	66,084
Issued for cash under ESOS	–	–	8,090	4,002
Issued for cash under private placement	–	–	7,238	3,307
Rights issue with warrants	238,842	17,515	–	–
Conversion of irredeemable convertible preference shares	38,935	3,893	–	–
Share-based payment expenses	–	–	–	332
Share issuance expenses	–	(1,394)	–	–
At 30 June	357,391	93,739	79,614	73,725
Irredeemable convertible preference shares:-				
At 1 July/1 January	–	–	–	–
Rights issue with warrants	477,683	11,942	–	–
Conversion to ordinary shares	(38,935)	(973)	–	–
At 30 June	438,748	10,969	–	–
Total	796,139	104,708	79,614	73,725

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. SHARE CAPITAL (CONTINUED)

During the financial year, the Company issued:

i) 238,841,790 ordinary shares of RM0.10 each and 477,683,580 Irredeemable Convertible Preference Shares ("ICPS") of RM0.025 each together with 159,227,757 free detachable warrants via the rights issue on the basis of 3 rights shares and 6 ICPS together with 2 warrants for every 1 existing ordinary share held in the Company;

ii) 38,935,600 ordinary shares of RM0.10 each via the conversion of ICPS.

All the new ordinary shares that were issued rank pari passu in all respects with the existing shares of the Company.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

Irredeemable convertible preference shares ("ICPS")

The Company has the sole discretion to decide whether to declare any non-cumulative dividend to the holders of ICPS. The ICPS holders do not have the rights to participate in any additional distributions declared for ordinary shareholders. They do not carry the rights to vote at any general meeting of the Company except for variation of holders' rights to the class of shares.

Employee Share Option Scheme ("ESOS")

The Company's Employee Share Option Scheme ("ESOS") is governed by the By-Laws which was approved by the shareholders on 27 February 2018 and is administered by the ESOS Committee which is appointed by the Board of Directors, in accordance with the By-Laws of ESOS. The effective date for the implementation of the ESOS was 13 April 2018 and shall be in force for a period of 5 years.

The main features of the scheme as follows:

The maximum number of new ordinary shares which may be made available under the ESOS at the point in time when an ESOS award is offered shall not be exceed fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company.

The aggregate number of options that may be offered and allocated to the eligible employees and directors of the Group ("Eligible Persons") shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the designation, length of service and work performance of the Eligible Person, and such other factors that the ESOS Committee may deem relevant, subject to the following conditions:

(i) the total number of new ordinary shares to be offered and issued under the ESOS shall not exceed the amount abovementioned; and

(ii) the Board and senior management do not participate in the deliberation or discussion of their own allocation of the options; and

(iii) not more than 10% of the proposed allocation of the options under the ESOS to be allocated to any Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of the Company, excluding treasury shares, if any; and

(iv) not more than 50% of the proposed allocation of the options under the ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Main Market Listing Requirements or any other requirements of the relevant authorities as amended from time to time.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. RESERVES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-distributable				
Reserves				
Foreign currency translation reserve	(400)	(411)	–	–
Revaluation reserve	13,219	13,219	–	–
Warrants reserve	6,369	–	6,369	–
	19,188	12,808	6,369	–

(i) Revaluation reserve

The revaluation reserve represents increases in the fair value of leasehold land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

	Group	
	2020 RM'000	2019 RM'000
At beginning of the year/period	13,219	4,320
Revaluation of property	–	11,558
Tax expense (Note 12)	–	(2,659)
At end of the year/period	13,219	13,219

(ii) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(iii) Warrants reserve

Warrants 2019/2022

The main features of the warrants are as follows:

(i) Each warrant entitles the registered holder to subscribe for one new ordinary share of RM0.20 each in the Company at the exercise price of RM0.20 during exercise period, subject to the adjustments in accordance with the Deed Poll constituting the warrants;

(ii) The warrants may be exercised at any time on or after 17 April 2019 until the end of the tenure of the warrants. The tenure of the warrants is for a period of three years. The warrants not exercised during the exercise period shall thereafter lapse and become void;

(iii) The new shares to be issued upon the exercise of the warrants shall, on allotment and issue, rank pari passu in all respects with the then existing shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or distributions declared, made or paid by the Company prior to the relevant date of allotment of the new shares to be issued pursuant to the exercise of the warrants;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. RESERVES (CONTINUED)

(iii) Warrants reserve (continued)

Warrants 2019/2022 (continued)

The main features of the warrants are as follows (continued):

(iv) For purpose of trading on Bursa Securities, a board lot for the warrants shall comprise one hundred (100) warrants carrying rights to subscribe for 100 new shares at any time during the exercise period or such denomination as determined by Bursa Securities; and

(v) The Deed Poll and accordingly the warrants are governed by and shall be construed in accordance with the laws of Malaysia.

The Company issued 159,227,757 free detachable warrants pursuant to its rights issue of 238,841,790 ordinary shares and 477,683,580 ICPS.

The warrants reserve arising from the allocation of fair value of free warrants has been charged to share capital. These reserves are not available for distribution as dividends.

As at the financial year end, 159,227,757 warrants remained unexercised.

12. DEFERRED TAX LIABILITIES

	Group	
	2020 RM'000	**2019 RM'000**
At beginning of the year/period	4,927	2,422
Recognised in other comphensive income (Note 11)	–	2,659
Recognised in profit or loss (Note 21)	41	(154)
At end of the year/period	4,968	4,927
Represented by:		
Deferred tax assets	(35)	(76)
Deferred tax liabilities	5,003	5,003
	4,968	4,927

The components of deferred tax assets and liabilities as at the end of the financial year, prior to offsetting are as follows:-

Group Deferred tax assets	**Unrealised profits on inventories RM'000**	**Foreign exchange RM'000**	**Total RM'000**
At 1 January 2018	–	(14)	(14)
Recognised in profit or loss	(41)	(21)	(62)
At 30 June 2019	(41)	(35)	(76)
Recognised in profit or loss	41	–	41
At 30 June 2020	–	(35)	(35)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. DEFERRED TAX LIABILITIES (CONTINUED)

The components of deferred tax assets and liabilities as at the end of the financial year, prior to offsetting are as follows (continued):-

Group Deferred tax liabilities	Accelerated capital allowance RM'000	Revaluation surplus and fair value RM'000	Total RM'000
At 1 January 2018	247	2,189	2,436
Recognised in other comprehensive income	–	2,659	2,659
Recognised in profit or loss	(35)	(57)	(92)
At 30 June 2019	212	4,791	5,003
Recognised in other comprehensive income	–	–	–
Recognised in profit or loss	–	–	–
At 30 June 2020	212	4,791	5,003

13. LEASE LIABILITIES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current	509	339	–	–
Current	383	86	132	–
	892	425	132	–
Represented by:				
Hire purchase payables	760	425	–	–
Lease obligations	132	–	132	–
	892	425	132	–

The hire purchase payables are in respect of financing the property, plant and equipment as referred to in Note 3.

The lease liabilities for right-of-use assets as referred to in Note 3 are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Company's incremental borrowing rate of 5.60%.

The Company has recognised the lease payments associated with short-term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Trade payables	2,455	118	–	–
Other payables				
Sundry payables	2,139	1,824	22	–
Accruals	1,395	654	242	188
Deposit payables	29	–	–	–
Directors	–	936	–	–
Contract liabilities	–	238	–	–
	3,563	3,652	264	188
Derivatives at fair value through profit or loss	259	–	–	–
	3,822	3,652	264	188
	6,277	3,770	264	188

Credit terms of trade payables are within 1 month (2019: 1 month).

The amount due to directors is unsecured, interest-free and repayable on demand.

Contract liabilities represent deposit received from customer, which revenue is recognised at point in time at which the performance obligations are satisfied. The revenue will be recognised within 12 months of the end of the reporting year.

15. PROVISIONS

The provision represents a contingent liability related to additional custom duty and sales tax raised by Royal Malaysia Customs Department. The provision is based on estimated duty, tax and penalty to be incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. LOANS AND BORROWINGS

	Group 2020 RM'000	Group 2019 RM'000
Current		
Secured		
- Bankers acceptance	41,992	58,131
- Export credit financing	–	14,089
- Onshore foreign currency financing	14,524	–
- Recourse financing	–	8,303
	56,516	80,523

The loans and borrowings are secured by mean of:-

(a) fixed charge over certain leasehold land and buildings of the Group as referred to in Note 3;
(b) pledged of fixed deposit as referred to in Note 9;
(c) corporate guarantee by the Company.

17. REVENUE

	Group		Company	
	Year ended 2020 RM'000	Period ended 2019 RM'000	Year ended 2020 RM'000	Period ended 2019 RM'000
Revenue from contract with customers	251,677	563,130	291	65
Other revenue:-				
Interest income	102	–	545	–
	251,779	563,130	836	65

Disaggregation of the revenue from contract with customers:

	Group Year ended 2020 RM'000	Group Period ended 2019 RM'000	Company Year ended 2020 RM'000	Company Period ended 2019 RM'000
Major goods and services				
Sale of goods	251,677	563,130	–	–
Management fee	–	–	291	65
	251,677	563,130	291	65
Time of revenue recognised				
At a point in time	251,677	563,130	–	–
Over time	–	–	291	65
	251,677	563,130	291	65

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. OTHER INCOME

	Group		Company	
	Year ended 2020 RM'000	Period ended 2019 RM'000	Year ended 2020 RM'000	Period ended 2019 RM'000
Fair value gain on derivative	420	–	–	–
Government grants	43	–	–	–
Interest income	574	354	–	–
Rental income	36	119	2	–
Gain on disposal of consumables	–	7,370	–	–
Gain on disposal of property, plant and equipment	18	8,723	–	–
Gain on disposal of investment property	–	300	–	–
Gain on foreign exchange				
- Realised	–	3,702	–	–
- Unrealised	603	23	–	–
Income for processing fee	–	139	–	–
Miscellaneous	33	139	6	–
	1,727	20,869	8	–

19. FINANCE COSTS

	Group		Company	
	Year ended 2020 RM'000	Period ended 2019 RM'000	Year ended 2020 RM'000	Period ended 2019 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Bank borrowings	2,404	4,867	–	–
- Hire purchase	54	23	–	–
- Inter-company loan	–	–	37	144
- Lease obligation interest	–	–	14	–
	2,458	4,890	51	144

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	Year ended 2020 RM'000	Period ended 2019 RM'000	Year ended 2020 RM'000	Period ended 2019 RM'000
(Loss)/Profit before tax are stated after charging/(crediting):-				
Amortisation of intangible assets	278	–	–	–
Auditors' remuneration				
- current year	125	108	50	53
- under/(over) provision in prior year	4	–	(11)	–
- other services	14	28	14	28
Bad debts written off	548	–	–	–
Depreciation of property, plant and equipment	2,162	1,308	94	123
Depreciation of right-of-use assets	212	–	212	–
Executive directors' remuneration:				
Other emoluments				
- directors of the Company	2,019	1,406	2,019	5
- directors of subsidiaries	312	474	–	–
Executive directors' fees:				
- directors of subsidiaries	282	–	–	–
Non-executive directors' fees	1,041	418	1,041	418
Fair value loss on derivative	–	838	–	–
Loss on foreign exchange				
- Realised	576	–	–	–
- Unrealised	16	147	–	–
Lease				
- low value	24	–	9	–
- short-term	28	388	–	327
Staff costs (excludes directors' remuneration):				
- wages, salaries and others	4,888	5,932	595	295
- contribution to state plans	384	400	57	19
- shared-based payment expenses	–	332	–	–
- other personnel costs	81	267	6	2

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. INCOME TAX EXPENSE

	Group Year ended 2020 RM'000	Group Period ended 2019 RM'000	Company Year ended 2020 RM'000	Company Period ended 2019 RM'000
Recognised in profit or loss:-				
Malaysian income tax:-				
- current year	–	1,250	–	–
- underprovision in prior years	92	–	21	–
- real property gain tax	168	–	–	–
	260	1,250	21	–
Deferred tax expense:-				
Origination and reversal of temporary differences	41	(154)	–	–
Total income tax expense	301	1,096	21	–
Reconciliation of tax expense:-				
(Loss)/Profit before tax	(14,156)	1,984	(4,211)	(2,103)
Income tax calculated using Malaysian tax rate of 24%	(3,397)	476	(1,011)	(505)
Non-deductible expenses	1,355	620	496	505
Deferred tax assets not recognised	2,083	–	515	–
Underprovision of deferred tax in prior years	92	–	21	–
Real property gain tax	168	–	–	–
Tax expense for the year/period	301	1,096	21	–

Unrecognised deferred tax assets

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

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Unabsorbed capital allowances	1,477	323	40	21
Unutilised tax losses	6,671	1,781	2,089	1,198
Other deductible temporary differences	1,247	–	–	–

Potential deferred tax assets are not recognised in the financial statements because it is not probable that sufficient taxable profit will be available in the future to offset the tax losses. The unabsorbed capital allowances and unutilised tax losses can only be carried forward for 7 consecutive years of assessment under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. EARNINGS PER ORDINARY SHARE

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share was based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2020	**2019 (restated)**
(Loss)/Profit attributable to ordinary shareholders (RM'000)	(13,721)	1,156
Weighted average number of ordinary shares (in thousand) at 1 July	79,614	79,614
- Effect of new ordinary shares	221,150	–
- Effect of right shares	35,626	26,538
	336,390	106,152
Basic earnings per ordinary share (sen)	(4.08)	1.09

Diluted earnings per ordinary share

The calculation of diluted earnings per share as at 30 June 2020 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all diluted potential ordinary shares. The diluted earnings per share is not presented as the effects are anti-dilutive.

23. OPERATING SEGMENTS

No segment information is presented as the Group's activities are predominantly in the manufacturing of copper wire, copper rods and other copper products which conducted in Malaysia.

(a) Geographical information

Segment revenue is based on geographical location from which the sale transactions originated.

	2020 RM'000	**2019 RM'000**
Malaysia	158,561	361,858
China	81,032	–
India	5,623	114,888
Others	6,461	86,384
	251,677	563,130

(b) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	2020 RM'000	**2019 RM'000**
Customer A	37,619	94,712
Customer B	30,797	126,387

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Additions during the year	7,391	14,336	24	332
Lease liabilities	(511)	(500)	–	–
	6,880	13,836	24	332

25. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Financial assets measured at fair value through profit or loss ('FVTPL');
(ii) Financial assets measured at amortised cost ('FAAC')
(iii) Financial liabilities measured at amortised cost ('FLAC')

	Group			Company	
	Carrying amount RM'000	FVTPL RM'000	FAAC/ (FLAC) RM'000	Carrying amount RM'000	FAAC/ (FLAC) RM'000
30 June 2020					
Financial assets					
Trade receivables	22,971	–	22,971	256	256
Other receivables, exclude prepayments	16,961	–	16,961	417	417
Amount due by subsidiaries	–	–	–	18,426	18,426
Cash and bank balances	47,644	12,788	34,856	7,088	7,088
	87,576	12,788	74,788	26,187	26,187
Financial liabilities					
Trade payables	(2,455)	–	(2,455)	–	–
Other payables, exclude contract liabilities	(3,822)	(259)	(3,563)	(264)	(264)
Amount due to subsidiaries	–	–	–	(6,786)	(6,786)
Loans and borrowings	(56,516)	–	(56,516)	–	–
	(64,523)	(259)	(64,264)	(7,050)	(7,050)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows (continued):

	Group			Company	
	Carrying amount RM'000	FVTPL RM'000	FAAC/ (FLAC) RM'000	Carrying amount RM'000	FAAC/ (FLAC) RM'000
30 June 2019					
Financial assets					
Trade receivables	39,639	–	39,639	–	–
Other receivables, exclude prepayments	21,065	8	21,057	117	117
Amount due by subsidiaries	–	–	–	6,161	6,161
Cash and bank balances	36,380	–	36,380	77	77
	97,084	8	97,076	6,355	6,355
Financial liabilities					
Trade payables	(118)	–	(118)	–	–
Other payables, exclude contract liabilities	(2,478)	–	(2,478)	(188)	(188)
Amount due to directors	(936)	–	(936)	–	–
Amount due to subsidiaries	–	–	–	(20,449)	(20,449)
Loans and borrowings	(80,523)	–	(80,523)	–	–
Hire purchase payables	(425)	–	(425)	–	–
	(84,480)	–	(84,480)	(20,637)	(20,637)

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(c) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk (continued)

(i) Trade Receivables

Risk management objectives, policies and processes for managing the risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable for which no loss allowance is recognised because of collateral.

Concentration of credit risk

Approximately 38% (2019: 38%) of the Group's product sales was from two customers in Malaysia and India and approximately 35% (2019: 35%) of the Group's accounts receivable was from these customers. The Group determines concentration of risk by monitoring its trade receivable individually on an ongoing basis.

Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers.

To measure the expected credit losses, trade receivables have been grouped based on credit risk and days past due.

The Group provides for lifetime expected credit loss for all trade receivables. Expected loss rate are incorporated historical credit loss experience and forecast of economic conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk (continued)

(i) Trade Receivables (continued)

Expected credit loss assessment for customers (continued)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables:-

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
<u>2020</u>			
Current (Not past due)	11,487	–	11,487
Past due 0 to 1 month	8,598	–	8,598
Past due 1 to 2 months	1,443	–	1,443
Past due more than 2 months	1,443	–	1,443
	22,971	–	22,971
Group			
<u>2019</u>			
Current (Not past due)	11,143	–	11,143
Past due 0 to 1 month	17,765	–	17,765
Past due 1 to 2 months	6,201	–	6,201
Past due more than 2 months	4,530	–	4,530
	39,639	–	39,639

The trade receivables are substantially arising from active corporate clients with long business relationship with the Group, in which the amounts are deemed to be recoverable, with low probability of default.

(ii) Cash and bank balances

The cash and bank balances are mainly held with bank and financial institution counterparties, which have financial strength and are reputable with high credit rating and no history of default. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Group considers that the cash and bank balances have low credit risk based on the creditworthiness of the counterparties.

(iii) Other receivables

Credit risk on other receivables are mainly arising from sundry debtors and deposits receivables. The Group monitors the repayment on an individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk (continued)

(iv) Financial guarantees

The Company provides secured and unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis by using internal information available.

The maximum exposure to credit risk is the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(v) Inter-company loans and advances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and the Company did not recognise any allowance for impairment loss.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and bank balances and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual rate	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000
Group					
2020					
Non-derivative financial liabilities					
Trade payables	2,455	–	2,455	2,455	–
Other payables	3,563	–	3,563	3,563	–
Bankers acceptance	41,992	7.25%	41,992	41,992	–
Onshore foreign currency loan	14,524	5.05%	14,524	14,524	–
Lease obligations	132	5.60%	135	135	–
Hire purchase payables	760	5.37%	832	289	543
	63,426		63,501	62,958	543
Derivative financial liabilities	259	–	259	–	–
	63,685		63,760	62,958	543
2019					
Non-derivative financial liabilities					
Trade payables	118	–	118	118	–
Other payables	2,478	–	2,478	2,478	–
Amount due to directors	936	–	936	936	–
Bankers acceptance	58,131	7.23%	58,131	58,131	–
Export credit financing	14,089	4.55%	14,089	14,089	–
Recourse financing	8,303	6.95%	8,303	8,303	–
Hire purchase payables	425	6.80%	502	118	384
	84,480		84,557	84,173	384
Company					
2020					
Non-derivative financial liabilities					
Other payables	264	–	264	264	–
Amount due to subsidiaries	6,786	–	6,786	6,786	–
Lease obligations	132	5.60%	135	135	–
	7,182		7,185	7,185	–
2019					
Non-derivative financial liabilities					
Other payables	188	–	188	188	–
Amount due to subsidiaries	20,449	–	20,449	20,449	–
	20,637		20,637	20,637	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Market risk

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

(i) Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Group entities. The currency giving rise to this risk are primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

In respect of monetary assets and liabilities held in currencies other than Ringgit Malaysia, the Group does not hedge this exposure. However, the Group keeps this policy under review.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Group	
	Denominated in USD	
Functional currency of Group entities	**2020 RM'000**	**2019 RM'000**
Trade and other receivables	11,254	23,071
Cash and bank balances	8,184	9,395
Trade and other payables	–	(169)
Net exposure	19,438	32,297

Currency risk sensitivity analysis

A 10% (2019: 10%) strengthening of the Ringgit Malaysia against U.S. Dollar at the end of the reporting period would have decreased pre-tax profit or loss by RM1,943,800 (2019: RM3,229,700). This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

A 10% (2019: 10%) weakening of Ringgit Malaysia against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Market risk (continued)

(ii) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group managed interest rate risk through effective use of its floating and fixed rate debts.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Fixed rate instruments				
Deposits placed with licenced banks	18,177	24,164	–	–
Lease liabilities	(892)	(425)	(132)	–
	17,285	23,739	(132)	–
Floating rate instruments				
Short-term funds	12,788	24,164	5,788	–
Loans and borrowings	(56,516)	(80,523)	–	–
	(43,728)	(56,359)	5,788	–

Interest rate risk sensitivity analysis

- *Fair value sensitivity analysis for fixed rate instruments*

  The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

- *Cash flow sensitivity analysis for variable rate instruments*

  A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased or decreased pre-tax profit or loss by RM437,000 (2019: RM563,000).

(iii) Commodity price risk

The Group is affected by the price volatility of copper as its manufacturing activities of enamelled copper wires and copper rods require a continuous supply of copper. The Group monitors the material price fluctuation closely in order to reduce the impact of material price risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair value of financial instruments

The carrying amounts of cash and bank balances, short-term receivables and payables, amount due by/(to) subsidiaries, amount due to directors and short-term borrowings approximate fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of the non-current portion of term loans that carry floating interest rates approximate their fair value as they are re-priced to market interest rates on or near the reporting date. The carrying amount of long-term deposits and hire purchase payables that carry fixed interest rates approximate their fair values as the impact of discounting is not material.

The short-term funds and derivative liabilities are carried at Level 2 of fair value hierarchy.

26. CAPITAL COMMITMENTS

	Group 2020 RM'000
Property, plant and equipment	
Approved and contracted for	7,837
	7,837

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The directors monitor and are determined to maintain an optimal gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios were as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade and other payables, exclude contract liabilities	6,277	3,532	264	188
Amount due to subsidiaries	–	–	6,786	20,449
Loans and borrowings	56,516	80,523	–	–
Lease liabilities	892	425	132	–
Less: Cash and bank balances	(47,644)	(36,380)	(7,088)	(77)
Net debt	16,041	48,100	94	20,560
Total equity	110,635	87,153	120,627	87,520
Capital and net debt	126,676	135,253	120,721	108,080
Gearing ratio	13%	36%	0%	19%

There was no change in the Group's approach to capital management during the financial year.

The Group is required to maintain net worth of not less than RM40,000,000 and gearing ratio of no more than 1.5 times to comply with a bank covenant, falling which, the bank may call an event of default. The Group has not breached this covenant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. RELATED PARTIES

Identity of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, directors, and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below:

		Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
A.	**Subsidiary**				
	Interest income	–	–	443	–
	Interest expenses	–	–	37	144
	Management fee income	–	–	291	65
B.	**Key management personnel**				
	Rental paid to certain directors	–	26	–	–
	Directors' remuneration	3,654	2,298	–	418

29. SUBSEQUENT EVENTS

a) Proposed acquisition

On 9 July 2020, the Board of Directors of the Company has proposed to undertake the following:

(i) proposed acquisition of 1,747,581 ordinary shares in Sin Line Tek Electronic Co. Sdn Bhd ("Sin Line Tek"), representing approximately 30.0% of the enlarged issued share capital of Sin Line Tek after the completion of the Proposed Investment (approximately 38.0% of the existing issued share capital of Sin Line Tek) for purchase consideration of approximately RM12.2 million, to be satisfied via a combination of new ordinary shares of the Company and cash; and

(ii) proposed subscription of 1,221,264 ordinary shares in Sin Line Tek, representing approximately 21.0% of the enlarged issued share capital of Sin Line Tek after the completion of the Proposed Investment for a total subscription amount of RM8.5 million.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SUBSEQUENT EVENTS (CONTINUED)

b) Proposed joint venture

On 29 July 2020, the Board of Directors of the Company has:

(i) proposed joint venture between the Company and Perbadanan Menajukan Iktisad Negeri Terrengganu to formalise their relationship in a joint venture company to be incorporated which shall develop an industrial park on a piece of leasehold industrial land located at the Kawasan Lembah Perasing, Mukim Hulu Jabor, Daerah Kemaman, Terrengganu Darul Iman measuring approximately 500 acres, and

(ii) further to the above joint venture, the Company had incorporated a wholly owned new subsidiary with the total issued share capital of 800,000 ordinary shares, namely Ta Win Copper Ecocycle Sdn Bhd ("TWC Ecocycle"). TWC Ecocyle is an investment and management company specially set up to undertake the design, development, financing, build to operate, sell and market the industrial park called "Terengganu Ecocycle Park".

30. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

As permitted by the transitional provision of MFRS 16, the Group has elected to adopt modified retrospective approach where cumulative effects of initial application are recognised on 1 July 2019 as an adjustment to the opening balance of retained earnings.

The impact of changes upon adoption of MFRS 16 is as follows:-

Group	Note	As at 30.6.2019 RM	Effect on adoption of MFRS 16 RM	As at 1.7.2019 RM
Statements of financial position				
Assets				
Property, plant and equipment	3	44,999	336	45,335
Liabilities				
Lease liabilities	13	425	360	785
Equity attributable to owners of the Company				
Accumulated losses		(1,562)	(24)	(1,586)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The reconciliation of lease liabilities as at 1 July 2019 to the operating lease commitments as of 30 June 2019 is as follows:-

	RM
Assets	
Operating lease commitments as at 1 July 2019	376
Weighted average incremental borrowing rate as at 1 July 2019	5.60%
Discounted operating lease commitments as at 1 July 2019	360
Add:	
Commitments relating to leases previously classified as finance leases	425
Lease liabilities as at 1 July 2019	785

31. COMPARATIVE FIGURES

The financial statements of previous period which are presented for comparative purposes are for the period from 1 January 2018 to 30 June 2019. Accordingly, comparative figures are not comparable.

ANALYSIS OF SHAREHOLDINGS
as at 8 October 2020

ORDINARY SHARES

Number of Issued Shares Capital	:	441,185,320 Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF SECURITIES HELD IN RESPECT OF ORDINARY SHARES

Size of Holdings	No. of Holders	%	Total Holdings	%
Less than 100	32	0.93	1,324	0.00
100 – 1,000	180	5.24	126,688	0.03
1,001 – 10,000	1,075	31.30	5,985,631	1.36
10,001 – 100,000	1,572	45.76	68,849,280	15.61
100,001 – to less than 5% of issued shares	574	16.71	301,558,100	68.35
5% and above of issued shares	2	0.06	64,664,297	14.66
Total	**3,435**	**100.00**	**441,185,320**	**100.00**

DIRECTORS' SHAREHOLDINGS

As per the Register of Directors' Shareholdings, save for the Directors named below, no other Directors of the Company has any interest in shares, direct or indirect in the Company.

		Direct		Indirect		
No.	Name	No. of Shares held	%	No. of Shares held	%	Note
1.	Dato' Yeo Boon Leong, JP	–	–	35,713,777	8.09	(i)
2.	Dato' Sri Ngu Tieng Ung, JP	–	–	42,451,977	9.62	(ii)
3.	Mr. Tan Poo Chuan	–	–	42,201,977	9.57	(iii)

Notes:-

(i) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (35,713,777 shares).

(ii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (35,713,777 shares), Heritage Winners Sdn. Bhd. (6,408,200 shares) and Timur Enterprise Sdn. Bhd. (330,000 shares).

(iii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (35,713,777 shares), Heritage Winners Sdn. Bhd. (6,408,200 shares) and his son, Tan Kang Shu (80,000 shares).

ANALYSIS OF SHAREHOLDINGS (continued)

SUBSTANTIAL SHAREHOLDERS (excluding bare trustees)

No.	Name of shareholders	Direct		Indirect		Note
		No. of Shares held	%	No. of Shares held	%	
1.	Triad Capital Sdn. Bhd.	35,713,777	8.09	–	–	
2.	Ampol Accessories Sdn. Bhd.	28,950,520	6.56	–	–	
3.	Dato’ Yeo Boon Leong, JP	–	–	35,713,777	8.09	(i)
4.	Dato’ Sri Ngu Tieng Ung, JP	–	–	42,451,977	9.62	(ii)
5.	Mr. Tan Poo Chuan	–	–	42,201,977	9.57	(iii)
6.	Pang Chong Yong	–	–	28,950,520	6.56	(iv)

Notes:-

(i) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (35,713,777 shares).

(ii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (35,713,777 shares), Heritage Winners Sdn. Bhd. (6,408,200 shares) and Timur Enterprise Sdn. Bhd. (330,000 shares).

(iii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (35,713,777 shares), Heritage Winners Sdn. Bhd. (6,408,200 shares) and his son, Tan Kang Shu (80,000 shares).

(iv) Deemed interest by virtue of his interest via Ampol Accessories Sdn. Bhd. (28,950,520 shares).

THIRTY (30) LARGEST SECURITIES HOLDERS

No.	Registered Holders	No. of shareholdings	%
1.	TRIAD CAPITAL SDN. BHD.	35,713,777	8.09
2.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. TIMES FINE CHEMICAL SDN. BHD. FOR AMPOL ACCESSORIES SDN. BHD.	28,950,520	6.56
3.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SOON HUI (E-SJA)	17,912,000	4.06
4.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD., CHANG THIAN POH	7,040,100	1.60
5.	YAW QUEE YONG	7,000,000	1.59
6.	LEONG SOON POH	6,845,200	1.55
7.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OH BENG NGO (E-SJA)	6,416,000	1.45
8.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. HERITAGE WINNERS SDN. BHD.	6,408,200	1.45
9.	CHIN CHIN SEONG	4,300,000	0.97
10.	YONG LOONG CHEN	4,000,000	0.91
11.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	3,652,500	0.83
12.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP KONG YEAW	3,025,000	0.69
13.	LEE CHOON HOOI	3,000,000	0.68
14.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOR KHAI YEE (E-BMM)	3,000,000	0.68
15.	YONG PIN SEEN	2,876,000	0.65

ANALYSIS OF SHAREHOLDINGS (continued)

THIRTY (30) LARGEST SECURITIES HOLDERS (CONTINUED)

No.	Registered Holders	No. of shareholdings	%
16.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HUAM HONG PING	2,740,000	0.62
17.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JEE TAI CHEW (021)	2,700,000	0.61
18.	WONG FOO CHEE	2,600,000	0.59
19.	CHIA SONG SWA	2,578,500	0.58
20.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN MENG SENG (MY1542)	2,500,000	0.57
21.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIN HUAN KWANG (E-TWU)	2,173,000	0.49
22.	CHENG MOH NEE	2,160,000	0.49
23.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HIAH MOY THIANG	2,111,200	0.48
24.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG THIAN POH	2,070,500	0.47
25.	PPTAN MANAGEMENT SDN. BHD.	2,049,200	0.46
26.	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH ENG THYE	2,000,000	0.45
27.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SU YONG	2,000,000	0.45
28.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WANG CHOON YAP	2,000,000	0.45
29.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ROSLI BIN HAMAT	2,000,000	0.45
30.	TAI BEITZE	2,000,000	0.45

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES HOLDINGS
as at 8 October 2020

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Number of ICPS	:	354,953,980 ICPS
Voting Rights	:	The holders of ICPS are not entitled to any voting right except in circumstances set out in the Company's Constitution

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF ICPS HELD IN RESPECT OF ISSUED HOLDINGS

Size of Holdings	No. of ICPS Holders	%	Total ICPS Holdings	%
Less than 100	0	0.00	0	0.00
100 – 1,000	11	1.49	3,456	0.00
1,001 – 10,000	88	11.89	634,778	0.18
10,001 – 100,000	367	49.59	17,574,512	4.95
100,001 – to less than 5% of issued shares	270	36.49	204,119,600	57.51
5% and above of issued shares	4	0.54	132,621,634	37.36
Total	**740**	**100.00**	**354,953,980**	**100.00**

DIRECTORS' ICPS HOLDINGS

As per the Register of Directors' Shareholdings, save for the Directors named below, no other Directors of the Company has any interest in ICPS, direct or indirect, in the Company.

No.	Name	Direct		Indirect		Note
		No. of ICPS held	%	No. of ICPS held	%	
1.	Dato' Yeo Boon Leong, JP	10,387,200	2.93	50,927,554	14.35	(i)
2.	Dato' Sri Ngu Tieng Ung, JP	–	–	106,040,554	29.87	(ii)
3.	Mr. Tan Poo Chuan	–	–	68,063,954	19.18	(iii)

Notes:-
(i) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (50,927,554 ICPS).
(ii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (50,927,554 ICPS), Heritage Winners Sdn. Bhd. (17,016,400 ICPS) and Timur Enterprise Sdn. Bhd. (38,096,600 ICPS).
(iii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (50,927,554 ICPS), Heritage Winners Sdn. Bhd. (17,016,400 ICPS) and his son, Tan Kang Shu (120,000 ICPS).

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES HOLDINGS (continued)

THIRTY (30) LARGEST ICPS HOLDERS

No.	Registered ICPS Holders	No. of ICPS Holdings	%
1.	TRIAD CAPITAL SDN. BHD.	50,927,554	14.35
2.	SJ SEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TIMUR ENTERPRISE SDN. BHD. (SMT)	38,096,600	10.73
3.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD TIMES FINE CHEMICAL SDN. BHD. FOR AMPOL ACCESSORIES SDN. BHD.	22,445,780	6.32
4.	CHONG MING KONG	21,151,700	5.96
5.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. HERITAGE WINNERS SDN. BHD.	17,016,400	4.79
6.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. CHANG THIAN POH	15,057,000	4.24
7.	CHIN LIH LIH	8,832,000	2.49
8.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	6,365,000	1.79
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG LOONG CHEN (100306)	5,916,200	1.67
10.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN LIH LIH	5,352,400	1.51
11.	LOW LAY PING	5,000,000	1.41
12.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HUAM HONG PING	4,500,000	1.27
13.	CHIN CHIN SEONG	4,500,000	1.27
14.	CHING ENG SEONG	4,096,000	1.15
15.	YAP KONG YEAW	3,513,000	0.99
16.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SENG TUNG	3,490,000	0.98
17.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SURINDER SINGH A/L SHINGARA SINGH (MARGIN)	3,049,400	0.86
18.	LIM SHIEN WEN	2,577,000	0.73
19.	TNG FU CHEN	2,300,000	0.65
20.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NARVIR KAUR A/P BACHAN SINGH	2,000,000	0.56
21.	CHOU MING HAI	2,000,000	0.56
22.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TING CHOONG SING (E-KPG)	2,000,000	0.56
23.	YONG LOONG CHEN	2,000,000	0.56
24.	SU MING JIUN	1,900,000	0.54
25.	YEOH KEAN BENG	1,660,600	0.47
26.	CHEW HEE NGE	1,652,600	0.47
27.	YEOH KEE KUAN	1,600,000	0.45
28.	CHIN CHIN SEONG	1,500,000	0.42
29.	LAI WENG KEAT	1,489,000	0.42
30.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JEE TAI CHEW (021)	1,400,000	0.39

ANALYSIS OF
WARRANTS HOLDINGS
as at 8 October 2020

WARRANTS 2019/2022

Number of warrants not exercised : 159,227,757 warrants

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF WARRANTS HELD IN RESPECT OF ISSUED HOLDINGS

Size of Holdings	No. of Warrant Holders	%	Total Warrant Holdings	%
Less than 100	75	8.02	3,884	0.00
100 – 1,000	15	1.60	7,990	0.01
1,001 – 10,000	185	19.79	1,024,098	0.64
10,001 – 100,000	387	41.39	19,937,689	12.52
100,001 – to less than 5% of issued shares	272	29.09	129,229,996	81.16
5% and above of issued shares	1	0.11	9,024,100	5.67
Total	**935**	**100.00**	**159,227,757**	**100.00**

THIRTY (30) LARGEST WARRANTS HOLDERS

No.	Registered Warrants Holders	No. of Warrant Holdings	%
1.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' WONG WENG KUNG	9,024,100	5.67
2.	NG LAI HENG	6,316,600	3.97
3.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAI CHENG KUAN (8058893)	3,500,000	2.20
4.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR YONG CHOON WAH	3,375,000	2.12
5.	LIM TAI SOON	3,127,600	1.96
6.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HUAM HONG PING	2,160,000	1.36
7.	ANISMAWATI BINTI HARUN	2,100,000	1.32
8.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. NG LAI HENG	2,076,000	1.30
9.	NORMAZUYN BINTI NORDIN	2,000,000	1.26
10.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITITES ACCOUNT FOR TING CHOONG SING (E-KPG)	2,000,000	1.26
11.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG THIAN POH	1,582,000	0.96
12.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WOON BOON TSEH (TM RAYA-CL)	1,518,000	0.95

ANALYSIS OF WARRANTS HOLDINGS (continued)

THIRTY (30) LARGEST WARRANTS HOLDERS

No.	Registered Warrants Holders	No. of Warrant Holdings	%
13.	CHEW HEE NGE	1,500,000	0.94
14.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH HENG TIAN	1,500,000	0.94
15.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KOK AUN (CCTS)	1,400,000	0.88
16.	TAN SENG PANG	1,356,000	0.85
17.	LOW LAY PING	1,300,000	0.82
18.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG ENG SONG (E-BMM)	1,300,000	0.82
19.	YAP MING HUI	1,285,000	0.81
20.	KHAIRUL AZUAN BIN OTHMAN	1,225,300	0.77
21.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JULIAN CHEAH WAI MENG	1,200,000	0.75
22.	AZIZUL BIN AHMAD	1,110,000	0.70
23.	P'NG JU-JIN	1,050,000	0.66
24.	THONG KIM HUA	1,050,000	0.66
25.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SURINDER SINGH A/L SHINGARA SINGH (MARGIN)	1,016,466	0.64
26.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KONG YAW (MY1796)	1,000,000	0.63
27.	CHANG THIAN POH	1,000,000	0.63
28.	FAMI TAUFEQ BIN FAKARUDIN	1,000,000	0.63
29.	GOH ZHONG FEI	1,000,000	0.63
30.	HAN JIAN	1,000,000	0.63

LIST OF
GROUP PROPERTIES

Location	Tenure/ Expiry Date	*Existing Use	Age of Building (year/ month)	Land area (m^2)/Built-up area) (m^2)	Carrying Amount @ 30.06.2020 RM ('000)	Year of Valuation
Lot Nos. 7699 to 7706 (Formerly known as PT 1234 to 1237 and Lot PT 1287 to 1290) Mukim of Kelemak, Alor Gajah, Melaka	99 years leasehold expiring on 26/6/2089 for Lot Nos. 7699 to 7706 (Formerly known as PT 1234 to 1237), leaving unexpired terms of about 70 years 99 years leasehold expiring on 25/6/2089 or Lot PT 1287 to 1290 leaving unexpired terms of about 70 years	*Industrial land, factory building & office	15,16,19,22 years (4 factories)	31,794/ (17,920)	25,580	2018
PT 1513 & 1516, Mukim of Kelemak, Alor Gajah, Melaka	99 years leasehold expiring on 24/9/2091, leaving unexpired terms of about 72 years	*Apartments	21 years	N/A/(728)	393	2015

Note :

* *All land and buildings are presently owned by Ta Win Industries (M) Sdn. Bhd.*

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Sixth Annual General Meeting of Ta Win Holdings Berhad will be conducted as a fully virtual meeting through live streaming from the broadcast venue at Meeting Room of Ta Win Holdings Berhad of Unit 26-11 & 26-12, Level 26, Q Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur, Malaysia on Thursday, 10 December 2020 at 10.00 a.m. to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A.

2. To re-elect the following Directors who retire in accordance with Article 110 of the Company's Constitution:-
   (a) Mr. Tan Poo Chuan **Resolution 1**
   (b) Datin Seri Azreen Binti Abu Noh **Resolution 2**

3. To re-elect Datuk Zakaria Bin Sharif, the Director who retire in accordance with Article 109 of the Company's Constitution. **Resolution 3**

4. To approve the payment of aggregate Directors' Fees of RM600,000.00 for the period from 1 July 2020 until the conclusion of the next Annual General Meeting of the Company.
   Please refer to Explanatory Note B. **Resolution 4**

5. To approve the payment of aggregate Directors' benefits (excluding Directors' Fees) to the Directors up to an amount of RM200,000.00 from the date of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.
   Please refer to Explanatory Note C. **Resolution 5**

6. To re-appoint Messrs Ecovis Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without modifications:-

7. **ORDINARY RESOLUTION**
   AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed (20%) of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad; AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance to the provisions of the Companies Act, 2016, whichever is the earlier."
   Please refer to Explanatory Note D. **Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING
(continued)

8. **SPECIAL RESOLUTION**
PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY

"THAT the proposed amendment to the Constitution of the Company as set out below, be and is hereby approved and adopted AND THAT the Board of Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendment for and on behalf of the Company:-

Existing Article 101- Deposit of instrument of proxy

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid.

Proposed Article 101- Deposit of instrument of proxy

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the Office or at such other place within Malaysia **or by way of electronic means or in such other manner** as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid." **Special Resolution 1**
Please refer to Explanatory Note E.

9. To transact any other business for which due notice shall have been given.

By Order of the Board

KIMBERLY ONG SWEET EE
SSM Practicing Certificate No.: 201908000841
LS0009852
Company Secretary

Kuala Lumpur
28 October 2020

Notes:

(1) A member of the Company entitled to attend, participate, speak and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies (or in the case of a corporation, to appoint a representative) to attend, participate, speak and vote in his stead. There shall be no restriction as to the qualification of the proxy.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

(2) Where a member appoints two (2) proxies, he shall specify the proportions of his holdings to be represented by each proxy, failing which, the appointment shall be invalid. As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent revisions, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders and proxies shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/Management/relevant advisers during the Meeting.

(3) A Member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

(4) If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

(5) The instrument appointing a proxy(ies) must be deposited at the Share Registrar's office at Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof.

(6) Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services ePortal at https://sshsb.net.my/ by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details as attached in the Annual Report.

(7) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.

(8) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors ("ROD") as at 3 December 2020. Only a depositor whose name appears on the ROD as at 3 December 2020 shall be entitled to attend the said Meeting or appoint proxy(ies) to attend and/or vote on such depositor's behalf.

(9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the Annual General Meeting will be voted by poll.

EXPLANATORY NOTES:-

Note A

This Agenda is meant for discussion only, as the provisions of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward to shareholders for voting.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

Note B

Section 230(1) of the Companies Act, 2016 requires that the fees of the directors and any benefits payable to the directors be approved at the general meeting.

The proposed Ordinary Resolution 4, if passed, will authorise the payment of the Directors' fees to Non-Executive Directors of the Company for their services as Directors of the Company for the period from 1 July 2020 until the conclusion of the next Annual General Meeting of the Company.

Note C

Section 230(1) of the Companies Act, 2016 requires that the fees of the directors and any benefits payable to the directors be approved at the general meeting.

The proposed benefits payable to the Directors comprises allowances and other benefits. In determining the estimated total amount of benefits for the Directors, the Board of Directors ("Board") considered various factors including the number of scheduled meetings for the Board and the Board Committees as well as the number of the Directors involved in these meetings.

The estimated amount of RM200,000.00 for the relevant period is derived from the estimated directors' benefits from the date of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the provision for other benefits (if any). Payment of the Directors' benefits will be made by the Company as and when incurred if the Proposed Ordinary Resolution 5 passed at the Twenty Sixth Annual General Meeting. The Board is of the view that it is just and equitable for the Directors of the Company to be paid the Directors' benefits as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Note D

The proposed Ordinary Resolution 7, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares in the Company up to and not exceeding 20% of the issued share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance to the provisions of the Companies Act, 2016, whichever is the earlier.

The proposed Ordinary Resolution 7 is to seek a renewal of the General Mandate for the issue of new ordinary shares which was approved by the shareholders at the Twenty Fifth Annual General Meeting. At the date of this notice, no new shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last Annual General Meeting held on 28 November 2020 and which will lapse at the conclusion of the Twenty Sixth Annual General Meeting.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. This 20% General Mandate will provide flexibility for the Company for any possible fund raising activities and enable the Company, should it required to do so, to meet its funding requirements for working capital or strategic development of the Group and operational expenditure, expeditiously and efficiently. This would eliminate any delay arising from and cost involved in convening a separate general meeting to obtain approval of the shareholders for such issuance of shares during this challenging period. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting.

This 20% General Mandate may be utilised by listed corporations to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated.

Note E

The proposed Special Resolution 1, if passed, will enhance the administrative efficiency on handling the Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. ELECTION OF DIRECTORS

No individual is seeking election as Director of the Company at the Twenty Sixth Annual General Meeting of the Company.

2. GENERAL MANDATE FOR ISSUANCE OF SHARES

Kindly refer to item Note D of the Explanatory Notes of this Notice.

ADMINISTRATIVE GUIDE

SECURITIES SERVICES e-PORTAL

WHAT IS Securities Services e-Portal**?**

Securities Services e-Portal is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings

(referred to as "**e-Services**")

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by Ta Win Holdings Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

REQUIRE ASSISTANCE?

Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Mr. Jerry Tan (DID: +603 2084 9165) or Ms. Rachel Ou (DID: +603 2084 9161) or our general line (DID: +603 2084 9000) to request for e-Services Assistance during our office hours, on Monday to Friday from 8.30 a.m. to 5.30 p.m. Alternatively, you may email us at eservices@sshsb.com.my.

BEFORE THE MEETING

(A) Register as a User of Securities Services e-Portal

Step 1 Visit https://sshsb.net.my/login.aspx Step 2 Register as a user Step 3 Wait for our notification email that will be sent within one (1) working day Step 4 Verify your user account within seven (7) days of the notification email and log in	• **This is a ONE-TIME registration.** If you are already a registered user of Securities Services e-Portal, you need not register again. • Your email address is your User ID.

ALL SHAREHOLDERS MUST REGISTER AS A USER BY 4 DECEMBER 2020, AS ONE (1) WORKING DAY IS REQUIRED TO PROCESS ALL PORTAL USER REGISTRATIONS.

(B) Register for Remote Participation

Meeting Date and Time	Registration for Remote Participation Closing Date and Time
26th Annual General Meeting ("AGM"), on Thursday, 10 December 2020 at 10:00 a.m.	Tuesday, 8 December 2020 at 10:00 a.m.

- Log in to https://sshsb.net.my/login.aspx with your registered email and password
- Look for **Ta Win Holdings Berhad** under Company Name and **26th AGM on 10 December 2020 at 10:00 a.m. – Registration for Remote Participation** under Corporate Exercise / Event and click "**>**" to register for remote participation at the meeting.

Step 1 Check if you are attending as –

- Individual shareholder
- Corporate or authorised representative of a body corporate

  For body corporates, the appointed corporate/authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the registration closing date and time above.

Step 2 Enter your CDS account number or the body corporate's CDS account number.

- A copy of your e-Registration for remote participation can be accessed via **My Records** (refer to the left navigation panel).
- Your registration will apply to all the **CDS account(s)** of each individual shareholder / body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.
- As the meeting will be conducted on a fully virtual basis and only the Chairman and other essential individuals will be present at the broadcast venue, we highly encourage all shareholders to remotely participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you.

ON THE DAY OF THE MEETING

Log in to https://sshsb.net.my/login.aspx with your registered email and password

(C) Join the Live Stream Meeting (eLive)

Meeting Date and Time	eLive Access Date and Time
26th AGM, on Thursday, 10 December 2020 at 10:00 a.m.	Thursday, 10 December 2020 at 9:30 a.m.

➢ Look for **Ta Win Holdings Berhad** under Company Name and **26th AGM on 10 December 2020 at 10:00 a.m. – Live Stream Meeting** under Corporate Exercise / Event and click "**>**" to join the meeting.

- The access to the live stream meeting will open on the abovementioned date and time.
- If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/ Management/relevant adviser(s) will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user.

(D) Vote Online Remotely during the Meeting (eVoting)

Meeting Date and Time	eVoting Access Date and Time
26th AGM, on Thursday, 10 December 2020 at 10:00 a.m.	Thursday, 10 December 2020 at 10:00 a.m.

➢ If you are already accessing the Live Stream Meeting, click **Proceed to Vote** under the live stream player.
OR
➢ If you are logging in directly to vote or not accessing from the Live Stream Meeting, look for **Ta Win Holdings Berhad** under Company Name and **26th AGM on 10 December 2020 at 10:00 a.m. – Remote Voting** under Corporate Exercise / Event and click "**>**" to remotely cast and submit the votes online for the resolutions tabled at the meeting.

Step 1 Cast your votes by clicking on the radio buttons against each resolution.
Step 2 Review your casted votes and confirm and submit the votes.

- The access to eVoting will open on the abovementioned date and time.
- Your votes casted will apply throughout all the CDS accounts you represent as an individual shareholder, corporate / authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the proxy form.
- The access to eVoting will close as directed by the Chairman of the meeting.
- A copy of your submitted e-Voting can be accessed via **My Records** (refer to the left navigation panel).

CDS account no.	
No. of shares held	

TA WIN HOLDINGS BERHAD
(Registration No.: 199401005913 (291592-U))
(Incorporated in Malaysia)

FORM OF PROXY

I/We...
(name of shareholders, in block letters)

*NRIC No./Passport No./Company No. ....of...
(full of address)

....
being a member(s) of **TA WIN HOLDINGS BERHAD** ("the Company") hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, *the Chairman of the Meeting, as *my /our proxy to vote for *me /us on *my /our behalf at the Twenty Sixth Annual General Meeting ("AGM") of the Company will be conducted as a fully virtual meeting through live streaming from the broadcast venue at Meeting Room of Ta Win Holdings Berhad of Unit 26-11 & 26-12, Level 26, Q Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur, Malaysia on Thursday, 10 December 2020 at 10.00 a.m. or at any adjournment thereof, in the manner indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Mr. Tan Poo Chuan.		
2.	Re-election of Datin Seri Azreen Binti Abu Noh.		
3.	Re-election of Datuk Zakaria Bin Sharif.		
4.	Approve the payment of aggregate Directors' Fees of RM600,000.00 for the period from 1 July 2020 until the conclusion of the next Annual General Meeting of the Company.		
5.	Approve the payment of aggregate Directors' benefits (excluding Directors' Fees) to the Directors up to an amount of RM200,000.00 from the date of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.		
6.	Re-appointment of Messrs. Ecovis Malaysia PLT as the Auditors of the Company.		
7.	Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016.		
Special Resolution			
1.	Approve the Proposed Amendment to the Constitution of the Company.		

(Please indicate with an "X" in the spaces provided on how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Signed this .... day of 2020

....
*Signature (s)/Common Seal of Shareholder

* *Delete if not applicable*

Notes:

(1) A member of the Company entitled to attend, participate, speak and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies (or in the case of a corporation, to appoint a representative) to attend, participate, speak and vote in his stead. There shall be no restriction as to the qualification of the proxy.

(2) Where a member appoints two (2) proxies, he shall specify the proportions of his holdings to be represented by each proxy, failing which, the appointment shall be invalid. As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent revisions, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders and proxies shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/ Management/relevant advisers during the Meeting.

(3) A Member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

(4) If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

(5) The instrument appointing a proxy(ies) must be deposited at the Share Registrar's office at Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof.

(6) Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services ePortal at https://sshsb.net.my/ by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details as attached in the Annual Report.

(7) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.

(8) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors ("ROD") as at 3 December 2020. Only a depositor whose name appears on the ROD as at 3 December 2020 shall be entitled to attend the said Meeting or appoint proxy(ies) to attend and/or vote on such depositor's behalf.

(9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the Annual General Meeting will be voted by poll.

1st Fold Here

AFFIX
STAMP

THE SHARE REGISTRARS
Securities Services (Holdings) Sdn. Bhd.
(Registration No.: 197701005877 (36869-T))
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Malaysia

2nd Fold Here

Fold This Flap For Sealing

大穩控股有限公司
TA WIN HOLDINGS BERHAD
(Registration No.: 199401005913 (291592-U))

Unit 26-11 & 26-12, Level 26, Q Sentral
Jalan Stesen Sentral 2, 50470 Kuala Lumpur

Tel : (603) 2276 6522 I Fax : (603) 2276 6511
www. ta-win.com