



大穩控股有限公司

TA WIN HOLDINGS BERHAD

(Registration No. 199401005913 (291592-U))

ANNUAL REPORT 2021





Table of Contents

CORPORATE INFORMATION

2	Corporate Information
3	Corporate Profile
5	Corporate Structure
6	Corporate Event

LEADERSHIP

9	Profile of Board of Directors
12	Profile of Key Senior Management

PERFORMANCE AND BUSINESS REVIEW

18	5-Years Group Financial Summary
20	Management Discussion and Analysis
26	Sustainability Statement

CORPORATE GOVERNANCE

31	Statement on Corporate Governance
46	Audit Committee Report
50	Statement on Risk Management and Internal Control
53	Statement of Directors' Responsibilities
54	Additional Compliance Information

FINANCIAL STATEMENTS

58	Directors' Report
64	Statement by Directors
65	Statutory Declaration
66	Independent Auditors' Report
70	Statements of Financial Position
72	Statements of Profit or Loss and Other Comprehensive Income
74	Statements of Changes in Equity
79	Statements of Cash Flows
81	Notes to the Financial Statements

OTHER INFORMATION

138	Analysis of Shareholdings
141	Analysis of Irredeemable Convertible Preference Shares Holdings
143	Analysis of Warrants A Holdings
145	Analysis of Warrants B Holdings
147	List of Group Properties
148	Notice of Annual General Meeting
152	Statement Accompanying the Notice of Annual General Meeting
153	Annual General Meeting Administrative Guide
	Form of Proxy

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mr. Tan Poo Chuan
Executive Director

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

Dato' Sri Ngu Tieng Ung, JP
Managing Director

Mr. Lim Boon Shen
Non-Independent Non-Executive Director

Datin Seri Azreen Binti Abu Noh
Independent Non-Executive Director

Datuk Zakaria Bin Sharif
Independent Non-Executive Director

AUDIT COMMITTEE

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

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
Mr. Lim Boon Shen

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
Chartered Accountants
201404001750 (LLP0003185-LCA) & AF001825
No. 54, Jalan Kempas Utama 2/2,
Taman Kempas Utama,
81200 Johor Bahru,
Johor Darul Takzim, Malaysia.
Tel No. : 07-562 9000
Fax No. : 07-562 9090

REGISTERED OFFICE AND CORPORATE OFFICE

Unit 26-11 & 26-12,
Level 26, Q Sentral,
Jalan Stesen Sentral 2,
50470 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Tel No. : 03-2276 6522
Fax No. : 03-2276 6511
E-mail : 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,
Wilayah Persekutuan, Malaysia.
Tel No. : 03-2084 9000
Fax No. : 03-2094 9940

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad
AmBank (M) Berhad
Public Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
MBSB Bank Berhad

INVESTOR RELATIONS

Mr. Jason Chiew
Tel No. : 03-7733 7752
Email : jason@imejiwa.com

Mr. Lee Chee Keen
Tel No. : 03-2276 6522
Fax No. : 03-2276 6511
Email : info@ta-win.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

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

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 and associates 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 enamelled copper wires, copper rods and trading of copper products.
Ta Win Manufacturing Sdn. Bhd.	19 April 2018, Malaysia	100.00	Manufacturing of copper wires and copper rods.
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.
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 cables and other copper related products.
Twin Industrial (HK) 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.
Ta Win Symbiosis Sdn. Bhd.	8 June 2021, Malaysia	100.00	Provision of property development, property management services, property facilities services, renting and operating, construction, non-ferrous metals waste management services and recycling.

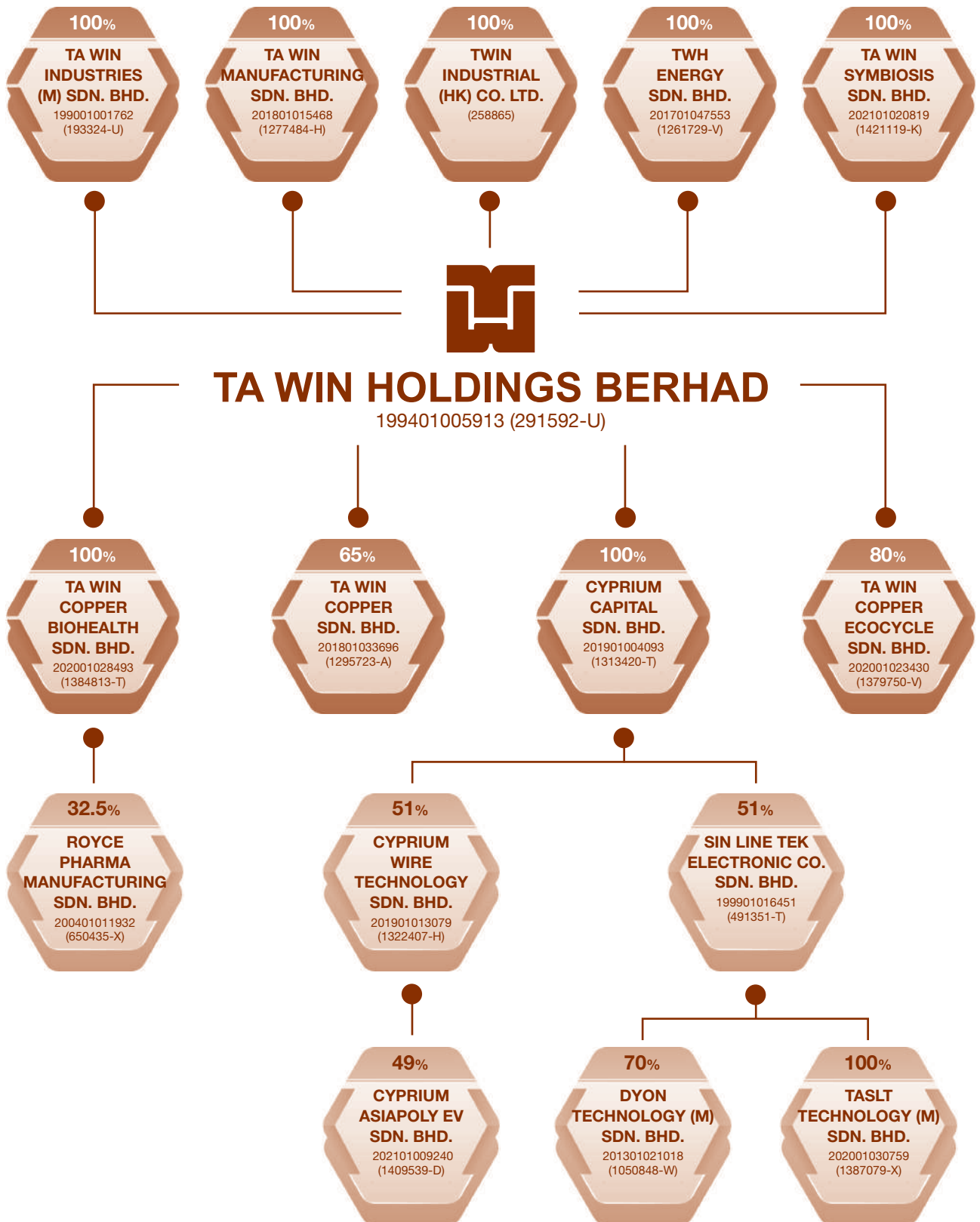


CORPORATE PROFILE

(CONTINUED)

COMPANY	DATE AND COUNTRY OF INCORPORATION	EQUITY INTEREST (%)	PRINCIPAL ACTIVITIES
Ta Win Copper Ecocycle Sdn. Bhd.	13 August 2020, Malaysia	80.00	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, copper rods and dealing in all kinds of copper products.
Held through a subsidiary, Cyprium Capital Sdn. Bhd.:-			
Cyprium Wire Technology Sdn. Bhd.	15 April 2019, Malaysia	51.00	Manufacturing wire and/or cable products, including but not limited to, using electron beam irradiation technology which utilise proprietary cross-linking/ ionizing radiation treatment.
Sin Line Tek Electronic Co. Sdn. Bhd.	13 August 1999, Malaysia	51.00	Manufacture and supplier of electrical and electronic products.
Held through a subsidiary, Sin Line Tek Electronic Co. Sdn. Bhd.:-			
TASLT Technology (M) Sdn. Bhd.	1 October 2020, Malaysia	100.00	Manufacture of AC power cord, DC cord, wire harness assembly, electronic and electrical assembly product and trading of all type of electronic and electrical products.
Dyon Technology (M) Sdn. Bhd.	20 June 2013, Malaysia	70.00	Bonded warehouse and trading business.
Held through a subsidiary, Cyprium Wire Technology Sdn. Bhd.:-			
Cyprium Asiapoly EV Sdn. Bhd.	15 March 2021, Malaysia	49.00	Manufacturing and distribution of power and signal distribution system, high tension cable, battery cable, cast acrylic products and any other automotive parts or components for electric vehicles.
Held through a subsidiary, Ta Win Copper Biohealth Sdn. Bhd.:-			
Royce Pharma Manufacturing Sdn. Bhd.	26 April 2004, Malaysia	32.50	Manufacturer and distributor of all kinds of Pharmaceutical Products.

CORPORATE STRUCTURE



CORPORATE EVENT

DATE	EVENTS
9 July 2020	The signing ceremony to commemorate our investment of 51% of Sin Line Tek Electronic Co. Sdn. Bhd. (“SLT”) as part of our expansion plan to complement and strengthen our group’s business portfolio. The investment was completed on 8 March 2021.
29 July 2020	Our Joint Venture ceremony with Perbadanan Memajukan Iktisad Negeri Terengganu (“PMINT”) to formalise our relationship with PMINT in a joint venture company to develop an industrial park on a piece of leasehold industrial land located at the Kawasan Lembah Perasing, Mukim Hulu Jabor, Daerah Kemaman, Terengganu Darul Iman measuring approximately 500 acres.
10 December 2020	Twenty Sixth (“26 th ”) Annual General Meeting of the Company.
14 December 2020	Investment of 32.5% equity stake Royce Pharma Manufacturing Sdn. Bhd. (“Royce”) via our wholly-owned subsidiary Ta Win Copper Biohealth Sdn. Bhd. was formalised with the signing ceremony held in Royal Selangor Club. The investment was completed on 24 December 2020.
21 January 2021	Cyprium Wire Technology Sdn. Bhd. (“CWT”) obtained the final audit for its wire and cable product quality via IATF16949:2016 and hence ISO 9001:2015 QMS certification.
23 February 2021	Extraordinary General Meeting – Proposed Acquisition & Subscription of SLT, Proposed Rights Issue and Proposed Share Buy-Back.
30 July 2021	Extraordinary General Meeting – Proposed Bonus Issue of Warrants and Proposed Establishment of a Share Issuance Scheme.



Standing from left: Mr. Wong Ah Piaw (Director of CWT), Encik Mohamed Saleh Bin Ahamed Samion (Director of Dyon Technology (M) Sdn. Bhd.), Mr. Lim Wai Keong, (Director of SLT), Mr. Lim Aik Gee (Managing Director of SLT), Dato’ Sri Ngu Tieng Ung, JP (Managing Director of the Company), Mr. Tan Poo Chuan (Executive Director of the Company) and Mr. Wong Chen Feng (Managing Director of CWT).

CORPORATE EVENT
(CONTINUED)



Joint Venture Ceremony with PMINT.



Dato' Sri Ngu Tieng Ung, JP (second from left) was presenting a token of appreciation to Menteri Besar of Terengganu YAB Dato' Seri Dr. Ahmad Samsuri Bin Mokhtar. Standing from left: Dato' Sr. Dr. Kamarul Rashdan Bin Salleh (Project Associate Director of the Company), YB Dato' Haji Tengku Hassan Bin Tengku Omar (Terengganu State Executive Councilor) and Tuan Haji Wan Adnan Bin Wan Derahman (PMINT Group Chief Executive Officer).

CORPORATE EVENT

(CONTINUED)

Our 26th Annual General Meeting.

Present at the event were the representatives from Royce comprising of (from left to right) Encik Zainal Ariff Bin Mahmood (Group President of Royce), Datuk Chandrasekar A/L Suppiah (Director & Deputy President of Royce), YB Datuk Haji Awang Bin Hashim (Deputy Minister of Human Resources) and our representatives comprising of Dato' Sri Ngu Tieng Ung, JP (Managing Director of the Company) and Mr. Tan Poo Chuan (Executive Director of the Company).



The Company conducted the Extraordinary General Meeting on a fully virtual basis through online meeting platform on 30 July 2021.

PROFILE OF BOARD OF DIRECTORS

DATO' YEO BOON LEONG, JP

MALAYSIAN, MALE, AGE 55

*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 Berhad. 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 54

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, mineralisation, 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 64

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.

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)

MR. LIM BOON SHEN*MALAYSIAN, MALE, AGE 33**NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR*

Mr. Lim Boon Shen (“Mr. Lim”) joined the Board as a Non-Independent Non-Executive Director on 30 March 2021. He is a member of the Audit Committee and Nomination Committee of the Company.

Mr. Lim Boon Shen graduated from Tunku Abdul Rahman College with a Diploma in Business Accounting in year 2008.

Mr. Lim has over 10 years' corporate experience in finance, auditing, accounting in the respective industrial dealing with manufacturing, construction and development, logistic and transportation, food and beverages and etc. He is also experienced in the finance managerial position in a public listed company in local and overseas which involved in group of companies' investment activities, accounting and finance, initial public offering activities and internal control related matters. Currently Mr. Lim is the Finance and Account Manager overseeing the accounting and finance activities of Asia Poly Industrial Sdn. Bhd..

DATUK ZAKARIA BIN SHARIF*MALAYSIAN, MALE, AGE 64**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 was subsequently re-designated as a Chairman of the Audit Committee of the Company on 25 May 2021.

Datuk Zakaria has vast experience 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.

**DATO' PADUKA
DR. HII KING HIONG***MALAYSIAN, MALE, AGE 76**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 a Chairman of the Risk Management Committees, a member of the Remuneration Committee and was subsequently re-designated as a Member of the Audit Committee of the Company on 25 May 2021.

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.

PROFILE OF BOARD OF DIRECTORS

(CONTINUED)

DATIN SERI AZREEN BINTI ABU NOH

MALAYSIAN, FEMALE, AGE 52

*INDEPENDENT NON-EXECUTIVE
DIRECTOR*

Datin Seri Azreen Binti Abu Moh (“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 graduate in The National University of Malaysia (University 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 Berhad.

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 2021.

Attendance at Board Meetings

The attendance of the Directors at Board of Directors’ meetings for the financial year ended 30 June 2021 is disclosed in the Statement on Corporate Governance.

PROFILE OF KEY SENIOR MANAGEMENT

MR. PHUA YEE BOON

MALAYSIAN, MALE, AGE 37

GROUP CHIEF FINANCIAL OFFICER
- TA WIN HOLDINGS BERHAD GROUP

Mr. Phua Yee Boon ("Mr. Phua") joined the Company as a Group Chief Financial Officer on 4 January 2021. He holds a Bachelor of Science with Honours Mathematics with Economics from University Malaysia Sabah, Kota Kinabalu, Sabah, Malaysia. He is also Chartered Financial Analyst of CFA Institute, Charlottesville, Virginia, United States.

Mr. Phua career spans over one decade in corporate finance advisory wherein he guided numerous listed corporations and led professional teams in advising IPO, M&A, equity fund-raising origination/ structuring and the formulation of funding/ financing strategies. Deriving from his experience, he has acquired in depth knowledge and insights on financial management of listed corporations. In addition, he is also skilled in corporate planning and strategy to steer listed corporations growth aspirations.

MR. KHOR BENZ DEEY

MALAYSIAN, MALE, AGE 30

FINANCIAL CONTROLLER
- TA WIN HOLDINGS BERHAD GROUP

Mr. Khor Benz Deey ("Mr. Khor") joined the Company as a Financial Controller on 11 May 2021. He graduated with a Bachelor of Accounting and Finance (Honours) from Sunway University. He is a member of the Malaysian Institute of Accountants (MIA) and the Association of Chartered Certified Accountants (ACCA), United Kingdom.

Mr. Khor started his career as an audit associate in a large international accounting firm and was subsequently promoted to management level. His clientele includes both local and international companies covering broad spectrum of industries. Apart from audit, he has wide range of experience in due diligence review, business advisory works and corporate exercise engagement (i.e. Initial Public Offerings).

Prior to joining Ta Win Holdings Berhad, he was a Group Regional Finance Manager in a public listed entity. His main responsibility was to oversee Accounts and Finance Division, while liaising with external stakeholders. His work structure covers financial management, corporate planning, treasury management, tax planning, and risk management.

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 in Diploma in Accountancy from Jasa Accountancy Centre.

Mr. Wong has extensive experience in the finance and accounting industry. He was a Senior Auditor in Yuen Tang & Co, a Senior Accounting Executive at Excelcorp Services and as Finance Manager at several companies such as Haworth Industrial (M) Sdn. Bhd., Radius Hotel Management Sdn. Bhd. and Governance Advisory Sdn. Bhd.

PROFILE OF KEY SENIOR MANAGEMENT

(CONTINUED)

MR. YEOH CHIN KIANG

MALAYSIAN, MALE, AGE 68

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.

MR. TAN KANG SHU

MALAYSIAN, MALE, AGE 36

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 February 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.

MR. WONG CHEN FENG

MALAYSIAN, MALE, AGE 37

MANAGING DIRECTOR

- CYPRIUM WIRE TECHNOLOGY SDN. BHD.

Mr. Wong Chen Feng (“Mr. Wong”) joined Cyprium Wire Technology Sdn. Bhd., a 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 is also a shareholder of Cyprium Wire Technology Sdn. Bhd., deemed interested by virtue of his interest via Latitute Technology Sdn. Bhd. and Eletron Hitec Sdn. Bhd.. 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. WONG AH PIAW*MALAYSIAN, MALE, AGE 69**CHIEF TECHNICAL DIRECTOR
- CYPRIUM WIRE TECHNOLOGY
SDN. BHD.*

Mr. Wong Ah Piaw (“Mr. Wong”) joined Cyprium Wire Technology Sdn. Bhd., a subsidiary of Cyprium Capital Sdn. Bhd., which in turn the subsidiary of the Company as a Chief Technical Director on 2 May 2019. He is also a shareholder of Cyprium Wire Technology Sdn. Bhd., deemed interested by virtue of his interest via Latitute Technology Sdn. Bhd. and Elextion Hitec Sdn. Bhd.. 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 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. ANG THIAM TECK*MALAYSIAN, MALE, AGE 36**HEAD OF E-BEAM
- CYPRIUM WIRE TECHNOLOGY
SDN. BHD.*

Mr. Ang Thiam Teck (“Mr. Ang”) joined Cyprium Wire Technology Sdn. Bhd., a subsidiary of Cyprium Capital Sdn. Bhd., which in turn is the subsidiary of the Company, as a Head of E-Beam in E-Beam Curing Service Division on 1 September 2021.

Mr. Ang holds a Bachelor Degree of Mechanical & Manufacturing Engineering from Sheffield Hallam University, United Kingdom.

Mr. Ang started his career with Tan Chong Ekspres Auto Servis Sdn. Bhd. in 2009. From 2010 to 2015, he had worked in numerous automotive companies in Malaysia, i.e. in Hong Leong Yamaha Motor Sdn. Bhd. as a procurement and vendor development engineer, UMW Toyota Motor Sdn. Bhd. as a production and logistic engineer and Tan Chong Nissan as a mechanical engineer.

From 2015 to 2021, Mr. Ang was employed by Cycle & Carriage Industries Pte Ltd (Mercedes – Benz) as an operation executive and XMH Pte Ltd as a procurement engineer in Singapore.

PROFILE OF KEY SENIOR MANAGEMENT

(CONTINUED)

MR. LIM AIK GEE

MALAYSIAN, MALE, AGE 54

*MANAGING DIRECTOR
- SIN LINE TEK ELECTRONIC
CO. SDN. BHD.*

Mr. Lim Aik Gee (“Mr. AG Lim”) is a founder of Sin Line Tek Electronic Co. Sdn. Bhd. (“Sin Line Tek”) in 13 August 1999. The Company had acquired Sin Line Tek on 8 March 2021 via its subsidiary Cyprium Capital Sdn. Bhd. Upon the acquisition, he remains as the Managing Director of Sin Line Tek. Mr. AG Lim graduated with a Diploma in Business Administration from Feng Chia University, Taiwan.

Mr. AG Lim commenced his career as a Purchasing Officer in Capetronic (M) Sdn. Bhd. in 1990. Between 1993 and 1994, he served as a Marketing Manager with Taiwan Linetek, in Malaysia. He was also attached to Longwell Electronic (M) Sdn. Bhd., a subsidiary of Longwell Company (a listed company in Taiwan) from 2003 to 2009. His roles were to manage and expand the South East Asia Market as well as to set up Longwell Electronic India Pvt Ltd from 2006 to 2012 to manage the India market.

He is one of the founders of Sin Line Tek and was its first director since its inception on 13 August 1999. He has more than 20 years of experience in global marketing and the manufacturing and trading of cable, wire harness, AC power cord and DC cords for equipment and appliance. He is actively involve in the research and development, management and generation of value of Sin Line Tek products to achieve higher customer satisfaction. He is also in charge of Sin Line Tek sales and marketing.

MR. LIM WAI KEONG

MALAYSIAN, MALE, AGE 26

*EXECUTIVE DIRECTOR
- SIN LINE TEK ELECTRONIC
CO. SDN. BHD.*

Mr. Lim Wai Keong (“Mr. WK Lim”) joined Sin Line Tek Electronic Co. Sdn. Bhd. (“Sin Line Tek”) in 1 July 2020 as an Executive Director. The Company had acquired Sin Line Tek on 8 March 2021 via its subsidiary Cyprium Capital Sdn. Bhd. Upon the acquisition, he remains as an Executive Director of Sin Line Tek.

Mr. WK Lim graduated with a Bachelor of Science in Life Science (Biomedical Science) from Tunghai University in 2018. He also graduted in Medicine Institute of Molecular Medicine from the National Taiwan University in 2020. He received an Honor of Phi Tau Phi Scholastic Honor Membership in 2018 and an Academic Honor from 2016 to 2018.

Upon graduation, Mr. WK Lim joined Sin Line Tek to oversee the day to day business activities, conduct performance review, prepare comprehensive budgets and financial accounts, report on revenue and expenditure as well as direct and develop organisational strategies.

**PROFILE OF KEY SENIOR MANAGEMENT**

(CONTINUED)

**DATO' SR. DR. KAMARUL
RASHDAN BIN SALLEH***MALAYSIAN, MALE, AGE 49**PROJECT ASSOCIATE DIRECTOR
- TA WIN HOLDINGS BERHAD GROUP*

Dato' Sr. Dr. Kamarul Rashdan Bin Salleh ("Dato' Kamarul") joined the Company as an Associate Director - Project of Ta Win Holdings Berhad Group on 2 January 2020. Dato' Kamarul graduated with Bachelor of Science (Honours) in Quantity Surveying from Glasgow Caledonian University, United Kingdom ("UK"). Subsequently, he obtained his Master of Philosophy majoring in Facilities Management from University of Strathclyde, UK. He also obtained his Doctor of Philosophy in Construction Economics from 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 delivering property development, project management, cost management and facilities management in a wide range of sectors particularly in industrial, commercial, residential, education and healthcare both in UK and Malaysia.

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

He was an Associate Director of CM Parker Browne (now Synergy), Davis Langdon (now Aecom) and Mace Group (UK) from 2004 to 2009, in providing cost consultancy, project management, technical risk advisory and contract administration services.

In 2009, he 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) State Headquarter Building.

In 2016, 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 Di Raja 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. as the Non-Executive Director in 2018 to oversee the mixed development and capital investment of 221 acres land of Kampong Bharu.

Presently, he joined Ta Win Holdings Berhad as an Associate Director - Project 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. CHONG MING KONG

MALAYSIAN, MALE, AGE 58

DIRECTOR

- TA WIN COPPER ECOCYCLE SDN. BHD.

Mr. Raymond Chong Ming Kong (“Mr. Chong”) joined the 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 perused a Master of Business Administration from University of Malaya.

Mr. Chong has more than 30 years of working experience in the construction and property development industry. He started as a Development Officer in Bandar Raya Development Bhd, and subsequently became the Senior Manager at Bolton Bhd (known as Symphony Life Bhd) at the year 1997 and F&N Holdings in 2003. Mr. Chong was a Senior Vice President at Property at Genting Plantations Bhd and held the position of directors in few of its subsidiaries.

With more than 30 years in the property development industry, he started his career as a Development Officer in Bandar Raya Development Bhd in 1988. He was involved in the project management and sub-contract works for the development of a housing scheme in Serdang and Tivoli Villas, a high-end luxury condominium in Bangsar, Kuala Lumpur with a gross development value of approximately RM200 million.

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.

Subsequently, he joined Bolton Berhad, now known as Symphony Life Berhad in 1997 as a Senior Manager, Development. 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, he left Bolton Berhad and joined Fraser & Neave Holdings Berhad as a Senior Manager, Property. 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, Property in 2008 and was promoted to Senior Vice President in 2016 as the Head of Property Division, overseeing the functions of Sale and Marketing, Procurement, Contract Administration, Project Management & Customer Service in 2 integrated township projects in Johor. He was also acted as director in a few of its subsidiaries. He left Genting Plantations Berhad in 2019 to pursue his own business interest in property development before joining Ta Win Holdings Berhad.

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 Mr. Tan Kang Shu is a son of Mr. 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.

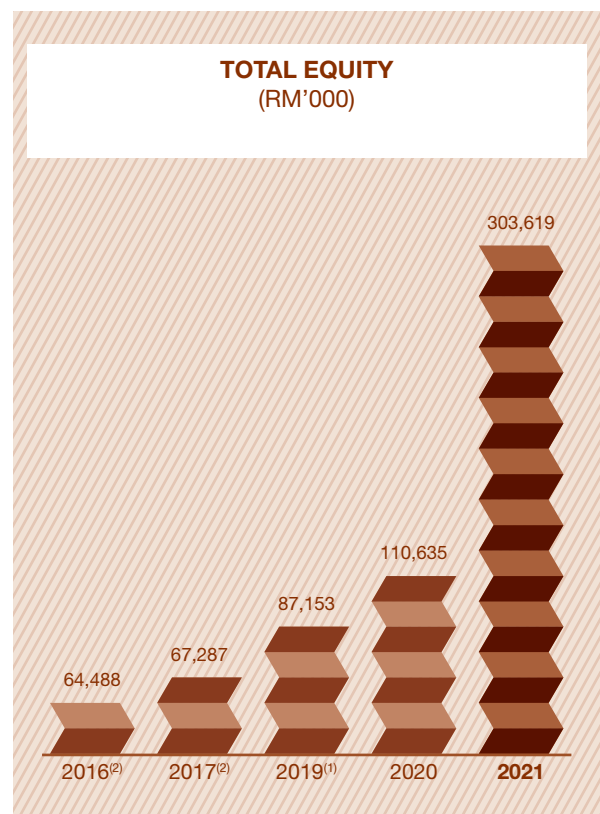
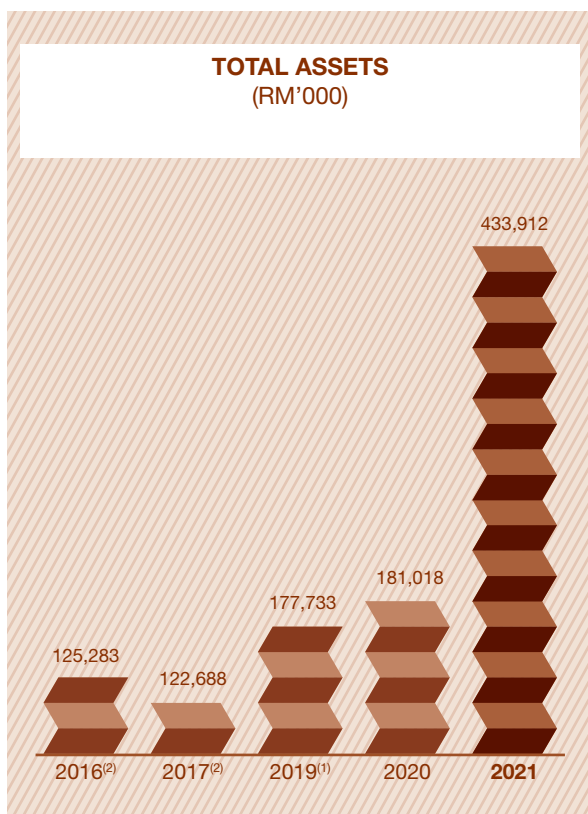
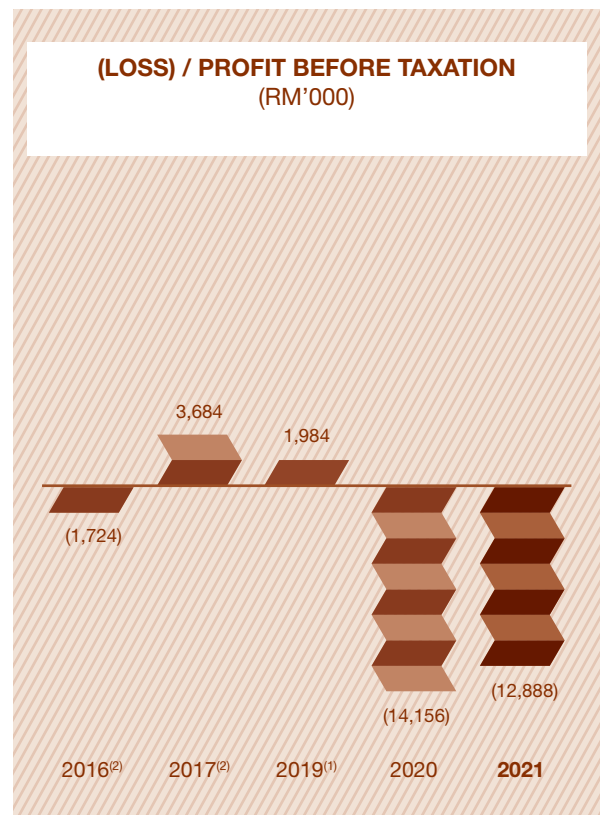
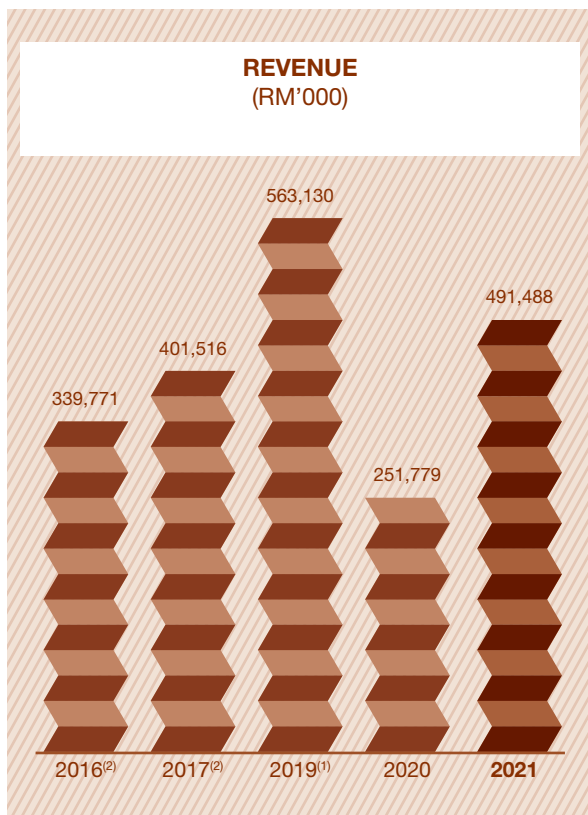
5-YEARS GROUP FINANCIAL SUMMARY

YEAR/PERIOD ENDED	GROUP				
	2021	2020	2019 ⁽¹⁾	2017 ⁽²⁾	2016 ⁽²⁾
KEY COMPREHENSIVE INCOME STATEMENT DATA (RM'000)					
Revenue	491,488	251,779	563,130	401,516	339,771
Gross profit / (loss)	14,246	459	(271)	5,473	4,245
Operating (loss) / profit	(9,826)	(11,698)	6,874	5,892	420
(Loss) / Earnings before interest, tax, depreciation and amortisation	(6,363)	(9,046)	8,182	6,708	4,526
(Loss) / Profit before taxation	(12,888)	(14,156)	1,984	3,684	(1,724)
(Loss) / Profit from continuing operations	(13,194)	(14,457)	888	2,750	(1,582)
Profit from discontinuing operations	–	–	–	–	3,703
Net (loss) / profit attributable to equity holders	(11,957)	(13,721)	1,156	2,750	2,121
KEY FINANCIAL POSITION STATEMENT DATA (RM'000)					
Total assets	433,912	181,018	177,733	122,688	125,283
Total borrowings (Include lease liabilities)	86,458	57,408	80,948	47,185	56,584
Total cash and bank balances	199,651	47,644	36,380	10,970	14,894
Net cash / (debt)	113,193	(9,764)	(44,568)	(36,215)	(41,690)
Total equity	303,619	110,635	87,153	67,287	64,488
SHARE INFORMATION					
Per share (sen)					
Basic (loss)/earnings	(1.67)	(4.24)	1.45	4.28	3.30
Net assets per share (RM)	0.09	0.31	1.09	1.05	1.00
FINANCIAL RATIOS (%)					
Gross profit/(loss) margin	2.90	0.18	(0.05)	1.36	1.25
Net (loss)/profit margin	(2.68)	(5.74)	0.16	0.68	0.62
Return on equity	(4.35)	(13.07)	1.02	4.09	3.29
Gearing ratio	N/A	14.50	54.12	61.77	67.69

⁽¹⁾ Referring to the 18-month financial period ended 30 June

⁽²⁾ Referring to the 12-month financial year ended 31 December

5-YEARS GROUP FINANCIAL SUMMARY
(CONTINUED)



MANAGEMENT DISCUSSION & ANALYSIS

On behalf of our Board of Directors (“Board”), I’m pleased to present to you the Management Discussion and Analysis (“MD&A”) of our Company and subsidiaries (“Group”). This MD&A aims to provide you with an overview of our Group’s business, operations and financial in 2021 and outlook for 2022.

STRATEGIC REVIEW

We have continued our efforts in strengthening our downstream copper business in manufacturing of cable and wires (“Signal and Power Solutions Business”) by positioning Cyprium Wire Technology Sdn Bhd (“CWT”) as the 1st and only Malaysian company in South East Asia’s automotive supply chain with the capability of commercialising the patented cross-linking treatment of electron beam irradiation technology within the next 3 years.

On 9 June 2021, our Company has successfully raised RM153.4 million from the renounceable rights issue of 2,556,501,561 new ordinary shares in our Company (“Shares”) (“Rights Shares”) at an issue price of RM0.06 per Rights Share based on 3 Rights Shares for every 1 existing Shares (“Rights Issue”). The proceeds raised from the Rights Issue allow us to fund, amongst others, the purchase of machineries and equipment, working capital requirements (including purchase of raw materials) and repayment of bank borrowings, which was a timely initiative to stake our Group management’s strategies in maintaining/scaling up production volume, expanding capacity, improving operational efficiency, and achieving interest savings.

Besides increasing production capacity in our Signal and Power Solutions Business by investing additional multipurpose extrusion machines and double twist bunching machines, CWT intends to set up 3 Electron Beam Irradiation Plants in Malaysia to fulfil Malaysia’s local electrical wire and cable industry demands and needs to localise electrical wire and cable products in Malaysia’s manufacturing sector. The Electron Beam Irradiation Plant will enable CWT to include irradiation cross-linked wire and cable products into CWT’s product portfolio to serve the Aptiv PLC (“Aptiv”) group and other customers within the automotive, electrical & electronic, oil & gas and renewable energy industries. These irradiation cross-linked wire and cable products have enhanced physical properties such as increased working temperature, extended shelf life of up to 25 years and other benefits. On 7 May 2021, CWT entered into a sales and consultation agreement with CGN Dasheng Electron Accelerator Technology Co., Ltd., a subsidiary of China CGN Nuclear Technology Development Co. Ltd., the largest industrial electron accelerator manufacturer in China listed on the Shenzhen Stock Exchange, to purchase and build the 1st local privately-owned Electron Beam Irradiation Plant in Malaysia. In addition, CWT has also appointed Malaysia Nuclear Agency to provide consultation and strategic advices on the Electron Beam Irradiation Plant development plan.

To fund the construction and development of the Electron Beam Irradiation Plant, our Company had on 1 September 2021 announced a private placement exercise to raise maximum gross proceeds of up to RM187.8 million. Bursa Malaysia Securities Berhad had vide its letter dated 17 September 2021, approved the listing and quotation of up to 1,173,506,900 Shares to be issued under the private placement. We intend to commence building the first Electron Beam Irradiation Plant by the 4th quarter of 2021 and expects to commission the plant in the 1st quarter of 2022.

In addition, our Group has expanded our business inorganically through our investment of 51% in Sin Line Tek Electronic Co Sdn Bhd (“Sin Line Tek”) and 32.5% in Royce Pharma Manufacturing Sdn Bhd (“Royce Pharma”). The investment in Sin Line Tek enables our Group to further add value to our Signal and Power Solutions Business with manufacturing capability in wire harness and power cords. On the other hand, the investment in Royce Pharma allows our Group to tap on Royce Pharma’s existing pharmaceutical platform, capabilities in drug development, drug production capacities and wealth of experience to explore the development of pharmaceutical products and the potential application of antimicrobial properties, biochemistry and chemistry of copper as well as copper proteins in the healthcare and pharmaceutical industries.

OPERATIONAL REVIEW

The copper price has been on an upward trend since March 2020 and it touched a record high in May 2021. The 3-month copper futures contract trading on the London Metal Exchange closed at USD10,461 on 11 May 2021, doubled from the prices one year ago. The global economies’ focus on decarbonisation efforts and clean energy policies with copper-intensive electrification to reduce dependency on fossil fuel. As a result, soaring demand and interest for automotive solutions from electric vehicles should translate into firm demand for copper.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

OPERATIONAL REVIEW (CONTINUED)

On 21 January 2021, CWT received the IATF 16949:2016 and ISO 9001:2015 certifications for implementing quality management systems in manufacturing wire and cables for automotive production and relevant service part organisations. With that, CWT completed its readiness to be the first and only Malaysian company in South East Asia's automotive supply chain with the capability of commercialising the patented cross-linking treatment of electron beam irradiation technology for polymer insulating and sheathing wire, cable, electrical and electronic products. These milestones further foster CWT's competitive advantage in manufacturing wire/cable and wire harness for the automotive supply chain. Subsequently, on 30 March 2021, CWT was registered as a Global Vendor in the global automotive supply chain of Aptiv PLC, a leading global technology and mobility company listed on the New York Stock Exchange.

On 9 August 2021, CWT received and accepted a frame contract issued by the Aptiv group to supply power and signal distribution systems, high tension cables, battery cables, and other automotive components/parts for local automobile models in Malaysia. This first frame contract is the cornerstone of CWT's sustainable growth in the Signal and Power Solutions Business. Furthermore, it instils confidence for CWT to continue to secure frame contracts from the Aptiv group for additional automotive components/parts in the future.

Due to the restrictive measures from a series of movement control orders ("MCO") in Malaysia to contain the widespread COVID-19 pandemic, the supply chain, business environment and consumers' sentiment have been severely impacted. Despite the breadth of pandemic challenges besetting our Group's performance and growth this year, our Group remains focused on continuously improving our businesses. Our Risk Management Committee has addressed and assessed all possible risks faced by our Group. Our Risk Management Committee has recommended appropriate and relevant actions to overcome adversities and mitigate operating risks. The official management meetings were actively held this year to address the ongoing risk management issues facing our Group.

FINANCIAL REVIEW

Our Group recorded a revenue of RM491.5 million for the financial year ended ("FYE") 30 June 2021 as compared to RM251.8 million in the previous financial year, representing a significant increase of RM239.7 million or 95.2%. Ta Win Industries (M) Sdn Bhd ("TWI") contributed to 95% of our Group's sales for the FYE 30 June 2021. CWT and Sin Line Tek contributed the balance of 5%. The increase in revenue was mainly attributable to higher sales volume coupled with a higher average selling price of copper rods and wires as a result of higher LME copper prices. The LME price for the FYE 30 June 2021 ranging from USD 6,348.59 to USD 10,196.05 per tonne (FYE 30 June 2020: USD 5,072.48 to USD 6,088.20 per tonne). Our Group's gross profit margin for the FYE 30 June 2021 has also improved as a result of the enhancement or measures taken in our Group's manufacturing process and cost improvement.

Our Group recorded a lower loss before tax of RM12.9 million for the FYE 30 June 2021 as compared to a loss before tax of RM14.2 million in the previous financial year, representing an improvement of RM1.3 million or 9.2%. The improvement in financial performance was mainly attributable to the higher revenue and improved gross profit margin as explained above. The improvement in financial performance was partially offset by the provision of custom claims of RM3.2 million and one-off corporate exercise expenses of RM1.4 million. The COVID-19 pandemic has adversely affected the business operations along the business supply chain, and a series of movement control measures throughout the full FYE 30 June 2021 (i.e. Recovery MCO, Conditional MCO, MCO 2.0., MCO 3.0 and Full MCO) has hindered our Group's turnaround strategies and constrained our Group's financial performance in the FYE 30 June 2021.

The vendor of Sin Line Tek guarantees our Group a profit guarantee of RM2.6 million and RM3.0 million profit after taxation for the FYE 30 June 2022 and 30 June 2023, whilst the shareholder of Royce Pharma guarantees our Group a total profit after taxation of RM20.0 million for two financial years starting from 1 July 2021. The abovementioned profit guarantees are expected to provide cushions to our Group's financial performance in the next 2 financial years.

Our Group's net assets have increased to RM303.6 million as at 30 June 2021 from RM110.6 million as at 30 June 2020, primarily as a result of the successful completion of the Rights Issue on 9 June 2021 which raised total proceeds of RM153.4 million. As at 30 June 2021, our Group recorded a net cash position of RM113.2 million as compared to net debts of RM9.8 million as at 30 June 2020 and our Group's current ratio has improved to 2.77 times from 1.96 times.

**MANAGEMENT DISCUSSION & ANALYSIS**

(CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Our Group's focus so far has been to grow our businesses under the prevailing challenging economic condition continuously. To support the growth ambitions, our Company always has in mind to secure sufficient capital especially during the period of elevated copper prices. Our Board takes cognisance that insufficient capital will constrain our Group's production volume amid elevated copper prices, which in turn will affect our Group's financial performance adversely. To that end, our Group has maintained bank facilities over RM100 million with an additional RM3.5 million under industrial hire purchase from leasing companies. Our Company has also successfully raised RM153.4 million via Rights Issue completed in the FYE 30 June 2021 for working capital, repayment of bank borrowings, purchase of machinery and equipment, and investment in Sin Line Tek. In addition, our Group has also announced a private placement corporate exercise to fund, amongst others, the expansion of our Signal and Power Solutions Business and future investments/projects.

BUSINESS RISKS**(a) Commodity price and foreign currency exchange risks**

Fluctuations in copper prices and foreign currency exchange rate may affect our Group's profit margins and financial performance from the sales of products and the purchases of raw materials. Any difference in copper prices and foreign currency exchange rates could give rise to copper price and foreign currency exchange gains or losses that would affect our Group's financial performance.

To mitigate the commodity price risk, our Group attempts to pass through the cost of increment from our suppliers to our customers by locking in the copper prices via the back-to-back arrangements. To mitigate the foreign exchange risk, our Group uses foreign exchange hedging facilities offered by the banks. Besides, payments received from our international customers in United States Dollar (or Renminbi) are used to make payments to suppliers in United States Dollar (or Renminbi) without converting the currency.

(b) Operational risk

Most areas of our Group's manufacturing process such as casting, drawing, annealing are dependent on the ability of the machineries to continue working without unforeseen and sudden physical damage which requires extended time for repair or replacement. Hence, our Group's operations are subject to risk of machinery breakdown due to amongst others, wear and tear, mishandling by the operators as well as electrical disturbances. Any machinery breakdowns will severely affect our Group's operations and commitment to meet our customers' production needs while incurring expensive costs of repair. If our Group is unable to repair or replace the machinery expediently, the production downtime would inevitably affect our Group's financial performance.

To minimise the frequency of any machinery breakdowns and disruption on our Group's operation, our Group will carry out routine maintenance on the machineries annually and our Group is also purchasing additional machineries and equipment via the proceeds raised from the Rights Issue to improve the operational efficiency/productivity and/or lower wastages.

(c) Dispute, regulatory and litigation risks

Our Group's business and operations are subjected to various legal and regulatory requirements. Our Group may be subjected to regular and special audits, inquiries and investigations by various authorities in relation to the legal and regulatory requirements. The Royal Malaysian Customs, Melaka ("Customs") has been conducting regular audits on our Group. On 30 April 2021, our wholly-owned subsidiary, TWI received a letter dated 29 April 2021 from the Customs notifying TWI of their audit findings which requires TWI to pay for import duty and import goods and services tax (GST) of RM84.3 million for the periods from 1 July 2015 to 30 June 2017 and 1 July 2017 to 30 June 2019. We have engaged legal advisers to attend to the matter as we do not agree with the Customs' audit findings. Our legal adviser has reasonable grounds to dispute the Customs' audit findings. We however cannot predict the outcome of the matter, including the roundtable discussion, at this juncture.

 **MANAGEMENT DISCUSSION & ANALYSIS**

(CONTINUED)

BUSINESS RISKS (CONTINUED)**(c) Dispute, regulatory and litigation risks (continued)**

Adverse results or settlements in such matters may result in significant changes in our business practices, increased operating and compliance costs, and fines and penalties. In addition, any litigation or pre-litigation claims against us, whether or not meritorious, are time-consuming, require substantial expenses, and result in the diversion of operational resources. Our insurance may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for all liabilities that may be imposed. Any substantial fines and penalties resulting from such audits, inquiries, investigations and proceedings could materially and adversely affect our financial performance and condition.

(d) Investment Risks

There is no guarantee that any anticipated benefits from investing in Sin Line Tek and Royce Pharma will be materialised or that our Group will be able to generate sufficient returns to offset the associated cost of investments. Nevertheless, our Group has exercised due care in considering the potential risks and benefits of such investments and believes that the investments will be valued accretive to our Group. For information purposes, both the investments in Sin Line Tek and Royce Pharma provided an aggregated profit guarantees of RM5.6 million and RM20.0 million respectively for the next 2 financial years starting 1 July 2021 to our Company and our Company has legal recourse under the relevant agreements if the profit guarantees were not met by Sin Line Tek and/or Royce Pharma.

(e) Competition Risks

Our Group faces stiff competition from existing competitors and new entrants. Any stiff competition may impact our Group's market share, revenue, and profitability. Our 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. As a result, there can be no assurance that our Group would sustain our competitiveness against current and future competitors. Our Group will continue our efforts in maintaining a competitive edge in term of cost and operational efficiency throughout our Group's value chain as well as product quality.

(f) Licensing Risks

Our Group has been granted with various licences, permits and certificates from various governmental authorities which include amongst others, the following:

- (i) manufacturing licences issued by the Ministry of International Trade and Industry of Malaysia;
- (ii) licence for purchase/sale/storage of second-hand items and scrap metal issued by Royal Malaysia Police;
- (iii) licensed warehouse licence under Section 65 of the Customs Act 1967; and
- (iv) licensed manufacturing warehouse licence under Section 65A of the Customs Act 1967.

Some of these licences, permits and certificates are subject to periodic inspections, changes and/or fulfilment of certain conditions imposed by the relevant authorities. Failure to comply with the conditions or requirements imposed by the relevant authorities may cause our Company's licences, permits and certificates to be revoked or not renewed. Any revocation or non-renewal of the licences, permits and certificates from the relevant authorities may have a material impact on our Group's ability to continue the operations and hence, may affect our Group's financial performance. Nevertheless, our Group will use our best endeavours to obtain and retain those licenses and ensure full compliance with the requirements in obtaining such licenses.

**MANAGEMENT DISCUSSION & ANALYSIS**

(CONTINUED)

BUSINESS RISKS (CONTINUED)**(g) Economic, Political, and Regulatory Risks**

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

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

IMPLICATIONS OF COVID-19

The outbreak of COVID-19 has severely disrupted global logistics, supply chain and trades across different industries, which has resulted in slower business activities. Our Group's business operations involve import of pure copper cathode and recycled raw materials and export of copper rod, cable and wire, and other copper-related products manufactured to overseas countries. The unprecedented disruptions caused by the COVID-19 pandemic have affected our Group's business prospects, hindered our Group's turnaround strategies, and constrained our Group's financial performance in the FYE 30 June 2021.

To contain the COVID-19 pandemic, the Malaysian government has imposed a series of movement control orders (i.e. Recovery MCO, Conditional MCO, MCO 2.0, MCO 3.0 and Full MCO) and standard operating procedures ("SOP") throughout the FYE 30 June 2021. To comply with the SOP, our Group has incurred approximately RM0.8 million for screening tests, sanitising premises/factories and purchase of personal protective equipment during the FYE 30 June 2021. In addition, our Group has also reduced our workforce capacity in compliance with the respective government directives and made necessary adjustments across production, distribution, sales and marketing activities.

Despite the acceleration of vaccination roll-out in Malaysia, there is no assurance that the COVID-19 pandemic can be effectively controlled. Any prolonged spread of new COVID-19 variants and imposition of containment measures to curb the spread of COVID-19 will potentially reduce economic activities and thereby reduce our Group's financial performance.

Notwithstanding the above, our Board will continue to monitor the status and impacts of COVID-19. To the extent possible, the Board shall endeavour to review our Group's operation closely in an attempt to mitigate disruptions to our Group's businesses, as well as proactive and regularly communicating with our Group's customers and suppliers to ensure the performance and progress of our Group are on track.

FORWARD-LOOKING

Prevailing economic conditions and financial outlook amid the uncertainties from the COVID-19 outbreak continue to impose challenging business conditions for our Group. Nonetheless, our Group takes comfort that the country's accelerated speed of vaccination programme would enable the economic sectors to reopen gradually and provide some lift to household and business sentiments. Until then, our Group will keep with our current pace of business activities, focusing on our core businesses in the Signal and Power Solutions Business, manufacturing of copper rods and wires, as well as wire harness, alternative current (AC) and direct current (DC) power cords, where demand is strong.

The global economies focus on decarbonisation efforts and clean energy policies with copper-intensive electrification to reduce dependency on fossil fuels. As a result, soaring demand and interest for automotive solutions from electric vehicles should translate into firm demand for copper. Our Board is optimistic that the expansion of our Signal and Power Solutions Business by setting up 3 Electron Beam Irradiation Plants will benefit from the demand and prospects for the irradiation cross-linked wire and cable products amid the rapid development in mega trends such as increasing demand for electric vehicles equipped with the latest automotive solutions, advanced technologies and vehicle connectivity, as well as increasing government regulation related to vehicle safety, fuel efficiency and emissions control.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

ACKNOWLEDGEMENT

On behalf of our Board, I would like to take this opportunity to thank all our Management and staff for their commitment, contribution, and loyalty to our Group.

I want to convey our most profound appreciation and gratitude to our valued customers, suppliers, bankers, business associates and advisers for their contribution towards our 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.

Besides, I would also like to thank the shareholders for your continued supports, loyalty and confidence in our Company. Our Company had on 20 August 2021 issued 1,365,365,814 free Warrants B based on 2 Warrants B for every 5 existing Shares held by the entitled shareholders for their participation in the Rights Issue and future growth of our Company.

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

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

DATO' SRI NGU TIENG UNG, JP
Group Managing Director

SUSTAINABILITY STATEMENT

INTRODUCTION

Ta Win Holdings Berhad (“Ta Win” or “Company”), through its subsidiaries, is engaged in the manufacturing of copper rods and wires, power and signal distribution systems, high tension cable, battery cable, and other automotive components/parts for automobile and electric vehicles and other copper-related products, which include wire harness, AC & DC power cords for electrical and electronic equipment and appliances.

Ta Win’s sustainability leadership is led by the Company’s Board of Directors (“Board”). The Board oversees and ensures that Ta Win pursues its commercial objectives while remaining a responsible and sustainable organisation. The Company is committed to enhancing long-term shareholders’ value regarding the stakeholders’ economic, social, and environmental responsibility. These stakeholders include its customers, employees, shareholders, government and regulatory bodies, local communities, and the natural environment. In this Sustainability Statement, the Company aims to provide greater insight into sustainability practices based on Economic, Environmental and Social considerations in line with Bursa Malaysia Sustainability Reporting Guidelines.

SCOPE OF REPORT

The reporting period captured the sustainability performance of Ta Win and its group of companies (“Group”) from 1 July 2020 to 30 June 2021.

COVERAGE

The scope of reporting covers the entire operations of Ta Win and the subsidiaries in Malaysia, of which the Group has direct control and holds a majority stake. Accordingly, activities and operations of the associate company are excluded unless mentioned otherwise. This Sustainability Statement is to be read in conjunction with the rest of the Company’s Annual Report, highlighting other financial and non-financial aspects of the Group’s business.

STAKEHOLDER ENGAGEMENT

Although the Group has not formally engaged with all stakeholders, the Group has in place the following channels of engagement with various stakeholders:

Stakeholders	Mode of engagement
Customers	<ul style="list-style-type: none"> ▪ Customers’ feedback ▪ Customers’ meetings
Employees	<ul style="list-style-type: none"> ▪ Management meetings ▪ Learning and development programmes ▪ Staff appraisals
Shareholders	Annual General Meetings
Suppliers	<ul style="list-style-type: none"> ▪ Suppliers’ feedback ▪ Suppliers’ meetings
Government and regulators	Regulatory requirements
Local communities	Community programmes

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY AND AREAS OF FOCUS

Ta Win has conducted a series of materiality assessments to identify topics prioritised by the stakeholders to provide a framework for the Company's annual disclosure and alignment with the Group's strategic objectives. The stakeholders' feedback, combined with an assessment of industry trends and research, forms the key areas on which the Company's sustainability focus lies. These areas are:

- Business Ethics & Anti-Corruption
- Health and Safety
- Developing Human Capital
- Product Quality and Innovation
- Energy consumption

Business Ethics & Anti-Corruption

The Group strives to undertake all its business operations with integrity. A successful company seeks to gain stakeholders' confidence in the management of the business and ensure the company's reputation remains unblemished in the public eye. Corruption and fraudulent practices are some of the main causes of inefficiency for any business. These actions can result in serious ramifications, from criminal sanctions to the halting of further business activities and reputational damage in the areas the Group operates. As such, the Group takes strict measures to avoid any corruption and unethical business behaviour.

In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) on corporate liability for corruption offences, the Company had, on 24 March 2021, adopted its Anti-Bribery and Anti-Corruption Policy. Ta Win believes the Anti-Bribery and Anti-Corruption Policy is key to making all employees equally responsible for preventing, detecting, and reporting bribery and other forms of corruption. As such, the Company has made the following policies available on Ta Win's corporate website at www.ta-win.com/investor-relations/corporate-governance and consistently informs stakeholders, including employees and business partners, about the principles of business conduct:

- (i) Code of Conduct and Ethics;
- (ii) Anti-Bribery and Anti-Corruption Policy; and
- (iii) Whistleblowing Policy.

Ta Win also encourages the employees to report any suspicious activities through Ta Win's whistleblowing channels. The reporting employee's identity will remain confidential without fear of being harassed, demoted, or experiencing any victimisation. Reported cases will be investigated thoroughly. If found to be of any merit, appropriate actions will be taken on the individual responsible for the wrongdoing, including a verbal reprimand, supervisory intervention, suspension, termination or even legal proceedings.

There has not been any incidence of conduct violation or breach during the reporting period.

Health and Safety

Health and safety procedures in the workplace are essential for the well-being of the Group's employees. Therefore, the Group does not compromise on the wellness and welfare of the Group's workforce, and risk mitigation strategies have been designed to reduce and prevent major accidents from happening.

Ta Win has structured internal safety and health programmes based on specific operation sites and work areas requirements. The orientation and job training on health and safety education aim to instil proper knowledge and eliminate unsafe working habits and attitudes that may result in possible accidents in the workplace. Employees are required to wear protective equipment such as safety shoes, masks and gloves at all times during work hours to minimise workplace hazards and prevent serious injuries.

During the reporting period, there were 3 work-related injury incidents reported but no fatalities within the Group. The Group will continuously raise awareness on health and safety measures among employees towards the potential risks in the operations to prevent workplace incidents.

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY AND AREAS OF FOCUS (CONTINUED)**Health and Safety (continued)**

At the onset of the COVID-19 pandemic, the Group takes several initiatives to address employees concerns about the employees' well-being. The Group has initiated the following COVID-19 measures to minimise business disruption during the COVID-19 pandemic:

- (i) suspension of employees' outstation and/or foreign business trip;
- (ii) mandatory self-isolation at home for 2 weeks without loss of pay for employees identified close contacts with COVID-19 patients;
- (iii) limitation of access and contact with external parties to Ta Win's facilities;
- (iv) handling business remotely with the use of virtual conference and video call systems;
- (v) supplying common areas with sanitisation and temperature checking;
- (vi) regular disinfection of company's vehicles and premises;
- (vii) providing adequate personal protective equipment; and
- (viii) conducting multiple COVID-19 screening using RTK antigen and RT PCR tests.

Ta Win also promotes vaccination among its employees. As at 30 September 2021, 98.2% of its employees have been fully vaccinated.

Developing Human Capital

Ta Win strives to be a fair and equitable employer that genuinely cares for the growth and future of its employees. Employees' performance, commitment and loyalty to the job are critical not only in achieving the Company's goal and objectives but, more importantly, for the Group's long-term survival and sustainability. For these reasons, Ta Win devotes special attention to these issues as part of the Company's human resource strategy.

Ta Win provides an industry-competitive remuneration package and staff benefits to attract talents. Besides appropriately scaled wages, Ta Win also offers numerous benefits for its permanent employees, including annual leave, sick leave, compassionate leave, disaster leave, maternity and paternity leave, marriage leave, and examination leave. The Company believes there is strength in diversity. It is privileged to draw on the talents of a varied workforce that is well-represented in terms of age, educational qualification, gender, and ethnicity.

The numbers and range of the Group's full-time employees are provided as below:

Employees by Gender	As at 30 June 2020	As at 30 June 2021
Male	585	544
Female	87	100
	672	644
Employees by Ethnicity		
Local		
Malay	96	130
Chinese	58	54
Indian	23	32
	177	216
Non-local	495	428
	672	644

During the reporting period, the Group has employed additional 198 new employees and 226 resigned employees.

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY AND AREAS OF FOCUS (CONTINUED)

Developing Human Capital (continued)

In enhancing the learning and retention of local talents, the Group's practice is to offer on-the-job practical training required for new employees to help them gain insight into the Group's corporate culture, processes and operations. The Group is also constantly nurturing the skills and knowledge of its employees. Employees are encouraged to participate in in-house or external training to enhance their skills and productivity.

With a long-term view to scale mindfully and maximise the Group's value, the Company has also incentivised the workforce to pursue long-term rewards. Accordingly, the Company had on 26 August 2021 implemented a share issuance scheme of up to 15% of the total number of the Company's issued shares (excluding treasury shares, if any), where eligible employees are rewarded based on, amongst other considerations, their performance and the duration of their service, as well as to encourage the retention of the employees.

Product Quality and Innovation

Ta Win recognises that product quality and innovation are fundamental to improve the Group's sales and maintains the Company's position as a market leader. In addition to product quality assurance, the Group's products are leveraged on innovation, technological advances, new ideas and methods to constantly improve the product offerings and meet the Group's customer demands while promoting sustainability efforts. The Company works closely with the customers and implements continuous improvement strategies that will meet their expectations at every product development process to deliver the best experience to the customer.

On 21 January 2021, Cyprium Wire Technology Sdn Bhd ("CWT") received the IATF 16949:2016 and ISO 9001:2015 certifications for implementing quality management systems in manufacturing wires and cables for automotive production and relevant service part organisation. With that, CWT completed its readiness to be the first and only Malaysian company in South East Asia's automotive supply chain with the capability of commercialising the patented cross-linking treatment of electron beam irradiation technology. On 7 May 2021, CWT had entered into a sales and consultation agreement with the China CGN Nuclear Technology Development Co. Ltd. group (who is the largest industrial electron accelerator manufacturer in China listed on the Shenzhen Stock Exchange) to purchase electron beam irradiation systems and build the first local privately-owned Electron Beam Irradiation Plant in Malaysia. In addition, CWT has also appointed Malaysia Nuclear Agency to provide consultation and strategic advices on the Electron Beam Irradiation Plant development plan. The Electron Beam Irradiation Plant will enable the Group to supply irradiation cross-linked wire and cable products with enhanced physical properties such as increased working temperature, the extended shelf life of up to 25 years and other benefits. It will fulfil Malaysia's local electrical wire and cable industry demands and needs to localise electrical wire and cable products in Malaysia's manufacturing sector.

Further, the Group also plans to invest in machinery and equipment via the proceeds raised from the renounceable rights issue of 2,556,501,561 new ordinary shares in the Company to, amongst others, scale up production volume, expand capacity, improve operational efficiency.

Energy Consumption

Ta Win recognises the need for and importance of environmental conservation. The Group believes it can manage its internal environment through waste management, energy savings, and water conservation. As an integrated copper manufacturer, the Group's energy consumption primarily arose from production machinery and facility equipment. The Group is committed to properly manage its energy consumption by undertaking several energy-saving initiatives to reduce operational costs and minimise the impact on the environment. "Switch off when not in use" warning signs are distinctly seen around the workplace to remind its employees to reduce electricity usage by turning off the lights, air-conditioning and machinery when they are not being used. The Company also educates its employees to power off all unused equipment during break time.

The Group's energy consumption per thousand sales are as follows:

	As at 30 June 2020	As at 30 June 2021
Electricity (kWh) / Sales (RM'000)	31.1	18.7

In addition, Ta Win also intends to install retrofitted solar panels on the factory's roof structure to generate photovoltaic power in the future to promote renewable energy.

**SUSTAINABILITY STATEMENT**

(CONTINUED)

THE GROUP'S COMMITMENT

Ta Win believes that the improvement in the conditions surrounding its stakeholders, employees, society and the environment is vital to the growth of the Group. Therefore, as a responsible organisation that aims to enhance shareholder value further, the Group shall undertake sustainable and responsible practices to continue adding value to sustainable business growth, environmental stewardship, and social responsibility.

This Sustainability Statement is made in accordance with the approval of the Board of Directors on 20 October 2021.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“Board”) of Ta Win Holdings Berhad (“Ta Win” or “Company”) 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 Ta Win and its group of companies (“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 “Code”) during the financial year ended 30 June 2021. This statement is prepared in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) 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, Executive Director 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

<p>Board of Directors</p> <p>Leadership and oversight</p>	<p>Board Committees</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Risk Management Committee 3. Nomination Committee 4. Remuneration Committee <p>Entrusted by the Board with specific responsibilities to oversee the Group’s affairs</p>	<p>Managing Director, Executive Director & Senior Management</p> <p>Day to day operations and management decisions</p>	<p>Risk Management Committee</p> <p>Managing Risks</p>
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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. 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 details of the responsibilities of the Chairman and CEO are 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.

STATEMENT ON CORPORATE GOVERNANCE

(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

Ms. Kimberly Ong Sweet Ee ("Ms. Kimberly Ong") was appointed as the Company Secretary on 3 March 2020. Ms. Kimberly Ong is qualified to act as Company Secretary under Section 235 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.

The Board is supported by suitably qualified and competent Company Secretary in every role and responsibilities and the Board has unrestricted access to the advice of the Company Secretary in ensuring the effective functioning of the Board. The Company Secretary plays 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 the Companies Act, 2016 and MMLR of Bursa Securities.

The Company Secretary 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 Secretary has 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 Secretary 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 Secretary, who is 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 approved 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.

STATEMENT ON CORPORATE GOVERNANCE

(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 is 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 of Conduct and Ethics. 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 23 February 2021 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 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 was last reviewed and updated on 24 March 2021 and would be reviewed and updated periodically. 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 seven (7) Directors and three (3) of whom are Independent Directors. This complies with Paragraph 15.02(1) of the MMLR of Bursa Securities which requires at least two (2) or one third (1/3) of the Board of the Company, whichever is higher, to be independent directors.

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**(II) BOARD COMPOSITION (CONTINUED)****Board Balance and Independence (continued)**

The present members of the Board are as follows:-

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

Note:-

(1) Mr. Lim Boon Shen was appointed as a Non-Independent Non-Executive Director on 30 March 2021.

Tenure of Independent Directors

The MCGG 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 2021, 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 Executive Director are responsible for selection and appointment of candidates(s) 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.

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

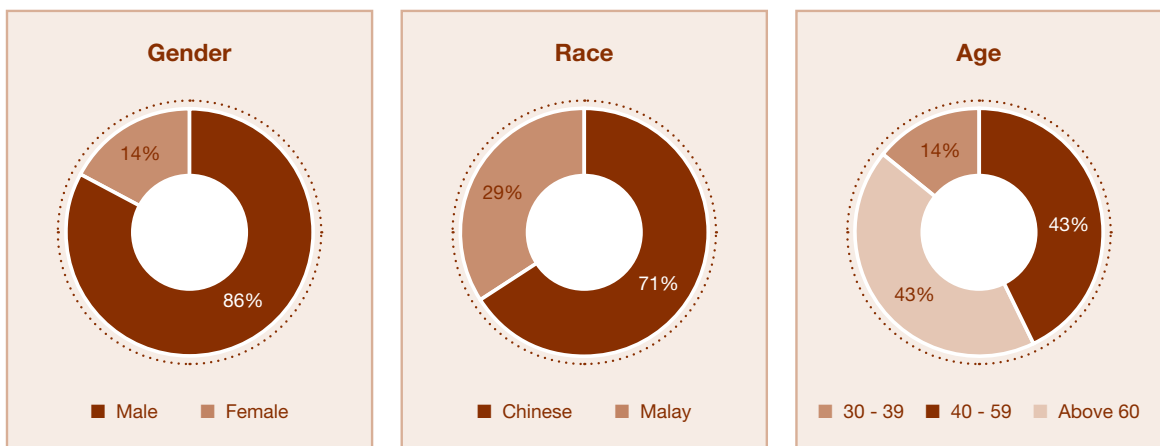
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(II) BOARD COMPOSITION (CONTINUED)

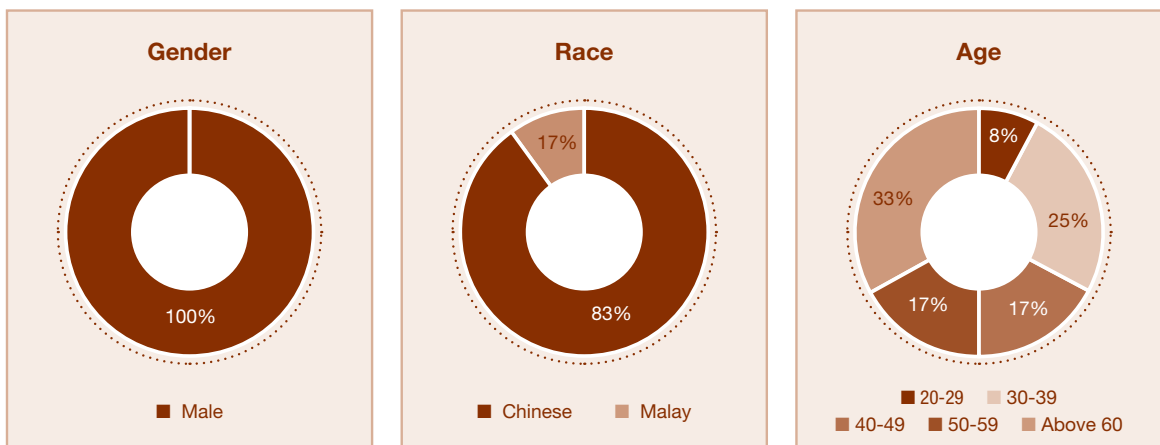
Diverse Board and Senior Management Team (continued)

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 14% of seats at Board level, out of a total of seven (7) 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.

STATEMENT ON CORPORATE GOVERNANCE

(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 2021 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 Securities.

Name of Directors	Board Meeting	Audit Committee Meeting	Risk Management Committee Meeting	Nomination Meeting	Remuneration Meeting
Dato' Yeo Boon Leong, JP	5/7	-	-	-	2/2
Dato' Sri Ngu Tieng Ung, JP	7/7	-	-	-	-
Mr. Tan Poo Chuan	6/7	-	2/2	-	-
Mr. Lim Boon Shen ⁽¹⁾	1/1	1/1	-	-	-
Datuk Zakaria Bin Sharif	7/7	5/5	-	2/2	-
Dato' Paduka Dr. Hii King Hiong	7/7	5/5	2/2	-	2/2
Datin Seri Azreen Binti Abu Noh	7/7	5/5	2/2	2/2	2/2

Note:-

(1) Mr. Lim Boon Shen was appointed as a Non-Independent Non-Executive Director on 30 March 2021.

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 Securities, 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.

STATEMENT ON CORPORATE GOVERNANCE

(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. The members of Nomination Committee comprising of Non-Executive Directors, a majority of whom are Independent Directors, whose membership is:-

Name of Directors	Designation	Directorship
Datuk Zakaria Bin Sharif	Chairman	Independent Non-Executive Director
Datin Seri Azreen Binti Abu Noh	Member	Independent Non-Executive Director
Mr. Lim Boon Shen ⁽¹⁾	Member	Non-Independent Non-Executive Director

Note:-

(1) Mr. Lim Boon Shen was appointed as a Member of Nomination Committee on 30 March 2021.

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 were last reviewed and updated on 23 February 2021 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. Mr. Lim Boon Shen was appointed as a Non-Independent Non-Executive Director upon evaluation by the Nomination Committee and recommendation to the Board.

Annual Evaluation

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

During financial year ended 30 June 2021, the Company Secretary assisted in the preparation of documents and facilitation of the annual evaluation.

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

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 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.

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**(III) BOARD COMMITTEES (CONTINUED)****(a) Nomination Committee (continued)****Activities of the Nomination Committee**

During the financial year ended 30 June 2021, the Nomination Committee met twice and carried out the following mentioned activities, in accordance with its Terms of Reference and in compliance with MMLR of Bursa Securities:-

- (a) assessed and recommended the appointment of Directors to the Board;
- (b) assessed the size and composition of the Board, board balance and contribution of each Director and the effectiveness of the Board Committees;
- (c) 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 Securities and other criteria such as, tenure, relationship between the Independent Directors and the Company and their involvement in any significant transaction with the Company;
- (d) 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;
- (e) conducted an evaluation and assessment of the compliance status of the Company in respect of the Code;
- (f) assessed the training needs for Directors; and
- (g) 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 educational training and seminars to keep abreast with new regulatory developments, the business environment and assisted them in the discharge of their duties. The seminars attended by the Directors during the financial year ended 30 June 2021 are listed below:-

Name of Directors	Course Attended
Dato' Yeo Boon Leong, JP	In-House Online Training on 24 May 2021 by Triune ABMS Advisory Sdn. Bhd.: Part 1: Orange is the new black: Malaysian Anti-Corruption Laws and Initiatives; and Part 2: Navigating Chapter 10 of MMLR of Bursa Securities
Dato' Sri Ngu Tieng Ung, JP	In-House Online Training on 24 May 2021 by Triune ABMS Advisory Sdn. Bhd.: Part 1: Orange is the new black: Malaysian Anti-Corruption Laws and Initiatives; and Part 2: Navigating Chapter 10 of MMLR of Bursa Securities
Mr. Tan Poo Chuan	In-House Online Training on 24 May 2021 by Triune ABMS Advisory Sdn. Bhd.: Part 1: Orange is the new black: Malaysian Anti-Corruption Laws and Initiatives; and Part 2: Navigating Chapter 10 of MMLR of Bursa Securities

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(III) BOARD COMMITTEES (CONTINUED)

(a) Nomination Committee (continued)

Directors' Training (continued)

Name	Course Attended
Mr. Lim Boon Shen	(1) In-House Online Training on 24 May 2021 by Triune ABMS Advisory Sdn. Bhd.: Part 1: Orange is the new black: Malaysian Anti-Corruption Laws and Initiatives; and Part 2: Navigating Chapter 10 of MMLR of Bursa Securities
	(2) Mandatory Accreditation Programme on 28 – 30 June 2021 by Iclif Executive Education Centre
Datuk Zakaria Bin Sharif	(1) Fraud Risk Management Workshop on 23 November 2020 by Bursa Securities
	(2) In-House Online Training on 24 May 2021 by Triune ABMS Advisory Sdn. Bhd.: Part 1: Orange is the new black: Malaysian Anti-Corruption Laws and Initiatives; and Part 2: Navigating Chapter 10 of MMLR of Bursa Securities
Dato' Paduka Dr. Hii King Hiong	In-House Online Training on 24 May 2021 by Triune ABMS Advisory Sdn. Bhd.: Part 1: Orange is the new black: Malaysian Anti-Corruption Laws and Initiatives; and Part 2: Navigating Chapter 10 of MMLR of Bursa Securities
Datin Seri Azreen Binti Abu Noh	In-House Online Training on 24 May 2021 by Triune ABMS Advisory Sdn. Bhd.: Part 1: Orange is the new black: Malaysian Anti-Corruption Laws and Initiatives; and Part 2: Navigating Chapter 10 of MMLR of Bursa Securities

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

**STATEMENT ON CORPORATE GOVERNANCE**

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**(III) BOARD COMMITTEES (CONTINUED)****(b) Remuneration Committee**

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

Name of Directors	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 23 February 2021 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.

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 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 and Executive Director play no part in deciding their own remuneration. It is the ultimate responsibility of the Board to approve the remuneration package of Managing Director and Executive Director. 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.

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(III) BOARD COMMITTEES (CONTINUED)

(b) Remuneration Committee (continued)

Details of Directors' Remuneration

Details of Directors' remuneration of the Company and of the Group for the financial year ended 30 June 2021 are as follows: -

(i) Company

	Salaries (RM)	Bonuses (RM)	Fees (RM)	⁽¹⁾ Other Remuneration (RM)	Total (RM)
Executive Directors					
Dato' Sri Ngu Tieng Ung, JP	960,000	80,000	-	6,600	1,046,600
Mr. Tan Poo Chuan	960,000	80,000	-	7,700	1,047,700
Non-Executive Directors					
Dato' Yeo Boon Leong, JP	-	-	72,000	983,400	1,055,400
Dato' Paduka Dr. Hii King Hiong	-	-	48,000	14,200	62,200
Datin Seri Azreen Binti Abu Noh	-	-	48,000	15,900	63,900
Datuk Zakaria Bin Sharif	-	-	43,174	12,300	55,474
Mr. Lim Boon Shen	-	-	12,000	1,400	13,400
Mr. Yao Kee Boon ⁽²⁾	-	-	4,957	1,400	6,357
Total	1,920,000	160,000	228,131	1,042,900	3,351,031

Notes:

(1) Other remuneration includes amongst others, the allowance and consultation fees payable to the Directors.

(2) Mr. Yao Kee Boon resigned as an Independent Non-Executive Director on 7 August 2020.

(ii) Group

	Salaries (RM)	Bonuses (RM)	Fees (RM)	⁽¹⁾ Other Remuneration (RM)	Total (RM)
Executive Directors					
Dato' Sri Ngu Tieng Ung, JP	960,000	80,000	30,000	46,600	1,116,600
Mr. Tan Poo Chuan	960,000	80,000	-	7,700	1,047,700
Non-Executive Directors					
Dato' Yeo Boon Leong, JP	-	-	72,000	983,400	1,055,400
Dato' Paduka Dr. Hii King Hiong	-	-	48,000	14,200	62,200
Datin Seri Azreen Binti Abu Noh	-	-	48,000	15,900	63,900
Datuk Zakaria Bin Sharif	-	-	43,174	12,300	55,474
Mr. Lim Boon Shen	-	-	12,000	1,400	13,400
Mr. Yao Kee Boon ⁽²⁾	-	-	4,957	1,400	6,357
Total	1,920,000	160,000	258,131	1,082,900	3,421,031

Notes:

(1) Other remuneration includes amongst others, the allowance and consultation fees payable to the Directors.

(2) Mr. Yao Kee Boon resigned as an Independent Non-Executive Director on 7 August 2020.

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**(III) BOARD COMMITTEES (CONTINUED)****(b) Remuneration Committee (continued)****Remuneration of Top Five Senior Management**

The top five (5) Senior Management's remuneration for the financial year ended 30 June 2021 are as follows:-

Range of Remuneration (RM)	Top Five Senior Management
250,000-500,000	1
200,000-250,000	–
150,000-200,000	4
100,000-150,000	–
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 the confidentiality and sensitivity of each remuneration package.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**(I) AUDIT COMMITTEE****Audit Committee Composition and Chairman**

The present Chairman of the Audit Committee is Datuk Zakaria Bin Sharif. He was re-designated as Chairman of Audit Committee on 25 May 2021. 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 year ended 30 June 2021 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.

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)**(I) AUDIT COMMITTEE (CONTINUED)****Assessment on the Suitability, Objectivity and Independence of the External Auditors**

The Board maintains a transparent and professional relationship with the External Auditors through the Audit Committee. Based on the current practice, the Audit Committee invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Group's audited financial statements. In addition, the Audit Committee also has private meetings with the External Auditors without the presence of the Chief Financial Officer and Senior Management to enable exchange of views on issues requiring attention. The Board has delegated to the Audit Committee to perform an annual assessment on the quality of the audit which encompassed the performance and calibre of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment and devising tools to obtain the relevant data. Upon completion of the assessment, the Audit Committee will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders' approval at the annual general meeting.

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 Securities as well as the policies and procedures which were adopted by the Board.

All Audit Committee Members are Financially Literate

The Audit Committee consists of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, which is in compliance with the MMLR of the Bursa Securities.

On 25 May 2021, Dato' Paduka Dr. Hii King Hiong was re-designated from Chairman to Member whereas Datuk Zakaria Bin Sharif was re-designated from Member to Chairman. Mr. Lim Boon Shen was also appointed as a Member of Audit Committee on 30 March 2021.

The present Chairman of the Audit Committee, Datuk Zakaria Bin Sharif and the previous Chairman Dato' Paduka Dr. Hii King Hiong are member of Malaysian Institute of Accountants (MIA). 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. 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.

(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 Risk Management Committee comprises of two (2) Independent Non-Executive Directors and one (1) Executive Director. The present Chairman of the Risk Management Committee is Dato' Paduka Dr. Hii King Hiong. The Risk Management Committee was entrusted by the Board to oversee the adequacy and effectiveness of the risk management framework and internal control systems.

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)**(II) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)****Risk Management Committee (continued)**

The roles and responsibilities of the Risk Management Committee are set out in Terms of Reference of Risk Management Committee, which is published on the Company's website.

The Senior Management will present the Risk Management Report to the Risk Management Committee at least twice a year to provide an overview of the Group's significant risks and action plans to mitigate the risks. The Risk Management Committee provides its views which are then communicated to the respective risk owners. The significant risks are then escalated to the Board upon deliberation by Risk Management Committee.

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 2021, 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 the 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's Internal Audit function, the Audit Committee assesses the following:-

- (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 and whether appropriate actions have been 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 possesses 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.

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 Securities, 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.

STATEMENT ON CORPORATE GOVERNANCE

(CONTINUED)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)**(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 Securities. 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 Securities 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 2021 except for Dato' Paduka Dr. Hii King Hiong of whom has extended his apologies to the shareholders for not attending Company's Twenty Sixth AGM held on 10 December 2020:-

Date	Meeting
10 December 2020	Twenty Sixth AGM
23 February 2021	EGM

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. In line with the recommendations of the Code, the Notice of Twenty Sixth AGM of the Company was issued 28 days before the AGM date. The copies of the proxy forms are available in the Company's website and in the Company's Annual Report.

Due to the outbreak of Covid-19 pandemic, the Company had conducted fully virtual Twenty Sixth AGM and EGM on 10 December 2020 and 23 February 2021 respectively to ensure that all Directors and shareholders are able to participate in the AGM and EGM under a safe condition.

The Company has leveraged on technology to convene the virtual Twenty Sixth AGM and EGM through live streaming where shareholders participated and voted remotely during the AGM and EGM, as guided by the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. Voting at the AGM and EGM was conducted using remote participation and voting facilities. In view of the resurgence of Covid-19 pandemic, the Company will continue to utilise the technology to conduct the forthcoming AGM on a virtual basis as part of our safety measures and to contain the spread of Covid-19.

This Statement on Corporate Governance was approved by the Board of Directors on 20 October 2021.

AUDIT COMMITTEE REPORT

MEMBERSHIP AND AUTHORITY

The Board of Directors ("Board") is pleased to present the following Audit Committee Report and its activities for the financial year ended 30 June 2021.

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 Ta Win Holdings Berhad and its group of companies ("Group").

The Audit Committee comprises three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Directors. The present members of the Audit Committee are as follows:-

Name of Directors	Designation	Directorship
Datuk Zakaria Bin Sharif	Chairman ⁽¹⁾	Independent Non-Executive Director
Dato' Paduka Dr. Hii King Hiong	Member ⁽²⁾	Independent Non-Executive Director
Datin Seri Azreen Binti Abu Noh	Member	Independent Non-Executive Director
Mr. Lim Boon Shen	Member ⁽³⁾	Non-Independent Non-Executive Director

Notes:-

- (1) Datuk Zakaria Bin Sharif was re-designated as a chairman of the Audit Committee on 25 May 2021.
- (2) Dato' Paduka Dr. Hii King Hiong was re-designated as a member of the Audit Committee on 25 May 2021.
- (3) Mr. Lim Boon Shen was appointed as a member of the Audit Committee on 30 March 2021.

The composition of the Audit Committee meets the requirements 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.

The Audit Committee is chaired by Datuk Zakaria Bin Sharif. 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 and fulfills the requirement of paragraph 15.09 (1)(c) 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 with the members of the Audit Committee in discharging 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 year ended 30 June 2021, 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 2021, the Audit Committee held a total of five (5) meetings. The details of attendance of the Audit Committee members are as follows:-

Members	Attendance
Datuk Zakaria Bin Sharif	5/5
Datin Seri Azreen Binti Abu Noh	5/5
Dato' Paduka Dr. Hii King Hiong	5/5
Mr. Lim Boon Shen ⁽¹⁾	1/1

Note:-

- (1) Mr. Lim Boon Shen was appointed as a Non-Independent Non-Executive Director on 30 March 2021. He has attended one (1) meeting during the financial year ended 30 June 2021.

 **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 the 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 circulated to each Board member for their notation.

SUMMARY OF WORKS PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2021

During the financial 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 interim consolidated financial statements 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 Malaysia PLT's Audit Planning Memorandum for the financial year ended 30 June 2021. The statutory responsibilities of the Auditors, audit approach, areas of audit emphasis, engagement team, the timing of audit, accounting standards updates and other updates 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 assistance given by the Company's employees to the External Auditors;
- (e) Reviewed the annual audited financial statements of the Company and the Group prior to the submission to the Board for approval;
- (f) Reviewed and discussed the audit and accounting matters highlighted by the External Auditors and recommendations made by them and the Management's responses;
- (g) Reviewed and assessed the independence and performance of the External Auditors;
- (h) Assessed the fee chargeable by the External Auditors to ensure that the policies governing the provision of non-audit fees are observed; and
- (i) 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 2021 (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 (if any), entered by the Company or its subsidiaries to ensure that the related party transactions (if any), 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 any allocation of share grants and share 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 compliance with the MMLR of Bursa Malaysia Securities Berhad and Malaysian Anti-Corruption Commission Act;
- (f) Reviewed the Policies and Procedures to assess 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 2021

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. The Internal Auditors has presented the findings and recommendations in the internal audit reports 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 i.e. Control Activities, Segregation of Duties, Authorisation, Access to Assets, Assets Accountability and Recording in the respective functional areas.

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.

AUDIT COMMITTEE REPORT

(CONTINUED)

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

In respect of the financial year ended 30 June 2021, the Internal Auditors had carried out internal audit reviews on Ta Win Industries (M) Sdn. Bhd. and Ta Win Copper Sdn. Bhd., the subsidiaries of the Company, in the following functional areas:-

(1) Inventory Management, Production Cycle and Quality Control

- Receiving and Inspection Process and Procedures
- Material Storage and Handling
- Store Management
- Material Issuing
- Physical Stock Handling
- Inventory System Updating and Recording
- Physical Stock Count Procedures
- Stock Variances Justification and Verification
- Receiving and Delivery Monitoring
- Stock Return Handling
- Production and Resources Planning
- Job Order and Production
- Production Output Monitoring
- Rework and Reject
- Material Quality Assurance
- Production Quality Control
- Finished Goods Quality Assurance
- Document Control, Recording and Reporting
- Customer Complaints Handling

(2) Purchase and Payment Cycle

- Purchase Planning Procedures
- Requisition Process and Procedure
- Quotation Sourcing Process
- Order Receiving Process
- Payment and Disbursement Procedure
- New Vendor Selection and Existing Vendor Performance Monitoring and Assessment

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 internal 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 2021 amounted to RM31,500.

This Audit Committee Report was approved by the Board of Directors on 20 October 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors (“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 Management are committed to maintain a sound system of risk management and internal control in Ta Win and its group of companies (“Group”) and are pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group.

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 that the review of the Group’s system of internal control 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 but 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 acknowledged 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 of 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 Directors, Directors of subsidiary company, General Manager and Chief Financial Officer, 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 2021, the Risk Management Committee highlighted and reported to the Board 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 Director and the Management team with the day-to-day running of the business. The Managing Director, Executive Director and the Management team would receive regular financial information consisting of quantitative and qualitative trends and analyses.

The Managing Director has a crucial role in communicating with the Management of the Board's requirements on the internal control process. This is accomplished by their frequent engagements 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 for the Group to monitor the critical issues which have been identified and ensure those issues are resolved on time. The Managing Director and Executive Directors 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 Directors and Chief Financial Officer 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: -

- Organisational 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 and Management Committees will support the Board. These Committees convene at the 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 Systems Automotive under IATF 16949:2016;
 - Quality Management Systems under ISO 9001: 2000; and
 - Various overseas' product certification awarded from Underswriters Laboratories.
- Provide continuous training and developmental programs for all employees to maintain their 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 and review 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 and the Executive Directors.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement for inclusion in the Annual Report for financial year ended 30 June 2021. The review was performed pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control. The External Auditors reported that nothing has come to their attention that caused them to believe that the Statement on Risk Management and Internal Control, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate. AAPG3 does not require the External Auditors to form an opinion on the adequacy on risk management and effectiveness of the risk management and internal control system of the Group.

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 2021. 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 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 2021 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 2021, 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 2021.

ADDITIONAL COMPLIANCE INFORMATION

(1) Utilisation of Proceeds

(a) Rights Issue

During the financial year ended 30 June 2021, the Company has undertaken the renounceable rights issue of up to 3,106,101,171 new ordinary shares in the Company ("Shares") ("Right Shares") at an issue price of RM0.06 per Rights Share on the basis of 3 Rights Shares for every 1 existing Share held on 6 May 2021 ("Rights Issue"). The Rights Issue has been completed on 9 June 2021 following the listing of and quotation for 2,556,501,561 Rights Shares.

Ta Win has successfully raised RM153,390,093.66 from the Rights Issue and the status of utilisation of proceeds as at 30 September 2021 is as follows:-

Purpose	Approved Utilisation RM' million	Actual Utilisation RM' million	Balance Utilisation RM' million	Estimated time Frame for utilisation of proceeds from date of listing of the Rights Shares
Working Capital	64.1	4.3	59.8	Within 24 months
Repayment of Bank Borrowings	40.2	20.0	20.2	Within 12 months
Purchase of Machineries and Equipment	35.1	10.0	25.1	Within 24 months
Investment in Sin Line Tek	12.7	12.7	-	Within 1 months
Estimated Expenses	1.3	1.3	-	Within 1 months
Total	153.4	48.3	105.1	

(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 2021 are as follows: -

For the Financial Year Ended 30 June 2021	The Company	The Group
Non-Audit Fees paid or payable to External Auditors	RM48,000	RM48,000
TOTAL	RM48,000	RM48,000

ADDITIONAL COMPLIANCE INFORMATION

(CONTINUED)

(3) Material Contracts

Save as disclosed below, the Company and its subsidiaries do not have any material contracts involving the interests of Directors and chief executive who is not a Director or major shareholders either subsisting at the end of the financial year or entered into since end of the previous financial year.

On 12 March 2021, Cyprium Capital Sdn Bhd (“CCSB”) and Cyprium Wire Technology Sdn Bhd (“CWT”) had entered into a subscription agreement with Elextron Hitec Sdn Bhd, Latitude Technology Sdn Bhd (“LTSB”), Wong Ah Piaw and Justin Wong Chen Feng (collectively the “Subscribers”) whereby the Subscribers have agreed to subscribe to 1,705,900 new ordinary shares of CWT for the total consideration of RM3,991,806.00 as follows:

Subscriber	No. of shares	%	Consideration (RM)
Elextron Hitec Sdn Bhd	1,364,700	80.0	3,193,398.00
LTSB	170,600	10.0	399,204.00
Wong Ah Piaw	85,300	5.0	199,602.00
Justin Wong Chen Feng	85,300	5.0	199,602.00
Total	1,705,900	100.0	3,991,806.00

The subscription agreement has been completed on 12 March 2021. Out of the 1,364,700 ordinary shares of CWT to be issued to Elextron Hitec Sdn Bhd as set out in the subscription agreement, Elextron Hitec Sdn Bhd has nominated ALT Precision Sdn Bhd and Meadowhub Sdn Bhd to receive 352,943 and 117,647 ordinary shares in CWT respectively.

For information purposes, Asia Poly Holdings Berhad (“Asia Poly”) had subsequently, on 21 May 2021, entered into share purchase agreements with Wong Chen Feng and Wong Ah Piaw respectively for the acquisition of an aggregate 705,892 ordinary shares in CWT, representing 15% equity interest in CWT, for a total purchase price of RM8.0 million.

As at 30 September 2021, the shareholding structure of CWT is as follows:

Shareholder	No. of shares	%
CCSB	2,400,000	51.0
Asia Poly	705,892	15.0
Elextron Hitec Sdn Bhd	658,818	14.0
LTSB	470,600	10.0
ALT Precision Sdn Bhd	352,943	7.5
Meadowhub Sdn Bhd	117,647	2.5
Total	4,705,900	100.0

(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 31 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 2021 were as follows:-

Gender/ Age Group	Malay (M)	Chinese (C)	Indian (I)	Foreigner	Total
Below 21	19	–	1	–	20
21 - 30	70	15	16	316	417
31 - 40	17	13	8	101	139
41 - 55	24	24	7	11	66
Above 55	3	12	–	–	15
Total Workforce	133	64	32	428	657

Category	Malaysian									Foreign National			Total
	Degree			Diploma/ Technical			Others			Degree	Diploma/ Technical	Others	
	M	C	I	M	C	I	M	C	I				
Board of Directors	2	2	–	–	1	–	–	2	–	–	–	–	7
Managerial Staff	1	12	–	1	11	–	4	7	1	–	–	–	37
Executive	4	5	1	4	6	–	1	4	–	–	–	–	25
Technical Staff	5	2	–	4	–	–	16	–	4	–	–	–	31
Operators	1	–	–	4	1	1	62	4	21	–	–	428	522
Clerical Staff	1	1	–	8	1	1	1	4	–	–	–	–	17
General Staff	–	–	–	–	–	–	14	1	3	–	–	–	18
Total	14	22	1	21	20	2	98	22	29	–	–	428	657

(6) Employees' Share Option Scheme ("ESOS")

There is one ESOS in existence during the financial year end 30 June 2021. The total number of options granted, exercised and outstanding under the ESOS are set out below:

Description	Number of Options (Since commencement of ESOS to 30 June 2021)	
	All Eligible Employees including Directors and Chief Executive	Directors and Chief Executive
Total options granted	8,090,000	4,726,000
Total options exercised	8,090,000	4,726,000
Total options outstanding	–	–

In accordance with the Company's ESOS By-Laws, not more than 50% of the Company's ordinary shares available under the ESOS shall be allocated, in aggregate, to Directors and senior management of the Group. Since the commencement of the ESOS up to the financial year ended 30 June 2021, the Company has granted approximately 58.4% of the options to the Directors and senior management. There was no option granted during the financial year ended 30 June 2021. No options were granted to or exercised by the Non-Executive Directors during the financial year ended 30 June 2021. For information purposes, the Company had on 26 August 2021, terminated the ESOS and replaced it with a share issuance scheme.



Financial Statements

58	Directors' Report	66	Independent Auditors' Report	74	Statements of Changes in Equity
64	Statement by Directors	70	Statements of Financial Position	79	Statements of Cash Flows
65	Statutory Declaration	72	Statements of Profit or Loss and Other Comprehensive Income	81	Notes to the 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 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries and associates are disclosed in Notes 6 and 7 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
Net loss for the year		
Attributable to: -		
Owners of the Company	(11,957)	(6,342)
Non-controlling interests	(1,237)	-
	(13,194)	(6,342)

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 year. 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) 2,556,501,561 new ordinary shares at an issue price of RM0.06 each pursuant to the renounceable rights issue exercise completed on 9 June 2021;
- ii) 80,000,000 new ordinary shares at an issue price of RM0.10 each pursuant to the acquisition of a subsidiary company;
- iii) 25,000 new ordinary shares arising from the exercise of Warrant-A at the exercise price of RM0.20 each and after accounting for the reversal of warrants reserve;
- iv) 414,750,867 new ordinary shares arising from the conversion of Irredeemable Convertible Preference Shares ("ICPS") at the conversion price of RM0.10 each up to 6 May 2021;
- v) 1,566,800 new ordinary shares arising from the conversion of ICPS at the conversion price of RM0.05 each to date.

DIRECTORS' REPORT

(CONTINUED)

ISSUE OF SHARES AND DEBENTURES (CONTINUED)

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

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

ISSUE OF WARRANTS

On 8 August 2019, the Company issued 159,227,757 warrants pursuant to its rights issue of 238,841,790 ordinary shares and 477,638,580 ICPS.

The Warrants were constituted under the Deed Poll dated 17 April 2019. During the financial year, 25,000 unit of warrants had been converted to ordinary shares at a conversion price of RM0.20 and after accounting for the reversal of warrant reserve.

During the financial year, adjustments was performed to the exercise price and number of outstanding warrants 2019/2022 pursuant to the renounceable rights issue of new ordinary shares. On 4 June 2021, the additional warrants issued is 144,969,824 and the enlarged issue size is 304,172,581.

As at the financial year end, 304,172,581 warrants remained unexercised.

The salient features of warrants and further information are disclosed in Note 14 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)
Lim Boon Shen	(appointed on 30.3.2021)
Yao Kee Boon	(resigned on 7.8.2020)

* Directors of the Company and certain subsidiaries

The name of the Directors of subsidiary companies are set out in the respective subsidiary companies' financial statements and the said information is deemed incorporated herein by such reference and made a part thereof.

DIRECTORS' BENEFITS

Since the end of the previous financial year, 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 30.6.2021
	As at 1.7.2020	Acquired	Rights issue	Converted from ICPS	Disposed	
Holding Company						
Ta Win Holdings Berhad						
Dato' Yeo Boon Leong, JP						
- Direct interest	6,693,600	7,000,000	112,291,331	-	(6,693,600)	119,291,331
- Deemed interest (\$)	-	36,000,000	123,000,000	17,000,000	(43,000,000)	133,000,000
- Deemed interest (%)	-	3,100,000	9,300,000	-	-	12,400,000
- Deemed interest (#)	35,713,777	-	-	50,927,554	-	86,641,331
Dato' Sri Ngu Tieng Ung, JP						
- Deemed interest (#)	35,713,777	-	-	50,927,554	-	86,641,331
- Deemed interest (@)	6,408,200	-	70,273,800	17,016,400	-	93,698,400
- Deemed interest (&)	330,000	36,855,300	230,377,377	39,096,600	(31,000,000)	275,659,277
Tan Poo Chuan						
- Direct interest	-	-	60,000,000	-	(28,983,000)	31,017,000
- Deemed interest (+)	80,000	-	-	-	(80,000)	-
- Deemed interest (#)	35,713,777	-	-	50,927,554	-	86,641,331
- Deemed interest (@)	6,408,200	-	-	-	(6,408,200)	-

- (+) By virtue of his child's direct shareholding
 (#) Held through Triad Capital Sdn. Bhd.
 (@) Held through Heritage Winners Sdn. Bhd.
 (&) Held through Timur Enterprise Sdn. Bhd.
 (\$) Held through Asia Poly Holdings Berhad
 (%) Held through Asia Poly Ventures Sdn. Bhd.

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

Holding Company	<----- Number of irredeemable convertible -----> preference shares				As at 30.6.2021
	As at 1.7.2020	Acquired ordinary shares	Converted to	Disposed	
Holding Company					
Ta Win Holdings Berhad					
Dato' Yeo Boon Leong, JP					
- Direct interest	10,387,200	-	-	(10,387,200)	-
- Deemed interest (\$)	-	17,000,000	(17,000,000)	-	-
- Deemed interest (%)	50,927,554	-	(50,927,554)	-	-
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	1,000,000	(39,096,600)	-	-
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 Triad Capital Sdn, Bhd.				
(@)	Held through Heritage Winners Sdn. Bhd.				
(&)	Held through Timur Enterprise Sdn. Bhd.				
(\$)	Held through Asia Poly Holdings Berhad				
(%)	Held through Asia Poly Ventures 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.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act 2016 throughout the year, which provides appropriate insurance coverage for the directors and officers of the Company. The amount of insurance premium paid during the year is RM34,200.

There was no indemnity given to or insurance affected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016.

DIRECTORS' REMUNERATION

Details of directors' remuneration are set out in Note 23 to the Financial Statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 23 to the Financial Statements.

**DIRECTORS' REPORT**

(CONTINUED)

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.
- (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.

 **DIRECTORS' REPORT**
(CONTINUED)

SIGNIFICANT EVENTS

The significant events during the reporting date are as disclosed in Note 33 to the Financial Statements.

SUBSEQUENT EVENTS

The events subsequent to the reporting date are as disclosed in Note 34 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

Date: 20 October 2021



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 70 to 137 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 2021 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

Date: 20 October 2021



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 70 to 137, 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 2021)

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 2021 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 2021, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of inventories</p> <p>Inventories represent approximately 11% of the consolidated total assets as at 30 June 2021. Inventories are carried in the financial statements at the lower of cost and net realisable value.</p> <p>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 amount of inventory exceeds its net realisable value.</p> <p>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 amount.</p> <p>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 cost of the inventories.</p>	<p>Our audit procedures included understanding the internal controls over the inventories as well as substantive testing on quantity and price components affecting the inventory value.</p> <p>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.</p> <p>We reviewed Group's basis for pricing inventories and work-in-progress and determine that basis used is consistent with previous financial period. We found the costing of inventories to be within a reasonable range.</p> <p>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. During the exercise, management noticed that there is indication of impairment, and the impairment loss are immaterial to taken up in the financial statements of the subsidiary and consolidated financial statements.</p> <p>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.</p> <p>We also considered the disclosure of inventories to be appropriate for purpose for the consolidated financial statements.</p>

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 and associates of which we have not acted as auditors, are disclosed in Notes 6 and 7 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

JOHOR BAHRU

Date: 20 October 2021

KHOR KENG LIEH
02733/07/2023 J
Chartered Accountant

**STATEMENTS OF
FINANCIAL POSITION**

AS AT 30 JUNE 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	3	70,296	50,267	200	391
Intangible assets	4	2,681	3,150	–	–
Goodwill on consolidation	5	11,123	–	–	–
Investment in subsidiaries	6	–	–	102,132	100,832
Investment in associates	7	20,895	–	–	–
		104,995	53,417	102,332	101,223
CURRENT ASSETS					
Inventories	8	47,943	39,133	–	–
Trade and other receivables	9	78,267	40,516	5,476	1,148
Property development costs	10	2,607	–	–	–
Amount due by subsidiaries	11	–	–	61,235	18,426
Current tax assets		449	308	–	–
Cash and bank balances	12	199,651	47,644	151,256	7,088
		328,917	127,601	217,967	26,662
TOTAL ASSETS		433,912	181,018	320,299	127,885
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	297,250	104,708	297,250	104,708
Reserves	14	19,208	19,188	6,368	6,369
(Accumulated losses)/ Retained profits		(24,947)	(15,307)	3,208	9,550
		291,511	108,589	306,826	120,627
Non-controlling interests		12,108	2,046	–	–
TOTAL EQUITY		303,619	110,635	306,826	120,627

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

STATEMENTS OF FINANCIAL POSITION
(CONTINUED)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
NON-CURRENT LIABILITIES					
Loan and borrowings	19	3,025	–	–	–
Deferred tax liabilities	15	5,475	4,968	–	–
Lease liabilities	16	3,354	509	–	–
		11,854	5,477	–	–
CURRENT LIABILITIES					
Trade and other payables	17	32,909	6,277	3,234	264
Provisions	18	4,913	1,730	–	–
Amount due to subsidiaries	11	–	–	10,160	6,786
Loans and borrowings	19	78,857	56,516	–	–
Lease liabilities	16	1,222	383	–	132
Current tax liabilities		538	–	79	76
		118,439	64,906	13,473	7,258
TOTAL LIABILITIES		130,293	70,383	13,473	7,258
TOTAL EQUITY AND LIABILITIES		433,912	181,018	320,299	127,885

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 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
REVENUE	20	491,488	251,779	867	836
COST OF SALES		(477,242)	(251,320)	-	-
GROSS PROFIT		14,246	459	867	836
ADD: OTHER INCOME	21	628	1,727	3	8
LESS: DISTRIBUTION EXPENSES		(2,410)	(1,646)	-	-
LESS: ADMINISTRATIVE EXPENSES		(13,517)	(8,596)	(7,210)	(5,004)
LESS: OTHER OPERATING EXPENSES		(8,773)	(3,642)	-	-
LOSS FROM OPERATIONS		(9,826)	(11,698)	(6,340)	(4,160)
LESS: FINANCE COSTS	22	(3,107)	(2,458)	(2)	(51)
SHARE OF PROFIT OF ASSOCIATES		45	-	-	-
LOSS BEFORE TAX	23	(12,888)	(14,156)	(6,342)	(4,211)
INCOME TAX EXPENSE	24	(306)	(301)	-	(21)
LOSS FOR THE YEAR		(13,194)	(14,457)	(6,342)	(4,232)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
<i>Items that may be reclassified subsequently to profit or loss: -</i>					
Foreign currency translation differences for foreign operations		21	11	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		21	11	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(13,173)	(14,446)	(6,342)	(4,232)

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

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

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
LOSS ATTRIBUTABLE TO:					
Owners of the Company		(11,957)	(13,721)	(6,342)	(4,232)
Non-controlling interests		(1,237)	(736)	–	–
		(13,194)	(14,457)	(6,342)	(4,232)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:					
Owners of the Company		(11,936)	(13,710)	(6,342)	(4,232)
Non-controlling interests		(1,237)	(736)	–	–
		(13,173)	(14,446)	(6,342)	(4,232)
LOSS PER ORDINARY SHARE (SEN)					
Basic	25	(1.67)	(4.24)		
Diluted	25	Anti-dilutive	Anti-dilutive		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

Group	Attributable to owners of the Company										Total equity
	Share capital (Note 13) RM'000	Irredeemable convertible preference share (Note 13) RM'000	Warrants reserve (Note 14) RM'000	Translation reserve (Note 14) RM'000	Revaluation reserve (Note 14) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000	Distributable	
At 1 July 2019	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/(expense) 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)

Group	Attributable to owners of the Company										
	Share capital (Note 13) RM'000	Irredeemable convertible preference share (Note 13) RM'000	Warrants reserve (Note 14) RM'000	Translation reserve (Note 14) RM'000	Revaluation reserve (Note 14) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000	Distributable	
<i>Contributions by and distributions to owners of the Company</i>											
Issue of ordinary shares: -	23,884	-	-	-	-	-	23,884	-	23,884	-	23,884
- Rights issue with warrants	3,893	-	-	-	-	-	3,893	-	3,893	-	3,893
- Conversion of irredeemable convertible preference share	(1,394)	-	-	-	-	-	(1,394)	-	(1,394)	-	(1,394)
Share issuance expenses											
Issue of irredeemable convertible preference share: -	-	11,942	-	-	-	-	11,942	-	11,942	-	11,942
- Rights issue with warrants	-	(973)	-	-	-	-	(973)	-	(973)	-	(973)
- Conversion of ordinary shares											
Issue of warrants	(6,369)	-	6,369	-	-	-	-	-	-	-	-
Changes in ownership interests in a subsidiary	20,014	10,969	6,369	-	-	-	37,352	-	37,352	-	37,352
	-	-	-	-	-	-	-	-	-	600	600
Total transactions with owners of the Company	20,014	10,969	6,369	-	-	-	37,352	-	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)

Group	Attributable to owners of the Company										Total equity
	Share capital (Note 13) RM'000	Irredeemable convertible preference share (Note 13) RM'000	Warrants reserve (Note 14) RM'000	Translation reserve (Note 14) RM'000	Revaluation reserve (Note 14) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000	Non-controlling interests RM'000	
At 1 July 2020	93,739	10,969	6,369	(400)	13,219	(15,307)	108,589	2,046	110,635		
Loss for the year	-	-	-	-	-	(11,957)	(11,957)	(1,237)	(13,194)		
Other comprehensive income: Foreign currency translation differences for foreign operations	-	-	-	21	-	-	21	-	21		
Total comprehensive income/(expense) for the year	-	-	-	21	-	(11,957)	(11,936)	(1,237)	(13,173)		

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

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Group	Attributable to owners of the Company						Total equity
	Share capital (Note 13) RM'000	Irredeemable convertible preference share (Note 13) RM'000	Warrants reserve (Note 14) RM'000	Translation reserve (Note 14) RM'000	Revaluation reserve (Note 14) RM'000	Accumulated losses RM'000	
	153,390	-	-	-	-	-	153,390
	41,554	(10,408)	-	-	-	-	31,146
	8,000	-	-	-	-	-	8,000
	6	-	(1)	-	-	-	5
	202,950	(10,408)	(1)	-	-	-	192,541
Arising from business combination	-	-	-	-	-	-	9,633
Change in ownership interests in a subsidiary	-	-	-	-	-	2,317	2,317
Total transactions with owners of the Company	202,950	(10,408)	(1)	-	-	2,317	2,317
	296,689	561	6,368	(379)	13,219	(24,947)	291,511
At 30 June 2021							303,619

Contributions by and distributions to owners of the Company
Issue of ordinary shares: -
- Rights issue
- Conversion of irredeemable convertible preference share
- Acquisition of subsidiary
- Conversion of warrant

Arising from business combination
Change in ownership interests in a subsidiary

Total transactions with owners of the Company

At 30 June 2021

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

STATEMENTS OF CHANGES IN EQUITY

(CONTINUED)

Company	Non-distributable			Distributable	
	Share capital (Note 13) RM'000	Irredeemable convertible preference shares (Note 13) RM'000	Warrants reserve (Note 14) RM'000	Retained profits (Note 14) RM'000	Total RM'000
At 1 July 2019	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
Loss/Total comprehensive expense for the year	–	–	–	(6,342)	(6,342)
Issue of ordinary shares: -					
- Rights issue	153,390	–	–	–	153,390
- Conversion of irredeemable convertible preference shares	41,554	(10,408)	–	–	31,146
- Conversion of warrant	6	–	(1)	–	5
- Acquired of a subsidiary	8,000	–	–	–	8,000
At 30 June 2021	296,689	561	6,368	3,208	306,826

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

**STATEMENTS OF
CASH FLOWS**
FOR THE YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(12,888)	(14,156)	(6,342)	(4,211)
Adjustments for: -				
Amortisation of intangible assets	469	278	-	-
Bad debts written off	19	548	-	-
Depreciation of property, plant and equipment	2,870	2,162	100	94
Depreciation of right-of-use assets	124	212	124	212
Impairment loss on inventories	-	699	-	-
Interest expenses	3,107	2,458	2	51
Loss/(Gain) on fair value of derivative	5,152	(420)	-	-
Gain on disposal of property, plant and equipment	-	(18)	-	-
Unrealised gain on foreign exchange	(441)	(587)	-	-
Interest income	(440)	(574)	-	-
Rental income	(27)	(36)	-	(2)
Share of profit of associates	(45)	-	-	-
Operating loss before changes in working capital	(2,100)	(9,434)	(6,116)	(3,856)
Decrease/(Increase) in working capital				
Inventories	(4,052)	(7,104)	-	-
Trade and other receivables	(28,136)	23,908	(4,328)	(339)
Trade and other payables	4,113	4,710	2,970	76
Cash generated (used in)/from operations	(30,175)	12,080	(7,474)	(4,119)
Interest paid	(3,107)	(2,458)	(2)	(51)
Interest received	440	574	-	-
Tax refunded/(paid)	187	(1,503)	3	(4)
Net cash (used in)/from operating activities	(32,655)	8,693	(7,473)	(4,174)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of intangible assets	-	(3,428)	-	-
Acquisition of subsidiaries, net of cash	(2,045)	-	(1,300)	-
Investment in associate	(15,850)	-	-	-
Purchase of property, plant and equipment (Note 27)	(2,615)	(6,880)	(33)	(24)
Proceeds from disposal of property, plant and equipment	-	103	-	-
Procurement of development expenditure	(2,607)	-	-	-
Placement of pledged fixed deposit	(981)	(1,013)	-	-
Rental received	27	36	-	2
Net cash used in investing activities	(24,071)	(11,182)	(1,333)	(22)

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

STATEMENTS OF CASH FLOWS

CONTINUED

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares	184,541	25,410	192,541	25,410
Proceeds from issuance of ordinary shares to non-controlling interests	3,992	600	–	–
Proceeds from issuance of irredeemable convertible preference shares	–	11,942	–	11,942
Advances to subsidiaries	–	–	(39,435)	(25,928)
Advances to directors	–	(936)	–	–
Drawdown of loans and borrowings	333,146	221,143	–	–
Repayment of loans and borrowings	(313,389)	(245,150)	–	–
Repayment of hire purchase financing	(839)	(176)	–	–
Repayment of lease obligation	(132)	(228)	(132)	(217)
Net cash from financing activities	207,319	12,605	152,974	11,207
NET INCREASE IN CASH AND CASH EQUIVALENTS	150,593	10,116	144,168	7,011
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	29,467	19,216	7,088	77
Effects of exchange rate changes on the balance of cash held in foreign currencies	–	135	–	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	180,060	29,467	151,256	7,088
Cash and cash equivalents comprise the following: -				
Cash and cash equivalents (Note 12 (c))	180,493	29,467	151,256	7,088
Bank overdraft (Note 19)	(433)	–	–	–
	180,060	29,467	151,256	7,088
Cash outflows for leases as a lessee				
<i>Included in net cash from operating activities:</i>				
Payment relating to short-term and low value assets (Note 23)	196	52	104	9
Interest paid in relation to lease liabilities (Note 22)	232	54	2	14
<i>Included in net cash from financing activities:</i>				
Payment of lease liabilities	971	404	132	217
Total cash outflows for leases	1,399	510	238	240

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

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 and associates are disclosed in Notes 6 and 7 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 and 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 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 October 2021.

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 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 April 2021

Amendment to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

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 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)

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

Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting Policies

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

Amendments to MFRS 112, Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

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 and the Company plan 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.

(c) 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)**(c) 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)**(c) 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) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impaired value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period. Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Basis of consolidation (continued)****(viii) 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.

• 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 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)**(c) Basis of consolidation (continued)****(ix) 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.

(x) 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.

(d) 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 through 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)**(d) 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.

(e) 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 or 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 contract 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)**(e) 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 changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change 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 Group or 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)

(e) 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 to 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)**(e) 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.

(f) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment (continued)

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

Long term leasehold land	50 - 99 years
Buildings	33 - 50 years
Plant and machinery	10 years
Furniture and equipment	3 - 10 years
Motor vehicles	5 years
Renovation	5 -10 years
Right-of-use assets	2 - 3 years

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

(g) Leases

(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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Leases (continued)****(i) Definition of a lease (continued)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Leases (continued)****(ii) Recognition and initial measurement (continued)****(b) As a lessor (continued)**

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.

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 lessorOperating 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.

(h) Intangible assets

Intangible assets, that are acquired by the Group, 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 over the estimated useful lives of intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Intangible assets (continued)**

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

Intellectual property	3 to 15 years
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(i) 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.

(j) 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.

(k) 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.

 **NOTES TO THE FINANCIAL STATEMENTS**

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(l) 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.

(m) Impairment**Financial instruments and contract assets**

The Group and the Company recognise loss allowances for expected credit losses (“ECL”) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) Impairment (continued)****Financial instruments and contract assets (continued)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) 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.

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(p) Provisions**

A provision is recognised if, as a result of a past event, the Group or the Company 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.

(q) Revenue and other income**(a) Revenue from contracts with customers**

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

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

- (i) The customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (ii) The performance of the Group or the Company creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) The performance of the Group or the Company 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.

(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.

 **NOTES TO THE FINANCIAL STATEMENTS**

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(q) Revenue and other income (continued)****(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.

(r) 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.

(s) 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.

**NOTES TO THE FINANCIAL STATEMENTS**

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(s) Income tax (continued)**

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.

(t) 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.

(u) 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.

(v) 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.

 **NOTES TO THE FINANCIAL STATEMENTS**

CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(w) Fair value measurement**

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

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

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

Level 1: quoted 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.

(x) 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 8 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

3. PROPERTY, PLANT AND EQUIPMENT

	As at 1.7.2020 RM'000	Additions RM'000	Acquisition of subsidiary RM'000	Disposals/ Written off RM'000	Reclassifi- cation RM'000	As at 30.6.2021 RM'000
Group						
2021						
At valuation						
Freehold land	-	-	5,700	-	-	5,700
Leasehold land	6,175	-	-	-	-	6,175
Buildings	25,120	43	8,056	-	-	33,219
At cost						
Plant and machinery	41,203	1,046	2,682	-	484	45,415
Furniture and equipment	1,630	474	378	-	-	2,482
Motor vehicles	3,097	421	47	-	-	3,565
Renovation	561	168	33	-	-	762
Capital-in-progress	3,818	3,975	-	-	(484)	7,309
Right-of-use assets	636	-	-	-	-	636
	82,240	6,127	16,896	-	-	105,263
<hr/>						
	As at 1.7.2020 RM'000	Charge for the year RM'000	Disposals/ Written off RM'000	Reclassifi- cation RM'000	As at 30.6.2021 RM'000	
Group						
2021						
Accumulated depreciation						
Leasehold land	782	88	-	-	870	
Buildings	4,131	579	-	-	4,710	
Plant and machinery	23,068	1,641	-	-	24,709	
Furniture and equipment	1,318	106	-	-	1,424	
Motor vehicles	1,940	336	-	-	2,276	
Renovation	222	120	-	-	342	
Right-of-use assets	512	124	-	-	636	
	31,973	2,994	-	-	34,967	

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2019 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
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
	74,951	7,446	(102)	(55)	82,240

	As at 1.7.2019 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
	29,616	2,374	(17)	–	31,973

	2021 RM'000	2020 RM'000
Group		
Net carrying amount		
Freehold land	5,700	–
Leasehold land	5,305	5,393
Buildings	28,509	20,989
Plant and machinery	20,706	18,135
Furniture and equipment	1,058	312
Motor vehicles	1,289	1,157
Renovation	420	339
Capital-in-progress	7,309	3,818
Right-of-use assets	–	124
	70,296	50,267

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	As at 1.7.2020 RM'000	Additions RM'000	As at 30.6.2021 RM'000
Company			
<u>2021</u>			
At cost			
Furniture and equipment	62	33	95
Renovation	422	–	422
Right-of-use assets	636	–	636
	1,120	33	1,153
Company			
<u>2021</u>			
Accumulated depreciation			
Furniture and equipment	20	16	36
Renovation	197	84	281
Right-of-use assets	512	124	636
	729	224	953
Company			
<u>2020</u>			
At cost			
Furniture and equipment	41	21	62
Renovation	419	3	422
Right-of-use assets	636	–	636
	1,096	24	1,120
Company			
<u>2020</u>			
Accumulated depreciation			
Furniture and equipment	10	10	20
Renovation	113	84	197
Right-of-use assets	300	212	512
	423	306	729

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2021 RM'000	2020 RM'000
Company		
Net carrying amount		
Furniture and equipment	59	42
Renovation	141	225
Right-of-use assets	–	124
	200	391

(i) Revaluation of land and buildings

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

	Group	
	2021 RM'000	2020 RM'000
Freehold land	3,411	–
Leasehold land	955	968
Buildings	10,095	5,749
	14,461	6,717

The 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
24 December 2020	Freehold land and buildings	13,800

(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 RM25,835,813 (2020: RM25,999,811) are charged to banks as security for banking facilities granted to the subsidiary as referred to in Note 19.

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 16 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
Arising from business combination	–	1,267	1,267
Addition	421	3,240	3,661
	1,248	4,571	5,819
Less: current year depreciation	(237)	(217)	(454)
Carrying amount as at 30 June 2021	1,011	4,354	5,365

(c) Right-of-use assets

The right-of-use assets are held under lease liabilities as referred to in Note 16.

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 had performed an assessment 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.

- (iii) The freehold land and buildings of a subsidiary with a carrying amount of RM13,799,000 (2020: Nil) are pledged as security for banking facilities granted to the subsidiary as referred to in Note 19.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

4. INTANGIBLE ASSETS

	2021 RM'000	Group 2020 RM'000
Intellectual property		
Cost		
At 1 July	3,428	–
Addition	–	3,428
At 30 June	3,428	3,428
Accumulated amortisation		
At 1 July	278	–
Amortisation for the year	469	278
At 30 June	747	278
Net carrying amount	2,681	3,150

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 amortisation of the intangible assets is recognised as administrative expenses in profit or loss.

5. GOODWILL ON CONSOLIDATION

	2021 RM'000	Group 2020 RM'000
Cost		
At 1 July	–	–
Acquisition through business combination	11,123	–
At 30 June	11,123	–

The goodwill is mainly associated with the acquisition of Sin Line Tek Electronic Co. Sdn. Bhd during the year (the “cash generating unit” or “CGU”).

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. Value-in-use is determined by discounting the cash flows projections based on the financial budgets approved by the management. The discount rate used is ranging from 8.5% to 9.5%.

A reasonably possible change in the assumptions above would not cause any impairment loss on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	114,841	113,541
Less: Impairment losses	(12,709)	(12,709)
	102,132	100,832

Details of the subsidiaries are as follows: -

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest	
			2021	2020
Ta Win Industries (M) Sdn Bhd	Malaysia	Manufacturing of copper wire, copper rods and trading of copper products	100%	100%
Twin Industrial (HK) Company Limited * ^	Hong Kong, SAR	Trading of copper wires and copper rods	100%	100%
TWH Energy Sdn Bhd ^	Malaysia	Project management, consultancy, R&D, production, marketing, distribution of products in applications and relation of Electron Beam Irradiation Technology, Radiation Vulcanisation of Natural Rubber Latex Technology, Gamma Radiation Technology or Applied Sterilisation Technology	100%	100%
Ta Win Manufacturing Sdn Bhd ^	Malaysia	Manufacturing of copper wires and copper rods	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 related products	100%	100%
Ta Win Copper Ecocycle Sdn Bhd ^	Malaysia	Investment and management company which specially setup to undertake the design, development, financing, build to operate, sell and market the industrial park called 'Terengganu Ecocycle Park'	80%	-

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

6. INVESTMENTS IN SUBSIDIARIES

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

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest	
			2021	2020
Ta Win Copper Biohealth Sdn Bhd ^	Malaysia	R&D, application of antimicrobial copper and copper additives as well as the biochemistry and chemistry of copper and copper proteins	100%	-
Ta Win Symbiosis Sdn Bhd # ^	Malaysia	Provision of property development, property management services, property facilities services, renting and operating, construction, non-ferrous metals waste management services and recycling	100%	-
Held through a subsidiary, Cyprium Capital Sdn Bhd				
Cyprium Wire Technology Sdn Bhd	Malaysia	Manufacturing wire and/or cable products including but not limited to using Electron Beam Irradiation Technology which utilise proprietary cross-linking/ionizing radiation treatment	51%	80%
Sin Line Tek Electronic Co. Sdn Bhd	Malaysia	Manufacture and supplier of electronic products and electrical products	51%	-
Held through a subsidiary, Sin Line Tek Electronic Co. Sdn Bhd				
Dyon Technology Sdn Bhd	Malaysia	Manufacturing of power cord, cable, plugs, connector and other related products and bonded warehouse	70%	-
TASLT Technology (M) Sdn Bhd ^	Malaysia	Manufacture of AC power cord, DC cord, wire harness assembly, electronic and electrical assembly product and trading of all types of electronic and electrical products	100%	-

* Not audited by Ecovis Malaysia PLT.

The audited financial statements are not available and the management's financial statements were used in the preparation of the consolidated financial statements.

^ The subsidiaries remained dormant during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

7. INVESTMENTS IN ASSOCIATES

	2021 RM'000	Group 2020 RM'000
At 1 July	–	–
Additions	20,850	–
Share of post-acquisition profit	45	–
At 30 June	20,895	–

Details of the associates are as follows: -

Name of associates	Country of incorporation	Principal activities	Effective ownership interest	
			2021	2020
Held through subsidiary, Cyprium Wire Technology Sdn Bhd				
Cyprium Asiapoly EV Sdn Bhd ^ *	Malaysia	Manufacturing and distribution of power and signal distribution system, high tension cable, battery cable, cast acrylic products and any other automotive parts or components for electric vehicles	49%	–
Held through subsidiary, Ta Win Biohealth Sdn Bhd				
Royce Pharma Manufacturing Sdn Bhd *	Malaysia	Manufacturer and distributor of all kinds of pharmaceutical products	32.5%	–

* Not audited by Ecovis Malaysia PLT.

^ The associate remained dormant during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

Royce Pharma Manufacturing Sdn Bhd

	2021 RM'000
Summarised financial information	
As at 30 June	
Non-current assets	16,063
Current assets	10,300
Non-current liabilities	(1,414)
Current liabilities	(18,752)
Net assets	6,197
Profit for the period	140
Reconciliation of net assets to carrying amount	
Group's share of net assets	5,389
Goodwill	15,506
Carrying amount in the statement of financial position	20,895
Group's share of results for the year	
Group's share of results of an associate	45

8. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000
At cost/net realisable value: -		
Raw materials	22,174	27,077
Work-in-progress	9,035	2,112
Finished goods	6,767	4,892
Consumables	9,083	4,610
Packaging materials	185	-
Spare parts	699	442
	47,943	39,133
Recognised in profit or loss: -		
Inventories recognised as cost of sales	466,104	272,227
Write-down to net realisable value	-	699

The write-down is included in other operating expenses.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables				
- Third parties	42,241	22,971	-	-
- Subsidiaries	-	-	151	256
	42,241	22,971	151	256
Other receivables				
Asset receivables	6,519	7,282	-	-
Sundry receivables	4,921	5,460	4,902	330
Sundry deposits	7,180	4,219	91	87
Prepayments	614	584	332	475
Advance payment to suppliers	16,792	-	-	-
	36,026	17,545	5,325	892
	78,267	40,516	5,476	1,148

Credit terms of trade receivables range from 1 to 3 months (2020: 1 to 3 months).

10. PROPERTY DEVELOPMENT COSTS

	Group	
	2021 RM'000	2020 RM'000
Property development costs	2,607	-

The development costs include preliminary surveyor costs and project consultancy fees incurred in relation to the development of Terengganu Ecocycle Park.

11. AMOUNT DUE BY/(TO) SUBSIDIARIES

These are unsecured, bear interests at average of 0% to 7% (2020: 0% to 7%) and repayable on demand.

12. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits placed with licensed banks	21,168	18,177	-	-
Short-term funds	159,523	12,788	151,023	5,788
Bank balances and cash	18,960	16,679	233	1,300
	199,651	47,644	151,256	7,088

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

12. CASH AND BANK BALANCES (CONTINUED)

- (a) The fixed deposits placed with licensed banks of the Group are pledged for banking facilities granted to subsidiaries as referred to in Note 19.
- (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.
- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits placed with licensed banks	21,168	18,177	–	–
Short-term funds	159,523	12,788	151,023	5,788
Bank balances and cash	18,960	16,679	233	1,300
	199,651	47,644	151,256	7,088
Less: Deposits pledged with licensed banks	(19,158)	(18,177)	–	–
Cash and cash equivalents	180,493	29,467	151,256	7,088

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

	Loans and borrowings RM'000	Hire purchase payables RM'000	Lease obligations RM'000	Total RM'000
Group				
At 1 July 2019	80,523	425	–	80,948
<u>Cash flows: -</u>				
Advances and drawdown	221,143	–	–	221,143
Repayment	(245,150)	(176)	(228)	(245,554)
<u>Non-cash changes: -</u>				
Addition	–	511	–	511
Adjustment on initial application of MFRS 16	–	–	360	360
At 30 June 2020	56,516	760	132	57,408
<u>Cash flows: -</u>				
Advances and drawdown	333,146	–	–	333,146
Repayment	(313,389)	(839)	(132)	(314,360)
<u>Non-cash changes: -</u>				
Arising from business combination	5,176	1,143	–	6,319
Addition	–	3,512	–	3,512
At 30 June 2021	81,449	4,576	–	86,025

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

12. CASH AND BANK BALANCES (CONTINUED)

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

Loans and borrowings consists of:

	2021 RM'000	2020 RM'000	
Group			
Bankers acceptance	77,980	41,992	
Onshore foreign currency financing	-	14,524	
Term loan	3,469	-	
	81,449	56,516	
	Subsidiaries RM'000	Lease obligations RM'000	Total RM'000
Company			
At 1 July 2019	14,288	-	14,288
<u>Cash flows: -</u>			
Repayment	(25,928)	(217)	(26,145)
<u>Non-cash changes: -</u>			
Adjustment on initial application of MFRS 16	-	349	349
At 30 June 2020	(11,640)	132	(11,508)
<u>Cash flows: -</u>			
Repayment	-	(132)	(132)
Advances	(39,586)	-	(39,586)
At 30 June 2021	(51,226)	-	(51,226)

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

13. SHARE CAPITAL

	Group/Company			
	2021			2020
	Number ('000)	RM'000	Number ('000)	RM'000
Ordinary shares				
Issued and fully paid: -				
At 1 July	357,391	93,739	79,614	73,725
Rights issue	2,556,502	153,390	238,842	17,515
Acquisition of a subsidiary	80,000	8,000	-	-
Conversion of warrant	25	6	-	-
Conversion of irredeemable convertible preference shares	416,318	41,554	38,935	3,893
Share issuance expenses	-	-	-	(1,394)
At 30 June	3,410,236	296,689	357,391	93,739
Irredeemable convertible preference shares: -				
At 1 July	438,748	10,969	-	-
Rights issue with warrants	-	-	477,683	11,942
Conversion to ordinary shares	(416,318)	(10,408)	(38,935)	(973)
At 30 June	22,430	561	438,748	10,969
Total	3,432,666	297,250	796,139	104,708

During the financial year, the Company issued: -

- i) 2,556,501,561 new ordinary shares at an issue price of RM0.06 each pursuant to the renounceable rights issue exercise completed on 9 June 2021;
- ii) 80,000,000 new ordinary shares at an issue price of RM0.10 each pursuant to the acquisition of a subsidiary company;
- iii) 25,000 new ordinary shares arising from the exercise of Warrant-A at the exercise price of RM0.20 each and after accounting for the reversal of warrants reserve;
- iv) 414,750,867 new ordinary shares arising from the conversion of Irredeemable Convertible Preference Shares ("ICPS") at the conversion price of RM0.10 each up to 6 May 2021;
- v) 1,566,800 new ordinary shares arising from the conversion of ICPS at the conversion price of RM0.05 each to date.

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

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

13. SHARE CAPITAL (CONTINUED)**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

14. RESERVES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-distributable Reserves				
Foreign currency translation reserve	(379)	(400)	–	–
Revaluation reserve	13,219	13,219	–	–
Warrants reserve	6,368	6,369	6,368	6,369
	19,208	19,188	6,368	6,369

(i) Revaluation reserve

The revaluation reserve represents increases in the fair value of 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	
	2021 RM'000	2020 RM'000
At 1 July/30 June	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;
- (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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

14. RESERVES (CONTINUED)

(iii) Warrants reserve (continued)

Warrants 2019/2022 (continued)

During the financial year, there was adjustments to the exercise price and number of outstanding warrants 2019/2022 pursuant to the renounceable rights issue of new ordinary shares. The additional warrants issued is 144,969,824 and the enlarged issue size is 304,172,581. The exercise price is now revised to RM0.10 each. The listing of warrants 2019/2022 was completed on 9 June 2021 to Main Market of Bursa Securities.

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, 304,172,581 warrants remained unexercised.

15. DEFERRED TAX LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
At 1 July	4,968	4,927
Acquisition of a subsidiary	507	–
Recognised in profit or loss (Note 24)	–	41
At 30 June	5,475	4,968
Represented by: -		
Deferred tax assets	(35)	(35)
Deferred tax liabilities	5,510	5,003
	5,475	4,968

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 July 2019	(41)	(35)	(76)
Recognised in profit or loss	41	–	41
At 30 June 2020 and 30 June 2021	–	(35)	(35)

Group Deferred tax liabilities	Accelerated capital allowance RM'000	Revaluation surplus and fair value RM'000	Total RM'000
At 1 July 2019 and 30 June 2020	212	4,791	5,003
Acquisition of a subsidiary	507	–	507
At 30 June 2021	719	4,791	5,510

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

16. LEASE LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current	3,354	509	–	–
Current	1,222	383	–	132
	4,576	892	–	132
Represented by: -				
Hire purchase payables	4,576	760	–	–
Lease obligations	–	132	–	132
	4,576	892	–	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 to the financial statements 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 23 to the financial statements.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade payables	16,662	2,455	–	–
Other payables				
Sundry payables	10,816	2,139	2,924	22
Accruals	3,923	1,395	310	242
Deposit payables	134	29	–	–
Amount due to shareholders	1,374	–	–	–
	16,247	3,563	3,234	264
Derivatives at fair value through profit or loss	–	259	–	–
	16,247	3,822	3,234	264
	32,909	6,277	3,234	264

Credit terms of trade payables are within 1 month (2020: 1 month).

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

18. PROVISIONS

	2021 RM'000	Group 2020 RM'000
Cost		
At 1 July	1,730	–
Additions	3,183	1,730
At 30 June	4,913	1,730

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.

19. LOANS AND BORROWINGS

	2021 RM'000	Group 2020 RM'000
Non-current	3,025	–
Current	78,857	56,516
	81,882	56,516
Represented by: -		
Secured		
- Bankers acceptance	77,980	41,992
- Bank overdraft	433	–
- Onshore foreign currency financing	–	14,524
- Term loan	3,469	–
	81,882	56,516

The loans and borrowings are secured by mean of: -

- (a) fixed charge over certain land and buildings of the Group as referred to in Note 3;
- (b) pledged of fixed deposit as referred to in Note 12;
- (c) guarantee under Credit Guarantee Corporation Malaysia Berhad;
- (d) corporate guarantee by the Company; and
- (e) jointly and severally guaranteed by certain directors of subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

20. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contract with customers	491,304	251,677	489	291
Other revenue: -				
Interest income	184	102	378	545
	491,488	251,779	867	836
Disaggregation of the revenue from contract with customers:				
Major goods and services				
Sale of goods	491,304	251,677	-	-
Management fee	-	-	489	291
	491,304	251,677	489	291
Timing of revenue recognition				
At a point in time	491,304	251,677	-	-
Over time	-	-	489	291
	491,304	251,677	489	291

Revenue from contract customers is recognised when the goods are delivered and accepted by the customers or shipped on board evidenced by bill of lading. Credit terms of the receivables range from 1 to 3 months (2020: 1 to 3 months) from invoice date. The Group allows return only for exchange with new goods, no cash refunds are offered.

21. OTHER INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fair value gain on derivative	-	420	-	-
Government grants	176	43	3	-
Interest income	440	574	-	-
Rental income	27	36	-	2
Gain on disposal of property, plant and equipment	-	18	-	-
Gain on foreign exchange				
- Unrealised	14	603	-	-
Miscellaneous	(29)	33	-	6
	628	1,727	3	8

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

22. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Bank borrowings	2,827	2,404	-	-
- Bank overdraft	48	-	-	-
- Hire purchase	230	54	-	-
- Inter-company loan	-	-	-	37
- Lease obligation interest	2	-	2	14
	3,107	2,458	2	51

23. LOSS BEFORE TAX

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss before tax are stated after charging/(crediting): -				
Amortisation of intangible assets	469	278	-	-
Auditors' remuneration				
- current year	165	125	94	50
- under/(over) provision in prior year	6	4	-	(11)
- other services	48	14	48	14
Bad debts written off	19	548	-	-
Depreciation of property, plant and equipment	2,870	2,162	100	94
Depreciation of right-of-use assets	124	212	124	212
Executive directors' remuneration:				
Other emoluments				
- directors of the Company	2,333	2,019	2,333	2,019
- directors of subsidiaries	481	312	-	-
Executive directors' fees:				
- directors of subsidiaries	434	282	-	-
Non-executive directors' fees	1,257	1,041	1,257	1,041
Fair value loss on derivative	5,152	-	-	-
Loss on foreign exchange				
- Realised	(433)	576	-	-
- Unrealised	619	16	-	-
Rental expenses				
- low value	9	24	8	9
- short-term	187	28	96	-
Staff costs (excludes directors' remuneration):				
- wages, salaries and others	7,390	4,888	890	595
- contribution to state plans	822	384	103	57
- other personnel costs	189	81	15	6

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

24. INCOME TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Recognised in profit or loss: -				
Malaysian income tax: -				
- current year	306	-	-	-
- underprovision in prior years	-	92	-	21
- real property gain tax	-	168	-	-
	306	260	-	21
Deferred tax expense: -				
Origination and reversal of temporary differences	-	41	-	-
Total income tax expense	306	301	-	21
Reconciliation of tax expense: -				
Loss before tax	(12,888)	(14,156)	(6,342)	(4,211)
Share of profit from associates	(45)	-	-	-
	(12,933)	(14,156)	(6,342)	(4,211)
Income tax calculated using				
Malaysian tax rate of 24%	(3,104)	(3,397)	(1,522)	(1,011)
Income not subject to tax	(62)	-	-	-
Change in tax rates	4	-	-	-
Non-deductible expenses	2,022	1,355	750	496
Deferred tax assets not recognised	1,446	2,083	772	515
Underprovision of income tax in prior years	-	92	-	21
Real property gain tax	-	168	-	-
Tax expense for the year	306	301	-	21

Unrecognised deferred tax assets

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unabsorbed capital allowances	7,541	1,477	40	40
Unutilised tax losses	11,939	6,671	2,287	2,089
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 benefits. The unutilised tax losses can be carried forward for 7 consecutive years of assessment and the unabsorbed capital allowances do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

25. EARNINGS PER ORDINARY SHAREBasic 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: -

	2021	Group 2020
Loss attributable to ordinary shareholders (RM'000)	(11,957)	(13,721)
Weighted average number of ordinary shares (in thousand)	717,412	323,788
Basic loss per ordinary share (sen)	(1.67)	(4.24)

Diluted earnings per ordinary share

The calculation of diluted earnings per share as at 30 June 2021 was based on loss 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.

26. 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.

	2021 RM'000	2020 RM'000
Malaysia	321,275	158,561
China	46,679	81,032
India	22	5,623
Korea	67,457	-
Singapore	42,239	-
Others	13,632	6,461
	491,304	251,677

The comparative figures for Korea and Singapore were included in others for the financial year ended 2020.

(b) Major customers

There are two (2020: two) major customer with revenue equal or more than 10% (2020: 10%) of the Group's revenue which amounted to RM117,307,000 (2020: RM68,416,000).

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Additions during the year	6,127	7,391	33	24
Lease liabilities	(3,512)	(511)	-	-
Cash payment for acquisition	2,615	6,880	33	24

28. 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'); and
- (iii) Financial liabilities measured at amortised cost ('FLAC')

	Carrying amount RM'000	Group		Carrying amount RM'000	Company	
		FVTPL RM'000	FAAC/ (FLAC) RM'000		FVTPL RM'000	FAAC/ (FLAC) RM'000
30 June 2021						
Financial assets						
Trade receivables	42,241	-	42,241	151	-	151
Other receivables (exclude prepayments and advance payment to suppliers)	18,620	-	18,620	4,993	-	4,993
Amount due by subsidiaries	-	-	-	61,235	-	61,235
Cash and bank balances	199,651	159,523	40,128	151,256	151,023	233
	260,512	159,523	100,989	217,635	151,023	66,612
Financial liabilities						
Trade payables	(16,662)	-	(16,662)	-	-	-
Other payables	(16,247)	-	(16,247)	(3,234)	-	(3,234)
Amount due to subsidiaries	-	-	-	(10,160)	-	(10,160)
Loans and borrowings	(81,882)	-	(81,882)	-	-	-
	(114,791)	-	(114,791)	(13,394)	-	(13,394)

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

28. 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 2020					
Financial assets					
Trade receivables	22,971	-	22,971	256	256
Other receivables (exclude prepayments and advance payment to suppliers)	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	(3,822)	(259)	(3,563)	(264)	(264)
Amount due to subsidiaries	-	-	-	(6,786)	(6,786)
Loans and borrowings	(56,516)	-	(56,516)	-	-
	(62,793)	(259)	(62,534)	(7,050)	(7,050)

(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 or the Company 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

28. 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% (2020: 38%) of the Group's product sales was from two customers in Malaysia and Korea (2020: Malaysia and China) and approximately 35% (2020: 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

28. 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 2021			
Current (Not past due)	27,250	-	27,250
Past due 0 to 1 month	7,745	-	7,745
Past due 1 to 2 months	3,563	-	3,563
Past due more than 2 months	3,683	-	3,683
	42,241	-	42,241
Group 2020			
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

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.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

28. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk (continued)

(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.

(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 or the Company 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

28. 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	2-5 years RM'000	More than 5 years RM
Group						
2021						
<i>Non-derivative financial liabilities</i>						
Trade payables	16,662	-	16,662	16,662	-	-
Other payables	16,247	-	16,247	16,247	-	-
Bankers acceptance	77,980	4.50%	77,980	77,980	-	-
Bank overdraft	433	5.05%	433	433	-	-
Term loan	3,469	3.50%	3,885	604	2,362	919
Hire purchase payables	4,576	2.2-3.61%	5,093	1,461	3,562	70
	119,367		120,300	113,387	5,924	989
2020						
<i>Non-derivative financial liabilities</i>						
Trade payables	2,455	-	2,455	2,455	-	-
Other payables	3,563	-	3,563	3,563	-	-
Bankers acceptance	41,992	4.50%	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	-
Company						
2021						
<i>Non-derivative financial liabilities</i>						
Other payables	3,234	-	3,234	3,234	-	-
Amount due to subsidiaries	10,160	-	10,160	10,160	-	-
	13,394		13,394	13,394	-	-
2020						
<i>Non-derivative financial liabilities</i>						
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	-	-

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

28. 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	
	2021	2020
	RM'000	RM'000
Functional currency of Group entities		
Trade and other receivables	39,983	11,254
Cash and bank balances	4,177	8,184
Trade and other payables	(8,673)	-
Net exposure	35,487	19,438

Currency risk sensitivity analysis

A 10% (2020: 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 RM3,548,700 (2020: RM1,943,800). 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% (2020: 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

28. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed rate instruments				
Deposits placed with licenced banks	21,168	18,177	–	–
Lease liabilities	(4,576)	(892)	–	(132)
	16,592	17,285	–	(132)
Floating rate instruments				
Short-term funds	159,523	12,788	151,023	5,788
Loans and borrowings	(81,882)	(56,516)	–	–
	77,641	(43,728)	151,023	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 loss before tax by RM776,410 (2020: RM437,280).

(iii) Commodity price risk

The Group is affected by the price volatility of copper as its manufacturing activities of 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

28. 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.

29. CAPITAL COMMITMENTS

	Group	
	2021 RM'000	2020 RM'000
Approved and contracted for <i>Property, plant and equipment</i>	14,921	7,837
	14,921	7,837

30. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade and other payables, exclude derivatives at fair value	32,909	6,018	3,234	264
Amount due to subsidiaries	-	-	10,160	6,786
Loans and borrowings	81,882	56,516	-	-
Lease liabilities	4,576	892	-	132
Less: Cash and bank balances	(199,651)	(47,644)	(151,256)	(7,088)
Net debt	(80,284)	15,782	(137,862)	94
Total equity	303,619	110,635	306,826	120,627
Gearing ratio	N/A	14.26%	N/A	0.08%

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

31. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
A. Subsidiary				
Interest income	–	–	193	443
Interest expenses	–	–	–	37
Management fee income	–	–	489	291
B. Key management personnel				
Directors' remuneration	4,505	3,654	3,590	3,060

32. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS AND ASSOCIATES

a) Acquisition of subsidiaries

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.

The investment in Sin Line Tek has been completed on 8 March 2021. Accordingly, Sin Line Tek is a 51% owned subsidiary of the Company via Cyprium Capital Sdn Bhd, a wholly-owned subsidiary of Ta Win, with effect from 8 March 2021.


NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

32. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS AND ASSOCIATES (CONTINUED)**a) Acquisition of subsidiaries (continued)**Fair value of the identifiable assets acquired and the liabilities assumed

	2021
	RM'000
Property, plant and equipment	16,896
Inventories	4,758
Trade and other receivables	9,169
Current tax assets	96
Cash and cash equivalents	10,645
Trade and other payables	(15,538)
Loans and borrowings	(5,176)
Bank overdrafts	(25)
Lease liabilities	(1,143)
Deferred tax liabilities	(507)
Net assets assumed	19,175
Non-controlling interest	(9,633)
Goodwill on consolidation	11,123
Fair value of consideration transferred	20,665

Effects of acquisition on cash flows

	2021
	RM'000
Group	
Fair value of consideration transferred	20,665
Less: Shares consideration	(8,000)
Consideration paid in cash	12,665
Cash and cash equivalents acquired	(10,620)
Acquisition of subsidiary, net of cash acquired	2,045

Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	2021
	RM'000
Revenue	16,090
Loss for the financial year	(75,051)

If the acquisition had occurred on 1 July 2020, the consolidated results for the financial year ended 30 June 2021 would have been as follows:

	2021
	RM'000
Revenue	52,518
Profit for the financial year	25

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

32. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS AND ASSOCIATES (CONTINUED)**b) Acquisition of associates**

On 14 December 2020, the Company proposed to undertake the following: -

- (i) acquisition of 2,736,449 existing shares in Royce Pharma Manufacturing Sdn Bhd (“Royce Pharma”), representing approximately 22.8% of the enlarged issued share capital of Royce Pharma upon completion of investment in Royce Pharma (approximately 25.2% of the existing issued share capital of Royce Pharma) for a cash consideration of RM14,640,000; and
- (ii) subscriptions of 1,160,748 new ordinary shares in Royce Pharma representing approximately 9.7% of the enlarged issued share capital of Royce Pharma, for a cash consideration of RM6,210,000 upon completion of the investment in Royce Pharma.

The investment in Royce Pharma has been completed on 24 December 2020. Accordingly, Royce Pharma is a 32.5% owned associate company of the Company through its wholly owned subsidiary Ta Win Copper Biohealth Sdn Bhd.

33. SIGNIFICANT EVENTS**a) Proposed joint venture**

On 29 July 2020, the Board of Directors of the Company has proposed to undertake: -

- (i) joint venture between the Company and Perbadanan Memajukan Iktisad Negeri Terengganu 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, Terengganu 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 Ecocycle 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”.

(b) Rights Issue

On 14 September 2020, the Company proposed to undertake the renounceable rights issue of up to 3,106,101,171 ordinary shares in Ta Win (“Shares”) (“Rights Shares”) at an issue price of RM0.06 per Rights Share on the basis of 3 Rights Shares for every 1 existing Share held on the entitlement date (“Rights Issue”).

The Rights Issue has been completed on 9 June 2021 following the listing of and quotation for 2,556,501,561 Rights Shares and 144,969,824 additional warrants A on the Main Market of Bursa Securities and Ta Win has successfully raised RM153,390,093.66 from the Rights Issue.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

34. SUBSEQUENT EVENTS

- a) On 2 June 2021, the Board proposed to undertake the following: -
- (i) Bonus issue of up to 1,494,736,797 new warrants in Ta Win (“Warrant B”) on the basis of 2 Warrants B for every 5 existing shares held on an entitlement date.
 - (ii) Establishment of a share issuance scheme (“SIS”) of up to 15% of the total number of issued shares (excluding treasury shares, if any), comprising a share option scheme and a share grant scheme to the eligible Directors and eligible employees.

On 26 August 2021, the Company announced the Bonus issue of Warrants has been completed following the listing and quotation of 1,365,365,814 Warrants B on the Main Market of Bursa Malaysia Securities Berhad and the effective date for the implementation of the SIS is 26 August 2021.

- b) On 1 September 2021, the Company’s Board of Directors (“Board”) proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company. On 17 September 2021, Bursa Securities had, vide its letter dated on even date, approved the listing and quotation of up to 1,173,506,900 placement shares to be issued pursuant to the private placement.
- c) On 22 July 2021, Ta Win Copper Biohealth, a wholly-owned subsidiary of the Company, was authorised to subscribed 1,078,167 redeemable convertible preference shares (“RCPS”) at an issue price of RM3.71 per RCPS for a total cash consideration of RM4,000,000 in an associate company, Royce Pharma Manufacturing Sdn Bhd. The allotment of RCPS was completed on 8 September 2021.

ANALYSIS OF SHAREHOLDINGS

AS AT 8 OCTOBER 2021

ORDINARY SHARES

Number of Issued Shares Capital : 3,413,589,548 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	33	0.35	1,378	0.00
100 – 1,000	406	4.33	258,238	0.01
1,001 – 10,000	2,522	26.90	16,314,799	0.48
10,001 – 100,000	4,537	48.39	194,477,245	5.70
100,001 – to less than 5% of issued holdings	1,877	20.02	2,969,737,888	87.00
5% and above of issued holdings	1	0.01	232,800,000	6.82
Total	9,376	100.00	3,413,589,548	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.

No.	Name of Directors	Direct		Indirect		Note
		No. of Shares held	%	No. of Shares held	%	
1.	Dato' Yeo Boon Leong, JP	174,200,000	5.10	230,241,331	6.74	(i)
2.	Dato' Sri Ngu Tieng Ung, JP	–	–	456,799,008	13.38	(ii)
3.	Mr. Tan Poo Chuan	34,020,000	1.00	90,941,331	2.66	(iii)

Notes:-

- (i) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (86,641,331 shares), Asia Poly Holdings Berhad (130,600,000 shares) and Asia Poly Venture Sdn. Bhd. (13,000,000 shares).
- (ii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (86,641,331 shares), Heritage Winners Sdn. Bhd. (74,198,400 shares) and Timur Enterprise Sdn. Bhd. (295,959,277 shares).
- (iii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (86,641,331 shares) and his son, Tan Kang Shu (4,300,000 shares).

ANALYSIS OF SHAREHOLDINGS

(CONTINUED)

SUBSTANTIAL SHAREHOLDERS (excluding bare trustees)

No.	Name of Substantial Shareholders	Direct		Indirect		Note
		No. of Shares held	%	No. of Shares held	%	
1.	Timur Enterprise Sdn. Bhd.	295,959,277	8.67	–	–	
2.	Asia Capital Assets Limited	–	–	295,959,277	8.67	(i)
3.	Dato' Yeo Boon Leong, JP	174,200,000	5.10	230,241,331	6.74	(ii)
4.	Dato' Sri Ngu Tieng Ung, JP	–	–	456,799,008	13.38	(iii)

Notes: -

- (i) Deemed interest by virtue of its interest via Timur Enterprise Sdn. Bhd. (295,959,277 shares).
- (ii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (86,641,331 shares), Asia Poly Holdings Berhad (130,600,000 shares) and Asia Poly Venture Sdn. Bhd. (13,000,000 shares).
- (iii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (86,641,321 shares), Heritage Winners Sdn. Bhd. (74,198,400 shares) and Timur Enterprise Sdn. Bhd. (295,959,277 shares).

THIRTY (30) LARGEST SECURITIES HOLDERS

No.	Registered Holders	No. of shareholdings	%
1.	TIMUR ENTERPRISE SDN. BHD.	232,800,000	6.82
2.	ASIA POLY HOLDINGS BERHAD	130,600,000	3.83
3.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR YEO BOON LEONG	121,600,000	3.56
4.	TRIAD CAPITAL SDN. BHD.	86,641,331	2.54
5.	CITIGROUP NOMINEES (ASING) SDN. BHD., EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	84,800,000	2.48
6.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR KWEE SOW FUN	75,000,000	2.20
7.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD., TIMES FINE CHEMICAL SDN. BHD. FOR HERITAGE WINNERS SDN. BHD.	74,198,400	2.17
8.	TA NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR TIMUR ENTERPRISE SDN. BHD.	50,000,000	1.46
9.	CARTABAN NOMINEES (TEMPATAN) SDN. BHD., TMF TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG WHOLESALE EQUITY FUND 2	49,330,300	1.45
10.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD., CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	49,160,200	1.44
11.	YEO BOON LEONG	45,000,000	1.32
12.	P.H.TRUCK PARTS SERVICE SDN. BHD.	40,977,100	1.20
13.	SOUTHERN REALTY RESOURCE SDN. BHD.	40,000,000	1.17
14.	AMANAHRAYA TRUSTEES BERHAD, AFFIN HWANG GROWTH FUND	38,565,500	1.13
15.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD., URUSHARTA JAMAAH SDN. BHD. (AFFIN 2)	36,120,900	1.06



ANALYSIS OF SHAREHOLDINGS

(CONTINUED)

THIRTY (30) LARGEST SECURITIES HOLDERS (CONTINUED)

No.	Registered Holders	No. of shareholdings	%
16.	TAN POO CHUAN	34,020,000	1.00
17.	KENANGA NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR CHIN LIH LIH	34,000,000	1.00
18.	LIM AIK GEE	33,393,600	0.98
19.	LEE WAI CHIN	30,036,900	0.88
20.	AMANAHRAYA TRUSTEES BERHAD, AFFIN HWANG PRINCIPLED GROWTH FUND	29,471,100	0.86
21.	TAN WEN YI	29,000,000	0.85
22.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7004124)	28,800,000	0.84
23.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD., TA WIN HOLDINGS BERHAD FOR TRILLION OSCAR SDN. BHD.	28,560,000	0.84
24.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD, EXEMPT AN FOR AFFIN HWANG ASSET MANAGEMENT BERHAD (TSTAC/CLNT-T)	26,925,700	0.79
25.	CHONG MING KONG	23,000,000	0.67
26.	HLIB NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR TAN KOK AUN (CCTS)	22,000,000	0.64
27.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD., CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	21,900,100	0.64
28.	CARTABAN NOMINEES (TEMPATAN) SDN. BHD., CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	21,049,000	0.62
29.	RONIE TAN CHOO SENG	20,800,000	0.61
30.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD., CIMB FOR LIM WEE YEE (PB)	20,650,000	0.60

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES HOLDINGS

AS AT 8 OCTOBER 2021

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Number of ICPS	:	19,076,313 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 Holders	%	Total Holdings	%
Less than 100	3	1.03	91	0.00
100 – 1,000	21	7.19	7,142	0.04
1,001 – 10,000	63	21.58	437,000	2.29
10,001 – 100,000	164	56.16	6,364,880	33.37
100,001 – to less than 5% of issued holdings	41	14.04	12,267,200	64.31
5% and above of issued holdings	0	0.00	0	0.00
Total	292	100.00	19,076,313	100.00

THIRTY (30) LARGEST ICPS HOLDERS

No.	Registered ICPS Holders	No. of ICPS Holdings	%
1.	SEE EAN SENG	750,000	3.93
2.	KENNY TAN GIAM LOONG	600,000	3.15
3.	LIM SENG NIP	600,000	3.15
4.	TA NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR TAN SENG TUNG	590,000	3.09
5.	TEH KENG KAA	540,000	2.83
6.	GEOFFREY LIM FUNG KEONG	514,300	2.70
7.	CITIGROUP NOMINEES (ASING) SDN. BHD., EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	500,000	2.62
8.	CHIN CHIN SEONG	485,000	2.54
9.	TAN HAN CHONG	400,400	2.10
10.	EU BENG HO	400,000	2.10
11.	TAN KEE RIAN	360,000	1.89
12.	THAM KIN YIP	345,600	1.81
13.	TEH CHEE KANG	330,000	1.73
14.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR NG SEONG PUN (E-TCS)	319,200	1.67
15.	CHOW YEW SHING @ CHEW YEOW CHONG	300,000	1.57
16.	FOONG KUO KANG	300,000	1.57
17.	JF APEX NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR TEE JEN TONG (STA1)	300,000	1.57
18.	PANG FEI MING	300,000	1.57

**ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES
HOLDINGS**

(CONTINUED)

THIRTY (30) LARGEST ICPS HOLDERS (CONTINUED)

No.	Registered ICPS Holders	No. of ICPS Holdings	%
19.	SYARIKAT RIMBA TIMUR (RT) SDN. BHD.	300,000	1.57
20.	ANDREW LIM CHEONG SENG	281,000	1.47
21.	LOH SOON SHAN	277,500	1.45
22.	KENANGA NOMINEES (TEMPATAN) SDN. BHD., RAKUTEN TRADE SDN. BHD. FOR GAN CHWEN TECK	255,000	1.34
23.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR LAI KING LUNG	250,000	1.31
24.	LOW HUI MAI	240,000	1.26
25.	LIU JUAN	230,000	1.21
26.	ONG BOK SAN	210,000	1.10
27.	TEE JEN TONG	207,100	1.09
28.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR CHIN LOO SIN (TTDI-CL)	200,000	1.05
29.	HIAN BEE GEOK	200,000	1.05
30.	JF APEX NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR THOO CHEE YOON (MARGIN)	193,000	1.01

ANALYSIS OF WARRANTS A HOLDINGS

AS AT 8 OCTOBER 2021

WARRANTS A

Issued Size : 304,172,581 Warrants A

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF WARRANTS A HELD IN RESPECT OF ISSUED HOLDINGS

Size of Holdings	No. of Holders	%	Total Holdings	%
Less than 100	199	13.00	8,952	0.00
100 – 1,000	77	5.03	21,099	0.01
1,001 – 10,000	207	13.52	1,346,563	0.44
10,001 – 100,000	664	43.37	28,831,892	9.48
100,001 – to less than 5% of issued holdings	384	25.08	273,964,075	90.07
5% and above of issued holdings	0	0.00	0	0.00
Total	1,531	100.00	304,172,581	100.00

THIRTY (30) LARGEST WARRANTS A HOLDERS

No.	Registered Warrants A Holders	No. of Warrants A Holdings	%
1.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR LAI CHENG KUAN (8058893)	13,513,700	4.44
2.	CHIN CHIN SEONG	9,424,822	3.10
3.	KENANGA NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR TAN BAN TATT	7,370,030	2.42
4.	LIM CHAI HOON	7,040,620	2.31
5.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR KWEE SOW FUN	6,500,000	2.14
6.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR LAI CHENG KUAN (8070081)	6,200,000	2.04
7.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD., TEH CHEN SU	5,517,200	1.81
8.	YAP KONG YEAW	5,098,000	1.68
9.	CHONG HAH	5,044,800	1.66
10.	THAM KIN YIP	5,000,041	1.64
11.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD., YAP KONG YEAW	4,800,000	1.58
12.	TEOH GIAP SENG	4,040,345	1.33
13.	KENANGA NOMINEES (ASING) SDN. BHD., EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	4,009,087	1.32
14.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR KWEE SOW FUN (6000911)	4,000,000	1.32
15.	JALEX (L) FOUNDATION	3,993,536	1.31
16.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR TING SIEW PIN (CEB)	3,821,200	1.26
17.	LIEW WEI KIN	3,500,000	1.15
18.	KHAW SEANG CHUAN	3,077,300	1.01

ANALYSIS OF WARRANTS A HOLDINGS

(CONTINUED)

THIRTY (30) LARGEST WARRANTS A HOLDERS (CONTINUED)

No.	Registered Warrants A Holders	No. of Warrants A Holdings	%
19.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR SON TONG LEONG (MY1225)	2,904,112	0.95
20.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (E-KLC)	2,888,398	0.95
21.	ONG JING REN	2,789,476	0.92
22.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR LAI HOE YAN	2,720,370	0.89
23.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR YEOH YUN PYNG (7002058)	2,674,840	0.88
24.	ANISMAWATI BINTI HARUN	2,483,780	0.82
25.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD., CIMB FOR LIM WEE YEE (PB)	2,432,950	0.80
26.	LIM POH CHUW	2,388,250	0.79
27.	SAM MIN MIN	2,160,985	0.71
28.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD., LINDA GOH HUI LIN	2,130,035	0.70
29.	OOI WEE CHUN	2,063,448	0.68
30.	LEOW CHEE KIAN	2,000,000	0.66

ANALYSIS OF WARRANTS B HOLDINGS

AS AT 8 OCTOBER 2021

WARRANTS B

Issued Size : 1,365,365,814 Warrants B

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF WARRANTS B HELD IN RESPECT OF ISSUED HOLDINGS

Size of Holdings	No. of Holders	%	Total Holdings	%
Less than 100	222	3.27	10,038	0.00
100 – 1,000	671	9.89	369,568	0.03
1,001 – 10,000	2,448	36.07	11,510,956	0.84
10,001 – 100,000	2,513	37.03	94,112,270	6.89
100,001 – to less than 5% of issued holdings	931	13.72	1,060,162,982	77.65
5% and above of issued holdings	2	0.03	199,200,000	14.59
Total	6,787	100.00	1,365,365,814	100.00

DIRECTORS' WARRANTS B HOLDINGS

As per the Register of Directors' Shareholdings, save for the Directors named below, no other Directors of the Company has any interest in Warrants B, direct or indirect, in the Company.

No.	Name of Directors	Direct		Indirect		Note
		No. of Warrants B held	%	No. of Warrants B held	%	
1.	Dato' Yeo Boon Leong, JP	3,500,000	0.26	34,656,532	2.54	(i)
2.	Dato' Sri Ngu Tieng Ung, JP	–	–	182,719,602	13.38	(ii)
3.	Mr. Tan Poo Chuan	13,608,000	1.00	34,656,532	2.54	(iii)

Notes:-

- (i) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (34,656,532 warrants B).
- (ii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (34,656,532 warrants B), Heritage Winners Sdn. Bhd. (37,479,360 warrants B) and Timur Enterprise Sdn. Bhd. (110,583,710 warrants B).
- (iii) Deemed interest by virtue of his interest via Triad Capital Sdn. Bhd. (34,656,532 warrants B).

THIRTY (30) LARGEST WARRANTS B HOLDERS

No.	Registered Warrants B Holders	No. of Warrants B Holdings	%
1.	TIMUR ENTERPRISE SDN. BHD.	109,200,000	8.00
2.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR KWEE SOW FUN	90,000,000	6.59
3.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR LAI CHENG KUAN (8058893)	47,500,000	3.48
4.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD., TIMES FINE CHEMICAL SDN. BHD. FOR HERITAGE WINNERS SDN. BHD.	37,479,360	2.75
5.	TRIAD CAPITAL SDN. BHD.	34,656,532	2.54

ANALYSIS OF WARRANTS B HOLDINGS

(CONTINUED)

THIRTY (30) LARGEST WARRANTS B HOLDERS (CONTINUED)

No.	Registered Warrants B Holders	No. of Warrants B Holdings	%
6.	LEE WAI CHIN	19,828,000	1.45
7.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD., CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	19,077,680	1.40
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR KWEE SOW FUN (6000911)	16,500,000	1.21
9.	P.H.TRUCK PARTS SERVICE SDN. BHD.	16,390,840	1.20
10.	SOUTHERN REALTY RESOURCE SDN. BHD.	16,000,000	1.17
11.	AMANAHRAYA TRUSTEES BERHAD, AFFIN HWANG GROWTH FUND	15,426,200	1.13
12.	TAN BAN TATT	15,000,000	1.10
13.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD., URUSHARTA JAMAAH SDN. BHD. (AFFIN 2)	14,448,360	1.06
14.	TAN POO CHUAN	13,608,000	1.00
15.	LIM AIK GEE	13,357,440	0.98
16.	KENANGA NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR CHIN LIH LIH	13,000,000	0.95
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7004124)	12,000,000	0.88
18.	AMANAHRAYA TRUSTEES BERHAD, AFFIN HWANG PRINCIPLED GROWTH FUND	11,788,440	0.86
19.	TRILLION OSCAR SDN. BHD.	11,424,000	0.84
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7000207)	10,000,000	0.73
21.	KENANGA NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR LOH KIM KIONG	9,180,000	0.67
22.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD., CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	8,760,040	0.64
23.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (MY2065)	8,500,000	0.62
24.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR LAI HOE YAN	8,454,000	0.62
25.	RONIE TAN CHOO SENG	8,320,000	0.61
26.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD., PLEDGED SECURITIES ACCOUNT FOR RONIE TAN CHOO SENG	8,000,000	0.59
27.	CHONG MING KONG	8,000,000	0.59
28.	RONIE TAN CHOO SENG	8,000,000	0.59
29.	RONIE TAN CHOO SENG	8,000,000	0.59
30.	WOO KIM SIONG	8,000,000	0.59

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 @ 30.06.2021 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 68 years 99 years leasehold expiring on 25/6/2089 or Lot PT 1287 to 1290 leaving unexpired terms of about 68 years	Industrial land, factory building & office	16,17,20, 23 years (4 factories)	31,791/ (18,735)	25,463	2018
PT 1513 & 1516, Mukim of Kelemak, Alor Gajah, Melaka	99 years leasehold expiring on 24/9/2091, leaving unexpired terms of about 70 years	Apartments	22 years	N/A/(728)	372	2015
PT 464, Jalan Kasawari, Kawasan Perindustrian Kebun Baru, 42500 Telok Panglima Garang, Selangor Darul Ehsan	Grant in perpetuity (Freehold land and building)	Office, factory & warehouse	9 years	6,616/ (6,014)	13,679	2020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Seventh Annual General Meeting (“AGM”) of Ta Win Holdings Berhad (“Ta Win” or “the Company”) will be conducted as a fully virtual meeting through live streaming from the broadcast venue at Meeting Room of Ta Win of Unit 26-11 & 26-12, Level 26, Q Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur, Malaysia on Monday, 29 November 2021 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 2021 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) Dato’ Paduka Dr. Hii King Hiong **Resolution 1**
 - (b) Datin Seri Azreen Binti Abu Noh **Resolution 2**
3. To re-elect Mr. Lim Boon Shen, 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 the date of the forthcoming AGM until the conclusion of the next AGM 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 AGM until the conclusion of the next AGM 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, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/ regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to 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 issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”); AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

Please refer to Explanatory Note D.

Resolution 7

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

8. **ORDINARY RESOLUTION PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

“THAT subject to the Companies Act 2016, provisions of the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in Ta Win (“Ta Win Shares”) as may be determined by Ta Win’s Board of Directors (“Board”) from time to time through Bursa Securities as the Board may deem fit, necessary and expedient in the interest of the Company, provided that:-

- (i) the maximum aggregate number of Ta Win Shares which may be purchased and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company at any point in time of the said purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing Ta Win Shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s);

THAT the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution 8 and shall continue to be in force until:-

- (i) the conclusion of the next AGM at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required to be held by law; or
- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first;

THAT upon completion of the purchase of Ta Win Shares by the Company, the Board be authorised to deal with Ta Win Shares purchased in its absolute discretion in the following manner:-

- (i) to cancel the Ta Win Shares so purchased; or
- (ii) to retain the Ta Win Shares so purchased as the treasury shares which may be distributed as shares dividends to shareholders and/or be resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or transferred for the purposes of an employees’ share scheme and/or transferred as purchase consideration and/or cancelled subsequently; or
- (iii) to retain part of the Ta Win Shares so purchased as treasury shares and cancel the remainder of the Ta Win Shares; or
- (iv) to deal with the Ta Win Shares so purchased in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time,

and such authority to deal with the Ta Win Shares so purchased shall continue to be valid until all such Ta Win Shares have been dealt with by the Board;

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, variations, modifications and/or amendments to the terms of the Proposed Renewal of Share Buy-Back Authority as may be required or imposed by any relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Renewal of Share Buy-Back Authority.”

Please refer to Explanatory Note E.

Resolution 8

**NOTICE OF ANNUAL GENERAL MEETING**

(CONTINUED)

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
29 October 2021

Notes:

- (1) In view of the COVID-19 pandemic and as part of the Company's measures to curb the spread of COVID-19 pandemic, the AGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities using Securities Services e-Portal at <https://sshsb.net.my/> provided by SS E Solutions Sdn. Bhd. in Malaysia. **Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via RPV.**
- (2) A member of the Company entitled to attend, participate, speak and vote at the AGM 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.
- (3) 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. Pursuant to the Guidance on the Conduct of General for Listed Issuers issued by the Securities Commission Malaysia, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders, proxies and corporate representatives shall communicate via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the AGM 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 AGM. 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 AGM.
- (4) 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.
- (5) If no name is inserted in the space provided for the name of your proxy, the Chairman of the AGM will act as your proxy.
- (6) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM at which the person named in the appointment proposes to vote:-
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

(ii) By electronic means via email

In the case of an appointment made via email transmission, this proxy form must be received via email at eservices@sshsb.com.my.

For option (ii), the Company will require the member to deposit the original executed proxy form as in (i) above no later than Saturday, 27 November 2021 at 10:00 a.m. for verification purpose.

(iii) Online

In the case of an appointment made via online lodgement facility, please submit the proxy form electronically via Securities Services e-Portal at <https://sshsb.net.my/>.

- (7) Should you wish to personally participate at the AGM 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 AGM for further details as attached in the Annual Report.
- (8) 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 the AGM shall be deemed to include the power to demand a poll on behalf of the appointor.
- (9) For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a AGM Record of Depositors ("ROD") as at 22 November 2021. Only a depositor whose name appears on the ROD as at 22 November 2021 shall be entitled to attend the AGM or appoint proxy(ies) to attend and/or vote on such depositor's behalf.
- (10) Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions at the AGM 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.

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 the date of the forthcoming AGM until the conclusion of the next AGM 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 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.

**NOTICE OF ANNUAL GENERAL MEETING**

(CONTINUED)

The estimated amount of RM200,000.00 for the relevant period is derived from the estimated directors' benefits from the date of the forthcoming AGM 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 Seventh AGM. 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 AGM 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 AGM, to issue and allot shares in the Company up to and not exceeding 10 percent (10%) 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 AGM of the Company or at the expiry of the period within which the next AGM 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 Sixth AGM. At the date of this notice, no new ordinary shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 10 December 2021 and which will lapse at the conclusion of the Twenty Seventh AGM.

The 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.

Note E

The proposed Ordinary Resolution 8, if passed, will give the Directors of the Company the authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or effect the purchase(s) of Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. This mandate shall lapse at the conclusion of the next AGM of the Company unless authority for the renewal is obtained from the shareholders of the Company at a general meeting. Please refer to the Statement in relation to the Proposed Renewal of Share Buy Back Authority dated 29 October 2021 which is despatched together with this Annual Report for more information.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities)

1. ELECTION OF DIRECTORS

No individual is seeking election as Director of the Company at the Twenty Seventh 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.



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 -

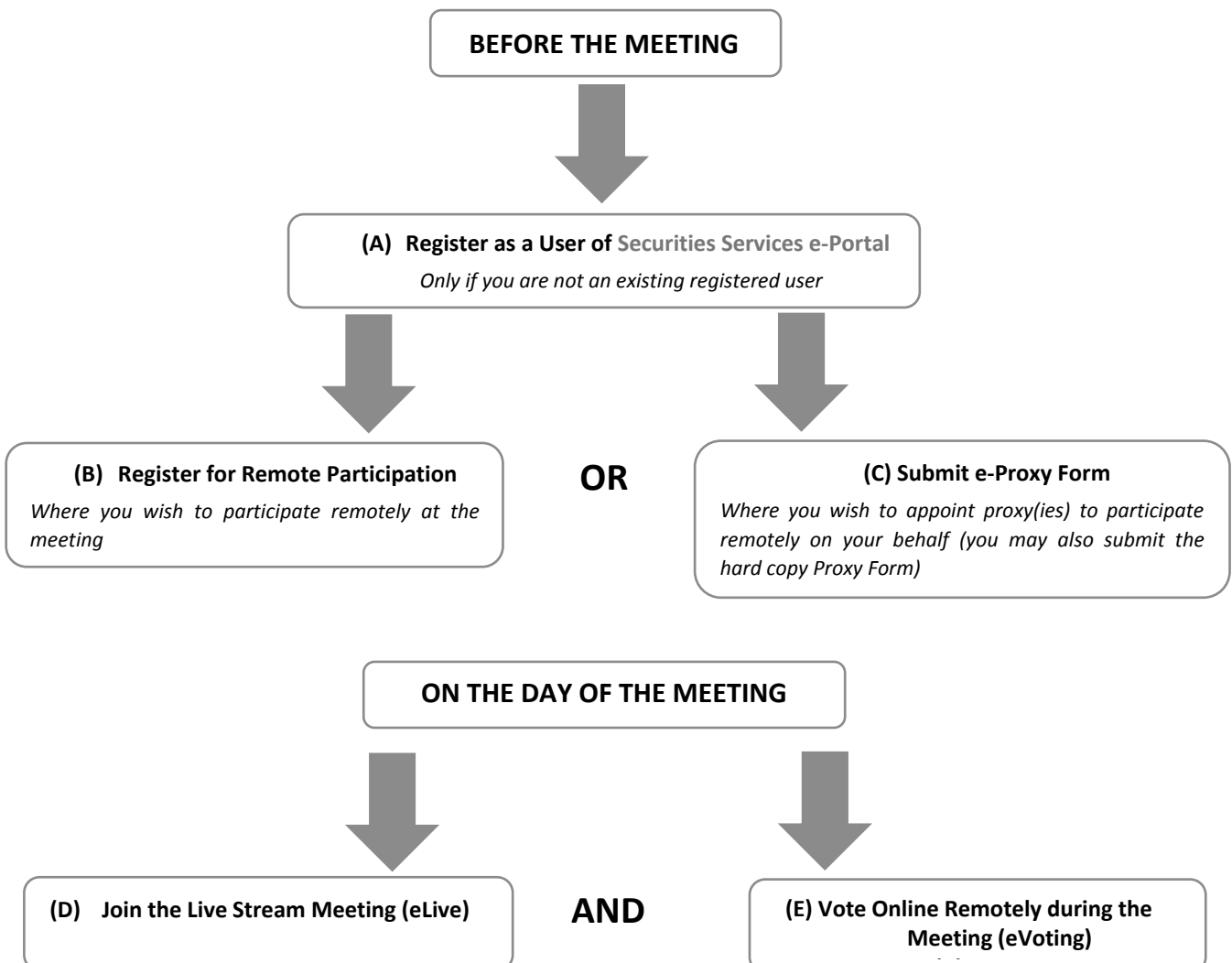
- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings (referred to as “e-Services”)

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.**

Please note that the e-Portal is best viewed on the latest versions of Chrome, Firefox, Edge and Safari.

REQUIRE ASSISTANCE?

Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Ms. Lee Pei Yeng (DID: +603 2084 9169) 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 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. Alternatively, you may email us at eservices@sshbs.com.my.



BEFORE THE MEETING

(A) Sign up for a user account at Securities Services e-Portal

<p>Step 1 Visit https://sshsb.net.my/</p> <p>Step 2 Sign up for a user account</p> <p>Step 3 Wait for our notification email that will be sent within one (1) working day</p> <p>Step 4 Verify your user account within seven (7) days of the notification email and log in</p>	<ul style="list-style-type: none"> • This is a ONE-TIME registration. If you already have a user account, you need not register again. • Your email address is your User ID. • Please proceed to either (B) or (C) below once you are a registered user.
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ALL SHAREHOLDERS MUST REGISTER AS A USER BY 25 NOVEMBER 2021

(B) Register for Remote Participation

Meeting Date and Time	Registration for Remote Participation Closing Date and Time
Twenty Seventh (“27 th ”) Annual General Meeting (“AGM”), on Monday, 29 November 2021 at 10:00 a.m.	Saturday, 27 November 2021 at 10:00 a.m.

- Log in to <https://sshsb.net.my/> with your registered email and password
- Look for **Ta Win Holdings Berhad** under Company Name and **27th AGM on 29 November 2021 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, Malaysia for verification before the registration closing date and time above.*

Step 2 Submit your registration.

- 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, 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.

(C) Submit e-Proxy Form

Meeting Date and Time	Proxy Form Submission Closing Date and Time
27 th AGM, on Monday, 29 November 2021 at 10:00 a.m.	Saturday, 27 November 2021 at 10:00 a.m.

- Log in to <https://sshsb.net.my/> with your registered email and password
- Look for **Ta Win Holdings Berhad** under Company Name and **27th AGM on 29 November 2021 at 10:00 a.m. – Submission of Proxy Form** under Corporate Exercise/ Event and click “>” to submit your proxy forms online for the meeting by the submission closing date and time above.

- Step 1 Check if you are submitting the proxy form as –
- Individual shareholder
 - Corporate or authorised representative of a body corporate
- For body corporates, the appointed corporate/authorised representative is 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 Damanela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia for verification before the proxy form submission closing date and time above .*
- Step 2 Enter your CDS account number or the body corporate’s CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).
You may appoint the Chairman of the meeting as your proxy where you are not able to participate remotely.
- Step 3 Proceed to indicate how your votes are to be casted against each resolution.
- Step 4 Review and confirm your proxy form details before submission.
- A copy of your submitted e-Proxy Form can be accessed via **My Records** (refer to the left navigation panel).
 - You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.

PROXIES

All appointed proxies need not register for remote participation under (B) above but if they are not registered Users of the e-Portal, they will need to register as Users of the e-Portal under (A) above by 25 November 2021. PLEASE NOTIFY YOUR PROXY(IES) ACCORDINGLY. Upon processing the proxy forms, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, provided the proxy must be a registered user of the e-Portal, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a fully virtual basis.

ON THE DAY OF THE MEETING

Log in to <https://sshsb.net.my/> with your registered email and password

(D) Join the Live Stream Meeting (eLive)

Meeting Date and Time	eLive Access Date and Time
27 th AGM, on Monday, 29 November 2021 at 10:00 a.m.	Monday, 29 November 2021 at 09:30 a.m.

➤ Look for **Ta Win Holdings Berhad** under Company Name and **27th AGM on 29 November 2021 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.

(E) Vote Online Remotely during the Meeting (eVoting)

Meeting Date and Time	eVoting Access Date and Time
27 th AGM, on Monday, 29 November 2021 at 10:00 a.m.	Monday, 29 November 2021 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 not accessing from the Live Stream Meeting and have just logged in to the e-Portal, look for **Ta Win Holdings Berhad** under Company Name and **27th AGM on 29 November 2021 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).



TA WIN HOLDINGS BERHAD
(Registration No.: 199401005913 (291592-U))
(Incorporated in Malaysia)

CDS account no.	
No. of shares held	

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	Email		
	Contact		

*and/or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email		
	Contact		

or failing him, *the Chairman of the Annual General Meeting ("AGM"), as *my/ our proxy to vote for *me/ us on *my/ our behalf at the Twenty Seventh 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 Monday, 29 November 2021 at 10.00 a.m. or at any adjournment thereof, in the manner indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Dato' Paduka Dr. Hii King Hiong as Director.		
2.	To re-elect Datin Seri Azreen Binti Abu Noh as Director.		
3.	To re-elect Mr. Lim Boon Shen as Director.		
4.	To approve the payment of Directors' fees.		
5.	To approve the Directors' benefits payable.		
6.	To approve the re-appointment of Messrs Ecovis Malaysia PLT as the Auditors of the Company.		
7.	To authorise the Directors to allot shares of up to 10% of the total number of issued shares pursuant to Section 75 and 76 of the Companies Act, 2016.		
8.	To renew the authority for the Company to purchase its own shares of up to 10% of the total number of issued shares in 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 2021

.....
*Signature (s)/Common Seal of Shareholder

* Delete if not applicable

Notes:

- In view of the COVID-19 pandemic and as part of the Company's measures to curb the spread of COVID-19 pandemic, the AGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities using Securities Services e-Portal at <https://sshb.net.my/> provided by SS E Solutions Sdn. Bhd. in Malaysia. **Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via RPV.**
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- 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. Pursuant to the Guidance on the Conduct of General for Listed Issuers issued by the Securities Commission Malaysia, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders, proxies and corporate representatives shall communicate via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the AGM 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@sshb.com.my during the AGM. 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 AGM.
- 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.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the AGM will act as your proxy.



- (6) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM at which the person named in the appointment proposes to vote:-
- (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - (ii) By electronic means via email
In the case of an appointment made via email transmission, this proxy form must be received via email at eservices@sshsb.com.my.
For option (ii), the Company will require the member to deposit the original executed proxy form as in (i) above no later than Saturday, 27 November 2021 at 10:00 a.m. for verification purpose.
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In the case of an appointment made via online lodgement facility, please submit the proxy form electronically via Securities Services e-Portal at <https://sshsb.net.my/>.
- (7) Should you wish to personally participate at the AGM 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 AGM for further details as attached in the Annual Report.
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- (9) For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue AGM Record of Depositors ("ROD") as at 22 November 2021. Only a depositor whose name appears on the ROD as at 22 November 2021 shall be entitled to attend the AGM or appoint proxy(ies) to attend and/or vote on such depositor's behalf.
- (10) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the AGM will be voted by poll.

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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,
Wilayah Persekutuan, 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, Wilayah Persekutuan, Malaysia

Tel No. : (603) 2276 6522 **Fax No. :** (603) 2276 6511

www.ta-win.com

