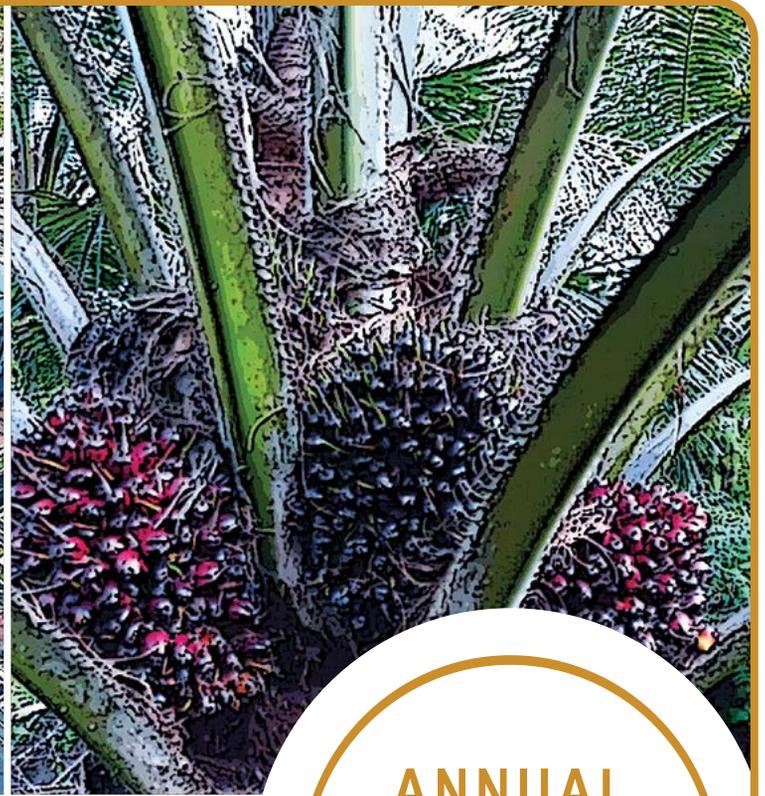




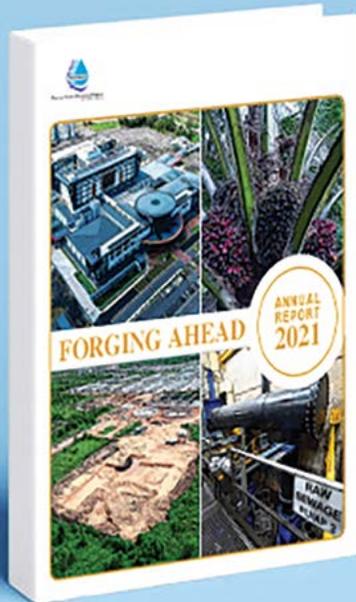
PUNCAK NIAGA HOLDINGS BERHAD
[199701000591 (416087-U)]



FORGING AHEAD

ANNUAL
REPORT
2021





FORGING AHEAD

As a resilient and steadfast corporation, Puncak Niaga Holdings Berhad remains focused on capacity building, embracing business agility and delivering long term sustainable growth within our core business segments.

With the support of Team Puncak Niaga and our various stakeholders, our growth journey remains on track despite the challenges faced in adapting to the new normal in the conduct of our businesses as we seek to reinvent, refresh, innovate and carve new milestones within the industries where we operate in.



ENVIRONMENTAL ENGINEERING AND CONSTRUCTION

Despite the COVID-19 pandemic and the Movement Control Order, we were able to successfully implement tighter control mechanisms and ensured full HSE compliance at our Bonus Project and Kuantan Project sites

TO DRIVE A MORE INCLUSIVE ECONOMY



PLANTATION

Our Plantation segment managed to reduce its Loss Before Tax to RM28.072 million from RM40.674 million in the previous year



CONCESSION AND FACILITIES MANAGEMENT

Our Concession and Facilities Management segment as operated by TRIPIC Berhad Group of Companies holds two concession agreements for the Universiti Teknologi MARA ("UiTM") campus at Puncak Alam and is set for further growth

OUR VISION

To Be The Leading Regional Integrated Water, Wastewater And Environmental Solutions Provider With Involvement In Concession Facilities Management Services, Plantation And Property Development Sectors

OUR MISSION

To meet the increasing challenges in the demand for water, wastewater and environmental engineering, facilities management services, property development, plantation and construction sector through the continuous implementation of strategic planning, high quality standards, efficient services, human capital development, innovative technologies and operational systems

To actively participate in local, regional and global business opportunities with linkages to the Company's core activities

To share experience and offer our expertise through Smart Business Partnerships, Public Private Partnerships or other innovative business models in order to expand business growth

OUR VALUES

Our Company's values, the PUNCAK Values, shape our organisational culture and guide the way we run our business. They are integrated into our business processes and our core values

At PUNCAK, we are and continuously seek to be:

P

PASSIONATE

about our business for sustainable performance

U

UNITED

as one in our corporate responsibility strategy to align with Our Vision To Be The Leading Regional Integrated Water, Wastewater And Environmental Solutions Provider With Involvement In Concession Facilities Management Services, Plantation And Property Development Sectors

N

NURTURE

our human capital towards an exemplary workforce

C

CORPORATE GOVERNANCE

guides the way we run our business in an evolving global business environment

A

ACCOUNTABLE

for all our actions and engagement process with our stakeholders

K

KNOWLEDGEABLE

in all aspects of our business operations and continue to be the trusted and reliable service provider

Pages 18 - 21

Chairman's
Letter to Shareholders



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Management Discussion and Analysis



Pages 30 - 49

Sustainability Statement



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Puncak Niaga Group Fact Sheet

2021 KEY HIGHLIGHTS

Number of Shares Issued
As at 31 December 2021

449,284,556

Share Capital
As at 31 December 2021

RM554,662,777

List of Corporate Memberships

	Member since
1. Malaysia South-South Association ("MASSA")	1995
2. Federation of Public Listed Companies ("FPLC")	1997
3. Malaysian Employers Federation ("MEF")	1999
4. Malaysian Industry-Government Group for High Technology ("MIGHT")	2001
5. Malaysian-German Chamber of Commerce and Industry ("MGCC")	2002
6. Malaysian-French Chamber of Commerce and Industry ("MFCCI")	2002
7. Malaysia-Russia Business Council	2002
8. British Malaysian Chamber of Commerce ("BMCC")	2003
9. Malaysia-Japan Economic Association ("MAJECA")	2003
10. Commonwealth Partnership for Technology Management ("CPTM")	2003
11. Institute of Marketing Malaysia ("IMM")	2003
12. Singapore Water Association	2006
13. Malaysian Investors Relations Association ("MIRA")	2008
14. Environmental Management & Research Association of Malaysia ("ENSEARCH")	2009
15. Arab-Malaysian Chamber of Commerce	2012
16. EU-Malaysia Chamber of Commerce and Industry	2012
17. Institute of Corporate Directors Malaysia	2018

Revenue

RM355.003 million

Total Assets

RM3,084.539 million

Loss After Tax

(RM11.185) million

Puncak Niaga was awarded:

- ▶ **Gold Award at the 2021 ARA Awards** on 30 June 2021
- ▶ Graduate Choice Award (GCA) - **2021/2022 Most Preferred Graduate Employer** on 2 July 2021
- ▶ MSWG-ASEAN Corporate Governance Award 2020 - **Excellence Award for CG Disclosure** (Market Cap Below RM100 Million) on 2 August 2021

About This Report

REPORTING FRAMEWORK

This is Puncak Niaga Holdings Berhad's ("Puncak Niaga" or "the Group") Annual Report 2021. This report describes the Group's performance in its efforts to create value for our stakeholders for the financial year ended 31 December 2021. The report strives to provide a comprehensive account of our strategic progress in a balanced and transparent manner. The report also details our Environmental, Social and Governance performance, which is elaborated further in our Sustainability Statement on pages from 30 to 49.

SCOPE AND BOUNDARIES

Puncak Niaga is publicly listed on the Main Market of Bursa Malaysia Securities Berhad. This report covers all our business activities, including those of our principal subsidiaries.

GUIDELINES AND STANDARDS

Throughout the preparation of this report, we have been guided by best practices as prescribed by international and local integrated reporting frameworks. Our disclosures adhere to the requirements of the following:-

- Malaysian Code on Corporate Governance 2021 ("MCCG")
- Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR")
- Bursa Malaysia's Corporate Governance Guide 4th Edition
- Companies Act 2016
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards and other regulatory requirements as applicable

In the area of sustainability, we have developed our reporting in line with key sustainability reporting guidelines such as Bursa Malaysia's Sustainability Reporting Guide 2nd Edition and Global Reporting Initiative ("GRI").

ASSURANCE

The report has been developed with oversight by the Board of Directors, who has given its collective assurance and approval for its content. Our financial reporting is audited by an independent third party, Grant Thornton Malaysia PLT who had audited our Financial Statements for the financial year ended 31 December 2021 and approved them free of qualification.

FORWARD LOOKING STATEMENTS

Forward looking statements should be taken with a degree of caution as they are reliant on various events, risks, uncertainties and other factors beyond our control. These statements can be identified through the use of key words such as "believes", "intend", "will", "plans", "outlook" and other similar words in conjunction with discussions on future operating or financial performance. In the coming years, we will be able to report with more comprehensive data and better assess our material focus areas.

The hard copy of this report is available to all stakeholders upon request. A soft copy is publicly available at www.puncakniaga.com.my

FEEDBACK

All comments, thoughts and remarks may be directed to:

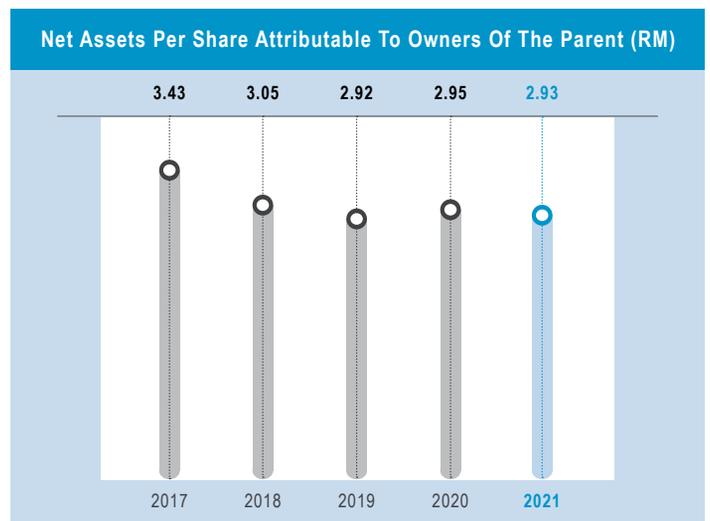
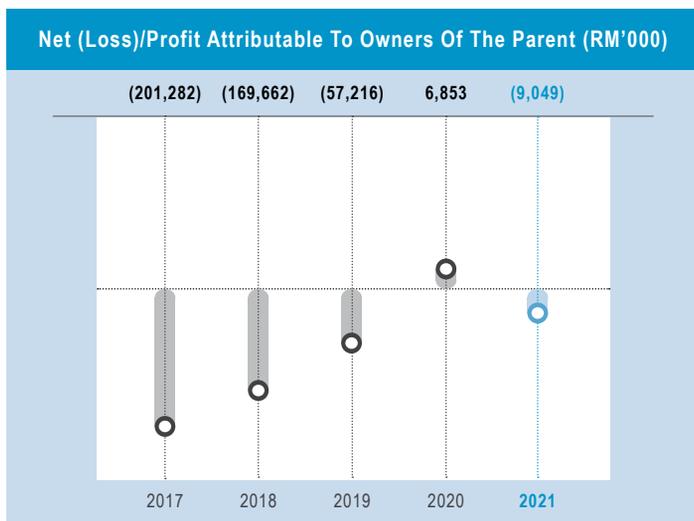
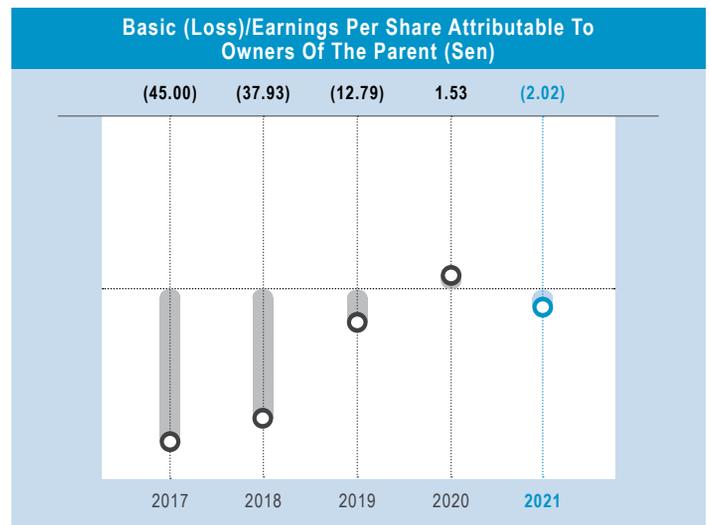
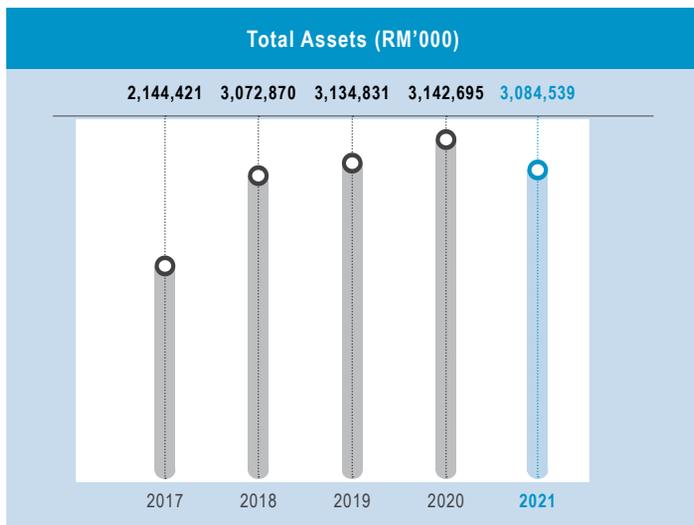
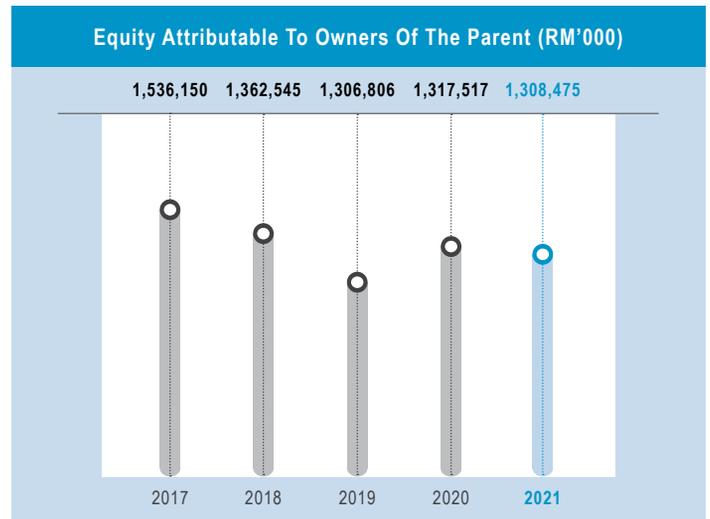
PUNCAK NIAGA HOLDINGS BERHAD
c/o Secretarial Department
10th Floor, Wisma Rozali
No. 4, Persiaran Sukan, Seksyen 13
40100 Shah Alam, Selangor Darul Ehsan

Telephone : 03 5522 8589
Fax : 03 5512 0220
Email : investors@puncakniaga.com.my



Please scan the QR code to access our Annual Report which is also available at www.puncakniaga.com.my

Five-Year Group Performance



Five-Year Financial Highlights

	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-19 RM'000	31-Dec-18 RM'000	31-Dec-17 RM'000
KEY RESULTS					
Revenue					
- Continuing Operations	355,003	384,344	474,720	230,466	101,095
- Discontinued Operations	-	-	-	-	185
Total	355,003	384,344	474,720	230,466	101,280
Loss Before Tax					
- Continuing Operations	(15,070)	(9,382)	(57,290)	(119,064)	(195,709)
- Discontinued Operations	-	-	-	-	(4,600)
Total	(15,070)	(9,382)	(57,290)	(119,064)	(200,309)
Net (Loss)/Profit attributable to owners of the parent	(9,049)	6,853	(57,216)	(169,662)	(201,282)
STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment	478,016	510,968	510,956	527,427	530,533
Investment properties	836,380	818,925	852,297	852,297	601,367
Bearer biological assets	309,711	312,629	311,504	305,470	282,867
Other non-current assets	900,790	883,869	755,491	491,787	6
Current assets	559,642	616,304	704,583	895,889	729,648
Total assets	3,084,539	3,142,695	3,134,831	3,072,870	2,144,421
ISSUED AND PAID-UP CAPITAL					
Share capital	554,663	554,663	554,663	554,663	554,663 [^]
Reserves	753,812	762,854	752,143	807,882	981,487
Equity attributable to owners of the parent	1,308,475	1,317,517	1,306,806	1,362,545	1,536,150
Net assets per share attributable to owners of the parent (RM)	2.93	2.95	2.92	3.05	3.43
RATIOS AND STATISTIC					
Net (Loss)/Profit margin attributable to owners of the parent (%)	(2.55)	1.78	(12.05)	(73.62)	(198.74)
Basic (Loss)/Earnings per share attributable to owners of the parent (sen)	(2.02)	1.53	(12.79)	(37.93)	(45.00)
Loans and borrowings (RM'000)	1,233,585	1,258,576	1,243,129	1,108,871	163,252
Gearing ratio (%)	49	49	49	45	10
Current ratio (times)	1.25	1.35	1.61	2.20	2.27

[^] In accordance with Section 618 of Companies Act 2016, any amount standing to the credit of the share premium account has become part of the share capital

Share Price Movement

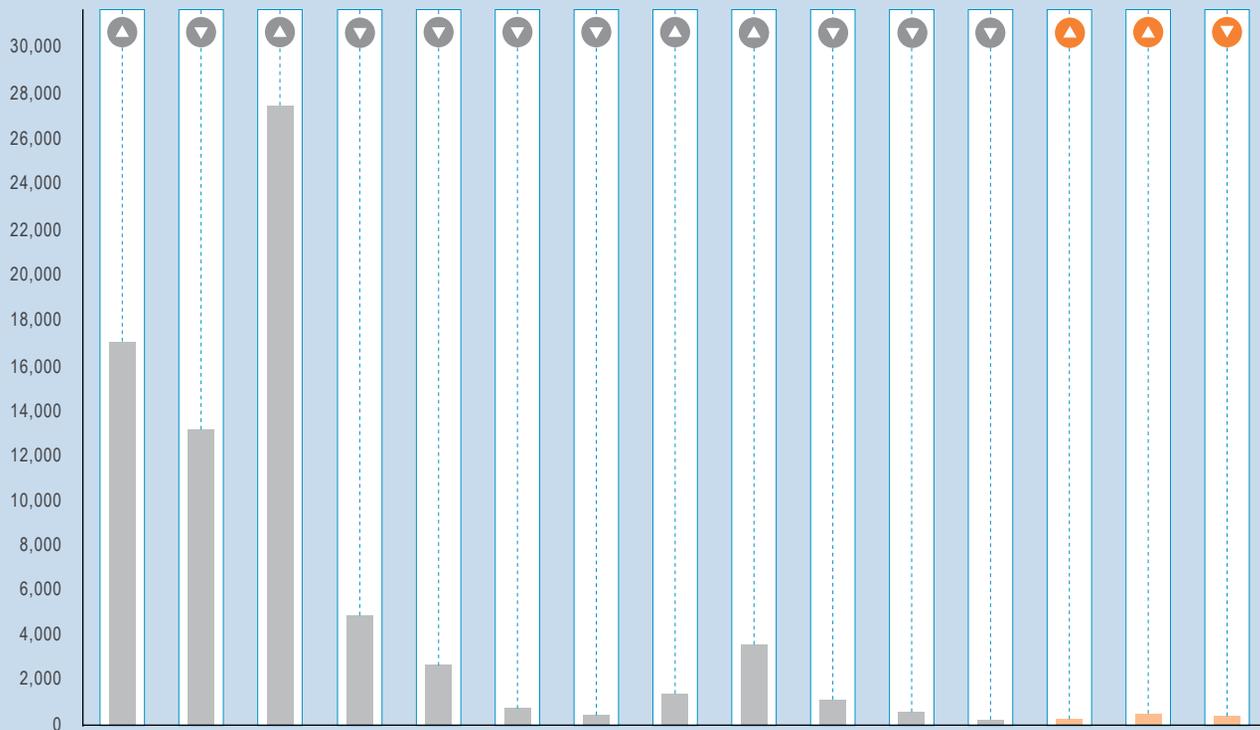
UP TO 30 MARCH 2022

Stock Name: PUNCAK

Stock Code: 6807

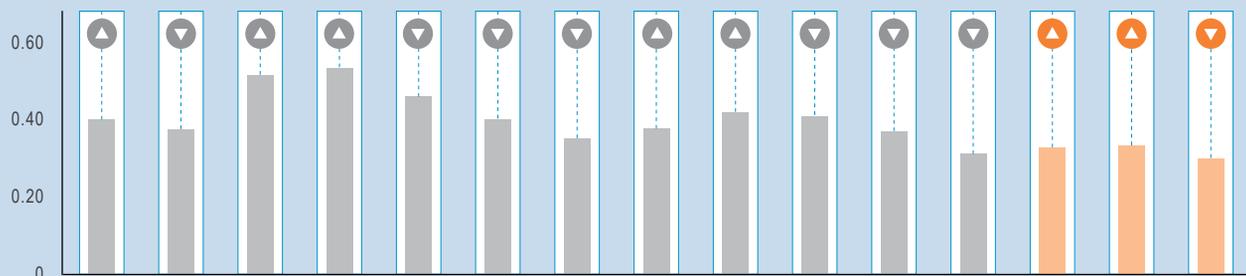
Volume of Shares Traded ('000)

2021												2022		
Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
16,867	12,998	27,370	4,813	2,622	710	386	1,349	3,562	1,091	590	171	230	500	372



Monthly Average Closing Share Prices (RM)

2021												2022		
Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
0.399	0.374	0.513	0.533	0.458	0.40	0.352	0.375	0.418	0.409	0.37	0.311	0.327	0.333	0.301



Financial Calendar

YEAR
2021



Thursday

First Quarter Results Ended
31 March 2021



Thursday

Second Quarter Results Ended
30 June 2021



Thursday

Third Quarter Results Ended
30 September 2021

YEAR
2022



Monday

Fourth Quarter Results Ended
31 December 2021



Wednesday

**Audited Financial Statements
For The Financial Year Ended**
31 December 2021



Tuesday

Published Annual Report 2021



Wednesday

Twenty-Fifth Annual General Meeting

Corporate Profile

Puncak Niaga Holdings Berhad (“Puncak Niaga”) Group is the leading regional integrated water, wastewater and environmental solutions provider with involvement in environmental engineering and construction, concession and facilities management services and plantation sectors.

OUR COMPANY

Puncak Niaga Holdings Berhad (“Puncak Niaga”) Group is the leading regional integrated water, wastewater and environmental solutions provider with involvement in environmental engineering and construction, concession and facilities management services and plantation sectors. Puncak Niaga is an investment holding company whilst its subsidiaries are principally involved in the construction, water, wastewater, sewerage and environmental engineering sectors including undertaking research and development and technology development for the water, wastewater and environmental sectors, management and advisory services, facilities management services and plantation.

Established on 7 January 1997, Puncak Niaga was listed on the Main Board of Bursa Malaysia Securities Berhad (now known as the Main Market of Bursa Malaysia Securities Berhad) on 8 July 1997. As at the end of 31 December 2021, Puncak Niaga’s market capitalisation stood at RM138.65 million. It is the first water treatment and supply concession company to be listed on Bursa Malaysia Securities Berhad under the Infrastructure Project Company guidelines issued by Securities Commission and was reclassified to the Construction sector on 13 November 2015.

OUR CORE BUSINESS AND CAPABILITIES

Our wholly-owned subsidiary, Puncak Niaga Construction Sdn Bhd’s (“PNCSB”) principal business activities are construction works, general contracts and its related activities. As the construction arm of Puncak Niaga, PNCSB had completed two water supply projects in October and December 2015, respectively, in Sarawak and one water supply project in April 2019, in Sabah. Currently, PNCSB manages two sewerage projects in Kuala Lumpur and Kuantan, respectively.

Puncak Niaga Infrastructures & Projects Private Limited which was formed on 10 March 2011 in India to focus on potential markets in India was struck off from the Register of Companies of India and ceased to be a wholly-owned subsidiary of Puncak Niaga on 28 January 2022.



Corporate Profile

On 28 September 2011, Puncak Oil & Gas Sdn Bhd ("POG") completed the 100% equity acquisitions of two (2) oil and gas entities, namely GOM Resources Sdn Bhd ("GOM Resources") and KGL Ltd ("KGL") with proven track records in undertaking oil and gas works for Petronas. The acquisitions enabled Puncak Niaga Group to diversify into the oil & gas sector and the Group subsequently exited the oil and gas industry in 2018.

Puncak Niaga has one (1) branch office in South East Asia, namely, Puncak Niaga Holdings Berhad (Brunei Branch) to facilitate the business development efforts for Puncak Niaga Group in Brunei Darussalam.

Puncak Niaga Management Services Sdn Bhd provides management and advisory services to the Puncak Niaga Group whereas Murni Estate Sdn Bhd ("MESB") is Puncak Niaga's Plantation Division's holding company.

On 17 October 2016, MESB acquired a 60% subsidiary, namely, Danau Semesta Sdn Bhd ("Danau Semesta") to facilitate the Group's business expansion plans in the oil palm plantation sector. On 28 June 2017, MESB's equity interest in Danau Semesta increased to 90%. On 3 July 2017, Danau Semesta acquired a wholly-owned subsidiary, Danum Sinar Sdn Bhd with its principal activities in the oil palm cultivation with 46,674 hectares plantation land in Murum, Sarawak.

After being in the Selangor water services industry since 1994, on 15 October 2015, both PNSB Water Sdn Bhd (formerly known as Puncak Niaga (M) Sdn Bhd ("PNSB")) and Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") were disposed to Pengurusan Air Selangor Sdn Bhd and ceased to be a wholly-owned subsidiary

and jointly controlled entity of Puncak Niaga Group in line with the consolidation of the Selangor water services industry by the Federal Government and the State Government of Selangor.

On 31 May 2018, Puncak Niaga completed the acquisition of the entire issued share capital in TRIplc Berhad ("TRIplc") which is principally involved in the provision of project management services for construction projects, property development, property investment, property management and facilities management services. TRIplc, through its wholly-owned subsidiaries TRIplc Ventures Sdn Bhd and TRIplc Medical Sdn Bhd, are the holders of two concession agreements for Zone 1 Phase 2 ("Z1P2") and Zone 1 Phase 3 ("Z1P3") of Universiti Teknologi MARA ("UiTM") Puncak Alam Campus under the Private Finance Initiative in Malaysia.

OUR PEOPLE

Out of the manpower strength of more than 500 employees in Puncak Niaga Group, more than half comprise Management, professionals, technical and supervisory executives with core competencies in engineering, plantation, accountancy, legal, management, administration and business; which are instrumental in supporting the Group's existing and future businesses and operations.

OUR COMMITMENT TO CORPORATE CITIZENSHIP

Puncak Niaga Group is committed to upholding the principles of good corporate governance and core values such as quality, value, service, innovation, integrity and trust in the conduct of our business which are integral to the Group's success over the years. We have received various repeat awards and accolades for good governance, annual reporting, occupational safety and health and environmental and social reporting.

OUR FUTURE PLANS

As Puncak Niaga Group seeks to grow its business and deliver value to the stakeholders, we will look into expanding our operations in areas related to our core businesses and core competencies in water and wastewater, sewerage, environmental engineering and construction, concession and facilities management services and plantation.

Corporate Information

BOARD OF DIRECTORS

YANG BERBAHAGIA TAN SRI ROZALI BIN ISMAIL

Executive Chairman

ENCIK AZLAN SHAH BIN TAN SRI ROZALI

Managing Director

YANG BERBAHAGIA DATO' SRI ADENAN BIN AB. RAHMAN

Independent Non-Executive Director

YANG BERBAHAGIA PROF EMERITUS DATUK DR MARIMUTHU A/L NADASON

Independent Non-Executive Director

YANG BERBAHAGIA DATUK SR HAJI JOHARI BIN WAHAB

Independent Non-Executive Director

YANG MULIA TENGKU LORETA BINTI TENGKU DATO' SETIA RAMLI ALHAJ

Independent Non-Executive Director

ENCIK NOOR FAIZ BIN HASSAN

Independent Non-Executive Director

CHIEF FINANCIAL OFFICER

Madam Wong Ley Chan

COMPANY SECRETARIES

Madam Tan Bee Lian

(MAICSA 7006285/SSM PC No: 201908003714)

Puan Wan Razmah binti Wan Abd Rahman

(MAICSA 7021383/SSM PC No: 202008002111)

DATE AND PLACE OF INCORPORATION

7 January 1997, Malaysia

COMPANY NUMBER

199701000591 (416087-U)

REGISTERED OFFICE

10th Floor, Wisma Rozali

No. 4, Persiaran Sukan, Seksyen 13

40100 Shah Alam, Selangor Darul Ehsan

Tel : +603-5522 8428

Fax : +603-5512 0220

PRINCIPAL OFFICE

Wisma Rozali

No. 4, Persiaran Sukan, Seksyen 13

40100 Shah Alam, Selangor Darul Ehsan

Tel : +603-5522 8589

Fax : +603-5522 8598

E-mail (general): pr@puncakniaga.com.my

E-mail (investors): investors@puncakniaga.com.my

Website: www.puncakniaga.com.my

AUDITORS

Grant Thornton Malaysia PLT

(201906003682 & LLP0022494-LCA)

Chartered Accountants (AF 0737)

TAX ADVISORS

KPMG Tax Services Sdn Bhd

Corporate Information

PRINCIPAL BANKERS

- RHB Islamic Bank Berhad (680329-V)
- Affin Islamic Bank Berhad (709506-V)
- Malayan Banking Berhad (3813-K)
- United Overseas Bank (Malaysia) Bhd (271809-K)
- Hong Leong Bank Berhad (97141-X)
- Hong Leong Islamic Bank Berhad (686191-W)

MAIN SOLICITORS

- Messrs Adnan Sundra & Low
- Messrs Belden
- Messrs CK Lim Law Chambers
- Messrs Rosli Dahlan Saravana Partnership

SHARE REGISTRAR

(place where all registers of securities are kept)

Tricor Investor & Issuing House

Services Sdn Bhd

[197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : +603-2783 9299

Fax : +603-2783 9222

STOCK EXCHANGE LISTING

Main Market

Bursa Malaysia Securities Berhad

Construction Sector

Shariah Compliant Security

Securities Commission Malaysia

Construction Sector

EXECUTIVE COMMITTEE

Chairman

- Yang Berbahagia Tan Sri Rozali bin Ismail

Members

- Encik Azlan Shah bin Tan Sri Rozali
- Tuan Syed Badli Shah bin Syed Mansoor
- Yang Berbahagia Prof Dato' Dr Mohd Zainul Fithri bin Othman
- Madam Wong Ley Chan
- Madam Tan Bee Lian
- Puan Faridatulzakiah binti Mohd Bakhry
- Madam Chan Yit Hwa

AUDIT COMMITTEE

Chairman

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman

Members

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Encik Noor Faiz bin Hassan

REMUNERATION COMMITTEE

Chairman

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman

Members

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Encik Noor Faiz bin Hassan

NOMINATION COMMITTEE

Chairman

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason

Members

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Encik Noor Faiz bin Hassan

COMPLIANCE, INTERNAL CONTROL AND RISK POLICY COMMITTEE ("CICR")

Chairman

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman

Members

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Encik Noor Faiz bin Hassan

Corporate Information

SUBSIDIARY OFFICES

MALAYSIA

Puncak Niaga Management Services Sdn Bhd's Office

Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : +603-5522 8589
Fax : +603-5522 8598

TRIpIc Berhad and Group's Office

2nd Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : +603-5522 8589
Fax : +603-5522 8598

Puncak Niaga Construction Sdn Bhd's Office

5th Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : +603-5522 8589
Fax : +603-5510 1340

Murni Estate Sdn Bhd's Office

4th Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : +603-5522 8589
Fax : +603-5522 8598

Danum Sinar Sdn Bhd's Office

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Medan Sentral Commercial Centre
Jalan Tanjung Kidurong
97010 Bintulu
Sarawak
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Fax : +086-351 418

Puncak Oil & Gas Sdn Bhd's Office

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No. 4, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : +603-5522 8589
Fax : +603-5522 8598

GOM Resources Sdn Bhd's Office

2nd Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : +603-5522 8589
Fax : +603-5522 8598

Puncak Communication Sdn Bhd's Office

2nd Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : +603-5522 8589
Fax : +603-5522 8598

KGL Ltd's Office

Level 15(A1)
Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Federal Territory of Labuan
Tel : +6087-453 288
Fax : +6087-451 288

SINGAPORE

Sino Water Pte Ltd's Office

c/o 80 Robinson Road #02-00
Singapore 068898
Tel : +65 6236 3333
Fax : +65 6236 4399

BRUNEI

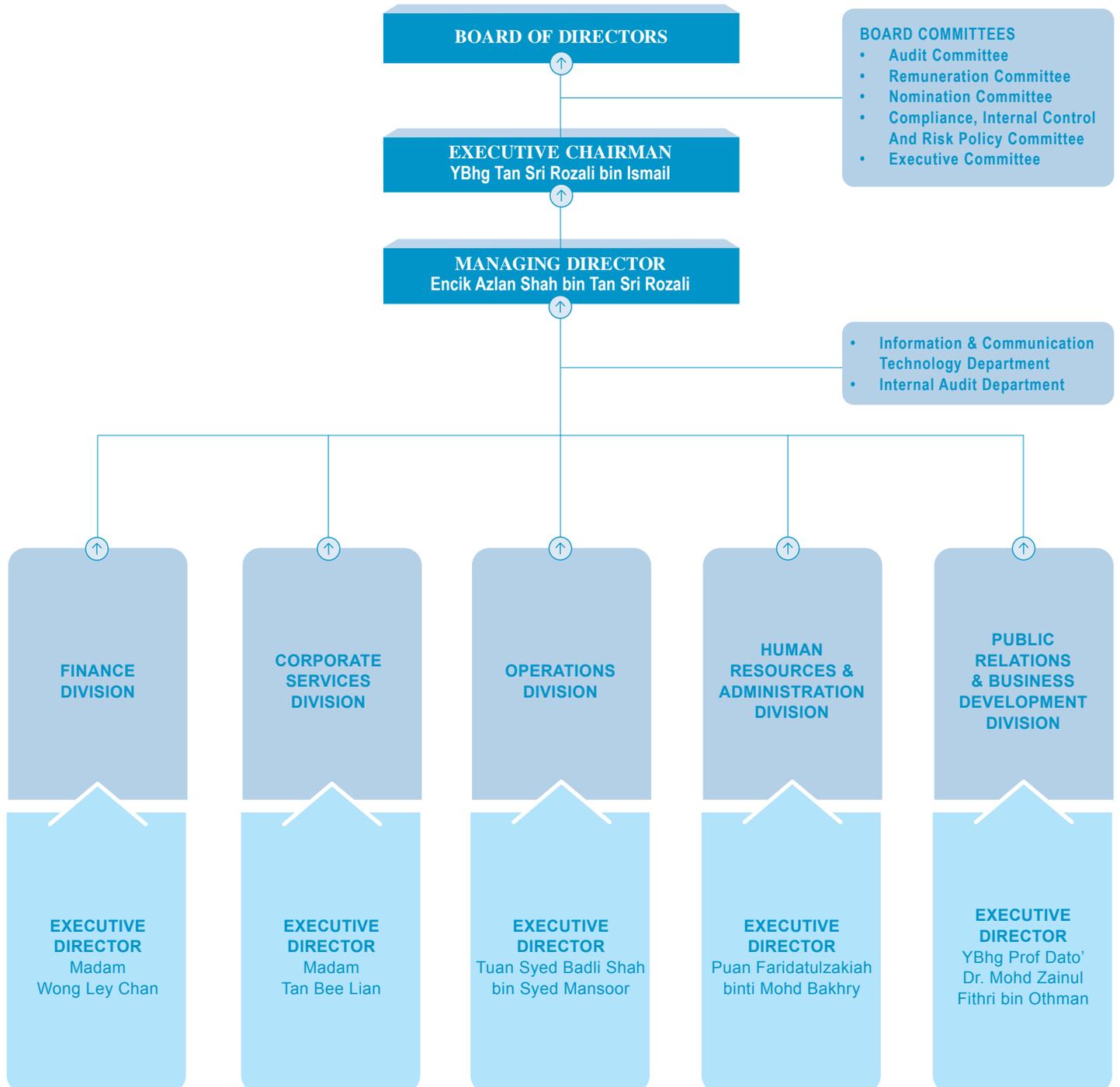
Puncak Niaga Holdings Berhad (Brunei Branch)'s Office

c/o Room 308B, 3rd Floor
Wisma Jaya, Jalan Pemancha
Bandar Seri Begawan
BS 8811
Negara Brunei Darussalam
Tel : + 673-223-2780/1/2
Fax : + 673-223-2783

Organisation Structure



PUNCAK NIAGA HOLDINGS BERHAD
[19970100591 (416087-U)]



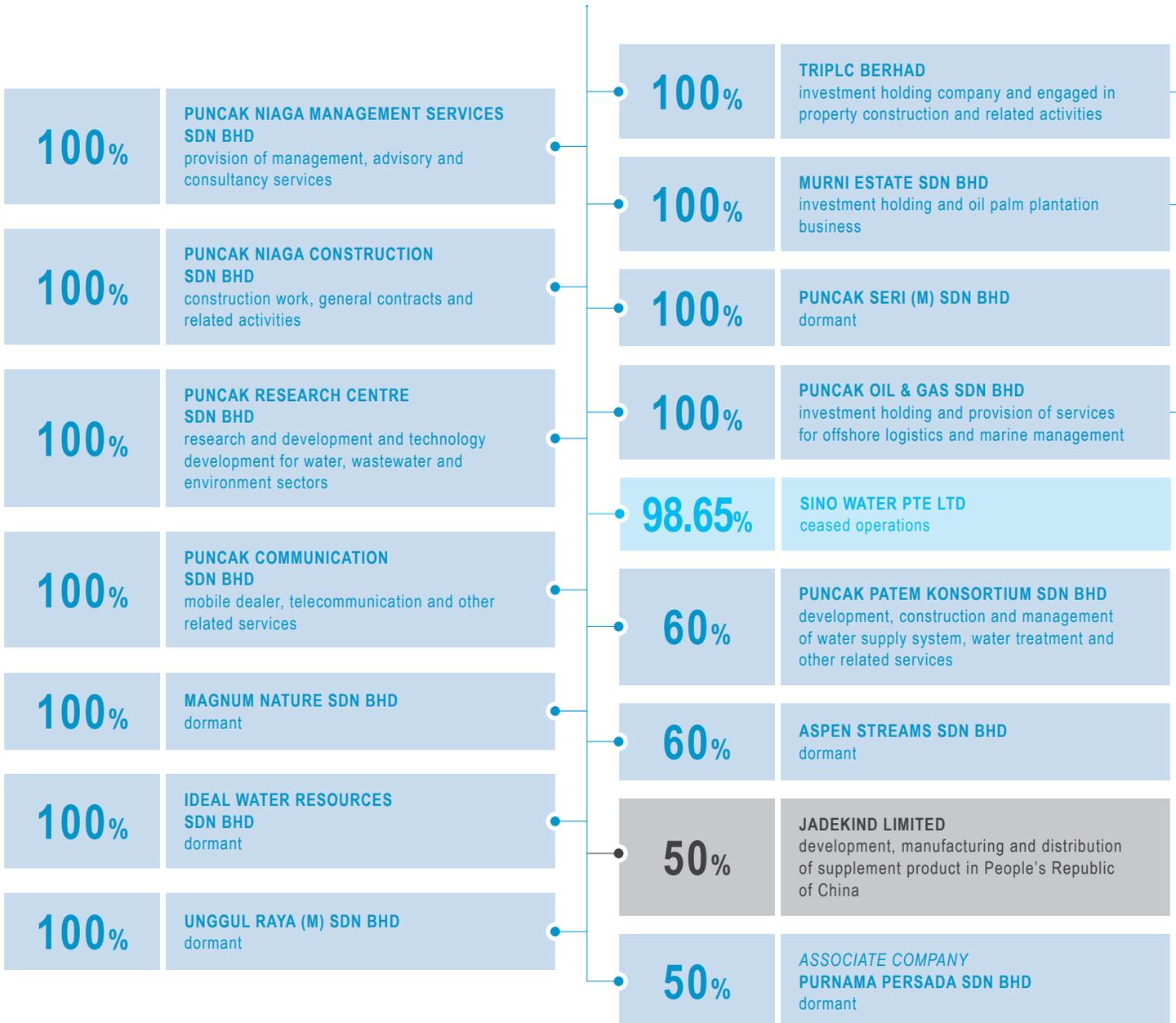
Note : Information as at 30 March 2022

Corporate Structure



PUNCAK NIAGA HOLDINGS BERHAD
[199701000591 (416087-U)]

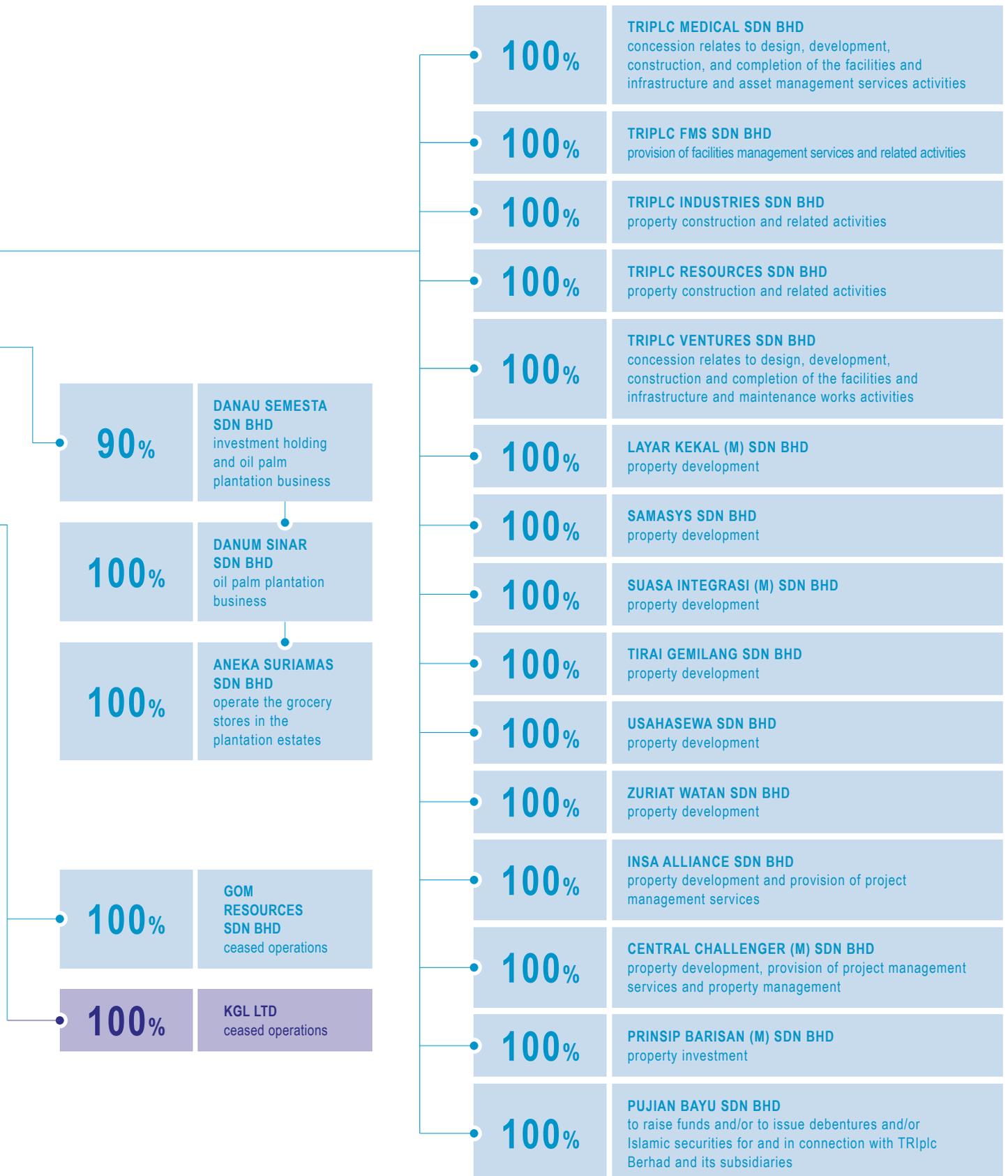
INVESTMENT HOLDING



- Malaysia
- Singapore
- Labuan
- Hong Kong

Note : Information as at 30 March 2022

Corporate Structure



Chairman's Letter To Shareholders



TAN SRI ROZALI BIN ISMAIL
Executive Chairman
Puncak Niaga Group

DEAR SHAREHOLDERS,

It is my privilege to present to you, Puncak Niaga Holdings Berhad's ("Puncak Niaga" or "the Group") Annual Report for the financial year ended 31 December 2021 ("FY2021").

The year 2021 was initially expected to be one marked by strong economic recovery after the COVID-19 pandemic hit Malaysia in March 2020. However, the year 2021 turned out to be even more challenging as the pandemic surged once again. Governments around the world were left with little choice but to implement lockdown measures to ease the pressure on their respective health systems as the Delta variant and highly infectious Omicron variant brought about a resurgence of cases globally.

In Malaysia, a Full Movement Control Order ("FMCO") was implemented between June and August 2021, bringing with it a repeat of the many operational and business challenges faced the year before. The Group, however, was better prepared to navigate the difficulties, leveraging on the lessons learnt from 2020 and finding new ways to deliver value as we coped with the new normal of doing business. Towards the fourth quarter of the year, movement restrictions were eased and economic sectors were allowed to reopen, in line with high vaccination rates, which certainly helped to put our nation's economic recovery back on track as we learnt to live with the pandemic.

Chairman's Letter To Shareholders

FINANCIAL REVIEW

In FY2021, the Company and the Group reported a loss after tax ("LAT") of RM11.747 million and RM11.185 million compared to a profit after tax ("PAT") of RM4.076 million and RM3.097 million in FY2020. For the year under review, the Group's revenue reduced by 7.6% to RM355.003 million from RM384.344 million in FY2020, mainly due to lower revenue contribution from the Concession segment and mitigated by higher revenue contribution from the Plantation and Construction segments. The Group reported a loss before tax ("LBT") of RM15.070 million compared to a LBT of RM9.382 million due to higher finance costs and mitigated by improvement in operational profits from the Plantation segment.

Revenue for the Construction segment was slightly higher at RM134.735 million in FY2021 compared to RM131.922 million in FY2020 due to higher revenue recognised for the Kuantan Project. Revenue for the Plantation segment rose to RM41.235 million as compared to RM27.083 million in the previous year due to higher crude palm oil prices. The Concession segment's revenue dropped to RM178.937 million in FY2021 from RM225.274 million in FY2020 due to the completion of the construction works of the UiTM-Zone 1 Phase 3, Campus Puncak Alam ("Z1P3 Project") and handover of the completed facilities to UiTM on 1 February 2021.

SUSTAINING OUR VALUE CREATION JOURNEY

From an overall perspective, the Group performed reasonably well in terms of delivering on its business objectives despite the FMCO as our businesses were classified as essential services. We continued to operate under stringent COVID-19 Standard Operating Procedures ("SOPs") whilst ensuring the safety of our workforce at the workplace and ongoing projects' worksites.

In the year under review, our Concession and Facilities Management segment achieved a significant milestone, completing the first 11 months of the maintenance services and asset replacement programme for the UiTM-Z1P3 Concession, concurrently improving the profit contribution of the segment. Our UiTM-Z1P2 Concession's facility management services continued to deliver its best performance and achieved a full year's Key Performance Indicator ("KPI") performance of 99.3%, while the annual customer satisfaction survey conducted at the end of 2021 recorded a score of 95%, also its best score to date.

The output of our Plantation segment, meanwhile, was affected by the ongoing labour shortage, although the Management of Danum Sinar Sdn Bhd ("Danum Sinar") strived to mitigate the impact through a number of initiatives to improve productivity and operational efficiency. In the year under review, our Fresh Fruit Bunches ("FFB") output was recorded at 49,952 metric tonnes compared to 52,568 metric tonnes in the previous year. Although output was lower, higher revenue of RM41.235 million was recorded due to higher CPO prices in 2021 as compared to 2020.

For the Environmental Engineering and Construction segment, the Kuantan Project saw significant progress as the Kuantan Project team advanced project completion by 30% in 2021, according to schedule. Although the Kuantan Project has reached 86% completion, the main contractor has applied for a second extension of time ("EOT") which is still pending approval from the client, considering the disruptions to construction progress during the 2021 FMCO. In the Bonus Project, we made some progress and have almost achieved 90% completion. The project continued to be impacted by the delay in the handover of project sites from third-party partners including the highway concessionaires, Suhati, Sungai Besi-Ulu Kelang Elevated Expressway ("SUKE") and Malaysian Highway Authority. Puncak Niaga Construction Sdn Bhd ("PNCBS") has applied for a fourth EOT beyond 7 June 2022 which is still pending approval from the client owing to these external circumstances that continue to be beyond PNCBS's control.

SUSTAINABILITY

At Puncak Niaga, we are cognisant that our operations can impact the environment and our communities, and we are committed to embedding environmental, social and governance ("ESG") practices within our businesses to mitigate our impact. Adhering to sustainable practices is of particular importance to Puncak Niaga's long term sustainability as it compels us to find viable solutions that allow us to continue doing business in harmony with our surroundings. As part of this process, we also emphasise the well-being of our employees and ensure that governance is always a top priority.

In practical terms, all our businesses offer many opportunities to embed sustainable practices. Our Plantation segment, is a prime example, given its direct impact on the environment. Thus, we have obtained the Malaysian Sustainable Palm Oil ("MSPO") certification in August 2019 and continue to comply with all relevant laws and regulations. We also apply sustainable agricultural practices and closely monitor our water and waste management practices

In our Environmental Engineering and Construction segment, the very work we carry out to build Centralised Sewage Treatment Plants ("CSTPs") already contains elements of environmental sustainability as it will reduce the number of multipoint Sewage Treatment Plants and therefore, reduce sources of pollution. We also employ good sustainable practices within the CSTPs with the installation of rooftop solar panels and the recycling of treated wastewater effluent.

In supporting our employees, we remain committed to guard their safety and health, as well as to nurturing their further development. In 2021, we continued to maintain our record of zero fatalities as well as zero lost-time injuries. In the year under review, we invested RM49,972.00 on training and development, with 153 employees attending 2,172 hours of training. Furthermore, we are highly supportive of the communities in areas where we operate and continued to contribute to them, both in cash and in kind, throughout the year under review.

 To find out more about our sustainable practices, please refer to our Sustainability Statement.

Chairman's Letter To Shareholders

We distributed 180 packed meals to healthcare frontliners who were on duty at the MSU Medical Centre in Shah Alam in June 2021 during the immunisation programme organised by the Ministry of Health.

TRIpIc took the initiative to donate three "Oxygen Concentrator Systems" to Hospital UiTM Puncak Alam worth RM16,500.00 (at RM5,500.00 per unit) in July 2021 in aid of the Ministry of Health's efforts to battle against COVID-19.

TRIpIc was also responsible for the upkeep, sanitisation and hygiene of the UiTM Puncak Alam Campus Mega PPV when it was in operation in June 2021 to August 2021 in support of the Government's and the Ministry of Health's efforts to inoculate the population.

In 2021, we reached out to our colleagues and the local communities who were severely impacted by the floods, by contributing in cash and in kind.

We demonstrated our compassion and care towards the flood victims, including our employees, in Selangor and Negeri Sembilan in December 2021. We mobilised several teams of our employees who selflessly volunteered their time to conduct gotong-royong activities in support of affected families and individuals, including 44 employees of PNHB Group. Apart from cleaning the affected houses, our employee volunteers also distributed food and essential necessities such as mattresses, blankets, clothes, rice, cooking oil and other essentials to their colleagues and the affected communities, including 30 underprivileged families in Banting, Selangor. We also sponsored 7,500 packets of food for volunteers and flood victims in Selangor and Negeri Sembilan during the December 2021 floods.

Our Managing Director, Encik Azlan Shah bin Tan Sri Rozali together with Puan Faridatulzakiah binti Mohd Bakhry, Executive Director of Human Resources & Administration Division represented YBhg Tan Sri Rozali bin Ismail, our Executive Chairman and the Company, by visiting our affected employees and presenting each of them with essential items as well as cash gifts. Overall, the Group contributed RM354,000 for the flood relief in December 2021, of which cash payments of RM134,000 was extended to 44 employees of our Group who were affected by the floods.

Earlier in June 2021, the Group donated RM200,000 to the residents in the District of Kinabatangan, Sabah that was affected by the floods and another RM200,000 to the residents in Kg Likas, Kota Kinabalu, Sabah that was affected by the COVID-19 pandemic, which were channelled through local non-governmental organisations.

Participated in:

- Providing school uniforms to *asnaf* children
- A CSR programme with SPM students (conducted since 2020)
- Ramadan contributions to local communities
- A food bank programme with the Kuantan District Police Headquarters
- Donating gas stoves to flood victims
- Cash donations to local communities

GOVERNANCE

The Group remains committed to upholding good corporate governance and integrity practices. In the year under review, we enhanced our Board Charter and governance practices to be in line with the 2021 Malaysian Code on Corporate Governance ("MCCG") that now provides clearer guidance and step-up practices in many areas.

For Puncak Niaga, we have revised our Board Charter and limited the tenure of our Independent Directors to only nine years in September 2021 – we believe this will ensure a refresh of the Board's composition over the longer term. The Group will also endeavour to meet the 30% quota for women Directors on the Board. The latest revised Listing Requirements by Bursa Malaysia Securities Berhad in January 2022 only requires one female Director, of which we have been in compliance since 2006. We are pleased to report that 44% of our Senior Management are women.

With regard to the integration of ESG considerations and risks into the Group's long term strategy, this is already addressed in our enterprise risk management processes and we are

currently identifying a suitable sustainability manager to assist the Board and the Group in taking our ESG journey to the next level.

I am happy to share that our corporate governance disclosures and commitment to transparency have been recognised at the MSWG-ASEAN Corporate Governance Awards 2020 in August 2021. Puncak Niaga was awarded the Excellence Award for CG Disclosure (Market Cap Below RM100 Million) and ranked at No. 44 out of the Top 100 Companies for CG Disclosure 2020. In addition, our commitment to the highest standards of annual report disclosure has been recognised once again by the Australasian Reporting Awards ("ARA") where we secured our third consecutive Gold Award at the 2021 ARA Awards in Australia on 30 June 2021.

On a personal note, I am also humbled to receive the Entrepreneur of the Year Award in conjunction with the Asia Corporate Excellence and Sustainability Awards ("ACES") 2021 on 19 November 2021. I dedicate this award to the Board and entire workforce of Puncak Niaga.

Chairman's Letter To Shareholders

A FOCUSED APPROACH TO MANAGING OUR RISKS

In 2021, we continued to manage the strategic risks which have an impact on our Group's operations:-

SEGMENT	RISKS IDENTIFIED	MITIGATING ACTIONS
 <p>Environmental Engineering and Construction</p>	<p>The imposition of the MCO, followed by the RMC0 and CMCO led to project delays that were outside our area of control</p> <p>Health and safety risks increased as a result of the potential risk of COVID-19 infection at the work sites</p>	<ul style="list-style-type: none"> The Puncak Niaga Anti-COVID-19 Committee headed by the Group Managing Director and attended by key site personnel with regular meetings and timely updates Applied for EOT for both the Kuantan and Bonus Projects Continuously monitored project progress especially the performance of contractors to ensure no additional costs were incurred in completing the projects Improved our SOPs for the COVID-19 pandemic Sent workers for COVID-19 screening Continuously engaged with all staff, subcontractors and onsite workers to enhance COVID-19 related safety awareness and best practice guidelines
 <p>Plantation</p>	<p>Failure to meet target crop production yield</p> <p>Uncertainties arising as a result of the COVID-19 pandemic with regards to Government regulations and rules</p>	<ul style="list-style-type: none"> Continuously source for workers to ease shortage Improved productivity of harvesters through implementation of incentives Continuously adopt and implement good agronomic practices Continuously invest in infrastructure for operational efficiency and accessibility Enhanced SOPs / guidelines / best practices Ensured that the Emergency Plan, and the identified preparation and response procedures are available and can be executed should any COVID-19 emergency occur Continuously monitor and update employees on the latest updates from the Government / relevant Government agencies / news related to COVID-19
 <p>Concession and Facilities Management</p>	<p>Interruption of daily maintenance operations due to COVID-19 pandemic</p>	<ul style="list-style-type: none"> Ensured full compliance with the relevant regulations / SOPs (i.e. National Security Council ("NSC"), Ministry of International Trade and Industry ("MITI") and the Construction Industry Development Board ("CIDB")) Ensured availability of protective masks, gloves and hand sanitisers Mandated staff with COVID-19 symptoms to stay at home

For the current year, we have identified our strategic risks that continue to impact on our Group's operations, details of which are discussed in page 86 of this Annual Report.

OUTLOOK & PROSPECTS

Looking ahead, we remain cautiously optimistic about our future outlook given the uncertainties that still persist, especially as new variants of the COVID-19 virus continue to emerge. However, we acknowledge that the landscape appears to be positive for growth, particularly with the majority of the population being inoculated and the Government's assurance that a full lockdown will not be imposed again as the nation is now focused on revitalising our economy. With Malaysia recording economic growth of 3.1% in 2021 and forecasting 5.5% to 6.5% growth in 2022, we remain positive on our nation's economic recovery as Malaysia will begin its transition to the endemic phase of COVID-19 on 1 April 2022 which will allow a return to normalcy after grappling with COVID-19 since 2020.

Against this backdrop, we remain committed to driving our businesses and our operations forward to ensure that we continue to deliver value to our stakeholders. We will continue in our relentless pursuit to secure sizeable projects in 2022. As we celebrate our 25th year of operations in 2022 since Puncak Niaga's inception on 7 January 1997, we will continue to leverage on our core strengths to uncover new sources of long term sustainable growth for the Group with the full support of Team Puncak Niaga.



ACKNOWLEDGEMENTS

In retrospect, 2021 was fraught with various challenges that we managed to overcome, thanks mainly to the united and unwavering efforts of Team Puncak Niaga. My sincerest thanks to each and every member of Team Puncak Niaga for your good work. I would also like to extend my appreciation to our shareholders, business partners and suppliers: thank you for your trust and loyalty throughout the years. I would also like to thank the Government and the various Ministries and Government agencies for their continued support and trust in the Puncak Niaga brand.

To my fellow Board members, please accept my deepest gratitude for your wise counsel and invaluable guidance in bringing the Group closer to achieving its goals and aspirations. God willing, I am certain that the year ahead will bring the Company and the Group to a better footing as we continue to grow our businesses.

Thank you.

TAN SRI ROZALI BIN ISMAIL

Executive Chairman
Puncak Niaga Group

30 March 2022

Management Discussion & Analysis



ENVIRONMENTAL ENGINEERING AND CONSTRUCTION

Management Discussion & Analysis

BUNUS PROJECT

The RM394 million Bunus Project is a government initiative to rationalise and decommission 73 Sewage Treatment Plants ("STPs") within an area covering approximately 72 sq km. To replace the old STPs, PNCSB is constructing a network of some 54 km of interconnected sewerage pipes, which run to the centralised Bunus STP. The new centralised treatment facility will result in more efficient waste water management, lower operational and maintenance costs and a reduction in sources of water pollution.

As at end of FY2021, we completed almost 46.1 km or 84% of the total length, while overall progress reached 89.83%. This constituted a -39.7% or -217 days delay in the schedule due to third-party encumbrances attributed to prolonged delay in handing over of certain work sites by the highway concessionaires, Malaysian Highway Authority as well as the unanticipated impacts of the pandemic, both of which were beyond PNCSB's control. As for the Network Pumping Stations ("NPSs") that we were commissioned to construct, we have handed over two stations, KLR 030 and AMA 162 and we are making minimal progress with the remaining stations, with overall progress at 93.4% due to the reasons stated above.

The pandemic and the FMCO implemented in 2021 continued to also inadvertently affect our ability to deliver the Bunus Project within the third Extension of Time ("EOT") that was granted till 7 June 2022 due to delays in the supply of raw materials and slow work progress caused by strict COVID-19 Standard Operating Procedures and reduced number of workers allowed on-site. In addition, border restrictions reduced the availability of operators of microtunnel boring machines, who are primarily from China and Thailand.

While we worked hard to mitigate and overcome these challenges to the best of our ability, it resulted in slower work progress that could not be avoided.

Looking ahead, we remain committed to completing the Bunus Project and PNCSB has applied for the fourth EOT beyond 7 June 2022 from the client, given the challenges faced in the delay in handover of certain work sites mentioned above, details of which will be announced by the Company in due course once granted. PNCSB will also continue to follow up on the claims submitted to the client for items such as Loss & Expenses, Variation Orders and Variation of Price due to the prolonged delay in the Bunus Project's timeline.

KUANTAN PROJECT

The Kuantan Project is a key project under the 11th Malaysia Plan, mooted by the Ministry of Environment and Water and implemented by Jabatan Perkhidmatan Pembetungan. The project involves the construction of a Centralised Sewage Treatment Plant ("CSTP") that can support a population of 400,000. The CSTP is linked to a pipeline network running approximately 65.3 km within the 173 sq km catchment area for Bandar Kuantan and Kempadang in Pahang.

Our scope of work also includes the rationalisation and decommissioning of 165 existing multipoint STPs in the area, as well as decommissioning works such as desludging, equipment dismantling and making the site safe for the public. In addition, PNCSB will be undertaking the construction of eight NPSs and the routing of the main pumping station for rationalisation work.

In the year under review, the Kuantan Project recorded significant progress compared with the year before, with the project's completion status advancing by 30.66% from 54.96% in December 2020 to 85.30% in December 2021.

The progress in each major scope of work is indicated below:

- CSTP: 65.07% – mainly contributed by progress in substructure and superstructure work.
- Sewage Conveyance System (Pipe network): 62 km or 93.17% of the total length (66 km) completed.
- Network Pumping Stations: Progress of the eight NPSs is now at 62.29%.

While the lockdown in 2021 impacted the progress of the project, PNCSB was able to mitigate much of the impact. Based on PNCSB's estimates, 103 days of productivity were lost due to the FMCO as the entire supply chain was disrupted with the closure of our supplier's plants, quarries and production facilities. However, the Kuantan Project only registered a delay of 6.95% or nine days. PNCSB was able to achieve this by implementing mitigating strategies following the lessons learnt during the first MCO in 2020.

These included building up a materials inventory for critical materials and items with long lead times. We also identified alternative suppliers from other states given that some states in Malaysia were allowed to resume economic activities ahead of Kuala Lumpur and Selangor. Additionally, we implemented a new Project Management System that enabled the client's team to go online to certify that all requisite work had been completed despite their office being closed during the FMCO, thus avoiding any disruptions to the progress payment claims for the project.

Looking ahead, the Kuantan Project is expected to receive a second EOT from the client due to the FMCO in 2021, which will push the completion date further from the first EOT's completion date of 13 June 2022. The second EOT is likely to be granted by the client given the disruptions faced as a result of the 2021 FMCO and details will be announced by the Company in due course once obtained. We expect the pipe network, with a balance of 3 km to be constructed, to be completed in July 2022, while the CSTP is expected to be completed in December 2022. The project will then move on to the next phase of the project, which is to decommission 165 STPs all over the Kuantan Project's work sites. This work will start around September 2022 and is anticipated to be completed by December 2022.

Segmental Financial Performance

Revenue (RM Million)

2021	134.735
2020	131.922

Profit Before Tax (RM Million)

2021	6.511
2020	9.131

Revenue for the Construction segment was slightly higher at RM134.735 million in FY2021 compared to RM131.922 million in FY2020 due to higher revenue recognised for the Kuantan Project. Lower Profit Before Tax in FY2021 mainly due to net gain on impairment of financial instruments and contract assets of RM3.9 million recorded in FY2020.

Management Discussion & Analysis



PLANTATION

In the year under review, the Plantation segment produced 49,952 metric tonnes of Fresh Fruit Bunches (“FFB”), a decrease of almost 5%, compared to the 52,568 metric tonnes produced in FY2020. The reason for the lower output was due to the ongoing labour shortage that has affected the entire plantation industry in Malaysia as border restrictions attributed to the COVID-19 pandemic continued to curtail the flow of foreign workers that comprise the majority of workers in plantations in our country. However, revenue improved as CPO prices in 2021 were significantly higher than in 2020 with prices ranging between RM4,000/tonne and RM5,000/tonne. According to the Daily Prices of Oil Palm Products - Peninsular Malaysia by Malaysian Palm Oil Board, the highest recorded monthly average CPO price was RM5,345.00 in November 2021 and the year ended with an average price of RM5,072.50/tonne in December 2021, as compared to 2020 where the highest recorded monthly average CPO price was only RM3,624.50 in December 2020.

Management Discussion & Analysis

KEY FOCUS AREAS IN 2021

Given the prolonged pandemic situation, the plantation industry has suffered from labour shortage, declining production and also falling inventory levels as demand outpaced supply. Amidst this backdrop, we focused on finding ways to overcome these challenges. In the year under review, we have embarked on:

- Productivity and quality incentives for workers
- Encouraging locals to engage in plantation activities
- Improving operational efficiency through mechanisation by utilising a bin system, Cantas and drones to conduct monitoring, surveillance and mapping
- Using organic materials such as Empty Fruit Bunch (EFB) to complement the use of inorganic fertiliser
- Replacing abnormal palms and infilling of vacant point for optimum crop production

Sustainable Palm Oil Production

The incorporation of Malaysian Sustainable Palm Oil ("MSPO") principles into our business culture has been key to maintaining our MSPO certification which we obtained in August 2019. We have continued to implement policies and practices that are in line with the MSPO certification, such as:

- Zero burning policy
- Prohibiting wildlife hunting
- Planting of the *Mucuna Bracteata* plant to provide nitrogen fixation, managing weed growth, conserving soil and reducing chemical usage
- Environmental monitoring and compliance to flora and fauna conservation, soil erosion and slope stability, hydrology management, water and air pollution, waste management disposal, workers health and safety, agrochemical management, road traffic and safety

In the year under review, our total FFB production fell by about 5% in line with the average yield that declined by 6% to 5.17MT/Ha as a result of the labour constraints

faced. The average Oil Extraction Rate was maintained at 17.7% despite the operational challenges faced due to the labour shortage which affected the plantation industry as a whole. Given the labour shortage which is expected to persist for some time despite the opening of Malaysia's borders on 1 April 2022, Danum Sinar is reevaluating its new planting activities for its forward planning.

Danum Sinar's Estate in Bintulu, Sarawak

Item	FY2019	FY2020	FY2021
Total FFB Production (MT)	48,412	52,568	49,952
FFB average yield (MT/Ha)	6.06	5.50	5.17
Average Oil Extraction Rate (%)	18.0	17.7	17.7
Development of new Planting areas (Ha)	500	0	0
Mature areas (Ha)	7,988	9,551	9,663
Immature Areas (Ha)	1,779	2,490	2,378
Unplanted portion (Ha)	31,872	30,909	30,909
Total developed area (Ha)	11,267	12,041	12,041
Total area (Ha)	43,139	42,950	42,950

The Group's Estate in Puncak Alam, Selangor*

Item	FY2020	FY2021
Total FFB Production (MT)	325	753
FFB average yield (MT/Ha)	3.54	8.20
Average Oil Extraction Rate (%)	15.0	16.0

Note:

* The data is only available for the past 2 financial years – the total planted area is only 91.84 hectares and the contribution from the Group's Estate in Puncak Alam, Selangor is insignificant to the Group's revenue.

Segmental Financial Performance

Revenue (RM Million)

2021 41,235

2020 27,083

Loss Before Tax (RM Million)

2021 (28,072)

2020 (40,674)

Our Plantation segment managed to reduce its Loss Before Tax as compared to the previous year due to higher CPO price.

Management Discussion & Analysis



CONCESSION AND FACILITIES MANAGEMENT

Management Discussion & Analysis

Operated by TRIpIc Berhad Group (“TRIpIc”), our Concession and Facilities Management Division is currently fulfilling two separate concession agreements associated with Universiti Teknologi MARA’s (“UiTM”) Puncak Alam Campus in Selangor.

The first concession agreement encompasses Zone 1 Phase 2 (“Z1P2”) of the UiTM campus and covers the planning, finance, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure, along with ongoing maintenance of all facilities within Z1P2. As part of the concession agreement, the three-year construction of the facilities was completed in April 2014. The maintenance works contract began on 10 April 2014 and will last for 20 years, until 10 April 2034.

Our construction arm has completed the construction of numerous facilities and infrastructure on the 45.71-acre site, including academic facilities, student accommodation and shared facilities for the 5,000 students that currently reside on campus.

The second concession agreement being undertaken by TRIpIc involves the neighbouring Zone 1 Phase 3 (“Z1P3”) of the UiTM Campus, which features a teaching hospital complete with academic facilities and various types of accommodation and amenities. The agreement covers the planning, finance, design, development, construction, landscaping, equipping, installation, completion, testing

and commissioning of the facilities and infrastructure, as well as the provision of asset management services upon completion. The physical construction of the project was completed in December 2020 and Hospital UiTM Puncak Alam was officially handed over to UiTM on 1 February 2021 upon obtaining the Certificate of Acceptance. The asset management portion of the agreement commenced on the same date and is contracted for a total of 22 years. With this being Puncak Niaga’s first foray into the healthcare services segment, we are excited about the opportunity to demonstrate our capabilities and enhance our prospects for growth within the industry.

Collectively, the Z1P2 and Z1P3 UiTM concession agreements have enabled us to contribute to the nation in various ways. We are pleased to be contributing to the advancement of higher learning institutions, the development of the healthcare and healthcare services sector and the creation of job opportunities for Malaysians.

At the same time, we continued to rise above the challenges posed by the COVID-19 pandemic in 2021 by ensuring that our facilities were maintained to high standards that were above and beyond the requirements stipulated in the concession agreements.



Segmental Financial Performance

Revenue (RM Million)

2021	178.937
2020	225.274

Profit Before Tax (RM Million)

2021	31.711
2020	42.327

Lower revenue for the Concession segment at RM178.937 million in FY2021 compared to RM225.274 million in FY2020 due to the completion of the construction works of the UiTM-Zone 1 Phase 3, Campus Puncak Alam (“Z1P3 Project”) and handover of the completed facilities to UiTM on 1 February 2021. Consequently, lower Profit Before Tax at RM31.711 million in FY2021 compared to RM42.327 million in FY2020.

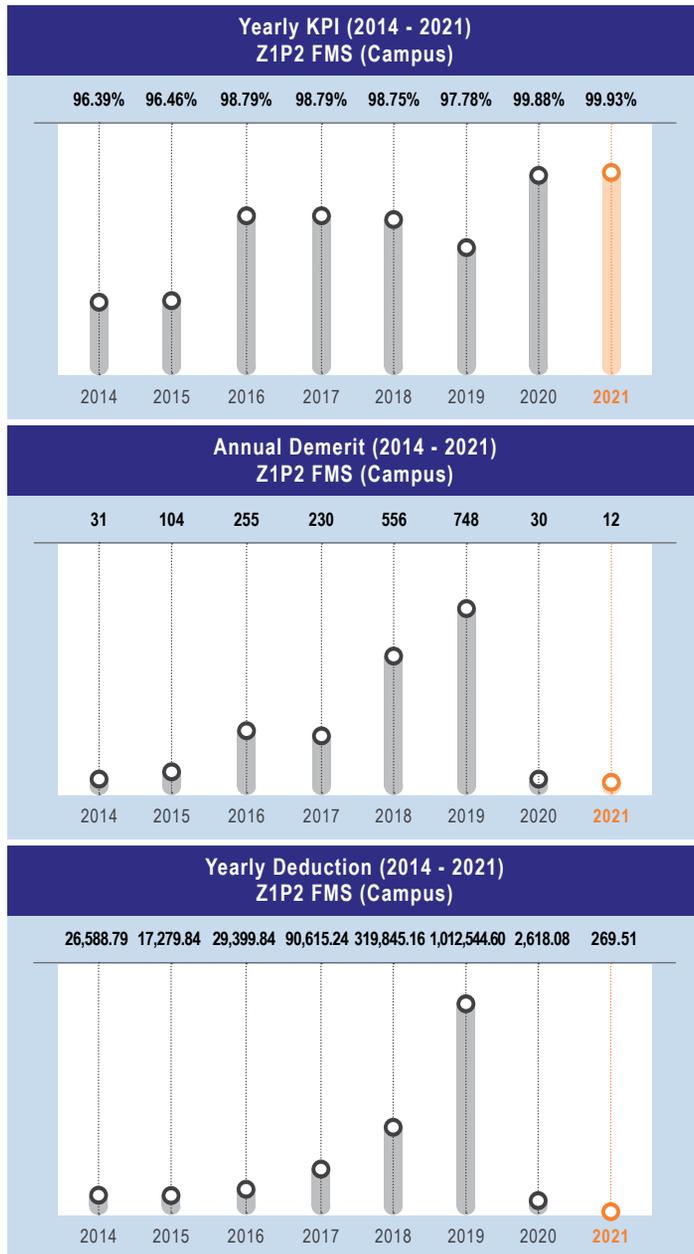
Management Discussion & Analysis

Z1P2 CONCESSION

In the year under review, we continued to make improvements in our standards of service at the Z1P2 Concession Agreement, continuing a positive upwards trend that began two years ago. By maintaining excellent standards of service, we were given fewer demerit points and consequently, recorded lower deductions:

- Demerits for FY2021 stood at only 12 points, which was an improvement over the 25 demerit points in FY2020.
- Deductions, meanwhile, amounted to only RM269.51, a significant improvement over the RM2,618.08 imposed in FY2020, and also the lowest ever since 2014.
- As a result, our performance KPI exceeded the Z1P2 Concession Agreement's KPI of 93%, registering a score of above 99% for every single month of the year since 2020.
- We were also recognised for our excellent Occupational Safety and Health ("OSH") performance, and was awarded by Malaysian Society for Occupational Safety and Health the OSH Silver Award in October 2021 for good OSH performance.

Yearly Performance Concession Services



2021 Achievements:

- Highest Annual KPI of **99.93%**
- Lowest Yearly Demerit of **12 Points**
- Lowest Annual Deduction of **RM 269.51**



Our annual customer satisfaction survey in end 2021, which polled 500 participants at Uitm Puncak Alam Campus for feedback on our services, was also very encouraging, with 95% of the respondents recording satisfaction with our performance. This was an improvement over the 92.5% achieved in 2020.

To ensure we continue to maintain our high standards, in July 2021, we successfully acquired the Integrated Management System ("IMS") certification from SIRIM for the Z1P2 Concession. The IMS certification consolidates three management processes – ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental) and ISO 45001:2018 (Health & Safety).

Management Discussion & Analysis

Z1P3 CONCESSION

The commencement of the Asset Management Services at the Z1P3 Concession represented a significant development for Puncak Niaga as it was our first foray into the healthcare and healthcare services sector.

We are pleased to report that we exceeded the agreed performance KPI of 93% under the Z1P3 Concession Agreement by recording an overall achievement of 95% for the first 11 months of our operations in this new business sector. At the Z1P3 Concession, our services are provided through seven different services, given the broad needs of a healthcare services provider, and we are also pleased to report that all services performed beyond the agreed KPIs as mandated under the Z1P3 Concession Agreement during the year under review:

DEPARTMENT & RESPONSIBILITIES	2021 KPI PERFORMANCE (1 FEB 2021 - 31 DEC 2021)
Facilities Management Services Management and coordination of hospital support, including manpower management, resource centre, helpdesk, training, audits and assessments, among many other responsibilities.	100%
Facilities Engineering Management Services Building Engineering Service and Maintenance, including technical consultancy and advisory services.	97%
Biomedical Engineering Maintenance Services Medical and non-medical equipment service and maintenance.	99%
Information and Communications Technology Provision of the communications and technological tools required for the smooth operation of the hospital.	98%
Cleansing Services Provision of cleaning services as well as cleaning supplies and consumables.	95%
Healthcare Waste Management Services Provision of clinical waste and scheduled waste collection and storage.	100%
Linen and Laundry Services Linen inventory, delivery and processing management.	96%

OUTLOOK AND PROSPECTS

We are optimistic of a stronger economic recovery in Malaysia heading into 2022 given the high vaccination rates and various economy stimulus measures initiated by our Government which are supported by our local industries. The easing of movement restrictions and reopening of economic sectors towards the end of 2021 has augured well for us, especially for our Construction segment, where our key focus will be on completing the Bonus Project and Kuantan Project according to the new EOTs that we will be obtaining from the client in due course. The Group will continue to be prudent and cautious in order to maintain profitability from our existing projects, while we continue to relentlessly pursue to secure several utilities and infrastructure projects in other states which we have been following up on. We hope to clinch these projects in 2022, details of which will be announced by the Company in due course once secured.

The Plantation segment, as part of the broader plantation industry, is forecast to have another positive year in 2022 with the MPOB expecting CPO prices to trade above RM5,000 per tonne for the first half of 2022 amid a shortage of edible oil supply, sunflower oil, due to the Russia-Ukraine war. On our part, we look forward to Malaysia's transition to the endemic phase of COVID-19 on 1 April 2022 and the lifting of border restrictions and the subsequent entry of the foreign workers back into our country to help ease our labour constraints especially as more of our planted areas reach prime age and peak yield. Nonetheless, we will continue prioritising productivity and efficiency improvements as we note that input costs such as fertilisers and other materials continue to escalate.

For our Concession segment, the Group will continue to fulfil its obligations under the maintenance services of the Z1P2 Concession Agreement and the Asset Management Services of the Z1P3 Concession Agreement to the best of our abilities. We remain committed to upholding the highest standards of services to all our stakeholders at UiTM Puncak Alam Campus and Hospital UiTM Puncak Alam. It is also important to acknowledge that our foray into the healthcare and healthcare services sector opens new and exciting opportunities of long term sustainable growth for the Group. We will leverage on our proven track record in successfully constructing, completing and handing over Hospital UiTM Puncak Alam to the client on time despite the onslaught of the COVID-19 pandemic in 2020/2021 as a clear demonstration of our capabilities. We will adopt a similar approach to build and manage other teaching hospitals under the Ministry of Higher Education, as well as participating in tenders for new hospitals called by the Ministry of Health.

Sustainability Statement

SUSTAINABLE VALUE CREATION

GENERATING SUSTAINABLE VALUE

At Puncak Niaga Holdings Berhad ("Puncak Niaga" or "the Group"), we are led by sustainability in all that we do. We strive to strike a balance between creating long-lasting positive impacts on our stakeholders and generating profit for long term sustainable growth while minimising any negative impacts from our operations.

To ensure continuous value creation, we uphold good corporate governance and embed sustainability practices within our business management and operations across the Group. We remain guided by our Group governance policies and frameworks to deliver on our sustainability agenda, which aims to:

<p>1.</p>  <p>Minimise our business impact on the environment</p>	<p>2.</p>  <p>Create sustainable long term socioeconomic value for the benefit of communities living within the footprint of our operations</p>	<p>3.</p>  <p>Engender long term benefits for our stakeholder groups</p>
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SCOPE & REPORTING FRAMEWORKS

This Sustainability Statement communicates the Group's Economic, Environmental and Social ("EES") impacts and describes our sustainability initiatives in our value creation journey. It has been benchmarked against best reporting practices and prepared with reference to local and international reporting frameworks, namely:

- Global Reporting Initiative ("GRI") Standards: Core Option
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Bursa Malaysia's Sustainability Reporting Guide (2nd Edition)

The scope of reporting for this Sustainability Statement is the same as the scope of our Annual Report 2021. Although our supplier activities are not within the Group's control and have been excluded from this Sustainability Statement, this Sustainability Statement covers the Group's efforts and initiatives towards building a sustainable supply chain.

SUSTAINABILITY GOVERNANCE

Puncak Niaga's sustainability is governed by the Board of Directors ("Board"), who hold ultimate responsibility on sustainability policies and matters. The Board also oversees risk management policies and structures within the Group. Our sustainability governance is guided by the Group's comprehensive frameworks and structures that set out robust guidelines for reporting and upholding accountability in decision making and delivering on the Group's sustainability agenda.

Leading the management and implementation of sustainability practices within the organisation, the Group ensures the integration of sustainability across our business operations. As such, we have been able to deliver on our goals and targets, and keeping track of our EES performance to generate long-lasting positive impacts and create value for our stakeholders and the organisation.

Our value creation journey is also supported by the Group's Risk Management Policy, which ensures that every employee is responsible for the risk management of their roles and functions. Ultimately, we aim to contribute to the sustainable growth of the Group while ensuring our people, business partners and the community continue to thrive and grow with us.

Sustainability Statement

PUBLIC POLICY

To demonstrate good corporate responsibility, we strive to uphold the highest standards of corporate governance by safeguarding ethics and integrity across all our business segments. At Group level, we have in place a Code of Conduct that guides our employees in maintaining high standards of ethics and integrity when carrying out their duties. Puncak Niaga's principles of ethics and integrity are also cascaded down to all business units and embedded in our business conducts. Every business unit is guided by their own codes of conduct and policies which complement our Puncak Values.

We are guided by the following Codes and Policies within the Group:

PUNCAK NIAGA HOLDINGS BERHAD

- Standard Operating Procedures
- Corporate Disclosure Policy
- Information Technology Policies (Software License Policy, IT Security Policy and Copying Software Statement)
- Investor Relations Policy
- Health, Safety and Environmental ("HSE") Policy
- Quality Policy
- Risk Management Policy
- Sexual Harassment Policy
- Board Diversity Policy
- Diversity Policy
- Whistle Blowing Policy
- Corporate Social Responsibility Policy
- Code of Conduct – Board of Directors
- Code of Conduct – Employees
- No Smoking Policy
- Board Charter
- Energy Management Policy
- Puncak Niaga's Employee Handbook
- Code of Business Ethics
- Directors' Remuneration Policy
- Corporate Sustainability Policy
- Limits of Authority Policy
- Puncak Niaga's Anti Corruption Policy and Procedures
- Policy on Reporting of Beneficial Ownership of Shares in the Company

PUNCAK NIAGA CONSTRUCTION SDN BHD ("PNCBSB")

- Integrated Management System (ISO 9001:2015; ISO 14001:2015 and OHSAS 18001:2007)
- HSE Policy Statement
- HSE Manual
- HSE Procedure
- Water Quality Policy
- Emergency Response Plan and Intervention Procedures for WTP
- `5S` Housekeeping Procedures
- Water Treatment Plant's Operation And Maintenance Manual
- Back Parking Policy at WTP
- Zero Accident Policy at WTP
- `Right First Time Every Time` Work Culture at WTP
- `Kawasan Larangan. Tempat Larangan` Procedures for WTP

MURNI ESTATE SDN BHD ("MESB")

- MESB and Subsidiaries Employee Handbook
- Agricultural Reference Manual ("ARM")
- Malaysian Sustainable Palm Oil ("MSPO") Policy
- Occupational Safety and Health ("OSH") Policy Manual

DANAU SEMESTA SDN BHD

- MESB and Subsidiaries Employee Handbook

DANUM SINAR SDN BHD

- MESB and Subsidiaries Employee Handbook
- Agriculture Reference Manual ("ARM")
- Malaysian Sustainable Palm Oil ("MSPO") Policy
- Occupational Safety and Health ("OSH") Policy Manual

TRIPLC BERHAD

- Standard Operating Procedures
- HSE Policy
- Quality Policy
- QHSE Policy
- Drug and Alcohol Policy

Sustainability Statement

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders allows us to communicate with the various groups or parties who can impact or be impacted by Puncak Niaga's business decisions and activities. We constantly engage with our stakeholders through various channels and platforms to identify and respond to their needs and concerns. Our key stakeholder groups include our employees, investors, local communities, civil society, government, media and suppliers.

The following table explains our stakeholder engagement activities in 2021:

 <p>Employees</p>	<p>Method of Engagement</p> <ul style="list-style-type: none"> • Townhall meetings • Recreational activities • Employee assemblies and meetings • Annual performance reviews • Staff WhatsApp • EPintas - Puncak Niaga's Intranet Portal <p>2021 Highlights</p> <p>Reaching Out to Employees in Need</p> <ul style="list-style-type: none"> • We reached out to 44 employees who were impacted by the floods in December 2021 • We mobilised several teams of employees to conduct gotong-royong to clean up the houses of their colleagues and distributed food and essential necessities such as mattresses, blankets, clothes, rice, cooking oil and other essentials • Our Managing Director, Encik Azlan Shah bin Tan Sri Rozali together with Puan Faridatulzakiah binti Mohd Bakhry, Executive Director of Human Resources & Administration Division, who represented our Executive Chairman, YBhg Tan Sri Rozali bin Ismail and the Company, visited the employees and presented each of them with essential items as well as cash payments totalling RM134,000 <p>Employee Performance Reviews</p> <ul style="list-style-type: none"> • In 2021, 100% of our employees received regular performance reviews
 <p>Investors</p>	<p>Method of Engagement</p> <ul style="list-style-type: none"> • Email • Corporate website <p>2021 Highlights</p> <ul style="list-style-type: none"> • Responded to queries from investors and analysts promptly
 <p>Local Communities</p>	<p>Method of Engagement</p> <ul style="list-style-type: none"> • Townhall meetings • Community Development Programmes <p>2021 Highlights</p> <p>Community Development Programmes</p> <ul style="list-style-type: none"> • Provided internship opportunity to two students from Management Science University ("MSU") through a knowledge sharing collaboration that was signed in 2015 with MSU • Donated three "Oxygen Concentrator Systems" to Hospital UiTM Puncak Alam worth RM16,500 (RM5,500 per unit) in July 2021 in support of the Ministry of Health's fight against COVID-19 • Responsible for the upkeep, sanitisation and hygiene of the UiTM Puncak Alam Campus Mega PPV in June 2021 to August 2021 in support of the Government's and Ministry of Health's efforts to inoculate the population • Distributed 180 packed meals to healthcare frontliners on duty at the MSU Medical Centre in Shah Alam during the immunisation programme organised by the Ministry of Health in June 2021 <p>Reaching out to the Communities in Need</p> <ul style="list-style-type: none"> • Donated RM200,000 to the residents in the District of Kinabatangan, Sabah that was affected by the floods in June 2021 and another RM200,000 to the residents in Kg Likas, Kota Kinabalu, Sabah that was affected by the COVID-19 pandemic • Provided school uniforms to <i>asnaf</i> children • Ramadan contributions to local communities • A food bank programme with the Kuantan District Police Headquarters • Donated gas stoves to flood victims • Cash donations to local communities

Sustainability Statement

 <p>Civil Society</p>	<p>Method of Engagement</p> <ul style="list-style-type: none"> • Community Development Programmes • Press Releases • Meetings <p>2021 Highlights</p> <ul style="list-style-type: none"> • Corporate Social Responsibility Activities ("CSR") Programme
 <p>Government</p>	<p>Method of Engagement</p> <ul style="list-style-type: none"> • Meetings and events <p>2021 Highlights</p> <ul style="list-style-type: none"> • Regular meetings and briefings • Friendly site visit to MPOB Office • Courtesy field visit in our estates by MPOB officers • Site visits to D44 Project and Kuantan Project
 <p>Media</p>	<p>Method of Engagement</p> <ul style="list-style-type: none"> • Community development programmes • Press releases • Advertising <p>2021 Highlights</p> <ul style="list-style-type: none"> • Regular meetings
 <p>Suppliers</p>	<p>Method of Engagement</p> <ul style="list-style-type: none"> • Supplier evaluations <p>2021 Highlights</p> <ul style="list-style-type: none"> • A transparent platform for evaluation of suppliers

MATERIALITY

Material matters are issues that matter most to our business and stakeholders. Identifying our material matters will enable us to mitigate risks and recognise opportunities for long term sustainable growth. In 2021, we conducted a materiality assessment and identified 17 material matters across the EES pillars. Our sustainability performance is reported across this Sustainability Statement and embedded throughout this Annual Report 2021, demonstrating our efforts to continue to create sustainable value for our stakeholders. We will assess our material matters from time to time to adapt to the rapidly evolving business landscape and meet the needs of our stakeholders. Our material matters are:

ECONOMIC

- Creating Economic Value

ENVIRONMENTAL

- Conserving Biodiversity
- Practising Responsible Environmental Management in Our Construction Projects
- Ensuring Sustainable Palm Oil Production
- Energy Management
- Noise Management
- Water Management
- Our Internal Environmental Footprint – Workplace
- Waste Management Practices

SOCIAL

- Our Employees
- Workplace Diversity
- A Commitment to Training
- Occupational Health and Safety
- Human Rights
- Benefits and Compensation
- Performance and Appraisal
- Value to Our Communities

Sustainability Statement

CREATING ECONOMIC VALUE

Through the very nature of our core business segments, we are privileged to create greater economic value for the nation and for our shareholders as an intrinsic byproduct of the various business activities that we undertake. Here we analyse the impacts of our key projects and activities during 2021, namely Package D44 of the Bonus Project in Kuala Lumpur, the Kuantan Project, our Plantation Division and our Concession and Facilities Management Division.



BONUS PROJECT

Package D44 of the Bonus Project, which encompasses the construction of a network of approximately 72 sq km of sewer pipes within the Sungai Bonus catchment area, is a key component of the river cleaning initiatives under the Greater Kuala Lumpur River of Life project, which seeks to rejuvenate the waters of Sungai Klang and its offshoots, including Sungai Gombak and Sungai Bonus.

As part of the RM394 million project, 73 old Sewage Treatment Plants ("STPs") will be decommissioned and replaced with a centralised Bonus Sewage Treatment Plant that features up-to-date infrastructure and facilities that meet the highest effluent regulatory requirements.

We have paid special attention towards constructing a sewage pipe network infrastructure that complements and integrates seamlessly with this new centralised treatment facility. This will not only allow the country's national sewerage company, Indah Water Konsortium Sdn Bhd, to benefit from lower operational and maintenance costs, but at the same time help to reduce future sources of water pollution and diminish odour released into the surroundings.

Upon completion, the new amenities will result in a better quality of water along Sungai Bonus, as well as parts of Sungai Klang, and benefit millions of residents and visitors within the areas of Setapak, Ampang, Melawati, AU Keramat and Dato Keramat in a myriad of ways. This is especially after the land that the decommissioned STPs were on is handed over to the Government for them to develop into riverside public recreation areas.

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Package D44 of the Bonus Project has enabled us to provide various jobs and upskilling opportunities for Malaysians, as well as economic opportunities for local Small and Medium Sized Enterprises, as outlined in the accompanying table:

	2019	2020	2021
Jobs Created (Contract Workers)	280	315	315
Local Small and Medium Sized Enterprises (as Vendors/Suppliers)	35	40	40

KUANTAN PROJECT

The Kuantan Sewerage Project located in the districts of Kuantan and Kempedang forms part of the 11th Malaysia Plan and is being implemented by the Sewerage Services Department (JPP) under the supervision of the Ministry of Environment and Water.

The project employs a sustainable and eco-conscious approach towards expanding the coverage ratio of sewerage services to surrounding areas and enhancing the attributes of effluent released so as to improve the quality of surrounding rivers.

The key deliverables of the project are to construct a Centralised Sewage Treatment Plant ("CSTP") at Tanjung Lumpur with Extended Aeration ("EA") system, to lay approximately 66km of sewerage pipework and to build eight network pumping stations. The new CSTP will also necessitate the rationalisation and decommissioning of 165 old sewage treatment plants.

The cutting-edge new CSTP will feature the latest green technologies that appropriately reflect and support national policies aimed at inculcating more sustainable and environmentally friendly water treatment practices. The CSTP will meet or surpass the regulations and requirements set forth in Category 1 of the Environmental Quality Act 1974 and the acceptable conditions of Standard A effluents stipulated in the Second Schedule (Regulation 7) of the Environmental Quality (Sewage) Regulations 2009. The use of green technology will also serve to reduce the operational and maintenance costs for local authorities.

Upon completion, the Kuantan Project will be able to accommodate the sewage inflow of approximately 200,000 population equivalent ("PE") from a total catchment area of approximately 172.59 sq km in the surrounding areas of Bandar Kuantan and Kempedang. At the same time, the project would have served to minimise future environmental pollution caused by water effluent and thus enable the preservation of surrounding natural water sources.

Our ongoing work in Kuantan has permitted us to contribute to the local economy through our engagement with local Small and Medium Sized Enterprises and the hiring of locals:

	2019	2020	2021
Jobs Created (Contract Workers)	100	120	120
Local Small and Medium Sized Enterprises (as Vendors/Suppliers)	10	15	15

PLANTATION DIVISION

Our Plantation Division is operated by Danum Sinar Sdn Bhd ("Danum Sinar"), which has, as at 31 December 2021, developed a total land area of 12,041 hectares (28%) out of 42,950 hectares of plantation land. The developed plantation lands are subdivided into six estates, namely Arau, Lakin, Kalayan, Marong 1, Marong 2 and Jabon.

The topography of our estates is mixed, and features a hybrid of undulating hills and flat land along with various rivers streaming across the fertile hills of Murum Highlands. Danum Sinar pays careful attention towards sustainably maintaining all facilities on our estates, while at the same time improving amenities to enhance the lives of people living or working within the community.

Some of the routine upgrades include building new workers quarters or refurbishing old ones, improving roads and bridges within the estates and enhancing estate logistics and management services. Recognising the importance of staying connected in the digital era, we have also improved telecommunications within the estates through the use of Very Small Aperture Terminals ("VSATs") and ConnectMe broadband services for each estate.

Since our estates are located in a rural area, we have placed emphasis on offering work opportunities for members of the surrounding indigenous and local communities, along with providing economic opportunities for local Small and Medium Sized Enterprises as our vendors. The breakdown of our Plantation Division's workforce is outlined in the accompanying table:

Jobs created	Total Workforce		
	2019	2020	2021
Local Indigenous Community (Penan Only)	182 (21%)	181 (17%)	171 (22%)
Malaysian employees (Excluding Penan)	108 (12%)	130 (13%)	119 (16%)
Foreign workers	590 (67%)	723 (70%)	474 (62%)
Total	880 (100%)	1,036 (100%)	764 (100%)



Sustainability Statement

CONCESSION AND FACILITIES MANAGEMENT DIVISION

Operated by TRIpIc Berhad Group ("TRIpIc"), our Concession and Facilities Management Division is currently fulfilling two separate concession agreements associated with Universiti Teknologi MARA's ("UiTM") Puncak Alam Campus in Selangor.

The first concession agreement encompasses Zone 1 Phase 2 ("Z1P2") of the UiTM campus and covers the planning, finance, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure, along with ongoing maintenance of all facilities within Z1P2. Within the concession agreement, the three year-long construction of the facilities was completed in April 2014 and the maintenance works contract began on 10 April 2014 and will last 20 years until 10 April 2034.

Our construction arm completed the construction of numerous facilities and infrastructure on the 45.71-acre site, including academic facilities, student accommodations and shared facilities for the 5,000 students that currently reside on campus.

The second concession agreement being undertaken by TRIpIc involves the Zone 1 Phase 3 ("Z1P3") of the UiTM Campus, which features a teaching hospital complete with academic facilities and various types of accommodation and amenities. The agreement covers the planning, finance, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure, as well as the provision of asset management services upon completion.

The physical construction of the project was completed in December 2020 and the Hospital UiTM Puncak Alam was successfully handed over to UiTM on 1 February 2021 upon obtaining the Certificate of Acceptance. The asset management services portion of the agreement commenced on the same date over the next 22 years. With this being Puncak Niaga's first foray into the healthcare services segment, we are enthusiastic about the opportunity to demonstrate our capabilities and enhance our prospects for growth within the industry.

Collectively, the Z1P2 and Z1P3 UiTM concession agreements have enabled us to contribute to the nation in various ways. We are pleased to be impacting the advancement of higher learning institutions, the development of the healthcare and healthcare services sector as well as the creation of job opportunities for Malaysians.

At the same time, we continued to rise to the challenges posed by the COVID-19 pandemic in 2021 by ensuring that our facilities are maintained to a high standard that is above and beyond the regulatory requirements put forth by all relevant government ministries.

In the spirit of continuous improvement and in line with the terms of our Z1P2 concession agreement, we once again conducted our annual customer satisfaction survey at the end of 2021. The survey tabulated responses from 500 participants, including administration staff, academic staff, students as well as visitors, and gained feedback across various categories such as building facilities, infrastructure, construction works and overall management and maintenance.



We are pleased to report that our 2021 survey received the highest score that we have ever achieved in our years of managing the UiTM Puncak Alam Campus facilities, with 95% of respondents indicating their satisfaction with our performance. This also marks the seventh consecutive year that we have successfully improved on our annual customer satisfaction survey score.

OUR INFRASTRUCTURE AND FACILITIES AT UiTM PUNCAK ALAM CAMPUS

PHASE 2 (Z1P2)	PHASE 3 (Z1P3)
<p>Academic facilities</p> <ul style="list-style-type: none"> Faculty of Accountancy Faculty of Business Management Faculty of Hotel Management and Tourism Shared facilities <p>Student accommodations</p> <ul style="list-style-type: none"> Hostel accommodation for 2,500 students 10 units of fellow accommodations <p>Centralised facilities</p> <ul style="list-style-type: none"> Multipurpose hall Maintenance centre Surau Library Student centre Cafeteria Health centre 	<p>Teaching hospital and medical academic centre facilities</p> <ul style="list-style-type: none"> A 10-storey teaching hospital with 400 hospital beds Academic facilities for 750 students Forensic and Mortuary Block <p>Accommodation facilities for the following:</p> <ul style="list-style-type: none"> 78 Housemen 144 Nurses 6 Sisters (hospital staff) 1 Housekeeper <p>Other facilities</p> <ul style="list-style-type: none"> Surau with 180 pax capacity Plant House

SUPPLY CHAIN

We continue to prioritise local and Bumiputera vendors within our supply chain management and procurement practices as we recognise the important role local procurement can play in the socioeconomic development of the nation. At the same time, we ensure that our procurement policies and practices enable us to secure the most competitive contracts without any compromise on quality. Our commitment towards local procurement is demonstrated in the accompanying table:

	2019	2020	2021
Local Vendors/Suppliers	100%	100%	100%
Bumiputera Vendors/Suppliers	20%	14.88%	30%
Amount Spent on Local Procurement (million)	RM501	RM701.86	RM193.9

Sustainability Statement

ENVIRONMENTAL VALUE

Taking care of our environment is paramount to what we do, especially since our core business is the management of natural resources such as water and biodiversity. Every effort is being made to take initiatives to reduce our carbon footprint, from implementing sound environmental management practices, to enforcing biodiversity conservation measures at all our projects. We are committed to pursuing responsible sustainable practices whilst minimising any risks to the environment. As natural resources are on the decline due to global warming and climate change, we will do our utmost in our business by reducing any negative impact to the environment and the communities around us.



SUSTAINABLE AGRICULTURAL PRACTICES

At Puncak Niaga, we adopt sustainable agricultural practices to minimise any negative environmental impact and conserve the biodiversity value in our estates. In this regard, we have appointed an independent consultant, namely Ecosol Consultancy Sdn Bhd ("Ecosol") to conduct the necessary environmental monitoring impact arising from our plantation business activities on a quarterly basis. The scope of assessment comprises the following to ensure all relevant rules and regulations pertaining to the environment are complied with:

- (i) Flora and Fauna Conservation
- (ii) Control of Soil Erosion and Slope Stability
- (iii) Hydrological Management
- (iv) Control of Water Pollution
- (v) Control of Air Pollution

- (vi) Water Disposal Management
- (vii) Socio-Economic

Sustainable agricultural practices are the backbone of our plantation management, where we carry out the following best practices in order to preserve the ecosystem on our estates:

- Planting of cover crops, zig-zag frond stacking as a soil conservation measure to prevent soil erosion and run-off into waterways
- Abstaining from planting on steep terrains
- Conservation of water channels, streams, ponds and natural riparian buffer zones and reserves in line with other overall flood mitigation plans
- Linking of riparian buffer zones and other reserve areas within the plantation estates and surrounding neighbourhoods

Sustainability Statement

FULFILLMENT OF ENVIRONMENTAL REGULATIONS

The plantation industry is highly regulated due to the scrutiny it receives from social and environmental activists. However, we believe sustainable agriculture is achievable by applying sustainable practices and complying with the relevant rules and regulations. We aim to maintain sustainable management practices across our estates in Sarawak through initiatives that will reduce our carbon footprint, enforce sound environmental management practices in our contracts and embed sustainable plantation management as well as biodiversity conservation. To protect, conserve and rehabilitate the environment, we strive to comply with the following laws:

1. Land Code (Sarawak) (Cap 81) (Land Code (Amendment) Ordinance 2000 and Land Code (Amendment) Ordinance 2005 [Sarawak Land Code (Amendment) Bill, 2018]
2. Natural Resources and Environment (Amendment) Ordinance 2001
3. Wild Life Protection Ordinance (1998 & 1999)
4. Environment Quality (Prescribed Activities) (EIA) Order 1987
5. Environment Quality (Schedule Waste) Regulation 2005
6. Environment Quality (Declared Activities) (Open Burning) Order 2003
7. Sarawak Natural Resources and Environment (Prescribed Activities) Order 1994

No non-compliance with environmental laws and regulations or fines were recorded in the year under review.



COMPLYING WITH MALAYSIAN SUSTAINABLE PALM OIL (“MSPO”) STANDARDS

As a plantation company with MSPO certification, Danum Sinar employs and embeds sustainable practices in its estate management and plantation to comply with the requirements of the MSPO certification. It is mandatory for a MSPO certified company to integrate sustainability elements such as environmental, social or governance aspects in its oil palm plantation operational practices.

To ensure full compliance with the MSPO Standards, Danum Sinar submits regular reports to the relevant authorities such as the Department of Environment, the Department of Occupational Safety and Health and the Malaysian Palm Oil Board.

Additionally, Danum Sinar has also established an Environmental Aspect and Impact Assessment Register (“EAIA”) in assessing and evaluating the potential risks, impacts and controls to the environment, as required by the MSPO certification:

No.	Activity	Aspect	Impact	Current control	Risk Control
1	New planting	Deforestation	Land erosion, Ground water contamination, Degradation of habitat	Covering of crops and soil conservation	Environmental Management Plan
2	Weeding (Spraying)	Chemicals	Human health, Water pollution, Ground water contamination, Degraded water quality	Approved herbicide, appropriate equipment, premix solution (water)	PPE, OSH Training, Environmental Awareness
3	Manuring	Pesticide, fertiliser etc.			
4	P&D Treatment	Pesticide, fertiliser etc.			
5	External Crop transportation to Mill	Smoke and dust released from equipment usage	Air pollution, Soil erosion	Monitoring/ limit load capacity	PPE, OSH Training
6	Genset	Diesel spill and carbon monoxide emissions	Fuel leakage causing fire or slipping hazard, burns from contact with hot engine, noise, contact with equipment resulting in burns or electric shocks	Monitoring and Conducting maintenance	Environmental Awareness, OSH Training

Danum Sinar conducts quarterly assessments on its environmental impact and submits its Environmental Monitoring Report (“EMR”), as required by the Natural Resources and Environment Board (“NREB”) of Sarawak. The areas that were assessed, included and endorsed by the NREB are:

- (i) Flora and Fauna Conservation (e.g. prohibit hunting activities)
- (ii) Control of Soil Erosion and Slope Stability
- (iii) Hydrological Management
- (iv) Control of Water Pollution
- (v) Control of Air Pollution
- (vi) Waste Disposal Management
- (vii) Workers Health and Safety
- (viii) Agrochemical Management
- (ix) Road Traffic Safety
- (x) Socio-Economic

UPDATING & MONITORING SOCIAL IMPACT ASSESSMENTS (“SIA”)

As part of the MSPO requirements (Principle No. 4), we have updated and monitored the SIA mitigation measures in August 2021 at all our estates based on the SIA report conducted previously by Ecosol on 4 July 2019. The purpose of the yearly SIA are to:

- Establish an on-going relationship between Danum Sinar and local communities to ensure the smooth and successful operations of our

Sustainability Statement

estates, and enhance positive effects or benefits while at the same time, mitigating or avoiding any adverse impacts

- Generate a consultation process that will ensure free, prior and informed consultation of the estates between Danum Sinar and all relevant agencies. In the previous year, we conducted our internal Biodiversity Assessment Report ("BAR") for our estates to identify the biodiversity and High Conservation Value ("HCV") areas that are available in line with the requirements of the MSPO certification scheme. Having these records will enable Danum Sinar to plan and guide our employees in maintaining, monitoring and enhancing the biodiversity and conservation values within our estates in Sarawak

ENVIRONMENTAL MANAGEMENT AT OUR CONSTRUCTION PROJECTS

At our Kuantan Project, we have executed an Erosion Sediment Control Plan ("ESCP") for the construction of the centralised STP. The ESCP's objective is to avert soil erosion whilst carrying out earthworks and construction works. The ESCP installed at our sites comprises sediment basins, check dams, silt fences, slope cover protection and wash through. Based on the ESCP inspection in September 2021, no discharge was recorded from the sediment basin due to low rainfall/precipitation. We have put in place feasible mitigation measures to ensure the long term sustainability of the environment.

ENVIRONMENTAL INITIATIVES IN THE PROPERTY MANAGEMENT DIVISION

Our Company takes steps to conserve energy and water in our offices. We conserve energy by saving electricity and implementing initiatives such as allowing natural lighting into our offices, reminding staff to conserve electricity and using the building automation system to optimise air conditioning. We reduce paper wastage by reusing paper and selling recycled/scrap paper. To reduce water usage in the office, we monitor water consumption by keeping track of any unusual high water bill amounts and ensure that there are no water leakages.

REGULATING ENERGY USAGE

Efficient energy management has always been a long term practice in our business. We have taken action to replace light fixtures with energy saving LED lights in all our buildings and project sites. Our employees are also highly encouraged to take steps to conserve energy by turning the lights off during lunch hours and after work hours to reduce electricity consumption.

All employees are encouraged to be involved in implementing energy-saving practices such as:

1. Using hibernation feature on all computers
2. Utilisation of energy saving features in all devices
3. Switching off equipment when not in use
4. Printing only when necessary
5. Controlling heating and cooling

Our Plantation Division produces its own electricity via generator sets installed in its estates to completely fulfill the needs of daily operational activities and workers' quarters' energy requirements.

Our energy consumption reduced in 2021 except for our Plantation Estates which recorded an increase in energy utilisation at our workers' quarters which required additional generator sets to be installed:

Location	2019 (kWh)	2020 (kWh)	2021 (kWh)
Wisma Rozali	1,570,173	2,273,387	2,139,377
Bunus Project	61,800	31,990	15,837
Kuantan Project	42,182	47,630*	41,759
Plantation Estates	3,218,474	3,111,000	3,260,164

* Excluding the months of April and May 2020

WATER MANAGEMENT

Water is essential in the life cycle of oil palm production. At our estates, we aim to ensure continuous water supply through all stages of production by reducing the impact of unexpected climate conditions such as floods or droughts. This means reducing the aeration and reducing moisture stress to the planted oil palm trees during unexpected dry or improving rainy climatic conditions.

We also focus on reducing the impact of high rainfall by maintaining riparian and buffer zones to minimise soil run-off or prevent erosion of banks. To this end, we obtain water samples from seven nearby locations, as required by the NREB to monitor and control water pollution. The NREB also requires us to have a proper septic system, ensure no solid waste or debris in the waterways and analyse the pesticides and herbicides used in our estates.

In 2021, we continued to employ the following sustainable agricultural practices in our estates:

- Planting legume cover crop as a soil conservation measure to prevent soil run-off and avoid planting on steep terrains
- Zig-zag frond stacking in the straight planting area to slow down surface water run-off
- Ensuring minimal sedimentation or blockages in waterways
- Maintaining adequate levels of water in peat areas to prevent soil subsidence and manage potential rain shortfall and fire risks
- Allowing soft grasses to grow in the inter-row and selective spraying is carried out to mitigate surface run-off in this high rainfall region
- Monitoring and treating all wastewater before discharging into natural waterways

In 2021, we continued to keep track of water consumption at our estates, in order to identify any wastage and implemented efforts to improve on our usage. Simultaneously at our Headquarters, Wisma Rozali, we have an in-house water management control system which ensures that we efficiently manage our use of water:

Location	2019 (m ³)	2020 (m ³)	2021 (m ³)
Wisma Rozali	11,478	13,155	12,028
Bunus Project	496	162	177
Kuantan Project	4,214	1,200*	790*
Plantation Estates	62,500	75,653	60,298

* Excluding the months of April 2020 and June 2021

Sustainability Statement

WASTE MANAGEMENT PRACTICES

Efficient waste management is vital for environmental protection. We are committed to disposing our waste in the most hygienic, efficient and economic manner without polluting the atmosphere, soil or water system. For instance, our Kuantan Project generates about 0.2MT of spent lubricating oil (SW305) each month. To comply with the local rules and regulations, we ensure that the oil is properly stored at onsite storage facilities and disposed of at licensed premises by appointed licensed contractors.

In 2021, we continued to implement the following sustainable waste management practices:

- Implementing zero burning practices which strictly prohibits any open burning for new planting or replanting of our oil palm areas
- Enforcing the best agronomic practices via our Agriculture Reference Manual ("ARM") and efficient land utilisation via aerial mapping surveying to apply precise agriculture concepts on management by palm approach, thus reducing excessive usage of chemical fertilisers, pesticides and herbicides which would also result in lower Green House Gas ("GHG") emissions
- Pruned oil palm fronds, empty fruit bunches ("EFB") and chipped old palm trunks will be recycled into the soil as compost or natural fertilisers for the plantation
- Solid waste generated from villages located in plantations are regularly collected and disposed in compliance to regulations set out by the local authority

As for our Concession and Facilities Management Division, we continue to monitor the waste management for Z1P3 Project and outsource waste management for Z1P2 Project to authorised waste management companies. We also continue to conduct regular assessments on our waste management vendors to ensure they are in full compliance with our contractual requirements.

CUTTING DOWN OUR INTERNAL ECOLOGICAL FOOTPRINT

We continue to cultivate efforts to lessen our environmental footprint throughout all our offices, work sites, facilities and buildings. We continued to raise environmental awareness by encouraging our employees to:

- Bring meals to work in reusable containers
- Use both sides of the paper when printing, copying and writing
- Reuse one-sided misprints for plain paper faxes or scrap paper
- Send out emails instead of paper memos

VOLUME OF PAPER RECYCLED

We continued with our efforts to instill the habit of paper recycling among our staff in all our business units and achieved the following during the year 2021:

Location	2019 (kg)	2020 (kg)	2021 (kg)
Wisma Rozali	1,537	992	1,113
Bunus Project	403	180	30
Kuantan Project	508	705	200

AMOUNT OF PAPER CONSUMPTION

In 2021, our paper usage throughout our offices were as follows:

Location	2019 (reams)	2020 (reams)	2021 (reams)
Wisma Rozali	3,235	2,516	6,270
Bunus Project	540	240	192
Kuantan Project	216	300	370

To reduce environmental impacts and increase our operating efficiency, the Company has also implemented the following initiatives:

1. Developed an environmental policy
2. Reviewed and updated environmental impact
3. Implementation at site
4. Internal Audit checking

NOISE REGULATION

We have executed noise management measures at both our Bunus and Kuantan Projects to ensure that noise levels are not a nuisance to the public. At the Bunus Project, we have implemented measures to decrease noise levels in compliance with the Department of Environment's ("DOE") regulations. Any complaints raised by the surrounding communities are attended to immediately. We have also placed noise reduction equipment within the STP construction sites. As for the Kuantan Project, we are in full compliance with the 'Planning Guidelines for Environmental Noise Limits And Control' issued by DOE. Two noise monitoring stations have been implanted near the STP site where we record 'Day' and 'Night' noise readings which are reported to the DOE every month.



Sustainability Statement

Kuantan Project

The Kuantan Project was established to boost sewerage coverage services within the catchment zones and ultimately to cater for its subsequent growth and development in Kuantan. Through this project, our Company also aspires to cut down the number of multipoint Sewage Treatment Plants in Kuantan, which will reduce further sources of pollution.

The key performance indicators for the Kuantan Project are:

- Renewable Energy usage - Implementation of Photovoltaic ("PV") Solar System in the Kuantan Project in its Centralised Sewage Treatment Plant ("CSTP")
- Monthly submission of Environmental Management Reports to the client

Environmental Management at CSTP

Our Centralised Sewage Treatment Plant ("CSTP") project employs the best environmental practices with the implementation of the Photovoltaic ("PV") Solar System combined with innovative green technology to generate power and also to treat effluent water.

The green technology we employ includes:

- i. **PV Solar System**
A PV Solar System with an output of 100 kW occupies the rooftop space available at the CSTP. The solar energy generated is converted and integrated into the power supply system. This energy will be used to power up the lights at the CSTP area
- ii. **Reuse of CSTP Treated Effluent Water**
We reuse treated effluent water for internal domestic water usage for daily operations at CSTP (e.g. landscaping, sludge dewatering washing system and cleaning purposes)
- iii. **High Energy Efficiency Equipment**
Six units of turbo blowers were installed for the biological aeration system. It has a higher energy efficiency in comparison to normal blowers due to its low noise and vibration rate

Waste Management

During the construction phase, waste monitoring will be conducted at the surrounding project areas, especially at the CSTP site. The monitoring is carried out to provide:

- Recycling bins for bottle and plastic
- Reuse of waste concrete to make good access roads
- Three types of scheduled waste:
 - SW305 spent lubricant oil
 - SW408 contaminated soil
 - SW409 contaminated containers

Water Management

In the Kuantan Project, we implement water management steps such as the reuse of water for dust control at the CSTP as well as the reuse of treated effluent water to better control the usage of water resources and maximise use especially during emergencies or droughts

INNOVATION & TECHNOLOGY

At Puncak Niaga, we leverage innovation and technology to improve on operational efficiency, productivity and bring our organisation to new heights. In 2021, the Information and Communication Technology Department ("ICTD") continued to enhance the IT security by putting in place additional security equipment and software to bolster our cyber security systems. We also rolled out the following initiatives to digitalise our operations and reduce our carbon footprint:

Implementation of Board Meeting Automation Solution System

ICTD introduced and implemented BoardPAC, a secure and user-friendly board meeting automation solution system. The application allows easy access to documents from any location on personal tablets for faster decision making as well as easy organisation and management of meetings to save time and resources

Asset Management for UiTM & HUITM

The Asset Management System enables our Healthcare and Building Management teams to streamline operational efficiency for the UiTM Puncak Alam Campus and Hospital UiTM Puncak Alam. The digitalised software system keeps realtime data of all planned and preventive maintenance service records, handling of client complaints, and inventory of all assets that are under our responsibility

Sustainability Statement

VALUE TO OUR EMPLOYEES

Our employees, Team Puncak Niaga, remains the fundamental driving force of the Group's long term sustainable growth. Their knowledge, capabilities, dedication, resilience, agility and loyalty are vital to the Company. Thus, we have established a wide spectrum of human resource policies to guide the best practices in our human capital management. Our comprehensive framework enables us to empower and safeguard our workforce, while further reinforcing our reputation as a preferred employer of choice that sustains a diverse, harmonious and inspiring work culture.



WORKPLACE DIVERSITY

At Puncak Niaga, we are committed towards inculcating an inclusive, rewarding and empowering work environment across all our businesses. We believe this will result in a united Team Puncak Niaga that works harmoniously and effectively towards achieving the Company's vision and business objectives. By cementing our identity as an employer of choice, we are also empowered to attract, nurture and retain the best talents to our organisation whilst upholding our PUNCAK Values.

One of the key pillars within our framework of employee-centric policies is the development of a diverse workplace that welcomes and equally values people of different genders, ages, ethnicities, religions, beliefs, origins and cultural backgrounds.

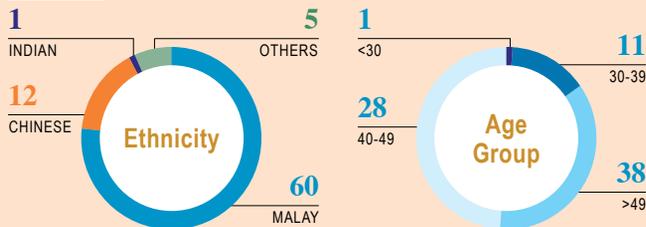
Having a diverse workforce enables us to access a wide variety of different experiences, perspectives and ideas that we can harness to enhance our knowledge, awareness and decision-making capabilities, thus adding to the Group's ability to generate tangible and meaningful long term value.

Through our ongoing and concerted efforts, Puncak Niaga has successfully nurtured a diverse base of employees and Management teams across the Group, along with a diverse Board of Directors. The breakdown of our workforce by gender, nationality, ethnicity and age group is demonstrated in the accompanying charts.

Sustainability Statement

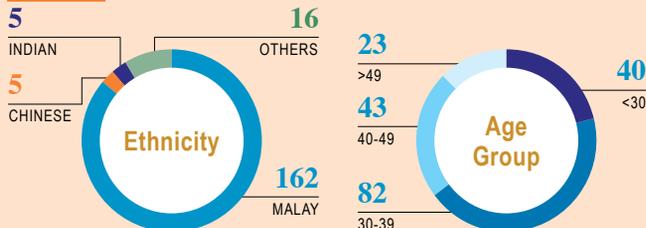
MANAGEMENT

Gender



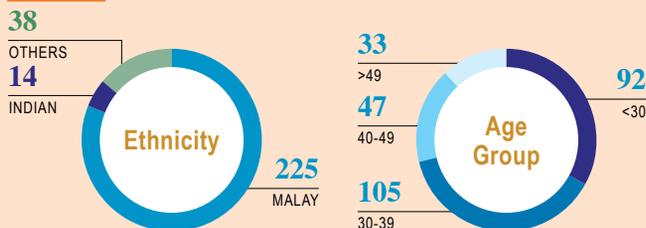
EXECUTIVE

Gender



NON-EXECUTIVE

Gender



OUR EMPLOYEE POLICIES

We are guided by the Group's robust human resource management policies and procedures to ensure an efficient and objective human capital management.

Our policies are implemented and overseen by the Board, and are in compliance with the relevant employment laws and regulations. Our key policies are as follows:

- Manpower Planning and Recruitment
- Training and Development
- Performance Management
- Compensation and Benefits
- Employee Relations
- Grievance Mechanism
- Disciplinary Actions
- Other policies in compliance to relevant laws and regulations

SEXUAL HARASSMENT POLICY

The Group maintains a zero-tolerance approach towards any and all forms of sexual harassment. Our Sexual Harassment Policy outlines a clear and secure reporting process that employees may utilise if and when any such issues should arise. In 2021, similar to prior years, there were zero complaints recorded.

FORCED OR COMPULSORY LABOUR, HUMAN RIGHTS VIOLATIONS AND CHILD LABOUR

We are committed to ensuring zero forced or compulsory labour, child labour and human rights violations. In 2021, there were no recorded incidents of forced or compulsory labour, human rights violations or child labour across the business operations of the Group. There were similarly no violations of the rights of indigenous communities at our estates. We shall continue to train and engage with our Auxiliary Police on matters relating to labour and human rights so that they continue to uphold such principles when undertaking their task to keep our premises and operations secure.

GRIEVANCE MECHANISM

In order to promote transparency and accountability within the organisation and amongst our various stakeholders, we have implemented a structured grievance mechanism process that permits our employees, suppliers and members of the community to effectively raise matters relating to environmental issues, labour practices and human rights that require our attention or resolution. To this end, we have in place a Whistleblowing Policy that serves as a guidance for our employees and external stakeholders to report on any misconduct or ethical concerns without fear of retaliation.

In 2021, we had taken the necessary action on a reported misconduct case relating to a management personnel which resulted in a domestic inquiry and led to dismissal.

Sustainability Statement

TRAINING AND DEVELOPMENT

In 2021, the limitations we faced as a consequence of the protracted COVID-19 pandemic continued to impact our training and development framework. However, we remain committed towards providing equal opportunities for all employees to enhance their competencies mostly through online and webinar training. Thus, we leveraged on technology and digital tools to virtually conduct our training initiatives where possible.

Our programmes carried out during the year consisted of a mix of in-house and external training, as well as numerous knowledge sharing sessions. Our total training and development expenditure for the year was RM49,972.00, compared to RM52,506.00 in 2020. The average training hours per employee in 2021 was 0.47 mandays.

The following is a list of training courses undertaken by our Directors, Management and employees in 2021:-

No.	List of Training
1.	Audit Committee Conference 2021
2.	Clean Power New Energy 2021 "Embarking New Path Towards Future Sustainable Energy"
3.	Mandatory Accreditation Programme
4.	Important Industrial and Higher Court Decision of 2020
5.	Company Secretaries Training Programme Essential 1.0 (Part A, B & C)
6.	CIDB Certified Facility Management Executive (FMD)
7.	Chemical Spill Response Management
8.	MPOCC Endorsed Malaysian Sustainable Palm Oil ("MSPO") MS2530: 2013 Auditor Training
9.	Effective Project Management Skills with Project Risk Management
10.	Plant and Machinery Inspection
11.	Shares and Capital Maintenance
12.	The Combat of Web Application: Hackers vs Developer
13.	How to Conduct a Virtual Domestic Inquiry and Best Practices for Managing Major Misconducts
14.	National Conference 2021 – Internal Audit: Vigorous and Versatile
15.	Trends, Developments and Best Practices in Financial and ESG Reporting
16.	Securities Commission (SC) Guidelines on the Conduct of Directors of Listed Corporation and Their Subsidiaries – Their Implications to the Listed Corporation, its directors, Directors of Its Subsidiaries and Management Including What Needs to Be Done
17.	Sustainability Reporting Workshops
18.	SSM's Guidelines, Practice Notes & Directive – Forget Them at Your Peril
19.	Corporate Governance Case Studies
20.	Financial Statements Fundamentals in Investor Relations
21.	Tapping Tax Trends - Towards Twenty-22 (M&A In a Post-COVID World Legal and Tax Issues)
22.	Finance For Non-Finance Managers
23.	Budget 2022 - Budget Highlights and Recent Tax Development
24.	Managing Work Related Disputes Arising from A Remote Hybrid Work Environment
25.	Forum On Employment Law: Understanding the Proposed Amendments to The Employment Act 1955: Changes & Effects
26.	Kursus Asas Pengawal Peribadi
27.	How To Be an Effective NED in A Disruptive World
28.	Seminar Percukaian Kebangsaan 2021
29.	Renewable Energy Credits in Malaysia/Perspective from Cross-Boarders Financing And M&A Transactions
30.	Car Wash Training for Luxury Car
31.	Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018)
32.	Balancing Risk Management with Sustainability Commitment
33.	A Lasting Legacy: Ensuring the Future of Your Family Business
34.	Fraud Risk Management Workshop
35.	Financial Essentials for Directors
36.	Securities Commission Malaysia Audit Oversight Board Conversation with Audit Committees
37.	ICDM Launch of the Malaysian Board Practices Review 2020
38.	Collaboration in the Boardroom: Behavioural and Relationships
39.	ICDM Member's Day: ESG
40.	ICDM Post-Budget Powertalk



Average training hours by gender

Training Hours/ Gender	Male	Female
Total No. of Employees	354	190
Total No. of Training Hours	143.5	128
Average Training Hours Per Employee	0.41	0.67

Average training hours by employee category

Employee Category	Total No. of Training Hours	Average Training Hours Per Employee
Management	48.38	0.62
Executive	159.69	0.84
Non-executive	56.19	0.20

Sustainability Statement

KNOWLEDGE SHARING COLLABORATIONS WITH UNIVERSITIES

As part of our human capital development initiative, Puncak Niaga has entered into two Memorandums of Understanding (“MOU”) with local universities to promote the exchange of knowledge and expertise between academic institutions and industry corporations. We entered into our MOU with Management Science University (“MSU”) on 14 January 2015 while our MOU with Politeknik Sultan Idris Shah (“PSIS”) commenced on 29 February 2016.

These strategic collaborations emphasise our commitment towards strengthening our knowledge sharing relationship with academic institutions while also providing an opportunity for university students to undertake internship programmes or practical training with Puncak Niaga. In 2021, two MSU students participated in the internship/practical training programme.

By leveraging on these strategic partnerships, we have expanded our understanding of the academic world underpinning the industries we operate and broadened our ability to contribute towards the development of the nation’s human capital. As we continue to honour these MOUs, we shall simultaneously seek out other mutually beneficial learning and development opportunities that we can harness from our partnerships with universities.

PERFORMANCE AND APPRAISAL

The performance and appraisal of all employees within the Group is undertaken biannually and in the spirit of utmost objectivity, accuracy and transparency. We have formed an Independent Employees Performance Review Committee (“IEPRC”) that is tasked with reviewing and evaluating employee assessments and scores by Heads of Departments and Divisions.

The IEPRC then submits its final recommendations to Puncak Niaga’s Executive Committee (“EXCO”) and to the Board thereafter. The Board is charged with making collective decisions on employee assessments by taking into account both individual performance as well as the Company’s overall performance.

The Board will endorse action plans proposed by the Management to remedy situations where employee performance fall below 50%. Non-performing employees who score 49% and below will be required to participate in the Performance Improvement Programme (“PIP”), where they are given six months to improve on their performance within a set of identified parameters. Counselling sessions are held with the Head of Division and the Executive Director of the Human Resources and Administration Division to monitor their performance during the PIP period or extended PIP period as determined by the Company. Employees who meet the performance target of 70% and above during the PIP or extended PIP period will be retained in employment while those who fail to meet the expected performance targets may be terminated by the Company.

In 2021, 100% of our employees received regular performance reviews.

BENEFITS AND COMPENSATION

In sustaining a loyal and dedicated workforce, we recognise the importance of providing comprehensive and attractive remuneration packages that showcase how much we value the efforts of our employees.

We therefore seek to constantly review, enhance and benchmark the benefits and compensation we provide to our people against industry standards to remain as an employer of choice.

Some of the benefits we offer include:

- Medical benefits for our employees and their immediate family members
- Interest-free educational loans and interest subsidies for house and car loans
- A wide range of incentives, such as handphone, travel, cost of living, meal and hardship allowances, amongst others
- Flexi-working hours and extensive annual, medical and other leave benefits such as study leave, compassionate leave and paternity leave
- Life insurance and retirement benefits
- Paid professional subscriptions, training



OCCUPATIONAL SAFETY AND HEALTH (“OSH”)

While the COVID-19 pandemic continued to amplify health and safety risks to our employees during 2021, our robust OSH policies, frameworks and processes enabled us to successfully navigate these uncertain times while maintaining a high level of OSH across all of our projects, plantations and operations during the year.

We have set up a COVID-19 Committee to oversee and educate our employees on all SOPs to safeguard our workforce at the workplace. The Committee has also appointed a marshal for each Department and ensures that all Departments have received the latest information, news, SOP on prevention of COVID-19 at the workplace and regular sanitisation is carried out at our premises. In addition, we collaborated with MSUMC to organise a vaccination programme for the Group’s employees in order to complete both doses of vaccination. As at 30 March 2022, 100% of the Group’s employees have received two doses of vaccination while 92% have received their booster shots.

Sustainability Statement

Bunus Project

At the Bunus Project, we manage the health and safety of the client, contractors, workers, visitors and public in accordance with international standards. We have received our OHSAS 18001:2007 and ISO 45001:2018 certifications in Occupational Safety and Health Management Systems.

We also conduct regular audits to assess the ongoing effectiveness of our health and safety systems, especially in relation to the additional regulatory requirements necessitated by the COVID-19 pandemic.

During the year, we conducted weekly tool box talks that featured safety and environmental briefings for our contractors, as well as quarterly meetings where larger health, safety and environmental issues are discussed. Site safety and machinery safety inspections were also regularly conducted.

As at 31 December 2021, our LTI-free manhours stood at 2,673,375 hours as compared to 2,402,190 LTI-free manhours as at 31 December 2020.

Kuantan Project

Amidst ongoing challenges posed by the pandemic, we have continued to maintain high standards of OSH at our Kuantan Project. We remained in full compliance with all contractual safety and health requirements during FY2021 and ensured a healthy and safe working environment for our client, staff, contractors, visitors and the general public.

The ongoing activities in our OSH schedule include regular site and safety briefings with both our staff and contractors, tool box talks, safety inductions, monthly inspections and first aid inspections. We also conduct monthly progress meetings with local authorities where any health or safety issues may be raised for discussion.

Our team in Kuantan Project has continued to successfully identify existing and potential hazards and implement the right solutions to mitigate such hazards effectively and maintain an incident-free project.

As at 31 December 2021, our LTI-free manhours stood at 3,923,286 hours as compared to 2,037,906 LTI-free manhours as at 31 December 2020.

Plantation Division

Having achieved its Malaysia Sustainable Palm Oil ("MSPO") certification on 6 August 2019, our Plantation Division stringently upholds a comprehensive set of OSH standard operating procedures in accordance with the guidelines set within the Occupational Safety and Health ("OSH") Policy Manual. At the same time, we have also established an OSH Committee that is tasked to ensure that OSH best practices are being implemented by all employees at the workplace at all times. The MSPO certification was reaffirmed via 2nd year of audit surveillance and being conducted by appointed certification body, namely Care Certification International (M) Sdn Bhd in 2021.

Concession and Facilities Management Division

The Concession and Facilities Management Division conducted the following OSH related practices and procedures during FY2021:

- Weekly Toolbox/Induction briefings
- Monthly Safety and Health Committee Meetings
- Weekly Fogging/larvaciding
- Daily Housekeeping/Cleaning
- Monthly Environmental monitoring

We ensured full compliance to all COVID-19 regulatory requirements, including daily body temperature screening, wearing face masks, social distancing in the workplace, the provision of hand sanitisers and regular sanitisation of our project sites, offices as well as our Centralised Labour Quarters ("CLQ"). Our Bunus Project, Kuantan Project, Plantation Division as well as Concession and Facilities Management Division achieved 100% OSH compliance for three consecutive years.

LTI-Free Manhours as of FY2021

Business Unit	LTI Free Manhours
PNC SB HQ	2019: 284,144
	2020: 39,040
	2021: 41,936
BUNUS PROJECT	2019: 879,480
	2020: 2,402,190
	2021: 2,673,375
KUANTAN PROJECT	2019: 703,580
	2020: 2,037,906
	2021: 3,923,286
PLANTATION DIVISION	2019: 1,929,920
	2020: 2,330,112
	2021: 1,944,712
CONCESSION AND FACILITIES MANAGEMENT DIVISION	2019: 4,225,500
	2020: 1,458,200
	2021: 898,263
TOTAL MANHOURS	2019: 8,022,594
	2020: 8,267,448
	2021: 8,048,474

Sustainability Statement

Summary of LTI and Incidents for Puncak Niaga

Type of Incident	Year	PNCBSB HQ	Bunus Project	Kuantan Project	Plantation Division	Concession and Facilities Management
Fatality	2019	0	0	0	0	0
	2020	0	0	0	0	0
	2021	0	0	0	0	0
Serious Injury (LTI > 4 days)	2019	-	0	0	0	-
	2020	-	0	0	0	-
	2021	0	0	0	0	0
Minor Injury (LTI < 4 days)	2019	-	0	1	0	-
	2020	-	0	1	0	-
	2021	0	0	0	0	0
Medical Treatment Injury (MTI)	2019	0	0	-	0	0
	2020	0	0	-	0	0
	2021	0	0	0	0	0
Dangerous Occurrence	2019	0	1	-	0	0
	2020	0	0	-	0	0
	2021	0	0	0	1	0
Property Damage	2019	0	Site : 0 TP : 5	Site : 0 TP : 18	0	0
	2020	0	Site : 0 TP : 6	Site : 1 TP : 20	0	0
	2021	0	Site : 0 TP : 2	Site : 1 TP : 13	0	0
Traffic Incident	2019	0	Site : 0 Public : 1	Site : 0 Public : 2	0	-
	2020	0	Site : 0 Public : 2	Site : 0 Public : 2	0	-
	2021	0	Site : 0 Public : 4	Site : 0 Public : 0	0	0
First Aid Cases	2019	-	0	0	0	-
	2020	-	1	0	2	-
	2021	0	0	0	0	0
Near Miss	2019	-	0	0	0	-
	2020	-	0	1	0	-
	2021	0	0	0	0	0
Others (first aid, near miss, fire and others)	2019	0	0	-	0	4
	2020	0	0	-	0	0
	2021	0	0	0	0	0
Occupational Disease / Food Poisoning	2019	-	-	-	-	-
	2020	-	0	-	0	-
	2021	0	0	0	0	0

Auxiliary Police Security Practices

Puncak Niaga relies on our Auxiliary Police team to assist us in maintaining a safe working environment and ensuring the safety of the Group's offices, properties, estates, projects and assets. Formed on 9 June 2006, our Auxiliary Police has been trained by the Royal Malaysia Police ("PDRM") and have been granted the authority by PDRM to enforce their laws, rules and regulations.

The duties of our Auxiliary Police force include, but is not limited to, the following:

- Preventing crime on company premises
- Carrying out beat, patrol and static duties
- Controlling crowd and inspection of persons and vehicles
- Protecting and escorting the employer's property
- Assisting PDRM in carrying joint patrols in specified areas identified by the Reduction of Crime National Key Results Area ("CRI NKRA")
- Participating in PDRM's official activities by invitation, such as events relating to the Auxiliary Police Association ("APA")

In 2021, a total of 98 Auxiliary Police, security guards and surveillance officers manned our security across the Group. To ensure their competence and awareness of the latest policies and practices, we provide continuous training for the team, including training to raise awareness of human rights issues.

Our Auxiliary Police team continued to perform commendably during FY2021 in their services to the Group as well as to our various stakeholders, and contributed positively to maintaining the peace and security in localities surrounding our projects and premises, including at our estates in Sarawak.

Through their collaboration with PDRM and other local authorities, they have helped us develop a robust and trusting relationship with both the government as well as with the communities that reside within the footprint of our operations.

Sustainability Statement

VALUE TO OUR COMMUNITIES

With the onset of the COVID-19 pandemic, the year 2021 was yet another challenging year for the communities around us as they continued to struggle with the impact of the protracted pandemic on their finances, health, job security and family wellbeing. Not only did the nation have to battle the pandemic but towards the end of the year, several states suffered massive floods which resulted in many properties and homes being damaged, loss of lives and possessions. It is during critical times like these that corporations should lend a hand to help fellow citizens get back on their feet by providing financial assistance and basic living necessities. We will continue to strive to do our part with initiatives to help those who need support as our way to give back to society.



PROVIDING FOR LOCAL INDIGENOUS COMMUNITIES

Our Plantation Division has the following initiatives at our estates in Sarawak:

- Employment Benefits – We offer jobs to the local community as paid workers and staff members, and contracts for works and supplies for local contractors and suppliers
- Building up a skilled workforce – We train the local people to be more skilful (e.g. harvester, lorry driver, operator, etc.) to increase efficiency in our estates
- Better road accessibility – We upgraded/improved and maintained the roads in our estates for accessibility by the Company and local communities
- Providing medical services - Our estate medical centre which provides medical services and assistance for our workers is equipped with an ambulance for emergency transportation to the nearest hospital for further medical attention, if required
- Better modes of facilities and transportation - We provide transport shuttle services for our local workers to return to their longhouse settlements during the weekends
- Acknowledging and appreciating local cultures - We gave food provisions and monetary donations to the longhouse communities during their festive celebrations

As in the previous year, there were no incidents of violations of the rights of the indigenous communities surrounding and in our estates.

SUPPORTING OUR COMMUNITIES

In 2021, the Group carried out several initiatives to support the needs of the local communities that were greatly affected by the COVID-19 pandemic and flood disaster. We reached out to healthcare frontliners and the underprivileged to help them alleviate negative impacts from the pandemic and the floods.

In the year under review, we spent RM2,461,802 on community initiatives.

COMMUNITY INVESTMENT IN 2021

In 2021, we spent a total of RM2,461,802 on community initiatives:

2019
RM422,300

2020
RM1,683,186

2021
RM2,461,802

Sustainability Statement



Supporting Our Healthcare System

TRIpIc took the initiative to donate three “Oxygen Concentrator Systems” to Hospital UiTM Puncak Alam worth RM16,500.00 (RM5,500.00 per unit) in July 2021 in support of the Ministry of Health’s fight against COVID-19.

TRIpIc was also responsible for the upkeep, sanitisation and hygiene of the UiTM Puncak Alam Campus Mega PPV when it was in operation in June 2021 to August 2021 in support of the Government’s and the Ministry of Health’s efforts to inoculate the population.



Supporting Healthcare Frontliners

We distributed 180 packed meals to healthcare frontliners on duty at the MSU Medical Centre in Shah Alam during the immunisation programme organised by the Ministry of Health in June 2021.

Contributing to Flood Victims

In December 2021, we demonstrated our compassion and care towards the flood victims in Selangor and Negeri Sembilan by reaching out to 44 members of our workforce and the local communities who were severely impacted by the floods. We mobilised several teams of our employees who volunteered to conduct gotong-royong to clean the affected houses and distribute food and necessities such as mattresses, blankets, clothes, rice and cooking oil. The beneficiaries included 44 of our employees and 30 underprivileged families in Banting, Selangor. We also sponsored 7,500 packets of food to the volunteers and the flood victims in Selangor and Negeri Sembilan.

Our Managing Director, Encik Azlan Shah bin Tan Sri Rozali together with Puan Faridatulzakah binti Mohd Bakhry, Executive Director of Human Resources & Administration Division, who represented our Executive Chairman, YBhg Tan Sri Rozali bin Ismail and the Company, visited our employees and presented each of them with essential items as well as cash payments besides taking part in the gotong-royong. Overall, the Group contributed RM354,000 for the flood relief in December 2021, including RM134,000 to 44 employees who were impacted by the floods.

In June 2021, the Group donated RM200,000 to the residents in the District of Kinabatangan, Sabah that was affected by the floods and another RM200,000 to the residents in Kg Likas, Kota Kinabalu, Sabah that was affected by the COVID-19 pandemic, which were channelled through local non-governmental organisations.



Reaching out to the Local Communities

In 2021, our operations at Kuantan Project continued to reach out and engage with the local communities. Among the contributions made included:

- School uniform donations to *asnaf* children
- CSR programme with SPM students (conducted since 2020)
- Ramadan contribution to the local communities
- Food bank programme with Kuantan District Police Headquarters
- Gas stove contribution for flood victims
- Cash contribution to the local communities

Milestones

8 JULY

Puncak Niaga's listing on the Main Board of the KLSE (now known as Main Market of Bursa Malaysia Securities Berhad effective 3 August 2009) and launching of Puncak Niaga's Homepage.



6 NOVEMBER

Puncak Niaga was awarded the NACRA 2001 Industry Excellence Award under the 'Construction & Infrastructure Project Companies' category.

10 NOVEMBER

Puncak Niaga was awarded the Anugerah Citra Laporan Tahunan 2001 by Dewan Bahasa dan Pustaka.

20 FEBRUARY

Puncak Niaga received the Asiamoney Corporate Governance Poll 2002 Award for 'Best Corporate Governance Standards in the Utilities Sector in Malaysia'.

1 JANUARY

Commencement of operations of SYABAS at SYABAS's Headquarters.



1997

1999

2000

2001

2002

2003

2004

2005

2006

4 JANUARY

Puncak Niaga was included in the KLSE Composite Index (now known as FTSE Bursa Malaysia Kuala Lumpur Composite Index).

12 OCTOBER

Puncak Niaga won the KLSE Corporate Excellence Award 2000 for Main Board Companies and the KLSE Corporate Sectoral Award 2000 for Main Board Infrastructure Project Companies.



8 NOVEMBER

Puncak Niaga was honoured with the NACRA 2000 Industry Excellence Award for the 'Construction & Infrastructure Project Companies' category.

26 MARCH

Puncak Niaga Group's Executive Chairman, YBhg Tan Sri Rozali bin Ismail was awarded the Asia Water Management Excellence Award 2002 under the Individual Award Category.

31 OCTOBER

Puncak Niaga was awarded the NACRA 2002 Industry Excellence Award under the 'Construction & Infrastructure Project Companies' category.

15 DECEMBER

Signing of the Concession Agreement for the Privatisation of Water Supply Distribution in Selangor and the Federal Territories of Kuala Lumpur and Putrajaya between SYABAS, the Federal Government and the Selangor State Government.

16 OCTOBER

Puncak Niaga announced a capital repayment of up to RM767.84 million via a cash distribution to reward its shareholders.

Milestones

30 MARCH

Handover Ceremony of Sg Sireh WTP from Kumpulan Perangas Selangor Berhad to PNSB.

13 AUGUST

Puncak Niaga was the winner for Integrated Reporting in an Annual Report at ACCA Malaysia Sustainability Reporting Awards ("MaSRA") 2009.



8 NOVEMBER

Puncak Niaga was the winner for Integrated Reporting in an Annual Report for ACCA Malaysia Sustainability Reporting Awards ("MaSRA") 2010.

23 FEBRUARY

Puncak Niaga Group's Executive Chairman, YBhg Tan Sri Rozali bin Ismail was awarded the 1st Malaysia Achievement Awards 2012 Special Individual Achievement Category.



23 JANUARY

Puncak Niaga was awarded the Best-Equity Linked Deal Of The Year in Southeast Asia Award for Puncak Niaga's RM165.0 million Nominal Value Redeemable Convertible Secured Sukuk Ijarah at the 7th Annual Alpha Southeast Asia Deal & Solution Awards 2013.

27 OCTOBER

Puncak Niaga was awarded the Socrates International Award in Oxford, United Kingdom.

2007

2008

2009

2010

2011

2012

2013

2014

19 NOVEMBER

Puncak Niaga was awarded the NACRA 2008 Industry Excellence Award for Main Board Construction & Infrastructure Project Companies category.

28 SEPTEMBER

POG completed the acquisitions of the remaining 60% equity interest in GOM Resources and KGL thereby resulting in both GOM Resources and KGL becoming wholly owned subsidiaries of POG.

6 SEPTEMBER

Opening Ceremony of the Luwei (Pingdingshan) Water Co Ltd's Water Treatment Plant in Lushan, China.

19 - 22 OCTOBER

Puncak Niaga and the Malaysian Armed Forces were jointly awarded a Gold Award at the SGA Kaizen Competition Stream, International Conference on Quality 2014 held in Tokyo, Japan for the invention of a portable water purification system.

4 OCTOBER

Puncak Niaga received a Commendation for Integrated Reporting of Annual Report at the ACCA Malaysia Sustainability Reporting Awards ("MaSRA") 2011.

11 NOVEMBER

Signing of Share Sale Agreement between Puncak Niaga and Pengurusan Air Selangor Sdn Bhd ("Air Selangor") for Puncak Niaga to dispose PNSB and SYABAS to Air Selangor.

Milestones

22 MARCH

Puncak Niaga was awarded the 'Excellence and Innovation' in Gold Category at the 'Century International Quality ERA ("CQE")' awards ceremony held in Geneva, Switzerland.

21 APRIL



Puncak Niaga was awarded the European Quality Award ("EQA") in Oxford, United Kingdom.

26 NOVEMBER

Puncak Niaga was awarded the 'Industry Excellence Award for Construction & Infrastructure Project Companies' by the National Annual Corporate Report Awards ("NACRA") for the Annual Report 2014.

25 JULY

Puncak Niaga was awarded the Diamond Eye Award for Quality Commitment and Excellence and T.Q.C.S. - Total Quality Management Aptitude Seal for High Quality Performance & Best Customers Satisfaction by the Association Otherways Management & Consultation, France.

4 AUGUST

Puncak Niaga was awarded the 'Asia's Best Employer Brand Awards 2016'.

17 OCTOBER

Puncak Niaga announced the proposed acquisition of the entire stake of Danum Sinar Sdn Bhd by its 60% owned sub-subsidiary, Danau Semesta Sdn Bhd.

2015

2016

9 - 10 SEPTEMBER

Puncak Niaga and Malaysian Armed Forces won the '3 Star Gold Award' and 'Platinum Award' at the 'International Exposition On Team Excellence - IETEX 2015' in Singapore.

15 OCTOBER

Completion of the Proposed Disposals of PNSB and SYABAS to Air Selangor in line with restructuring of the water industry in the state of Selangor and Federal Territories of Kuala Lumpur and Putrajaya.

18 OCTOBER



Puncak Niaga was awarded the World Business Leader, 'The Bizz 2015 Award' at the Bizz Arabic 2015 in Muscat, Oman.

23 APRIL

Puncak Niaga was awarded the Global Leadership Awards 2016 Leadership Excellence in Utilities at the Leaders International & American Leadership Development Association ("ALDA").

15 MAY

Puncak Niaga was awarded the Bizz 2016 -World Business Leader Award and the Bizz 2016 -The Recognition of Inspirational Company at the World Confederation of Business.

1 DECEMBER

Puncak Niaga was awarded the NACRA 2016 - Certificate of Merit for the Annual Report 2015.

16 DECEMBER

Puncak Niaga entered into a conditional share sale agreement with Pimpinan Ehsan Berhad to purchase the entire issued and paid-up share capital of TRIPIC Berhad.

Milestones

3 JULY

Puncak Niaga completed the acquisition of Danum Sinar Sdn Bhd by Danau Semesta Sdn Bhd.

27 JULY

Puncak Niaga was awarded the Bizz Award by the World Confederation of Business.

1 AUGUST

Puncak Niaga was awarded the 'Asia's Best Employer Brand Awards 2017'.

11 FEBRUARY



Puncak Niaga was awarded The Green Era Award for Sustainability by Association Otherways Management & Consulting, France ("OMAC") in Lisbon, Portugal.

21 MARCH

Puncak Niaga was awarded the IFN Awards Deals of the Year 2018 – Corporate Finance Deal of the Year by the Islamic Finance News for Puncak Niaga's RM210.00 million acquisition of TR1plc's entire issued share capital from Pimpinan Ehsan Berhad.

24 JUNE

Puncak Niaga was awarded the Gold Award for the second consecutive year at the 2020 Australasian Reporting Awards ("ARA") in Australia.



2 AUGUST



Puncak Niaga was awarded the MSWG-ASEAN Corporate Governance Award 2020 - Excellence Award for CG Disclosure (Market Cap Below RM100 Million).

2017

2018

2019

2020

2021

31 MAY

Puncak Niaga completed the acquisition of the entire issued share capital of TR1plc Berhad.

20 NOVEMBER

Puncak Niaga was awarded the "Best Brands In Services: Integrated Water, Wastewater and Environmental Solutions" by the BrandLaureate in Hanoi, Vietnam.

24 APRIL

Puncak Niaga was awarded the Malaysia Best Employer Brand Awards 2019 by the World HRD Congress.

19 JUNE

Puncak Niaga was awarded the 2019 Australasian Reporting Awards – Gold Award and 2019 Australasian Reporting Awards – Finalist Best First Time Entry by the Australasian Reporting Awards ("ARA") in Melbourne, Australia.

6 SEPTEMBER



Puncak Niaga was awarded The Asia Pacific Entrepreneurship Awards 2019 – Corporate Excellence Category by Enterprise Asia.

30 JUNE



Puncak Niaga was awarded the Gold Award for the third consecutive year at the 2021 Australasian Reporting Awards ("ARA") in Australia.

2 JULY

Puncak Niaga was awarded the Graduate Choice Award ("GCA") - 2021/2022 Most Preferred Graduate Employer.

Board of Directors' Profile

YBHg TAN SRI ROZALI BIN ISMAL

Position: Executive Chairman

Nationality: Malaysian

Gender: Male

Age: 65

Date of appointment: 24 April 1997

Board Attendance

Board 5/5



YBHg Tan Sri Rozali bin Ismail is the founder of PNSB Water Sdn Bhd (formerly known as Puncak Niaga (M) Sdn Bhd ("PNSB")), Executive Chairman of Puncak Niaga Group and major shareholder of Puncak Niaga. He is also the Chairman of Puncak Niaga's and PNCSB's Executive Committee.

Qualification

- Bachelor of Law Degree, University of Malaya

Other Directorships In Public Companies And Listed Entities

Public Companies

- Executive Chairman, TR1plc Berhad
- Chairman, Gabungan Wawasan Generasi Felda Berhad

Listed Entities

- Nil

Working Experience And Occupation

YBHg Tan Sri Rozali began his career as Legal Advisor with the Urban Development Authority before joining Bank Islam (M) Berhad in 1983, where he conceptualised Malaysia's first Islamic banking institution. In 1987, he began his own legal practice specialising in corporate, property and banking.

Recognitions

- Technology CEO of the Year - Global Award at the World Finance Technology Awards 2011
- Entrepreneur of the Year 2011 Award at the Asia Pacific Entrepreneurship Awards 2011
- Masterclass Leader Award at the International Standard Quality Award 2011
- International Distinguished Entrepreneur Of The Year for the Asia Pacific International Brands Summit (Malaysia) 2011
- Special Individual Achievement Category at the 1st Malaysia Achievement Awards 2012
- "Utility Man Of The Year" at the Brandlaureate Brand Leadership Award 2014-2015
- "Munisaraphoin Medal" by the Prime Minister of Cambodia H.E Hun Sen in 2015

- Certificate of World Business Leader and the Certificate of Excellence in Business Leadership from the World Confederation of Business ("WORLDCOB") in 2015
- World Leader Businessperson by WORLDCOB at The Bizz 2016 and 2017
- Outstanding Leaders in Asia at the Asia Corporate Excellence & Sustainability Award 2016 by MORS Group
- Special Achievement Award at the Asia Pacific Entrepreneurship Awards 2019
- Entrepreneur of the Year Award at the Asia Corporate Excellence and Sustainability Awards ("ACES") 2021

Memberships

- Member of the Malaysian Industry-Government Group for High Technology
- Member of the Malaysian Institute of Directors
- Member of the Malaysian-British Business Council
- Member of the Malaysia-Indonesia Business Council
- Member of the Corporate Malaysia Roundtable
- Member of the Malaysia-Russia Business Council
- Member of the Malaysia India Business Council
- Member of the Commonwealth Partnership for Technology Management
- Member of Yayasan Budi Penyayang Malaysia
- Member of the Malaysian Institute of Management
- Member of Institute of Corporate Directors Malaysia ("ICDM")
- Advisor to IMM
- Governor for Malaysia of Asia Pacific Marketing Federation Foundation
- Advisor of "Persatuan Bola Sepak Melayu Malaysia"
- Chairman of Gabungan Wawasan Generasi Felda Berhad
- Chairman of Majlis Perundingan Ekonomi Melayu
- Chairman of Indonesia-Malaysia-Thailand (IMT-GT) Joint Business Council (JBC) 2021-2022

Declaration

- YBHg Tan Sri Rozali is the father of Encik Azlan Shah bin Tan Sri Rozali, who is the Managing Director of Puncak Niaga and a shareholder of Puncak Niaga.
- YBHg Tan Sri Rozali has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2021.

Board of Directors' Profile

ENCIK AZLAN SHAH BIN TAN SRI ROZALI

Position: Managing Director

Nationality: Malaysian

Gender: Male

Age: 36

Date of appointment: 28 February 2021

Board Attendance

Board 5/5



Encik Azlan Shah bin Tan Sri Rozali was appointed as Managing Director of the Company on 28 February 2021. He was previously the Alternate Director to YBhg Tan Sri Rozali bin Ismail, the Executive Chairman of the Company since 18 July 2018. He sits on the Board of most of the subsidiary companies of Puncak Niaga Group. He is a member of the Executive Committees of Puncak Niaga and Puncak Niaga Construction Sdn Bhd. He was re-designated from General Manager, Business Development Division to Executive Director, Business Development Division of the Company on 1 January 2019. Encik Azlan Shah previously served as the Managing Director of TRIpIc Berhad since 15 October 2019 prior to his appointment as Managing Director of Puncak Niaga.

Qualification

- University Foundation Programme in Business Administration, London School of Commerce, UK
- Bachelor of Arts Degree in Business Studies and Marketing, Middlesex University, London, UK
- "Programme for Leadership Development ("PLD")", Harvard Business School, USA

Other Directorships In Public Companies And Listed Entities

Public Companies

- Director, TRIpIc Berhad

Listed Entities

- Nil

Working Experience And Occupation

Prior to his appointment as the Managing Director of Puncak Niaga, Encik Azlan Shah was the Managing Director of TRIpIc Berhad for the period from 15 October 2019 to 28 February 2021, Acting Managing Director of Puncak Niaga and Acting Chief Executive Officer of Puncak Niaga's Oil

& Gas Division for the period from 3 August 2016 to 18 July 2018. Before that, he was the Head of Information Technology overseeing the overall of the Information Technology Department of Puncak Niaga Group. In 2010, Encik Azlan Shah joined SYABAS as an Executive and gained exposure and experience in the area of human resources and administration, finance and accounts and operations in SYABAS.

Memberships

- Captain, Rejimen Pakar Pengendalian Air ke-60 RAJD (Askar Wataniah)
- Member of Institute of Corporate Directors Malaysia ("ICDM")

Previous Appointment/Re-designation

- **6 January 2016**
Alternate Director to YBhg Tan Sri Rozali bin Ismail
- **3 August 2016**
Re-designated as Acting Managing Director
- **18 July 2018**
Alternate Director to YBhg Tan Sri Rozali bin Ismail

Declaration

- Encik Azlan Shah is a shareholder of Puncak Niaga. He is the eldest son of YBhg Tan Sri Rozali bin Ismail, the Executive Chairman and major shareholder of Puncak Niaga.
- Encik Azlan Shah has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2021.

Board of Directors' Profile

YBHG DATO' SRI ADENAN BIN AB. RAHMAN

Position: Independent Non-Executive Director

Nationality: Malaysian

Gender: Male

Age: 65

Date of appointment: 1 December 2017

Length of Tenure as at 30 March 2022:

4 years and 4 months

Board and Board Committee Attendance

Board	5/5		
AC	5/5	RC	3/3
NC	3/3	CICR	4/4



YBhg Dato' Sri Adenan bin Ab. Rahman was appointed to the Board of Puncak Niaga on 1 December 2017 as an Independent Non-Executive Director. YBhg Dato' Sri Adenan bin Ab. Rahman is the Chairman of Puncak Niaga's Audit Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee and a member of Puncak Niaga's Nomination Committee.

Qualification

- Bachelor of Arts in Southeast Asian Studies, University Malaya
- Master of Arts in Defence Studies, Universiti Kebangsaan Malaysia

Other Directorships In Public Companies And Listed Entities

Public Companies

- Nil

Listed Entities

- Nil

Working Experience And Occupation

YBhg Dato' Sri Adenan started his career as Assistant Manager, Lembaga Kemajuan Negeri Pahang in 1979 and has served the Government for more than 38 years in various positions in Departments and Ministries including the Public Service Department of Malaysia, Prime Minister's Department, various Embassies, Ministry of Home Affairs and Ministry of Human Resources.

He has held prominent positions such as First Secretary, Malaysian Embassy for Sarajevo, Bosnia and Herzegovina (1996-2000); Director, Malaysian Friendship and Trade Centre Taipei, Taiwan (2004-2006); Minister Counsellor, Embassy of Malaysia in Jakarta, Indonesia (2006-2007); Director-General, Research Division, Prime Minister's Department (2011-2014); Deputy Secretary-General (Security and Policy), Ministry of Home Affairs (2014-2015); and Secretary-General, Ministry of Human Resources (16 December 2015 - 4 October 2017) prior to his retirement from Government service on 5 October 2017.

He was the former Chairman of Skills Development Fund Corporation, a Federal Statutory Body under the Ministry of Human Resources (2017-2018). He has vast knowledge and experience in administrative matters, diplomatic and international relations, compensation and benefits, human resources, strategy and policy matters at national and international levels.

Memberships

- Deputy Chairman of the National Wages Consultative Council, Ministry of Human Resources
- Member of Institute of Corporate Directors Malaysia ("ICDM")

Declaration

- YBhg Dato' Sri Adenan does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- YBhg Dato' Sri Adenan has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2021.

Board of Directors' Profile

YBHG PROF EMERITUS DATUK DR MARIMUTHU A/L NADASON

Position: Independent Non-Executive Director

Nationality: Malaysian

Gender: Male

Age: 60

Date of appointment: 1 February 2018

Length of Tenure as at 30 March 2022:

4 years and 2 months

Board and Board Committee Attendance

Board	5/5		
AC	5/5	RC	3/3
NC	3/3	CICR	4/4



YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason was appointed to the Board of Puncak Niaga on 1 February 2018 as an Independent Non-Executive Director. YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason is the Chairman of Puncak Niaga's Nomination Committee and member of Puncak Niaga's Audit Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Qualification

- Doctorate of Business Administration, International American University, USA
- Master in Business Administration ("MBA") (Human Resource Management), International American University, USA
- MBA, Phoenix International University, USA

Other Directorships In Public Companies And Listed Entities

Public Companies

- Nil

Listed Entities

- Nil

Working Experience And Occupation

YBhg Prof Emeritus Datuk Dr Marimuthu was conferred an Honorary Professorship in Consumer Behaviour by the Stichting Eurogio University College Netherlands (2014), Honorary Professor and Panel Expert for IIC University of Technology Cambodia (2014), Visiting Professor at the Swiss School of Management as Formal Expertise and Visiting Professor in Consumer Relations by the International University of Georgia (2016).

He is also an accredited Public Relations Practitioner ("APR") by the Institute of Public Relations Malaysia (2005) and a Certified Professional Marketeer ("CPM") by the Asia Marketing Federation (2008).

YBhg Prof Emeritus Datuk Dr Marimuthu was given the title of Professor Emeritus by University Institute for International and European Studies, Netherlands on 27 August 2018. YBhg Prof Emeritus Datuk Dr Marimuthu is a consumer activist, social worker and campaigner with honorary positions in national and international non-governmental organisations.

Memberships

- Accredited Public Relations Practitioner ("APR") by the Institute of Public Relations Malaysia (2005)
- Certified Professional Marketeer ("CPM") by the Asia Marketing Federation (2008)
- Chairman, Malaysian Standards and Accreditation Council, Department of Standards Malaysia, Ministry of International Trade and Industry (2018 – 2020)
- Commissioner, National Water Services Commission (SPAN) (2007 – 2017)
- President, Federation of Malaysian Consumers Association (2004 – Present)
- Independent Director, Ombudsman For Financial Services (Previously known as Financial Mediation Bureau) (2004 – August 2020)
- Member of Institute of Integrity Malaysia (2004 – Present)
- Chief Executive Officer, Education and Research Association for Consumers (1997 – Present)
- President, Consumers International, London (2019 – 2023)
- Chairperson, Asian Partnership for Development of Human Resources in Rural Asia, Philippines (2006 – 2010)
- Member of Institute of Corporate Directors Malaysia ("ICDM")

Declaration

- YBhg Prof Emeritus Datuk Dr Marimuthu does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- YBhg Prof Emeritus Datuk Dr Marimuthu has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2021.

Board of Directors' Profile

YBHG DATUK SR HAJI JOHARI BIN WAHAB

Position: Independent Non-Executive Director

Nationality: Malaysian

Gender: Male

Age: 57

Date of appointment: 10 February 2020

Length of Tenure as at 30 March 2022:

2 years and 1.5 months

Board and Board Committee

Attendance

Board	5/5		
AC	4/5	RC	3/3
NC	2/3	CICR	4/4



YBhg Datuk Sr Haji Johari bin Wahab was appointed to the Board of Puncak Niaga on 10 February 2020 as an Independent Non-Executive Director. He is a member of Puncak Niaga's Audit Committee, Nomination Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Qualification

- Honours Degree in Land Surveying, University Technology Malaysia

Other Directorships In Public Companies And Listed Entities

Public Companies

- Nil

Listed Entities

- Nil

Working Experience And Occupation

YBhg Datuk Sr Haji Johari has more than 30 years' experience in all types of surveying works such as underground utility detection and mapping, cadastral survey, construction survey, engineering survey and oil and gas industry. He has gained vast experience as a land surveyor since 1988 when he started his career with Geotex Surveyor Pte Ltd before moving on to Projass Engineering Sdn Bhd and Ranhill Engineers & Constructors Sdn Bhd.

YBhg Datuk Sr Haji Johari left Ranhill Engineers & Constructors Sdn Bhd to establish his own company known as AJ Surveyors & Engineering until AJ Surveyors was registered as a Land Surveyor firm with Lembaga Jurukur Tanah Malaysia in November 2011. He is the Principal of AJ Surveyors.

Memberships

- President of Association of Competent Utility Mappers Malaysia ("UMAP MALAYSIA")
- Member of the Executive Council, Association of Authorised Land Surveyors Malaysia ("PEJUTA")
- Chairman of the Geomatic & Land Surveying Division
- Fellow of the Royal Institution of Surveyors Malaysia ("RISM")
- Member of Koperasi Jurukur Tanah Berlesen Berhad ("KOJUTA")
- Member of Institute of Corporate Directors Malaysia ("ICDM")
- Previous Co-Chairman of the International Conference Geomatic & Geospatial Technology 2017-2018 ("GGT 2017", "GGT 2018")
- Previous Chairman of the Organising Committee for Subsurface Asset Management & Surveying Seminar 2017 ("SAM'S 17")

Declaration

- YBhg Datuk Sr Haji Johari does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- YBhg Datuk Sr Haji Johari has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2021.

Board of Directors' Profile

YM TENGGU LORETA BINTI TENGGU DATO' SETIA RAMLI ALHAJ

Position: Independent Non-Executive Director

Nationality: Malaysian

Gender: Female

Age: 48

Date of appointment: 10 February 2020

Length of Tenure as at 30 March 2022:

2 years and 1.5 months

Board and Board Committee Attendance

Board	5/5		
AC	5/5	RC	3/3
NC	3/3	CICR	4/4



YM Tengku Loreta Tengku Dato' Setia Ramli Alhaj was appointed to the Board of Puncak Niaga on 10 February 2020 as an Independent Non-Executive Director. She is a member of Puncak Niaga's Audit Committee, Nomination Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Qualification

- Bachelor of Arts Degree in Communications Studies, Western Michigan University, USA
- Deans List 1995 School of Communications, with a minor in Philosophy, Western Michigan University, USA
- Master of Arts in Telecommunications Management, Ohio University, USA

Other Directorships In Public Companies And Listed Entities

Public Companies

- Nil

Listed Entities

- Nil

Working Experience And Occupation

With over 22 years of diverse experience covering both the private and public sector, she brings strong business leadership, partnerships, and industry expertise particularly in the field of sustainability and renewable energy.

Starting her career in 1998 with MEASAT Broadcast Network System Sdn. Bhd. as a broadcast journalist, she then joined Kontena Nasional in June 2010, driving the Business Development Unit in the CEO's Office. YM Tengku Loreta subsequently pursued her passion in sustainability by venturing into the government sector. She was a former Special Officer to the Group CEO of Malaysian Green Technology Corporation ("MGTC") (September 2014 to April 2017) and represented Malaysia at the EXPO 2017 in Astana, Kazakhstan (April 2017 to September 2017) as the Head of Protocol & Public Relations for the Malaysian Pavillion. After MGTC, YM Tengku Loreta returned to the private sector where she managed large scale renewable energy projects.

A strong champion of social and environmental sustainability, YM Tengku Loreta has been an active campaigner, president and member with honorary positions in numerous charitable organisations. She was an active member of Soroptimist International Club of Ampang from 2004 to 2008 before she was elected the President of the Club (2008 to 2010). YM Tengku Loreta is also a lifetime member of Rumah Amal Cahaya Tengku Ampuan Rahimah ("RACTAR"). During her tenure at MGTC, she successfully launched the #MyButterflyEffect campaign, where every social media post supporting green growth during the EXPO 2017 in Astana would be matched with more solar panels by the Government.

In 2019, YM Tengku Loreta founded and officially launched MySayang Malaysia Organization, a Non-Government Organization that focuses on green initiatives in Malaysia as part of an effort to make Malaysia a more environmentally sustainable country.

Memberships

- President of the Soroptimist International Club of Ampang (2008 to 2010)
- Lifetime member of Rumah Amal Cahaya Tengku Ampuan Rahimah ("RACTAR")
- Founder of MySayang Malaysia Organization
- Member of Malaysian Green Technology and Climate Change Centre (formerly known as Malaysian Green Technology Corporation) ("MGTC")
- Member of Institute of Corporate Directors Malaysia ("ICDM")

Declaration

- YM Tengku Loreta does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Company.
- YM Tengku Loreta has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2021.

Board of Directors' Profile

ENCIK NOOR FAIZ BIN HASSAN

Position: Independent Non-Executive Director

Nationality: Malaysian

Gender: Male

Age: 52

Date of appointment: 1 October 2020

Length of Tenure as at 30 March 2022:

1 year and 6 months

Board and Board Committee Attendance

Board	5/5		
AC	5/5	RC	3/3
NC	3/3	CICR	4/4



Encik Noor Faiz Hassan was appointed to the Board of Puncak Niaga on 1 October 2020 as an Independent Non-Executive Director. He is a member of the Company's Audit Committee, Nomination Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Qualification

- Bachelor of Accounting (Honours) Degree, University Utara Malaysia (1995)

Other Directorships In Public Companies And Listed Entities

Public Companies

- Nil

Listed Entities

- Nil

Working Experience And Occupation

Encik Noor Faiz started his career with KB Wong & Co in 1995 as an Audit Senior and is presently an Audit Manager in KB Wong & Co. He has more than 26 years' experience in corporate audit and taxation.

Memberships

- Chairman of Board of Visitors for Bagan Specialist Centre in Butterworth
- Member of the National Autism Society of Malaysia ("NASOM")
- Member of Malaysian Institute of Accountants (C.A. (M))
- Member of Institute of Corporate Directors Malaysia ("ICDM")

Declaration

- Encik Noor Faiz does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- Encik Noor Faiz has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2021.

Key Personnel Profile - Puncak Niaga Group

MADAM WONG LEY CHAN

Position: Chief Financial Officer

Nationality: Malaysian • **Gender:** Female • **Age:** 62

Madam Wong Ley Chan graduated with a Bachelor of Accountancy Degree from the prestigious National University of Singapore.

Madam Wong is a member of Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA"). She has more than 38 years of working experience and extensive knowledge in various areas covering auditing, corporate banking, corporate finance, accounting, taxation and strategic financial management.

Madam Wong started her career in 1984 as a young auditor in an established accounting firm. Since then, she had served diligently in several companies at senior management level, including a six year stint in UEM Land Group of Companies, five years in TRIpIc Bhd and three years in SYABAS. Prior to joining Puncak Niaga Holdings Berhad, she was the Vice President, Finance of Scomi Engineering Bhd.

On 25 November 2010, she was appointed as Executive Director, Finance Division of PNSB.

On 15 April 2015, Madam Wong was appointed as the Chief Financial Officer of Puncak Niaga Holdings Berhad. She is responsible for the overall finance and accounting functions of Puncak Niaga Group of Companies.

Madam Wong is a member of Puncak Niaga's EXCO and Puncak Niaga Construction Sdn Bhd's EXCO. She also sits on the Board of several subsidiary companies of the Group.

TUAN SYED BADLI SHAH BIN SYED MANSOOR

Position: Executive Director, Operations Division / Managing Director, Puncak Niaga Construction Sdn Bhd

Nationality: Malaysian • **Gender:** Male • **Age:** 55

Tn. Syed Badli Shah Bin Syed Mansoor was appointed as the Executive Director, Operations Division of Puncak Niaga and Managing Director of Puncak Niaga Construction Sdn Bhd on 1 October 2021.

He graduated from Universiti Teknologi Malaysia in 1991 with a degree in Mechanical Engineering and has about thirty years of experience in the construction industry, water and wastewater operations and maintenance projects and solid waste management. He is a member of NIOSH and a graduate member of IEM and BEM.

He started his career as a Mechanical Engineer in JCM Sdn Bhd in 1991 before joining Perbadanan Kilang Felda as Plant Engineer from July 1991 to 1993.

In 1993, he served as the Chief Engineer for Johor Aluminium Processing Sdn Bhd. He then joined Linde Industrial Gases Sdn Bhd in 1996 as General Production Manager and was involved in the construction of three (3) acetylene plants and four (4) filling stations for industrial gases during his tenure. Thereafter, he joined Alam Flora Sdn Bhd in 2002 where he was appointed as the Plant /Facilities Planning Manager.

In 2005, he joined WWE Holdings Bhd where he held the position of Business Development Manager / Jeddah Branch Manager and was a Project Director for Jeddah Sewer Networks.

He joined Puncak Niaga in 2013 as the General Manager of the Non-Water Department, Engineering / Project Development Division.

In 2019, he was given the responsibility to head the FMS Department, Z1P2, TRIpIc Berhad and in the year 2020, he was given the responsibility to head the D44 Project, Puncak Niaga Construction Sdn Bhd.

Prior to his appointment as the Executive Director, Operations Division of Puncak Niaga and Managing Director of Puncak Niaga Construction Sdn Bhd on 1 October 2021, he was given the task to head the Business and Technical Department in handling new businesses/projects for the Company.

He was previously the Secretary for Corporate Safety and Health Puncak Niaga Holdings Berhad and previous Chairman of the Safety and Health Committee for Wisma Rozali. He is Puncak Niaga Holdings Berhad's and Puncak Niaga Construction Sdn Bhd's Management Representative in the implementation and maintenance of the Quality Management System ("QMS"), Environmental Management System ("EMS"), and Occupational Health and Safety ("OH&S") Management System.

Key Personnel Profile - Puncak Niaga Group

TUAN HAJI BAKRI BIN JAMALUDDIN

Position: Managing Director, Danum Sinar Sdn Bhd

Nationality: Malaysian • **Gender:** Male • **Age:** 58

Tuan Haji Bakri bin Jamaluddin graduated with a Diploma in Agriculture from Universiti Pertanian Malaysia ("UPM") in 1985.

He started his career with Kuala Lumpur Kepong Berhad ("KLK") in 1985 as Cadet Planter and opted for retirement as Senior General Manager in 2019. He has approximately 34 years of working experience in the oil palm plantation industry and other agro related fields such as rubber and cocoa in Peninsular Malaysia and Indonesia. Throughout his service with KLK, he amassed 19 years of experience in Peninsular Malaysia (Johor, Perak, Pulau Pinang, Kedah and Negeri Sembilan) and 15 years of experience in Indonesia (Riau, Kalimantan Timur and Jakarta).

Tuan Haji Bakri was previously a member of the Board of Directors of the Malaysian Palm Oil Board ("MPOB") from June 2020 to September 2021, a member of the Dispute Resolution Committee ("DRC") of Malaysia Palm Oil Certificate Council ("MPOCC") from July 2020 to July 2021, a Committee Member of Gabungan Asosiasi Pengusaha Kelapa Sawit Indonesia ("GAPKI Kalimantan Timur") from 2014 to 2016 and was appointed as a Main Committee member of Mechanization and Automation Research Consortium of Oil Palm ("MARCOP") on February 2021. He is also an Independent Non-Executive Director of TH Plantations Berhad since 2 January 2022.

In addition to his professional career, he is also actively involved in social and local community activities. He had served as Pengerusi Masjid Tun Abd Ghafar Baba in Sungai Udang, Melaka. He had also contributed actively to support Ikatan Daei Indonesia ("IKADI") from 2012 to 2016, and has strong relationship with NGOs, such as, Pertubuhan Warisan Ukhwah dan Amal Prihatin.

YBHG DATO' TS. JAMALUDIN BIN BUYONG

Position: Acting Managing Director, TRIplc Berhad

Nationality: Malaysian • **Gender:** Male • **Age:** 59

YBhg Dato' Ts. Jamaludin bin Buyong was appointed as the Acting Managing Director of TRIplc Berhad Group of Companies on 28 February 2021. Prior to that, he was the Executive Director (Operation) of Asset Management Services, TRIplc Group since July 2020. He was previously the General Manager of Facilities Management and held responsibility for the facilities management arm of TRIplc Group for the period from 20 September 2010 to 31 October 2018.

YBhg Dato' Ts. Jamaludin graduated with an Advanced Diploma in Mechanical Engineering from Institut Teknologi MARA ("ITM") which he obtained in 1996 and a Master of Science in Facilities Management from Universiti Teknologi MARA ("UiTM") in 2008.

He has approximately 31 years of experience in the hospital maintenance and facilities management sector. Previously, he was the Facility Manager for Kuala Lumpur General Hospital, the largest hospital in Southeast Asia, for a period of five years. He also has corporate and project experience in the fields of healthcare, manufacturing and construction and was involved in the privatisation of hospital support services and was in a consulting company for five years where he held various positions including that of Principal Consultant.

Key Personnel Profile - Puncak Niaga Group

YBHG PROF DATO' DR MOHD ZAINUL FITHRI BIN OTHMAN

Position: Executive Director – Public Relations Division & Business Development Division

Nationality: Malaysian • **Gender:** Male • **Age:** 57

YBhg Prof Dato' Dr Mohd Zainul Fithri bin Othman was appointed as the Executive Director, Strategic Resource and Public Relations Division ("SR&PRD") of PNSB on 4 March 2014. He is currently the Executive Director, Public Relations Division and Business Development Division of Puncak Niaga.

His passion in the field of education was evident since the early days of his career. YBhg Prof Dato' Dr Mohd Zainul Fithri started his profession as a lecturer at Universiti Sains Malaysia in 1994 and six years after, he was attached to the Unitek College Malaysia as the President/CEO. He then served as the Director of Management Studies of the World Enterprise Institute at the International Medical University ("IMU") in 2000. In the same year, he was attached to Institut Kajian Pembangunan Bangsa as the CEO and as an Associate Professor of the Faculty of Humanities and Social Sciences, Universiti Tun Abdul Razak. He was the Chairman of the International Society of Business Administration Center Malaysia, and was also the Political Secretary to the Minister in the Prime Minister's Department, YAB Dato' Seri Dr Ahmad Zahid Hamidi from 2008 until 2009.

YBhg Prof Dato' Dr Mohd Zainul Fithri held various prominent positions in the Management & Science University ("MSU") and has served at the institution for a considerable number of years. During his stint, he was appointed as the Vice President/Deputy Vice Chancellor of Industrial Linkages & Students Career Development in 2003, a position he held before he moved to PNSB. He was also appointed as the Dean at Centre of Flexible Learning, and simultaneously, a Director of Akademi Kaunseling Komuniti Malaysia ("AKKMA") in 2006. He was then seconded to the Prime Minister's Department for a year during his position as a Professor in Policy and Leadership Studies in 2003 until 2008.

YBhg Prof Dato' Dr Mohd Zainul Fithri holds a Bachelor of Science in Political Science and International Relations from Oregon State University, Corvallis, United States in 1988 and a Master of Arts ("MA") in International Relations (Security and International Political Economy) from the University of Hull, United Kingdom in 1990. He also holds a Doctor of Philosophy in Global Political Economy from the University of Sheffield, United Kingdom since 1994.

MADAM TAN BEE LIAN

Position: Executive Director, Corporate Services Division and Group Company Secretary

Nationality: Malaysian • **Gender:** Female • **Age:** 56

Madam Tan Bee Lian joined PNSB as Company Secretary on 7 November 1994 and was promoted thrice before assuming the position of Executive Director, Corporate Services Division, PNSB on 1 January 2010. In her current position as Executive Director, Corporate Services Division of Puncak Niaga, she oversees the Legal Department and Secretarial Department.

As Group Company Secretary, Madam Tan is responsible for Puncak Niaga Group's company secretarial and regulatory compliance. Madam Tan is a member of Puncak Niaga's EXCO and holds directorships in Puncak Niaga Holdings Berhad's subsidiaries, namely Sino Water Pte Ltd and Puncak Niaga Management Services Sdn Bhd.

Madam Tan is a Fellow (Chartered Secretary and Chartered Governance Professional) of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("MAICSA") and has more than 34 years of working experience in company secretarial practice and corporate work.

She had previously served on MAICSA's sub-committees and taskforce on law review and company secretarial practice and public affairs and is currently a member of MAICSA's National Disciplinary Tribunal. She had previously worked with Projek Lebuhraya Utara-Selatan Berhad ("PLUS") and Metramac Corporation Sdn Bhd/Metacorp Berhad and was the winner of the ROC-MAICSA Company Secretary Award 2001 for the Listed Company Category.

Key Personnel Profile - Puncak Niaga Group

PUAN FARIDATULZAKIAH BINTI MOHD BAKHRY

Position: Executive Director, Human Resources & Administration Division

Nationality: Malaysian • **Gender:** Female • **Age:** 46

Puan Faridatulzakiah holds a degree in Law (LLB, Hons) from the Hertfordshire University, United Kingdom.

She started her legal career at Messrs Malek & Associate in 2003, handling civil and criminal cases. In 2006, she served as Legal Officer in Great Eastern Life Assurance (Malaysia) Berhad where she was exposed to Human Resources and Industrial Relations matter.

She then joined SYABAS in 2008 as Assistant Manager, Legal Department and subsequently promoted to Manager of Industrial Relations a year later before being promoted as Senior Manager in 2010. She continued leading the department until she joined PNSB in 2012 as Assistant General Manager of the Human Resources & Administration Division, overseeing the full spectrum of Human Resources Management.

On 1 February 2013, Puan Faridatulzakiah assumed the position of Executive Director, Human Resources & Administration Division of Puncak Niaga Management Services Sdn Bhd. She is responsible for overseeing the overall administration of Puncak Niaga Group of Companies comprising Human Resources, Administration, Security and Staff Associations. She is the President of Puncak Niaga Group's Staff Welfare Association ("PEKA") which is a key platform of welfare, team building and engagement activities between Puncak Niaga Group's employees. Puan Faridatulzakiah is a member of Puncak Niaga's EXCO and hold directorships in most of Puncak Niaga Holdings Berhad's subsidiaries.

MADAM KAREN CHAN YIT HWA

Position: Executive Director, Finance – Danum Sinar Sdn Bhd

Nationality: Malaysian • **Gender:** Female • **Age:** 59

Madam Chan holds a Bachelor of Accounting (Hons) from the University of Malaya. She is a member of the Malaysian Institute of Accountants ("MIA").

She has vast experience of more than 34 years in various areas covering Auditing, Accounting, Finance and Corporate Finance.

Madam Chan was appointed as Executive Director, Finance of Danum Sinar Sdn Bhd on 19 December 2017. She was the Acting Managing Director of Danum Sinar Sdn Bhd for the period 25 November 2019 until 2 January 2022. She assumed the position of Executive Director, Finance of Danum Sinar Sdn Bhd on 3 January 2022. Madam Chan is a member of Puncak Niaga's EXCO. She also sits on the Board of several subsidiary companies of the Group.

Prior to joining Danum Sinar Sdn Bhd, she was a Director with a financial consultancy company and was the Executive Director, Finance of SYABAS from 2012 to 2016.

She was previously a Senior General Manager with the Scomi Group of Companies from 2006 to 2012 with two years of overseas assignment based in Dubai overseeing the Middle East operations. She worked with Price Waterhouse Coopers from 1987 to 1991 before joining various companies within the Hong Leong Group of Companies and various Malaysian public listed companies.

Notes:

Save as disclosed above, none of the Key Personnel has:

- Any family relationship with any Director and/or major shareholder of the Company except for Puan Faridatulzakiah who is the niece of the Executive Chairman and cousin of the Managing Director of the Company.
- Any conflict of interest with the Company.
- Any conviction for offences within the past five (5) years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, other than traffic offences.

Corporate Governance Overview Statement

The Board of Directors (“Board”) of Puncak Niaga Holdings Berhad (“Puncak Niaga”) is responsible to its stakeholders, including the Company’s shareholders, for the approval and delivery of the Group’s strategic objectives. It ensures that the necessary financial, technical and human resources are in place for the Company to meet its objectives. The Board leads the Group within a framework of practical and effective controls which enables risks to be assessed and managed.

In recognition of the Company’s good corporate governance, the Company was awarded the MSWG-ASEAN Corporate Governance Award 2020: Excellence Award For CG Disclosure (Market Cap Below RM100 Million) and ranked at No. 44 out of the Top 100 Companies for CG Disclosure 2020. These recognitions will spur the Company to continue to embrace good corporate governance practices within the Company and the Group.

Responsibility for the development and implementation of the Group’s strategy and overall commercial objectives is delegated to the Managing Director who is supported by the Puncak Niaga’s Executive Committee (“EXCO”). The Group’s principal decision-making body is the Board. In line with both the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), the Board Committees assist the Board by fulfilling their roles and responsibilities, focusing on their respective activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations in line with their Terms of Reference. The Terms of Reference of the Board Committees comply with the provisions of the MCCG 2021 and have been updated recently on 23 September 2021.

The Board Committee structure is detailed in the governance framework below and the key responsibilities are set out on pages 65 to 67 of this Annual Report.

BOARD OF DIRECTORS				
Responsible for effective stewardship and control of the Group				
<p>●</p> <p>BOARD</p> <p>The Board’s roles are to understand and meet its obligations to the Company’s stakeholders; lead the Group within a framework of practical and effective controls which enable risk to be assessed and managed; approve the Group’s strategic objectives and ensure that sufficient resources are available to enable it to meet those objectives; and monitor and review the operating and financial performance of the Group. It has responsibility and accountability for the long term success of the Group. Detailed roles and responsibilities of the Board can be found in our Board Charter, accessible online through www.puncakniaga.com.my.</p>	<p>●</p> <p>EXECUTIVE CHAIRMAN</p> <p>Leads our unified Board, ensuring that the principles and processes of the Board are maintained in line with our Board Charter which is available online at www.puncakniaga.com.my.</p>	<p>●</p> <p>AUDIT COMMITTEE</p> <p>The Audit Committee assists the Board in discharging its responsibilities for the integrity of the Company’s financial statements, the assessment of the effectiveness of the systems of Internal Controls, Risk Management and the internal and external Auditors.</p> <p>More information can be found on pages 78 to 81.</p>	<p>●</p> <p>NOMINATION COMMITTEE</p> <p>The Nomination Committee assists the Board by keeping the structure, size, composition and succession needs of the Board under review. It also assists the Board on issues of Directors’ conflicts of interest and independence.</p> <p>More information can be found on pages 70 to 71.</p>	<p>●</p> <p>EXECUTIVE COMMITTEE</p> <p>The EXCO operates under the direction and authority of the Executive Chairman/ Managing Director overseeing the development and execution of strategy. It also has accountability for achieving financial and operational performance.</p>
	<p>●</p> <p>REMUNERATION COMMITTEE</p> <p>The Remuneration Committee determines the Company’s policy on the remuneration of Executive Directors, Senior Management and the Chairman of the Board.</p> <p>More information can be found on pages 74 to 75.</p>	<p>●</p> <p>COMPLIANCE, INTERNAL CONTROL AND RISK POLICY COMMITTEE</p> <p>The Compliance, Internal Control and Risk Policy Committee provides guidance and direction to the Company’s Compliance and Internal Control programmes. It also reviews the Group’s risks and opportunities.</p> <p>More information can be found on pages 84 to 86.</p>	<p>●</p> <p>MANAGING DIRECTOR</p> <p>Delegated responsibility for the development and implementation of the Group’s strategy and overall commercial objectives. Responsible for the day-to-day management of the business and the communication of Board agreed objectives to employees. Reports directly to the Executive Chairman. Further details of the roles and responsibilities of the Managing Director can be found in our Board Charter, which is available online at www.puncakniaga.com.my.</p>	
<p>●</p> <p>MALYSIAN CODE ON CORPORATE GOVERNANCE 2021</p> <p>The Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) is applicable to the current reporting period. The MCCG 2021 is available at the Securities Commission’s website at www.sc.com.my.</p> <p>This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report, which is available online at www.puncakniaga.com.my. Puncak Niaga was generally compliant with the provisions set out in the MCCG 2021 for the period under review.</p>				

Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities And Roles Of The Executive Chairman, Managing Director, Executive Directors And Independent Non-Executive Directors Of The Company

The Board is guided by the Board Charter which sets out the Board's strategic intent and the specific roles and responsibilities to be discharged by the Board members collectively in discharging its fiduciary and leadership functions, the individual roles expected from the Executive Chairman, Managing Director, Executive Directors and Independent Non-Executive Directors and the roles of the respective Board Committees.

The Board comprises seven (7) members of which 5 are the Independent Non-Executive Directors; all with length of tenure of less than 5 years. The Board is responsible for the stewardship of the Company and in discharging its obligations.

The key responsibilities of the Board are:-

- Providing leadership and vision to the Company that enhances shareholder value and also ensures long term sustainable development and growth of the Company.
- Reviewing and adopting a strategic plan for the Company.
- Overseeing the conduct of the Company's businesses and ensuring the appropriate corporate disclosure policies and procedures.
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures and establishing a sound framework to manage risks and to prevent fraud.
- Retaining full and effective control over the Company, and monitor the Management in implementing the Board's plans and strategies including the financial and non-financial performance measurements.
- Succession planning.

1.

Executive Chairman

- Leadership of the Board and the Group
- Ensures Board effectiveness
- Represents the Board to the shareholders
- Ensures integrity and effectiveness of the corporate governance process of the Group
- Sets Board Agenda

2.

Managing Director

- Implements policies and strategies as approved by the Board and reports to the Executive Chairman/Board
- In association with the Executive Chairman, is accountable to the Board for the achievement of the Company's goals and performance targets
- Ensures the assets of the Company are adequately maintained and protected, and not unnecessarily placed at risk

3.

Executive Directors

- Responsible for the operational and business units, organisational effectiveness and implementation of the Board's policies, directives, strategies and decisions

4.

Independent Non-Executive Directors

- Brings an external perspective and effective challenge to the Board
- Provides the relevant checks and balances, focusing on shareholders' and other stakeholders' interests
- Ensures effective corporate governance process is applied

Corporate Governance Overview Statement

Company Secretaries

The Company Secretaries are responsible for advising the Board on regulatory compliance matters and providing good information flow and comprehensive practical support to Directors, both as individuals and collectively, with particular emphasis on supporting the Non-Executive Directors in maintaining the highest standards of probity and corporate governance. The Company Secretaries are also responsible for ensuring the Group's compliance with the relevant statutory and regulatory requirements. All Directors have unrestricted access to the advice and services of the Company Secretaries to facilitate the discharge of their duties.

The Company Secretaries of Puncak Niaga are qualified to act under Section 235(2) of the Companies Act, 2016, one of whom is a Fellow (Chartered Secretary and Chartered Governance Professional) of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

Matters Reserved for The Board

The schedule of Matters Reserved for the Board sets out the processes in place regarding the Board's tasks and activities and matters specifically reserved for the Board's decision-making are set out in our Board Charter which has been updated in September 2021 and is available online at www.puncakniaga.com.my.

The matters reserved for the Board's decision are:-



Board Meetings And Board Activities In 2021

The Board held five (5) Meetings during the year with the full attendance of all members of the Board.

The Board primarily focused on strategic matters, in particular, various matters relating to the Group's businesses and finances. Significant time was spent on financial, business performance and sustainability as well as assessing and deliberating on the strategic direction of the Company. During the year, the Board approved the consequential amendments to the Company's Board Charter and Terms of Reference of the Board Committees in line with the MCGG 2021 on 23 September 2021.

Due to the protracted COVID-19 pandemic in 2021, the Board continued to ensure compliance to the Standard Operating Procedures on, inter alia, temperature checks, physical distancing, hand sanitisers, face masks at the Board Meetings and Board Committee Meetings as the new normal for the Board.

Independence

The independence of our Independent Non-Executive Directors ("INEDs") is formally reviewed annually by the Nomination Committee. The Nomination Committee and Board consider that there are no businesses or other circumstances that are likely to affect the independence of any Independent Non-Executive Director and that all INEDs continue to demonstrate independence.

Furthermore, as at the end of the financial year under review, our INEDs comprise more than half of the Board's composition as recommended under the MCGG 2021 at 71.4% and the length of tenure of all INEDs is less than 5 years. This promotes the Board's quality and strengthens our Board's independence besides enabling the necessary checks and balances on the decision-making process of the Board. Our Directors hold integrity at the highest level and possess extensive experience to provide unbiased and independent views to the Board. They consistently challenge the Management and the Board in an effective and constructive manner and therefore, are able to function as a check and balance forming justified opinions to the Board. The Executive Chairman also encourages healthy debates on important issues and promotes active participation among the Board members at the Board Meetings and Board Committee Meetings.

Conflicts

The Company requires that members of the Board make a declaration of interests in the event that any of them have conflicts, if any, particularly in relation to businesses transacted by the Group or the Company, including where such interests arise through close family members. These procedures are in line with various statutory requirements on the disclosure of Director's interest as set out in our Board Charter.

Training And Continuing Professional Development

The Board via the Nomination Committee with the assistance of the Human Resources and Administration Division had undertaken an assessment on the training programmes attended by the Directors in the past year and the training needs of the Directors for the current year.

The Board recognises the importance of continuous training programmes at the Board level in order to broaden their perspectives and to keep abreast with the developments in the market place and changes in new statutory requirements to ensure that the Board members are able to effectively discharge and fulfill their roles on the Board and the various Board Committees and contribute positively to discussions on technical and regulatory matters. These sessions also serve as an opportunity for the Board to discuss strategy and risks with the Management and gain better insight into the Group's businesses and management capability.

Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

In 2021, the Directors attended the following courses:

YBHG TAN SRI ROZALI BIN ISMAIL

- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"
- Directors' In-House Training: "Balancing Risk Management with Sustainability Commitment"

ENCIK AZLAN SHAH BIN TAN SRI ROZALI

- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"
- Webinar: A Lasting Legacy: Ensuring the Future of Your Family Business
- Directors' In-House Training: "Balancing Risk Management with Sustainability Commitment"
- Bursa's Fraud Risk Management Workshop

YBHG DATO' SRI ADENAN BIN AB. RAHMAN

- ICDM FCD Module D: Financial Essentials for Directors
- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"
- ICDM Member's Day #2/2021: ESG
- Directors' In-House Training: "Balancing Risk Management with Sustainability Commitment"
- Securities Commission Malaysia Audit Oversight Board Conversation with Audit Committees

YM TENGKU LORETA BINTI TENGKU DATO' SETIA RAMLI ALHAJ

- ICDM FCD Module D: Financial Essentials for Directors
- ICDM Powertalk Series 2021: Collaboration in the Boardroom: Behavioral and Relationships
- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"
- ICDM Launch of the Malaysian Board Practices Review 2020
- ICDM Member's Day #2/2021: ESG
- Directors' In-House Training: "Balancing Risk Management with Sustainability Commitment"
- ICDM Post-Budget Powertalk

YBHG DATUK SR HAJI JOHARI BIN WAHAB

- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"
- ICDM Launch of the Malaysian Board Practices Review 2020
- ICDM Member's Day #2/2021: ESG
- ICDM How to be An Effective NED in A Disruptive World

YBHG PROF EMERITUS DATUK DR MARIMUTHU A/L NADASON

- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"
- ICDM Launch of the Malaysian Board Practices Review 2020
- Directors' In-House Training: "Balancing Risk Management with Sustainability Commitment"
- Securities Commission Malaysia Audit Oversight Board Conversation with Audit Committee

ENCIK NOOR FAIZ BIN HASSAN

- Audit Committee Conference 2021
- ICDM Powertalk Series 2021: A Boardroom Simulation Live! Corporate Strategy Beyond the Crisis
- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"
- ICDM Launch of the Malaysian Board Practices Review 2020
- ICDM Member's Day #2/2021: ESG
- Directors' In-House Training: "Balancing Risk Management with Sustainability Commitment"
- Securities Commission Malaysia Audit Oversight Board Conversation with Audit Committees
- ICDM How to be An Effective NED in A Disruptive World

ENCIK FAIZAL BIN OTHMAN

- The Mandatory Accreditation Programme (MAP)
- Directors' In-House Training: "Section 17A Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018)"

(appointed on 28 February 2021 and resigned on 30 September 2021)

Corporate Governance Overview Statement

Supply Of Information And Access To Advice

Each Board member is supplied with accurate, complete, adequate, unrestricted and quality information on a timely basis to enable them to effectively discharge their duties and responsibilities. Except under exceptional circumstances, Board members are given at least seven (7) days' prior notice of any Board Meeting to be held and since November 2021, all Board Meetings' materials are uploaded onto a board meeting automation solution system, BoardPAC which is accessible by the Directors via their personal tablets several days before the Board Meetings to facilitate the Directors to peruse the Meeting materials and to review the issues to be deliberated at the Board Meetings before the meeting date. Where necessary, the Company's personnel will be called upon by the Board during the Board Meetings to present and to clarify any Board papers presented.

All Board members participate actively in the Board's deliberations and bring the benefit of their particular knowledge, skills and abilities to the Board. Where a potential conflict with the duties or of interests as Director arises, it is mandatory for the Director concerned to declare the fact and nature of his or her interests and the extent of the conflict at a Board Meeting and abstain from the deliberation and decision-making process. In the event the proposal requires shareholders' approval, the interested Board members shall abstain from voting on the resolution at the General Meeting and shall ensure that persons connected to them also abstain from voting on the proposal.

The above procedures are likewise practised at the various Board Committee Meetings.

The Company Secretaries organise and attend all Board Meetings and Board Committee Meetings (except for the CICR Meeting whose Secretary is the Head of Internal Audit Department) and ensures that all issues discussed with the conclusions are minuted accurately in the minutes of each Meeting and that all records are kept properly at the Registered Office of the Company.

The Board is regularly updated and kept informed by the Company Secretaries and the Management of the requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislations and regulatory framework affecting the Group.

The Board has unrestricted and constant access to and interaction with the Senior Management of the Company. Each Board member has full and unrestricted access to the advice and services of the Company Secretaries.

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

Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

NOMINATION COMMITTEE REPORT

Members

Attendance

YBHG PROF EMERITUS DATUK DR MARIMUTHU A/L NADASON

Chairman



YBHG DATO' SRI ADENAN BIN AB. RAHMAN

Member



YBHG DATUK SR HAJI JOHARI BIN WAHAB

Member



YM TENGKU LORETA BINTI TENGKU DATO' SETIA RAMLI ALHAJ

Member



ENCIK NOOR FAIZ BIN HASSAN

Member



The members of the Nomination Committee ("NC") comprise wholly of the Independent Non-Executive Directors of the Company. Only members of the NC have the right to attend NC Meetings. Other individuals such as the Managing Director, Executive Directors and external advisers may be invited to attend the NC Meetings as and when deemed appropriate.

RESPONSIBILITIES OF THE NOMINATION COMMITTEE

The responsibilities of the NC include:-

- To annually review the overall composition of the Board in terms of required mix of the expertise, skills, knowledge and experience and other qualities, including core competencies and adequacy of balance between Executive Directors and Independent Non-Executive Directors.
- To annually review the overall composition of the Board to achieve the best composition for diversity in terms of skills, experience, gender, age, professional background and cultural background to meet the needs of the Company. In this regards, the Nomination Committee is to assist the Board in establishing a policy on Boardroom diversity.
- To assess and recommend to the Board, candidates for all directorships to be filled and to annually evaluate and appraise the Board taking into consideration the time required of the Directors to fulfill their duties. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

In identifying Board candidates, the NC may rely on recommendation from the existing Board members, the Management or major shareholders. The NC may also consider to utilise independent sources to identify suitably qualified candidates, as appropriate.

If the selection of Board candidates was based on the recommendation of the existing Directors, Management or major shareholders of the Company, the NC should explain why these source(s) suffice and other sources were not used.

- To assess and recommend to the Board, candidates for the re-election of Directors under the annual re-election provisions or retirement, as the case may be and to provide a statement to the Board to support the appointment or re-election of the candidate(s).
- To assess and recommend to the Board, Directors to fill the seats on Board Committees, in consultation with the Chairman of those committees or with the Board, in the case of the Chairman's position.

Corporate Governance Overview Statement

- To annually assess the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director and in respect of the Independent Non-Executive Directors of the Company, their capacity to bring an independent judgement on issues before the Board and that each Director in their individual capacity and as a collective Board are able to act in the best interests of the Company as a whole.
- To examine the size of the Board with a view to determining the impact of the number upon its effectiveness and to ensure that at least half of the Board comprises the Independent Non-Executive Directors of the Company.
- In the case of persons for the position of Independent Non-Executive Director, to evaluate the persons' ability to spend sufficient time to fulfill their duties to discharge such responsibilities/functions as expected from Independent Non-Executive Directors, in particular, for those who have served on the Board beyond nine years, to assess and evaluate whether the Independent Non-Executive Director should remain independent or be re-designated or be replaced.
- To determine annually whether a Director is independent as defined in the Bursa Malaysia Securities Berhad's Main Market Listing Requirements and to recommend a suitable Independent Non-Executive Director for the role of Senior Independent Non-Executive Director of the Company.
- To review matters relating to the continuation in office of any Director at any time.
- To ensure that all Directors receive appropriate induction and continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and changes in new statutory requirements including training, upskilling or development needs and continuous professional development programmes to keep abreast with corporate governance developments, enhancing financial literacy on financial statements and financial reporting standards and professional development on sustainability in order to drive the Company's future strategies and strengthen the Board's leadership and oversight on the Company's and PNHB Group's sustainability issues.

- To periodically assess and recommend to the Board on succession planning for the Board, Executive Chairman, Directors and Key Management personnel.
- To recommend to the Board the removal of a Director if he is ineffective, errant or negligent in discharging his responsibilities.
- To review and recommend to the Board, corporate governance principles and best practices to be implemented for PNHB Group, in compliance with the Malaysian Code of Corporate Governance.
- To assess and recommend to the Board, the Terms of Reference of Board Committees and to review the adequacy of the structure of Board Committees.

The NC's Terms of Reference can be found at www.puncakniaga.com.my.

MATTERS DELIBERATED DURING THE YEAR

1. Summary on the Evaluation of Board Effectiveness for Year 2020.
2. Summary on the Evaluation of Audit Committee and Compliance, Internal Control and Risk Policy Committee Effectiveness for Year 2020 and Performance and Effectiveness of the Internal Audit Functions of the Company.
3. Summary on the Evaluation of the Independence of the Independent Directors for Year 2020.
4. Proposed Changes in PNHB Group's Key Personnel Line-Up.
5. Re-election of Directors Retiring (By Rotation and Casual Vacancy) at the Forthcoming Twenty-Fourth Annual General Meeting.
6. Appointment of Managing Director of Puncak Niaga Construction Sdn Bhd and Non-Statutory Executive Director, Operations Division of the Company.

Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD DIVERSITY POLICY

BOARD'S GENDER

Female	1
Male	6

BOARD'S AGE GROUP

30-39	1
40-49	1
50-59	2
60-69	3

BOARD'S EDUCATION BACKGROUND

Communications & Telecommunication Study	1
Finance & Accounting	1
Others	1
Law	1
Business, Human Resources and Administration	2
Land Surveying	1

INEDS' TENURE

Less Than 5 Years	5
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Purpose And Scope Of Application

The Board Diversity Policy sets out the approach for achieving diversity for Puncak Niaga Group's Boards ("Board").

The Policy applies to the Board of Puncak Niaga and its Group. It does not apply to diversity in relation to the employees of Puncak Niaga Group, all of whom are covered by Puncak Niaga's Diversity Policy.

Puncak Niaga's Board Diversity Policy and Diversity Policy are set out in pages 97 and 98 of this Annual Report.

Policy Statement

Puncak Niaga believes in diversity and values the benefits that diversity can bring to its Board. The Company seeks to maintain a Board comprising talented and competent Directors with a diverse mix of expertise, skills and backgrounds, which reflect the diverse nature of the business environment in which the Group operates.

In designing the Board's composition, diversity includes but is not limited to skills, knowledge, industry experience, gender, age, cultural, education and socioeconomic backgrounds, ethnicity and expertise required to achieve effective stewardship and management.

When assessing the Board's composition and performance of the Board, as well as identifying suitable candidates for appointment or re-election to the Board, the Company will consider the benefits of diversity and the needs of the Board in order to maintain an optimum mix of skills, knowledge and experience on the Board.

The Board through the NC reviews this Policy and assesses its effectiveness in promoting a diverse Board which includes an appropriate number of women Directors on the Board. At any given time, the Board may seek to improve one or more aspects of its diversity.

Corporate Governance Overview Statement

Board Changes

During the year, several Board changes took place:-

- ▶ YBhg Dato' Abdul Jalil bin Abdul Karim resigned as a Director/Managing Director of the Company on 28 February 2021 after having served on our Board since 15 October 2019.
- ▶ Encik Azlan Shah bin Rozali was appointed as Managing Director of the Company on 28 February 2021 and ceased to be the Alternate Director to YBhg Tan Sri Rozali bin Ismail, the Executive Chairman of the Company.
- ▶ Encik Faizal bin Othman resigned as a Director/Executive Director, Operations Division of the Company on 30 September 2021 after having served on our Board since 28 February 2021.

As at 31 December 2021, the INEDs comprise 71.4% of the Board's composition.

Re-Election Of Directors

The following Directors of the Company shall retire at the forthcoming Twenty-Fifth Annual General Meeting ("25th AGM") of the Company and being eligible, had offered themselves for re-election:-

RULE
100

- ▶ YBhg Datuk Sr Haji Johari bin Wahab
- ▶ YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj

Evaluation Of The Board

As in the previous years, the Board has, with the assistance of the Company Secretaries, conducted an annual peer evaluation of the Board's effectiveness in the following key areas:-

- | | |
|--|---|
| (i) Compliance; | (viii) Financial and Operational Reporting; |
| (ii) Board Meetings; | (ix) Planning and Objectives; |
| (iii) Board Functions; | (x) Risk Assessment; |
| (iv) Board Structure; | (xi) New Business Opportunities and Projects; |
| (v) Board Committees; | (xii) Human Resources; and |
| (vi) Board Operations; | (xiii) Directors' Observations and Additional Comments. |
| (vii) Board Chairman's Roles and Responsibilities; | |

The 2021 performance evaluation of the Board has been structured to ensure a balanced and objective review by the Directors for the above key areas.

Following the evaluation, the Board concluded that the Board as a whole and its Board Committees had performed well, were effective and had all the necessary skills, experiences, qualities and integrity to lead the Company and each of the Director including the Independent Directors, in their capacities as Independent Directors had fulfilled their responsibilities and obligations and have carried out their duties as required and in accordance with the Board Charter of the Company.

QUESTIONNAIRES

The comprehensive questionnaires with an opportunity to provide qualitative feedback in respect of all areas covered was sent to all Board members:-

- Evaluation of Board Effectiveness Form
- Independent Director Evaluation Form
- Audit Committee and Compliance, Internal Control and Risk Policy Committee Self-Assessment Form
- Audit Committee's Evaluation of the Performance and Effectiveness of the Internal Audit Functions of the Company

EVALUATION AND REPORTING

The Company Secretaries compiled responses from the questionnaires into a report, identifying areas requiring further focus and attention, where appropriate. The report included recommendations taking into account the best practice, the MCCG 2021 and other corporate governance guidance

DISCUSSION WITH THE NOMINATION COMMITTEE AND BOARD

The findings were discussed with both the Nomination Committee and the Board

Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

REMUNERATION COMMITTEE REPORT

Members

Attendance

**YBHG DATO' SRI ADENAN
BIN AB. RAHMAN**
Chairman

3/3

**YBHG PROF EMERITUS
DATUK DR MARIMUTHU
A/L NADASON**
Member

3/3

**YBHG DATUK SR HAJI
JOHARI BIN WAHAB**
Member

3/3

**YM TENGKU LORETA
BINTI TENGKU DATO'
SETIA RAMLI ALHAJ**
Member

3/3

**ENCIK NOOR FAIZ BIN
HASSAN**
Member

3/3

The Remuneration Committee comprises wholly of the Independent Non-Executive Directors of the Company.

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The primary objectives of the Remuneration Committee ("RC") are as follows:-

- To establish and annually review the remuneration packages for each individual Executive Directors such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully and aligned to the business strategy and long-term objectives of the Company.
 - To establish and review the Directors' Remuneration Policy for the Board of Directors and Executive Directors who are the Senior Management taking into account the demands, complexities and performance of the Company as well as the merit, qualification, competence, skills and experience required.
 - To review the fees and benefits payable to the Directors including any compensation for loss of employment of a Director or a former Director.
 - The RC shall make its recommendation to the Board and the respective Directors shall abstain from the discussion of their own remuneration.
- The levels of remuneration of the Executive Directors should be based on merit and reflect their experience, level of responsibilities, expertise and complexity of the Company's activities and contribution to the Company.
- To consider and examine such other matters as the RC considers appropriate.

The RC's Terms of Reference can be found at www.puncakniaga.com.my.

Corporate Governance Overview Statement

MATTERS DELIBERATED DURING THE YEAR

1. Review of Remuneration Package of the Independent Non-Executive Directors of the Company.
2. Senior Management's Employment Status and Review of Remuneration Packages.
3. Remuneration Package for Managing Director of Puncak Niaga Construction Sdn Bhd and Non-Statutory Executive Director, Operations Division of the Company.
4. Review of Remuneration Package of the Independent Non-Executive Directors of the Company.

DIRECTORS' REMUNERATION POLICY

The Company has a formal procedure to determine the remuneration of each Board member which is reviewed, from time to time, against market practices.

The level and make-up of remuneration should be sufficient to attract and retain the Board members needed to run the Company successfully but the Company should avoid paying more than is necessary for this purpose. The remuneration packages of the Board and Executive Directors are determined based on merit, qualification and competence and the Company's/Group's performance including performance in managing sustainability risks and opportunities and operating results and industry standards.

The component parts of remuneration should be sufficient so as to link reward to corporate and individual performance, in the case of the Executive Directors. The Executive Directors shall not be involved in discussions to decide on their own remuneration. Executive Directors of the Company/PNHB Group who are the Senior Management of the Company/PNHB Group receive no fees but are paid as full-time employees of the Company and/or subsidiary companies of PNHB.

In the case of the Independent Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Independent Non-Executive Director concerned. The remuneration package of the Independent Non-Executive Directors of the Company should not conflict with their obligations to bring an objective and independent judgement on matters discussed at the Board and Board Committees.

The Directors' Remuneration Policy was updated on 23 September 2021 and can be found at www.puncakniaga.com.my.

The Remuneration Committee is responsible for recommending the remuneration packages of the Directors to the Board. No Board member, whether executive or non-executive, shall be involved in deciding his own remuneration.

The details of the remuneration of the Directors of the Company received and receivable from the Company and on Group basis for the financial year ended 31 December 2021 are set out in Note 28 of the Audited Financial Statements of the Company on page 186 of this Annual Report.

The disclosures of the Senior Management's remuneration that include the top five (5) Senior Management personnel is set out in Note 33 of the Audited Financial Statements of the Company on page 208 of this Annual Report.

Corporate Governance Overview Statement

AUDIT AND RISK MANAGEMENT

Financial Reporting

The Board is responsible for the quality and completeness of publicly disclosed financial reports. In presenting the annual financial statements, quarterly reports and the annual reports to the shareholders of the Company, the Board takes appropriate steps to present a clear and balanced assessment of the Group's position and prospects. This also applies to other price-sensitive public announcements and reports to the regulatory authorities.

The Group's financial statements and quarterly announcements, prepared using appropriate accounting policies, consistently and supported by reasonable and prudent judgements and estimates, will be reviewed and deliberated by the Audit Committee in the presence of the External Auditors and the Chief Financial Officer prior to recommending them for adoption by the Board. The Audit Committee ensures that the information to be disclosed are accurate, adequate and in compliance with the various disclosure requirements imposed by the relevant authorities. The Board discusses and reviews the recommendations proposed by the Audit Committee prior to its adoption. The Board also ensures accurate and timely release of the Group's quarterly and annual financial results to Bursa Securities.

The Statement on Directors' Responsibility in respect of the preparation of the Annual Audited Financial Statements of the Group is set out on page 99 of this Annual Report.

Relationship With External Auditors

The Board maintains a transparent and professional relationship with the Group's External Auditors. The Audit Committee, with the assistance of the Finance Division of the Company, has assessed the suitability and independence of the External Auditors of the Company in accordance with the Policy and Procedures on assessment of the External Auditors.

The External Auditors attended four (4) out of five (5) Audit Committee Meetings of the Company held during the financial year. These quarterly Meetings enabled the exchange of views on issues requiring attention. A formal mechanism has been established by the Audit Committee to ensure there is frank and candid dialogue with the External Auditors. The Audit Committee will meet the External Auditors twice a year without the presence of the Executive Directors and Management. This allows the Audit Committee and the External Auditors the exchange of free and honest views and opinions on matters related to External Auditors' audit and audit findings.

The Audit Committee has considered the provision of non-audit services by the External Auditors during the year and concluded that the provision of these services rendered to the Group (inclusive of the Company) and Company which amounted to RM18,000 and RM12,000 respectively did not compromise the External Auditors' independence and objectivity.

A report by the Audit Committee is set out on pages 78 to 81 of this Annual Report.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls, which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations and to safeguard shareholders' investment and its assets and interests in compliance with the relevant laws and regulations as well as the internal financial administration procedures and guidelines.

The effectiveness of the system of internal controls of the Group is reviewed by the Audit Committee. The Internal Audit Department, led by the Head of Internal Audit will conduct internal audit covering the financial, operational and compliance controls, processes to identify and evaluate the significant risks faced by the Group including the governance, risk management and internal control processes within the Company. The reports of the Internal Audit Department are tabled to the Audit Committee for review and deliberation.

The Group's Statement on Risk Management and Internal Control is set out on pages 83 to 89 of this Annual Report.

Risk Management Framework

The Board recognises that risk management involves a structured approach, combining the efforts of all functions within the Group, to minimise the possibility and impact of unexpected damages so as to contribute towards greater efficiency and better decision-making. The Group's Enterprise-Wide Risk Profile is reviewed annually to take into consideration changes in the business environment, strategies and functional activities of the Group for determining the Group's level of risk tolerance and identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets.

The Group's Statement on Risk Management and Internal Control is set out on pages 83 to 89 of this Annual Report.

Corporate Governance Overview Statement

RELATIONS WITH STAKEHOLDERS

Shareholders Communication And Investor Relations Policy

The Board acknowledges the need for the Company's shareholders and investors to be informed of all material business and corporate developments concerning the Group in a timely manner. In addition to various announcements made during the year, the timely release of the Group's consolidated financial results on quarterly basis provides the shareholders and investors with an overview of the Group's financial and operational performances.

The Company maintains regular communication with its shareholders and stakeholders, attend to shareholders' and investors' e-mails and phone calls enquiries and during the Company's General Meetings and other events. The Notice for the Company's AGM contains relevant information including the shareholders' rights to demand for a poll vote to enable them to exercise their rights.

The Notice for the Company's AGM is posted at the Investor Relations link - Annual Report at the Company's website, www.puncakniaga.com.my.

The Annual Report of Puncak Niaga which is produced in line with best corporate governance practices also serves as a key channel of communication with our various stakeholders. Information on the Group is also accessible via the Company's website, www.puncakniaga.com.my.

The Company's Investor Relations Policy & Report is set out on pages 94 to 95 of this Annual Report and is also posted at the Investor Relations link - Corporate Governance at the Company's website, www.puncakniaga.com.my.

AGM

In view of the COVID-19 pandemic and as part of the safety measures, the Company's Twenty-Fourth AGM ("24th AGM") held on 25 May 2021 was conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan and online remote voting using the Remote Participation and Voting ("RPV") facilities in the manner prescribed by Securities Commission Malaysia's Guidance on the Conduct of General Meetings for Listed Issuers.

At the 24th AGM of the Company, no substantive resolutions were put forth for the shareholders' approval, except for the routine resolutions pertaining to receiving the annual audited financial statements, re-appointment and re-election of Directors of the Company and re-appointment of Auditors of the Company. All resolutions were voted on by poll by the shareholders via the RPV provided by Tricor Investor & Issuing House Services Sdn Bhd and validated by the Independent Scrutineers, Coopers Professional Scrutineers Sdn Bhd. Coopers Professional Scrutineers Sdn Bhd also acted as the Independent Observer for the Question & Answer Session at the 24th AGM to confirm that the Company has addressed all questions raised by Minority Shareholders Watch Group and those raised during the proceedings of the virtual 24th AGM.

For year 2022, the resolutions set out in the Notice of the Company's Twenty-Fifth AGM ("25th AGM") will also be conducted via poll voting as mandated in Paragraph 8.29A of the MMLR of Bursa Securities using the RPV.

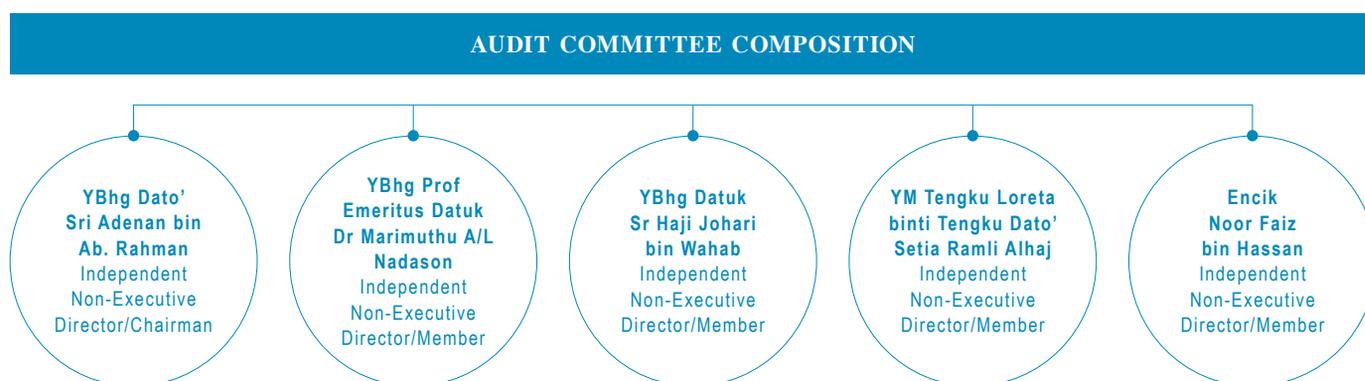
This Corporate Governance Overview Statement has been approved by the Board of Puncak Niaga on 30 March 2022.

Audit Committee Report

The Board of Directors of Puncak Niaga Holdings Berhad (“Puncak Niaga”) is pleased to present the report of the Audit Committee for the financial year ended 31 December 2021.

1. MEMBERSHIP AND MEETINGS

The Audit Committee comprises wholly of the Independent Non-Executive Directors of the Company. The composition of the Audit Committee as at 31 December 2021 is as follows:



The composition of the Audit Committee and their attendance at the Audit Committee Meetings for the year 2021 were as follows:

Composition of Audit Committee	Attendance/Number of Meetings held	Percentage (%)
YBhg Dato' Sri Adenan bin Ab. Rahman Independent Non-Executive Director/Chairman	5/5	100
YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason Independent Non-Executive Director/Member	5/5	100
YBhg Datuk Sr Haji Johari bin Wahab Independent Non-Executive Director/Member	4/5	80
YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj Independent Non-Executive Director/Member	5/5	100
Encik Noor Faiz bin Hassan Independent Non-Executive Director/Member	5/5	100

During the financial year, the Managing Director, Chief Financial Officer, relevant Managing Directors/Executive Directors of the subsidiaries and Head of Internal Audit Department attended the Audit Committee Meetings upon the invitation of the Chairman of the Audit Committee to ensure the Audit Committee were kept abreast of the matters and issues affecting the Group. The Group's external auditors were also invited to attend the Audit Committee Meetings where matters relating to the audit of the statutory accounts, quarterly financial results and/or the external auditors were discussed.

The Secretary to the Audit Committee is the Company Secretary.

2. TERMS OF REFERENCE

During the financial year ended 31 December 2021, the Terms of Reference of the Audit Committee was revised and approved at the 123rd Meeting of the Board of Directors held on 23 September 2021. The Terms of Reference of the Audit Committee can be viewed at Puncak Niaga's website, www.puncakniaga.com.my under the Investor Relations link.

Audit Committee Report

3. SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

During the financial year ended 31 December 2021, the Audit Committee discharged its duties as set out in its Terms of Reference. The main activities carried out by the Audit Committee during the financial year included the following:

Financial Reporting

- Reviewed the quarterly and year-to-date unaudited financial results of the Company and Group before tabling to the Board for consideration and approval.
- Reviewed the reports and the audited financial statements of the Company and Group together with the external auditors prior to tabling to the Board for approval.
- Deliberated on matters relating to changes in accounting policies, significant and unusual events, compliance with accounting standards and other disclosure requirement and noted that the financial statements of Puncak Niaga Group have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.
- Discussed key financial reporting matters affecting the Puncak Niaga Group, namely:
 - i. Revaluation of property, plant and equipment and investment properties to reflect the fair value of Puncak Niaga Group's properties as at 31 December 2021. Discussion on the assets revaluation was held at the 117th Meeting of the Audit Committee on 25 February 2021 before recommending to the Board for approval.
 - ii. Deliberated on related party transaction on the proposed acquisition of 3.17 acres land belonging to Puncak Alam Housing Sdn Bhd at a purchase price of RM11,000,000 and proposed construction for the new TRIpIc Office and other ancillary facilities with an estimated development cost of RM11,825,765. The discussion was held at the 119th Meeting of the Audit Committee on 27 May 2021 before recommending to the Board for approval.

Internal Control

- Reviewed and discussed all internal audit reports issued by the Internal Audit Department which highlighted key internal control issues/weaknesses and the corresponding management responses and actions.
- Received the Statement of Assurance from the respective Heads of Divisions/Companies of the auditee Divisions/Companies to resolve all outstanding findings within a stipulated time committed in the internal audit report, improve all areas of operations consistent with the applicable rules and regulations, Standard Operating Procedures ("SOPs") and good industrial practice and ensure the risk management and internal control system is operating adequately and effectively.
- Integrity Framework and the Three-Year Strategic Planning for the Puncak Niaga Group. The Integrity Framework was designed to foster a systemic and comprehensive approach to bring together instruments, processes, and structures for fostering integrity and preventing corruption within Puncak Niaga Group. Discussion and approval for implementation by the Integrity Unit were held at the 117th Meeting of the Audit Committee on 25 February 2021.
- Risk Scorecards of the respective business units, projects and support services of the Group are reviewed by the Compliance, Internal Control and Risk Policy Committee at every quarter of 2021. The details of the risk management activities are as set out in the Statement on Risk Management and Internal Control in pages 83 to 89 of the Annual Report.

Audit Committee Report

External Audit

- Reviewed and discussed the external auditors' audit report and key audit matters for the financial year ended 31 December 2020 at the 117th Meeting of the Audit Committee held on 25 February 2021 before recommending to the Board for approval.
- Assessed the suitability and independence of the external auditors based on the caliber of the external audit firm, quality processes/performance, audit team, scope, audit fees and mandated the Management to re-appoint the external auditors, Messrs. Grant Thornton Malaysian PLT at the 118th Meeting of the Audit Committee held on 30 March 2021 before recommending to the Board for approval.
- Reviewed the external auditors' scope of work, audit plan and audit focus areas for the financial year ended 31 December 2021 prior to the commencement of the 2021 Annual Audit at the 120th Meeting of the Audit Committee held on 23 September 2021.
- Held two (2) informal discussions with the external auditors without the presence of the Management of the Company at the 118th and 121st Meeting of the Audit Committee held on 30 March 2021 and 24 November 2021 respectively.
- Reviewed the extent of the assistance rendered by the Management to the external auditors.

Internal Audit

- Reviewed the competency, resources and assessed the performance of the Internal Audit Department for the year 2021 and approved the 2022 Annual Internal Audit Plan at the 121st Meeting of the Audit Committee held on 24 November 2021. The Internal Audit Department is manned by competent professionals from auditing, plantation and construction management disciplines with the requisite work experience and internal audit experiences.
- Reviewed the Internal Audit reports, which highlighted the audit issues, recommendations and the Management's responses and directed for follow up actions to be taken by the Management to rectify and improve on the weaknesses/shortcomings identified in the Internal Audit Reports.
- For the critical areas, the Audit Committee invited the relevant Heads of Divisions and/or the Managing Directors and/or the Executive Directors of the operating subsidiaries to attend the Audit Committee Meeting.
- Monitored the implementation of recommendations made by the Internal Audit Department arising from its audits in order to obtain assurances that all key risks and control concerns have been fully addressed.
- Reviewed the status of audit assignments reported by the Internal Audit Department at each Audit Committee Meeting to ensure that the progress is in line with the approved 2021 Audit Plan.

Working Site Visit

The Movement Control Order ("MCO") was extended and changed to various phases in the year 2021, including the Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO"). Several phases have been enforced nationwide, but other measures have been localized to individual states, federal territories, and targeted areas of Malaysia. Due to the restriction of interstate travel, the Audit Committee was unable to conduct any physical visits to the Group's projects/operations in Peninsular Malaysia and in Sarawak in the year 2021.

Related Party Transactions

- Reviewed and reported to the Board all related party transactions, recurrent related party transactions and conflict of interest that may arise or entered into by the Company and the Group.
- Ascertained that transactions are conducted at arm's length prior to submission for the Board's consideration and where appropriate, shareholders' approval.

Reporting

- Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for the financial year ended 31 December 2020 and recommended the same for the Board's approval at the 118th Meeting of the Audit Committee Meeting held on 30 March 2021.

Audit Committee Report

4. INTERNAL AUDIT FUNCTIONS

Puncak Niaga has an established in-house and independent Internal Audit Department reporting directly to the Audit Committee. The Internal Audit Department assists the Audit Committee in discharging its duties and responsibilities. The Internal Audit Department's primary responsibility is to provide independent assurance on the adequacy and effectiveness of internal control systems, risk management and governance process. The Internal Audit Department focuses on regular and systematic review and has conducted an evaluation of the internal control, management information systems, and compliance with established procedures, including the system for compliance with applicable laws, regulations, rules, directives and guidelines.

Resources and Continuous Development

During the financial year, the Internal Audit Department was led by its Assistant General Manager, Ruzitamazni Arshad who is a Chartered Member of Malaysian Institute of Internal Auditors ("CMIIA"), Certified Internal Auditor ("CIA"), Certification in Risk Management Assurance ("CRMA"), Certification in Control Self-Assessment ("CCSA"), Certified Enterprise Risk Governance ("CERG"). She possesses more than twenty five (25) years of auditing, risk management, governance and entrepreneurship experience. The Internal Audit Department has a total of three (3) internal auditors, including the Head of Internal Audit who possess the requisite qualifications as well as vast experiences in various aspects of auditing.

The internal auditors have completed at least two (2) man-days of training in 2021 which consist of relevant professional courses, seminars and on-the-job training including industry related training. All internal auditors have signed the declaration that they were and have been independent, objective and in compliance with the Code of Ethics of the Institute of Internal Auditors in carrying out their duties for the financial year under review.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of Puncak Niaga Group during the financial year ended 31 December 2021 was approximately RM470,373.

Guideline and Framework

The Internal Audit Department is guided by the Internal Audit Department's Department Manual which was duly approved by the Executive Committee and aligned to the International Professional Practices Framework issued by the Institute of Internal Auditors.

Internal Audit Scope and Coverage

The 2021 Annual Internal Audit Plan of the Internal Audit Department was developed based on a risk based approach and covers the business units, projects and support services of the Group which were duly approved by the Audit Committee.

In line with the approved Annual Audit Plan, the Internal Audit Department completed a total of fourteen (14) audit assignments including ad hoc audit assignments requested by the Senior Management in the financial year ended 31 December 2021. All audits were performed in-house.

Key areas audited during the year included the following:

- Account Payable of Puncak Niaga Holdings Berhad, Puncak Niaga Construction Sdn Bhd and Puncak Niaga Management Services Sdn Bhd
- Site Management of D44 Project, Puncak Niaga Construction Sdn Bhd
- Insurance Claims of Z1P2 Project, TRIplc Berhad
- Provisions for Rock-in-Shaft and Jacking and Payment to Sub-contractor of D44 Project, Puncak Niaga Construction Sdn Bhd
- Provisions under Preliminaries of Contract Documents for Z1P3 Project, TRIplc Berhad
- Factory Acceptance Test (FAT) of Z1P3 Project's Sub-contractors, TRIplc Berhad
- MSPO Surveillance Audit of Danum Sinar Sdn Bhd
- Infrastructure Management of Danum Sinar Sdn Bhd

The relevant audit reports which comprise the audit findings and observations, recommendations, Management's responses and target deadlines for corrective action were presented to the Audit Committee for deliberation and notation. The Internal Audit Department also conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management to rectify past audit findings and provide updates arising from the follow-up reviews to the Audit Committee for their deliberation and notation.

Additional Compliance Information

In accordance with Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

(a) UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

(b) AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2021,

- (a) The audit fee payable to the external auditors, Grant Thornton Malaysia PLT and their affiliated companies for services rendered to the Group (inclusive of the Company) and Company amounted to RM311,000 and RM60,000 respectively; and
- (b) The non-audit fee payable to the external auditors, Grant Thornton Malaysia PLT and their affiliated companies for audit/assurance services rendered to the Group (inclusive of the Company) and Company amounted to RM18,000 and RM12,000 respectively.

(c) RECURRENT RELATED PARTY TRANSACTION

The Company did not enter into any recurrent related party transaction, which requires the shareholders' mandate during the financial year ended 31 December 2021.

(d) MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and the Group, which involve the interests of Directors, Chief Executive who is not a Director or major shareholders of the Company and its subsidiary companies which were still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("Board") of Puncak Niaga Holdings Berhad ("Puncak Niaga") Group is pleased to provide the Statement on Risk Management and Internal Control pursuant to the Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that requires the Board to disclose in the Annual Report a statement on the state of risk management and internal control of the Group.

The Statement is prepared in accordance with Principle B of the Malaysian Code on Corporate Governance 2021 and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies ("Guidelines").

BOARD'S RESPONSIBILITY

The Board assumes overall responsibility in establishing a sound risk management and internal control system and for reviewing its adequacy and effectiveness so as to safeguard the shareholders' investments and the Group's assets. This internal control system, by its nature, can only provide reasonable and not absolute assurance against material financial misstatement, fraud or losses.

The Board affirms that there is an on-going process for identifying, evaluating, monitoring and managing significant risks faced by the Group. The Board has mandated the Management to implement a control system designed to identify and manage risks facing the Group in pursuit of its business objectives. The outcome of this process is monitored by the Board via the Compliance, Internal Control and Risk Policy Committee ("CICR"), which dedicates its time on a quarterly basis for discussion on this matter. The reports of the CICR meetings are submitted for the Board's deliberation and information.

RISK MANAGEMENT POLICY

The Board of Puncak Niaga has approved the Group's Risk Management Policy Statement:-

Puncak Niaga Group's Risk Management Policy is to identify, measure and control risks that may prevent the Group from achieving its objectives.

Our challenge is to apply risk management to all parts of our business to ensure business risks are minimised and opportunities enhanced.

We will achieve, maintain and review a proper risk management system which is implemented by the Management and extended to all employees of the Group. This is the commitment of the Board of Directors.

This policy statement assigns responsibility for risk management to all Puncak Niaga Group employees and acknowledges that corporate responsibility lies with the Board of Directors of the Puncak Niaga Group.

RISK MANAGEMENT FRAMEWORK

Risk Management is firmly embedded in the Group's management system and is every employee's responsibility. The Board of Puncak Niaga has formally approved and implemented a systematic risk management structure and process for the Group which clearly defines the authority and accountability in implementing the framework. The risk management model is aligned to ISO 31000 Risk Management – Principle and Guideline standard of Puncak Niaga contained in the Risk Management Manual which has been approved by the Executive Committee and used as a framework in Risk Management training conducted for the Senior Management of Puncak Niaga Group.

An overview of the Group's Risk Management structure is shown below:

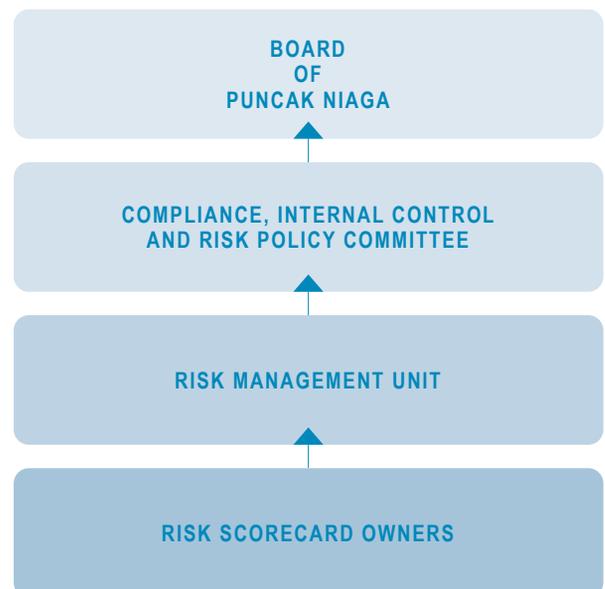


Figure 1: Risk Management Structure

Statement on Risk Management and Internal Control

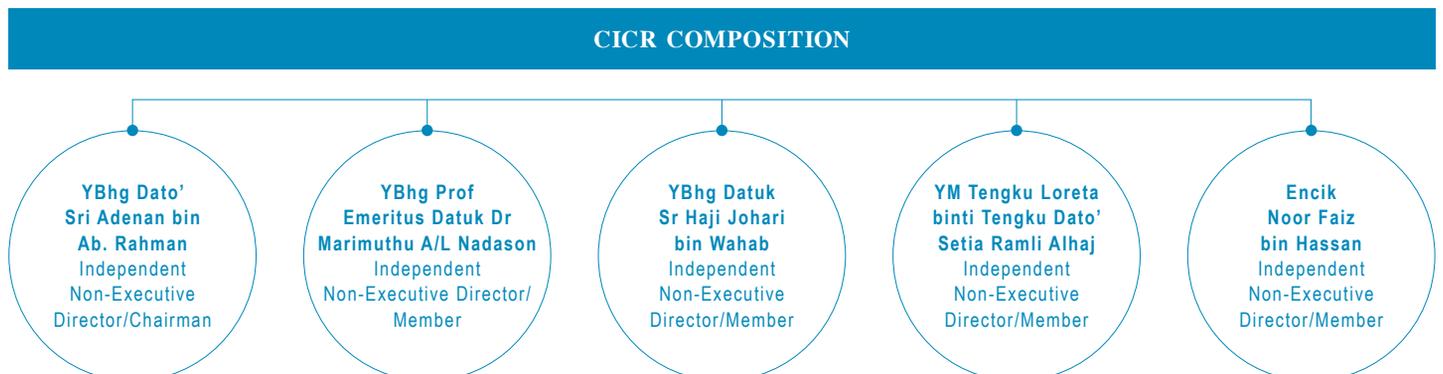
RISK MANAGEMENT PROCESS

The key features of the Puncak Niaga Group's risk management process are:

- Puncak Niaga Group utilises a risk management tool, namely, the Q-Radar Corporate Risk Scorecard ("CRS") software to identify, measure and manage all risks affecting Puncak Niaga Group. The software is web-based and allows the authorised users to monitor their respective risks online from any location.
- Each key business unit/project/support service/company has its own Risk Scorecard and an assigned Risk Scorecard Owner, who is primarily responsible for identifying the risks and assessing the probability and impact of their occurrence as well as the effectiveness of controls/mitigating measures to determine the residual risks known as nett score in the Risk Scorecard. The risk and control owners are also identified to assign responsibility and ensure accountability.
- The Group's Risk Scorecards are reviewed on a quarterly basis by the respective Risk Scorecard Owners to ensure that the Group's risk profile and controls are updated based on the latest business environment and risk positions.
- In tandem with the quarterly reviews, the Risk Scorecard Owners are also required to submit their respective assurances that in relation to the risk management process:
 - the risks, controls and management action plans in the Corporate Risk Scorecard are accurate and complete;
 - where the risk exposure is considered acceptable, the Risk Scorecard Owners have documented and validated that control activities are in place and are effective; and
 - where an individual risk has been evaluated as unacceptable, the management action plans have been formulated and individuals have been identified as owners with the accompanying due dates to address the risks.
- The Risk Management Section analyses and consolidates the Risk Scorecard reports submitted for the deliberation of the CICR at the quarterly meetings of the CICR.
- The CICR reviews and deliberates on the reports submitted and focuses on changes in the consolidated residual risk profile, new areas for risk identification and the key controls implemented by the Management to mitigate significant risks which affect the Group. The CICR also provides feedback to the Risk Scorecard Owners and/or moderates the risk profile prior to submitting the report to the Board on a quarterly basis. The key activities of the CICR are detailed on page 85 of this Annual Report.
- The Enterprise Wide Risk profile of Puncak Niaga Group, which was deliberated by the Risk Management Scorecard Working Group ("RMSWG") is also reviewed on an annual basis at the beginning of each calendar year by the CICR.

COMPLIANCE, INTERNAL CONTROL AND RISK POLICY COMMITTEE ("CICR")

The CICR comprises wholly of the Independent Non-Executive Directors of Puncak Niaga and the composition of the CICR as at 31 December 2021 is as follows:



Statement on Risk Management and Internal Control

The CICR Members and their attendance at the CICR Meetings for the year 2021 are as follows:

CICR Members	Number of Meetings Attended in 2021
YBhg Dato' Sri Adenan bin Ab. Rahman Independent Non-Executive Director/ Chairman	4/4
YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason Independent Non-Executive Director/Member	4/4
YBhg Datuk Sr Haji Johari bin Wahab Independent Non-Executive Director/Member	4/4
YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj Independent Non-Executive Director/Member	4/4
Encik Noor Faiz bin Hassan Independent Non-Executive Director/Member	4/4

During the financial year, the Managing Director of Puncak Niaga, Managing Directors of the operating subsidiaries, Chief Financial Officer and the relevant Executive Directors of Puncak Niaga attended the CICR Meetings by invitation of the Chairman of the CICR to brief in detail the key risks facing the Group and the controls implemented to mitigate the risks. The Secretary of CICR is the Head of the Internal Audit Department.

The Terms of Reference of the CICR can be viewed at Puncak Niaga's website, www.puncakniaga.com.my under the Investor Relations link.

COMPLIANCE, INTERNAL CONTROL AND RISK POLICY COMMITTEE ACTIVITIES

During the year 2021, the CICR held a total of four meetings. At its meetings, the CICR reviewed the Status Reports prepared by the Risk Management Section. The issues deliberated at the CICR Meetings included the following:-

- The level of readiness of Puncak Niaga Group with regards to the "Statement on Risk Management and Internal Control" requirements.
- The progress of the risk assessment and risk monitoring exercises at Puncak Niaga Group and Enterprise-Wide levels. The main risks, controls and management action plans were highlighted by the Secretary of the CICR to the CICR for deliberation.

- The review of the assurance status and validations given by the Risk Scorecard Owners of Puncak Niaga Group via the Corporate Digital Assurance Module of the Q-Radar software.
- The effective utilisation of the Q-Radar Corporate Risk Scorecard software to identify, evaluate, monitor and report risks and internal controls identified within Puncak Niaga Group.
- The status of Self-Assessment Audit Forms submitted by the relevant Divisions/Departments in Puncak Niaga Group as to whether the key internal controls have been complied with.
- The CICR also deliberated on the following key matters:
 - i) The consolidated risk position of Puncak Niaga Group which comprise the Top Ten (10) Residual Risks and its movement from quarter to quarter particularly on the very significant risks and key controls implemented by the Management of Puncak Niaga Group.
 - ii) The Statement on Risk Management and Internal Control for the Year 2020 which was prepared by the Secretary of CICR at the 135th CICR Meeting held on 18 February 2021.
 - iii) The Top Ten (10) Enterprise-Wide Risks Facing Puncak Niaga Group for the Year 2021 which included its risks rankings, risks descriptions and key controls at the 135th CICR Meeting held on 18 February 2021. Subsequently, the risk profile was updated as Top Ten (10) Enterprise-Wide Risks Facing Puncak Niaga Group based on the latest updates and assessments at the 138th CICR Meeting held on 16 November 2021.
 - iv) The Risk Scorecard of the Asset Management Services ("AMS") Project which was newly created during the year to record the maintenance services and asset replacement program for UITM Puncak Alam Campus Hospital Project's operational risks at the 136th CICR Meeting held on 20 May 2021.
 - v) Review on the key risk exposures arising from the COVID-19 pandemic focused on ensuring adequate business continuity process and amongst the activities undertaken by Puncak Niaga Group to mitigate this risk include measures that have been deployed include stringent health screening and monitoring such as mandating temperature checks, provision of adequate protective equipment and quarantine guidelines; business travel bans as well as ensuring social distancing at the work place through leveraging technology, limiting meeting sizes and segregation of teams and work from home arrangements.

In year 2022, the CICR will continue to focus on providing oversight over the implementation of the Risk Management Framework throughout Puncak Niaga Group as well as monitoring the key risk exposures and the resultant mitigating actions affecting the Puncak Niaga Group.

Statement on Risk Management and Internal Control

PUNCAK NIAGA HOLDINGS BERHAD GROUP ENTERPRISE-WIDE RISKS

The Board recognises that Risk Management involves a structured approach, combining the efforts of all functions within the Puncak Niaga Group to minimise uncertainties in order to achieve Puncak Niaga Group's business objectives. In view of this, the Risk Management Scorecard Working Group ("RMSWG") Meeting is held annually whereby Puncak Niaga Group's Enterprise-Wide Risks Profile is deliberated taking into account Puncak Niaga Group's strategic business plan and existing business environments and business segments in which the Group operates including the current issues which may have risk impact on Puncak Niaga Group's operations.

For the year 2022, the RMSWG Meeting which was chaired by the Managing Director who is the Head of CICR and attended by Puncak Niaga Group's Managing Directors and Executive Directors was held on 20 January 2022 to deliberate on the risks highlighted by the respective Companies, Divisions and Business segments of Puncak Niaga Group and to determine Puncak Niaga Group's Enterprise-Wide Risks Profile for the year 2022.

The deliberations of the RMSWG Meeting were reviewed by the CICR at the 139th CICR Meeting held on 14 February 2022. Subsequently, a Board Paper on the Group's "Top Ten (10) Enterprise Wide Risk Facing Puncak Niaga Group for the Year 2022" was tabled at the 125th Board of Directors Meeting held on 28 February 2022.

The strategic risks which have an impact on Puncak Niaga's Group's operations for 2022 are as follows:

Key Result Area	Strategic Risk	Mitigation
Managing cash flow efficiently	Depleting Cash Flow Position of Puncak Niaga Group	Measures include: 1. Enhance cost control measure to minimise operating cost. 2. Raise financing of new business ventures. 3. The monetisation of the Group's assets to raise cash.
Ensure the sustainability of Puncak Niaga Group	Challenges and Difficulties in Securing New Projects and Tenders	Measures include: 1. Review businesses which we can secure based on past track records. 2. Competitive pricing and efficient design in project proposals and tender submissions. 3. Enhanced network and keep abreast of the latest business opportunities. 4. Conduct detailed analysis to secure good and sustainable business.
	Managing Investment and Sustainability of Danum Sinar Sdn Bhd	Measures include: 1. To meet target crop production yield by way of improving harvesting interval, stringent manuring program and efficient collection and evacuation process. 2. To ensure deployment of adequate skilled harvesters. 3. Implementation of an incentive scheme to workers while adopting semi-mechanization of estate operation to boost the productivity.
Driving Operational Excellence	Challenges To Complete D44 Project Within The Budgeted Cost (to Ensure No Cost Overruns) and Approved EOT	Measures include: 1. Explore alternative design to reduce cost and implement cost savings measures. 2. Close monitoring and control of the project expenses to ensure they are within the approved limits. 3. Close monitoring of the project's physical progress and performances of the appointed subcontractors.
	Compliance with Contract Agreements	Measures include: 1. Establish an effective communication and engagement with clients, Government officials and Ministers. 2. Close monitoring on performance, KPIs, key milestones and obligations with automated alerts and notifications.

The year 2021 turned out to be more challenging than the previous year as the COVID-19 pandemic surged once again as the Delta variant and highly infectious Omicron variant brought about a resurgence of cases globally. In view of the circumstances, the Group will remain cautious and the Board will continuously assess the Group's strategic risks and deliberating actions in managing this risk as we adapt to the new normal of doing business.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM

The key elements of the Puncak Niaga Group's internal control system and assurance process, inter alia, encompass the following:

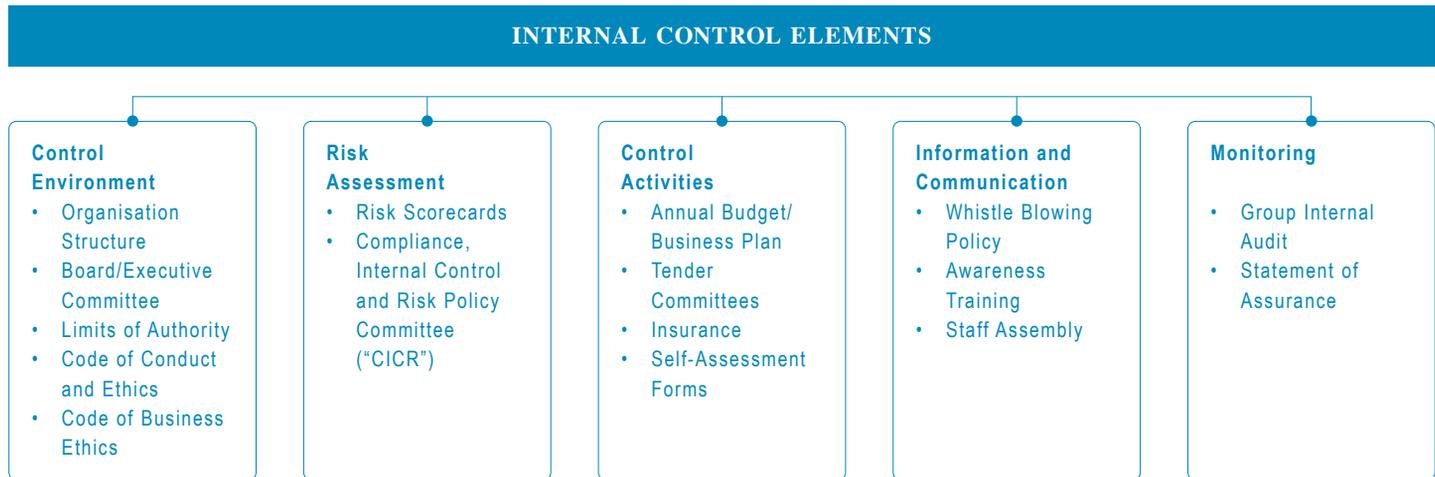


Figure 2: Internal Control System

Control Environment

- The operating subsidiaries of Puncak Niaga Group have a formal organisation structure with clearly defined reporting structures and responsibilities. This promotes ownership and accountability of the duties assigned to the Directors, Management and employees of the operating subsidiaries.
- Puncak Niaga Group's Code of Conduct and Ethics covers the Board and employees of the Group and is found in Puncak Niaga's Employee Handbook. The Code of Conduct and Ethics sets out the principles and standards of good practice.
- Puncak Niaga Group's Code of Business Ethics for the Group further provides guidance on business ethical issues in the conduct of business and standards of behaviour expected of all Directors and employees in fundamental areas such as dealings with stakeholders, gift, hospitality, favours or other advantages, conflict of interest and harassment as well as the policy and procedures for compliance.
- The Board Charter regulates how business is to be conducted by the Board in accordance with the principles of good corporate governance and the Directors' Code of Conduct sets out the code of conduct expected of a Director in the performance of his or her duties. The Board Charter also sets out the roles and responsibilities of the Board members.
- The Board Committees, namely the Audit Committee, Remuneration Committee, Nomination Committee, CICR, EXCO and Board Tender Committee had been established to assist the Board in executing its fiduciary duties. The responsibility and authority of the Board Committees are governed by their respective Terms of Reference which are approved by the Board.
- All major decisions require the approval of the respective Boards/ Executive Committees ("EXCO"s) within Puncak Niaga Group in line with the Group's Limits of Authority. The EXCO is established at Puncak Niaga and Puncak Niaga Construction Sdn Bhd ("PNCsB") and comprises the Heads of Divisions of the respective companies. The relevant Management of the Puncak Niaga Group is invited to attend the meeting, if required. The respective Boards/EXCOs are kept updated on information covering the Divisions/Departments in the respective companies within the Group at the Board/EXCO Meetings, as appropriate.
- Written procedures and policies by way of Standard Operating Procedures which incorporate control procedures and scope of responsibilities are in place for all the operating subsidiaries of Puncak Niaga Group. The written procedures and policies are updated where appropriate to incorporate elements necessitated by changes in the legislations, industry best practices and business dynamics.

Statement on Risk Management and Internal Control

- The Limits of Authority of Puncak Niaga Group clearly set out the operational matters with the designated authority levels accorded to the Executive Chairman/Managing Directors/Executive Directors and critical matters which are reserved for the Board's/EXCO's approvals and matters which are delegated to Puncak Niaga's subsidiaries' Directors and Management.
- Puncak Niaga's Anti-Corruption Policy of Zero Tolerance Towards Corruption And Corrupt Practices within and outside Puncak Niaga and Puncak Niaga Group which was established on 1 June 2020 are founded on the Five Adequate Procedures Principles: TRUST as laid out in the Guidelines on Adequate Procedures issued by the Malaysian Anti-Corruption Commission ("MACC") pursuant to Section 17A of the MACC Act.

Risk Assessment

- Risk Scorecards are created and maintained for each business unit and support services within Puncak Niaga Group to ensure risks affecting the businesses of the Group are properly identified and assessed in terms of likelihood and impact, adequacy of existing controls is evaluated and the residual risks are treated accordingly. A Risk Scorecard Owner is assigned for each risk scorecard and is responsible for evaluating the risk profile on a quarterly basis and to provide the relevant assurance to the Board.
- The CICR, which is a Board Committee, closely monitors the risk management process within the Group and the extent of compliance with the Statement on Risk Management and Internal Control requirements.

Control Activities

- Annual Business Plans are prepared by the Management of the Group. The Annual Business Plans are presented and approved by the respective subsidiaries before tabling to Puncak Niaga's EXCO and Board for ultimate approval.
- A detailed budgeting process has been established for Puncak Niaga Group to prepare their respective budgets annually. These budgets are then reviewed and approved by the respective Boards/EXCOs prior to actual implementation each year. The monitoring of actual performance versus budget with major variances being followed up is done on a monthly basis by the Finance Division and Management action is taken to rectify any shortcomings, where necessary.
- Tender Committees established at Puncak Niaga Group are accorded with their respective limits of authority of decision making and mandatory recommendations to the Board for approval, as appropriate. The Tender Committees play a critical role to ensure transparency and competitive pricing in the award of contracts within Puncak Niaga Group.
- PNCB has been accredited with ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 for construction services for water related infrastructure including civil engineering, building, mechanical and electrical works. The compliance with ISO requirements and its related activities are being monitored by selected representatives from PNCB's project office and various departments.
- TRIplc Berhad and its subsidiaries, TRIplc Resources Sdn Bhd and TRIplc Ventures Sdn Bhd have been accredited with ISO 9001:2015 Quality Management System on Project Management, Construction and Facility Management. The compliance with the ISO requirements and its related activities are being monitored by TRIplc Berhad's ISO Committee.
- The Plantation Division, Danum Sinar Sdn Bhd obtained its Malaysian Sustainable Palm Oil ("MSPO") certification on 6 August 2019 which is valid up to 5 August 2024. The MSPO certification is subject to a yearly surveillance audit by an appointed independent certification body, namely Care Certification International (M) Sdn Bhd. Danum Sinar Sdn Bhd has successfully obtained its renewed certification for Year 2021 based on the recent surveillance audit being conducted in September 2021.
- Puncak Niaga Group has insurance programmes in place to safeguard the Group's assets against any untoward incidents that could result in material losses.
- The Self-Assessment Audit Forms (which list the key internal controls, have been developed in-house for the relevant Departments of the operating subsidiaries of Puncak Niaga. The respective Departments are required to submit a quarterly declaration to the Internal Audit Department as to whether key internal controls have been complied with. The Self-Assessment Audit Forms are submitted and monitored online through the Audit Monitoring System. For the year 2021, approximately 99.3% of the key internal controls declared in the Self-Assessment Audit Forms was in compliance with the Company's Standard Operating Procedures ("SOP") and the applicable Regulations. The balance 0.7% was mainly related to exceptions that were duly justified.
- Training programs were conducted internally and externally for the Directors, Senior Management and employees of Puncak Niaga Group to enhance their knowledge, skills and competency.

Statement on Risk Management and Internal Control

Information and Communications

- New policies/procedures approved by the Management are communicated via Internal Memorandums which are circulated to all employees. Awareness training, as well as dissemination at the Monthly Staff Assembly is conducted to ensure the policies/procedures are cascaded to the staff accordingly.
- Puncak Niaga Group has in place a Whistle Blowing Policy which provides employees with an avenue to disclose any malpractice or misconduct. The Whistle Blowing Policy sets out a clear communication line for the employees to report in an independent and safe manner.

Monitoring

- The Internal Audit Department independently reviewed the control processes implemented by the Management according to the 2021 Annual Audit Plan and reported on its findings and recommendations to the Audit Committee of Puncak Niaga four times in 2021. The duties and responsibilities of Puncak Niaga's Audit Committee are detailed in the Terms of Reference of Puncak Niaga's Audit Committee. The Audit Committee, upon consideration of both the Internal and External Audit Reports, is able to gauge the effectiveness and adequacy of the Group's internal control system, for the presentation of its findings to the Board.
- The Internal Audit Department conducted audits of the declarations made in the Self-Assessment Audit Forms.
- All Heads of Divisions and the Managing Directors of Puncak Niaga Group are required to give a written assurance (Statement of Assurance) to the Executive Chairman in the Internal Audit Report that all issues highlighted would be rectified within the stipulated timelines.

BOARD'S ASSESSMENT

The Board has received assurances from the respective companies' Heads of Divisions, Managing Directors and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively at the operating companies. Based on the assurances received and review of the risk management and internal control activities, the Board is of the view that the Group's risk management and internal control system for the year under review and as at the date of this statement is sound and sufficient to safeguard the shareholders' investment and the Group's assets.

This Statement on Risk Management and Internal Control has been prepared in accordance with the Guidelines and has been approved by the Board of Puncak Niaga on 30 March 2022.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2021 and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, 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, nor
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon.

The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

For and on behalf of the Board of Puncak Niaga Holdings Berhad

YBhg Dato' Sri Adenan bin Ab. Rahman
Chairman

Compliance, Internal Control and Risk Policy Committee
30 March 2022

Corporate Disclosure Policy

As a responsible corporate citizen, Puncak Niaga is totally committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Company to the investing public in an accurate, clear, complete and timely manner in accordance with the corporate disclosure requirements as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

THE PRIMARY OBJECTIVES OF PUNCAK NIAGA'S CORPORATE DISCLOSURE POLICY ARE:

1. To promote and maintain market integrity and investor confidence.
2. To provide equal access to the Company's material information in an accurate, clear, timely and complete manner and to avoid selective disclosure to the investing public.
3. To exercise due diligence such that information disseminated to the investing public will be as far as possible accurate, clear, timely and complete.
4. To put in place an efficient management of information procedure that promotes accountability for the dissemination of material information to the investing public.
5. To build good investor relations with the investing public based on the principles of trust, honesty, openness, transparency and sound understanding of the Company.

TO ACHIEVE ITS OBJECTIVES, THE COMPANY WILL ENDEAVOUR TO UNDERTAKE THE FOLLOWING:

1. ESTABLISH POLICIES AND PROCEDURES

- ▶ Ensure written policies and procedures of the Company ("Puncak Niaga's Corporate Disclosure Policy and Procedure") that encompass the Puncak Niaga's Corporate Disclosure Policy and Procedure and other requirements relating to corporate disclosure as set out in the Main Market Listing Requirements of Bursa Securities.
- ▶ Appoint a senior officer of the Company to oversee and coordinate disclosures to ensure the Company complies with the Main Market Listing Requirements of Bursa Securities.
- ▶ Ensure that only designated persons are the Company's spokespersons.
- ▶ Ensure due compliance with Puncak Niaga's Corporate Disclosure Policy and Procedure.

2. EXERCISE DUE DILIGENCE AND PREPARATION

- ▶ Ensure that the persons responsible for disseminating material information to the investing public, exercise due diligence in ensuring that information to be released is accurate, clear, timely and complete.
- ▶ Ensure that due care is observed when briefing and responding to analysts, institutional investors, the media and the investing public.

3. USE OF INFORMATION TECHNOLOGY

- ▶ Take advantage of current information technology to disseminate information to the investing public.

Our commitment to the above Policy is driven by the Board of Directors of the Puncak Niaga Group and implemented by the Management.

Corporate Sustainability Policy

At Puncak Niaga, sustainability is an integral component of our core corporate values. We are committed to promoting sustainability practices in the conduct of our business in a responsible manner for sustainable performance amidst continuing global urbanization and an evolving environment with rising energy needs and depleting non-renewable resources. As an organization, we will strive to continuously enhance our operational efficiency and reduce the environmental footprints of our business activities.

OUR APPROACH TO SUSTAINABILITY IS FOCUSED ON:

PEOPLE

- ▶ Our employees whom we provide with a safe and conducive working environment.
- ▶ Our customers to whom we deliver quality services as part of our ongoing commitment to being their partner of choice.
- ▶ The communities where we operate in where we take corporate responsibility through the conduct of our business operations and foster rapport and engagement with the local communities.

PLANET

- ▶ We seek to deliver safe and energy-efficient solutions using innovative technology.
- ▶ We seek to reduce the environmental footprints of our activities and services as well as our supply chain and office premises.

PERFORMANCE

- ▶ We are committed to achieve sustainable growth and performance in a responsible manner whilst upholding the principles of good corporate governance and maintaining an open and transparent relationship with all of our stakeholders.

To create value for our stakeholders, it is our ongoing commitment to behave ethically in the conduct of our business and provide innovative solutions and quality services and continuously work to improve on our environmental performance, the quality of life of our employees and their families as well as the local communities and society at large and contribute positively to the economic development of our nation.

Our commitment to the above Policy is driven by the Board of Directors of Puncak Niaga Group and implemented by the Management.

Corporate Social Responsibility Policy

Puncak Niaga Holdings Berhad recognises the significance of being an organisation that practises the highest standard of work ethics. As a responsible company to its shareholders, business associates, suppliers, employees and various stakeholders, we therefore take our corporate social responsibility seriously as our vision is to be the leading regional integrated water, wastewater and environmental solutions provider with involvement in concession facilities management services, plantation and property development sectors.

ENVIRONMENTAL

We advocate sustainable environment through managing our daily operation and activities in a responsible manner to minimise activities that could harm the environment and nature. We support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibilities and encourage the development and diffusion of environmentally friendly technologies.

COMMUNITY

We support philanthropic and charitable giving, support for and active engagement with the local communities through volunteering and other programmes. We also support and encourage our employees to help local community organisations and activities in the areas where we operate in.

STAKEHOLDERS

We protect the interests and priorities of our stakeholders as well as managing risks in order to maximise profits for the success and growth of the Company.

EMPLOYEES

We respect the rights and diversity of our employees, irrespective of race and gender whilst providing a dynamic workplace and equal opportunities, improving employee satisfaction whilst enhancing the intellectual capital through continuous investment in training and development of employees' skills for the Company's quantum growth.

STRATEGIC COLLABORATION AND KNOWLEDGE ENHANCEMENT AT ALL LEVELS

We promote continuous education and knowledge enhancement at all levels through collaborations with local and international higher education institutions and corporations.

We are equally dedicated not only to maintaining the highest ethical standards but also to achieving sustainability, both in our operations and in our impact on the environment for the benefits of our customers, shareholders, stakeholders and business associates. We believe that responsible business practices can unlock value, increase competitiveness, enhance reputations, and increase brand and stakeholders' value for business excellence and corporate sustainability.

Health, Safety and Environmental Policy

It is the Policy of Puncak Niaga Holdings Berhad and its subsidiaries ("Puncak Niaga Group") to provide, so far as is practicable healthy, safe and environmental friendly workplace for all employees, contractors, visitors and interested parties, in the spirit of consultation and cooperation, the Management and workers will together strive to achieve the goals and objectives of this Policy.

WITHOUT PREJUDICE TO THE GENERALITY OF THE ABOVE STATEMENT, THE POLICY OF PUNCAK NIAGA GROUP IS:

- ▶ To continuously emphasize on the prevention of injury, ill health and pollution in all activities by eliminating the hazards, reducing the risks and protecting the environment;
- ▶ To ensure health, safety and environmental objectives and targets are set and reviewed;
- ▶ To ensure consultation and participation of all workers and worker's representatives in deciding how to perform their job safely and without risk to health and without any harm to the environment;
- ▶ To investigate with the participation of all workers and worker's representatives on all occupational health, safety and environment incidents related to the Group's business activities and to make corrective measures to ensure the incident will not recur;
- ▶ To comply with all legal requirements and other requirements on the environment, safety and health, and other good practices which the Group subscribes;
- ▶ To review this Policy as and when appropriate with consultation of all workers and to ensure it is understood by all workers and is available to all interested parties;

Investor Relations Policy & Report

As a responsible corporate citizen, Puncak Niaga is totally committed to upholding the highest standards of transparency, accountability and integrity in the conduct of our business activities in the best interest of our shareholders as well as to allow potential investors to make careful and informed investment decisions based on full and transparent disclosure of information.

Puncak Niaga's Investor Relations Policy aims to build long-term relationships and credibility with our shareholders and potential investors based on trust, honesty, openness, transparency and sound understanding of the Company.

TO ACHIEVE ITS OBJECTIVES, THE COMPANY WILL ENDEAVOUR TO UNDERTAKE THE FOLLOWING:

1. CREATING QUALITY DIALOGUE

- ▶ To create an environment where the effective bilateral communication between the Company and our shareholders and investors both inform and educate through regular, open and transparent provision of relevant and invaluable information over the long-term, which will build mutually beneficial long-term relationships vis-à-vis to foster a clearer understanding of the shareholders' and investors' expectations of the Company.
- ▶ To engage in quality dialogue with our shareholders and investors whereby the relationship is based on the principles of honesty, openness and transparency and to foster mutual understanding between the Company and our shareholders and investors.
- ▶ To reap the benefits of engaging in quality dialogue:
 - Perception on our Company's risk is reduced;
 - Enhance feedback of our Company's performance;
 - Our Company's share valuation becomes more realistic;
 - Develop confidence in our Management team and management style; and
 - Works as a guide in the evaluation of our Company's business strategy.

2. INVESTOR COMMUNICATIONS STATEMENT

- ▶ To implement an efficient and effective Investor Relations Programme as part of our ongoing shareholders' and investors' communication obligations.
- ▶ To provide high quality, meaningful and timely information over and above that is required by law in order to improve the shareholders' and investors' understanding of our Company.
- ▶ To strive for key competence in the area of professional investor relations vide adequate resources and capabilities.
- ▶ To earn the trust, respect and confidence of our existing shareholders and investors.
- ▶ To build and maintain long-term relationships with our existing shareholders and investors.
- ▶ To initiate long-term relationship building with potential shareholders and investors.

Our commitment to the above Policy is driven by the Board of Directors of Puncak Niaga Group and implemented by the Management.

INVESTOR RELATIONS REPORT

Investor relations is the means by which listed companies maintain dialogue with their existing shareholders and potential investors. It is a strategic management responsibility to present an accurate picture of corporate performance and prospects, thus enabling the investment community, through an informed market, to determine a realistic share price. As a result, investor relations can have a positive impact on the Company's market value and cost of capital relative to its industry sector and the overall economic climate.

Investor Relations Policy & Report

The Board of Puncak Niaga is pleased to report on the Company's investor relations activities in 2021 as follows:

INVESTORS' ACCESS TO INFORMATION

In line with our Investor Relations Policy (as set out on page 94 of this Annual Report), Puncak Niaga ensures timely disclosure of information over and above the regulatory authorities' disclosure requirements so as to enable the investment community to make careful and informed investment decisions on the Company's securities. Shareholders and investors can contact us at investors@puncakniaga.com.my and access the Group's information and corporate announcements at our website, www.puncakniaga.com.my.

All announcements made to Bursa Malaysia Securities Berhad ("Bursa Securities") are published shortly after the same is released on Bursa Securities' website. All shareholders' queries will be received by the Executive Director, Corporate Services Division/Group Company Secretary who will provide the relevant feedback and responses to shareholders' queries where such information can be made available to the public.

Since 22 October 2004, the Group had adopted and implemented the Puncak Niaga Corporate Disclosure Policy (as set out on page 90 of this Annual Report), formulated in line with the 'Guide On Best Practices In Corporate Disclosure' issued by Bursa Securities' Task Force on Corporate Disclosure Best Practices.

ANNUAL GENERAL MEETING ("AGM")

The Board of Puncak Niaga firmly believes that the AGM is the best forum to promote a closer relationship with our shareholders, enabling us to continue our engagement process with them.

Since 2003, our AGMs have been preceded by a Company Presentation followed by a Question and Answer Session. Our shareholders are updated on the Group's corporate and financial performances and latest developments. It is Puncak Niaga's way of saying 'We value your views' and 'We are here to serve you better'. At the same time, our shareholders' feedbacks, which are relevant to our operations, are taken into consideration in our business decisions. Puncak Niaga's Annual Report 2021 and AGM Notice are issued 28 days before the AGM.

In view of the protracted COVID-19 pandemic and to safeguard the health and wellbeing of our shareholders, the 25th AGM will be conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No 4, Persiaran Sukan, Seksyen 13, 40100, Shah Alam, Selangor Darul Ehsan on Wednesday, 25 May 2022 at 10.00 a.m. The Notice of 25th AGM is enclosed with this Annual Report. The results of all resolutions proposed at the 25th AGM will be posted on Bursa Securities' website and the Company's website on the evening of 25 May 2022.

INVESTOR RELATIONS UNIT

The Investor Relations Unit ("IRU") maintains a database of shareholders and investors who wish to be updated on the Group's corporate developments and performances via e-mail.

Kindly e-mail us your contact details to the attention of Madam Tan Bee Lian, Executive Director, Corporate Services Division/Group Company Secretary at investors@puncakniaga.com.my or by mail at Investor Relations Unit, c/o Secretarial Department, Puncak Niaga Holdings Berhad, 10th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan, should you wish to be included in our database.

Quality Policy

It is the policy of Puncak Niaga Holdings Berhad and its subsidiaries ("Puncak Niaga Group") to provide world-class quality services and products, technical expertise, management services and financial assistance to meet its client requirements and satisfaction.

Puncak Niaga Group shall strive to consistently adopt and maintain a quality management system ("QMS") based on all regulated requirements, international recognized standards that ensure a planned, systematic, and proactive approach to quality in all aspects of its work.

Without prejudice to the generality of the above statement, the Quality Policy of Puncak Niaga Group is:

- ▶ To provide a safe, harmonious and friendly working environment and continuously equip its employees with knowledge and skills in order to further improve its quality systematically;
- ▶ To promote the use of a process approach and risk-based thinking;
- ▶ To ensure the objectives and targets of quality are set;
- ▶ To satisfy its clients and to meet their standard requirements by continuously improving its processes in order to enhance clients satisfaction and loyalty;
- ▶ To achieve continuous improvement across all aspects of quality management system; and
- ▶ To review this Quality Policy as and when appropriate and to ensure it is understood by all employees and is available to all relevant parties and stakeholders.

Board Diversity Policy

1.0 PURPOSE AND SCOPE OF APPLICATION

The Policy sets out the approach for achieving diversity for Puncak Niaga Holdings Berhad's Group's Boards of Directors ("Board").

The Policy applies to the Board of Puncak Niaga Holdings Berhad and its Group. It does not apply to diversity in relation to the employees of Puncak Niaga Holdings Berhad Group, all of whom are covered by Puncak Niaga Holdings Berhad's Diversity Policy.

2.0 POLICY STATEMENT

Puncak Niaga Holdings Berhad believes in diversity and values the benefits that diversity can bring to its Board. The Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, skills and backgrounds, which reflect the diverse nature of the business environment in which the Group operates.

In designing the Board's composition, diversity includes but is not limited to, skills, knowledge, industry experience, gender, age, cultural, education and socioeconomic backgrounds, ethnicity and expertise required to achieve effective stewardship and management.

When assessing the Board's composition and performance of the Board, as well as identifying suitable candidates for appointment or re-election to the Board, the Company will consider the benefits of diversity and the needs of the Board in order to maintain an optimum mix of skills, knowledge and experience on the Board.

The Board through the Nomination Committee reviews this Policy annually and assesses its effectiveness in promoting a diverse Board which includes an appropriate number of women directors on the Board. At any given time, the Board may seek to improve one or more aspects of its diversity.

Diversity Policy

1.0 POLICY STATEMENT

Puncak Niaga Holdings Berhad and its Group of Companies ("the Group") is committed to incorporating diversity into every aspect of our organisation's functions and objectives. The Group recognises diversity as a means of enhancing the Group's performance, improving employee retention, accessing different perspectives and ideas.

Diversity includes, but is not limited to gender, age, ethnicity, religion, beliefs, origin, race and cultural background. It involves leveraging the diverse skills, experiences and talents from different backgrounds within our organisation.

2.0 MEASURABLE OBJECTIVES

The Group recognises diversity and supports national aspirations in providing equal opportunities to its employees regardless of gender, age, ethnicity, religion, beliefs, race and socioeconomic background. The Group believes that the Group's success and competitiveness depends upon its ability to embrace diversity and realise the benefits that diversity brings to the Group, such as:

- ▶ The Group is free from any form of discrimination where equal opportunity is given in hiring, training and career advancement of its employees at all levels.
- ▶ A diverse workforce from various education backgrounds, experiences, skills, languages and cultural understanding can supply a greater variety of solutions to problems in the workplace and allows a company to provide service to customers on a global basis. It could drive the Group's business success and sustain its competitiveness in all areas of business.
- ▶ A diverse workforce inspires our people to perform to their highest ability and encourages them to express their ideas and opinions and attribute a sense of equal value to all.
- ▶ In promoting diversity, we seek to identify, develop and implement the appropriate action plans to remove diversity barriers and obstacles in the workplace.

3.0 RESPONSIBILITIES

The Board is responsible to foster an inclusive workplace where each individual is respected and equal opportunity is given to all employees in respect of career development based on performance with a particular focus on participation of female employees on the Group's Board and Senior Management. The Board may seek to improve and set a direction on diversity from time to time to achieve the objectives of this Policy.

Statement On Directors' Responsibility For Preparation Of Financial Statements

The Financial Statements of the Group and Company have been drawn up in accordance with the applicable approved accounting standards in Malaysia and the requirements of the Companies Act, 2016. The Directors take responsibility in ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- ▶ Selected suitable accounting policies and applied them consistently;
- ▶ Made judgements and estimates that are reasonable and prudent;
- ▶ Ensured that all applicable accounting standards have been followed; and
- ▶ Made an assessment of the Group's and of the Company's ability to continue as a going concern.

The Board has the overall responsibility to take all steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect frauds and other irregularities.

Approaching Our Financial Statements

The purpose of financial statements is to communicate the Group's financial information to its stakeholders. This section is to assist and guide the readers to understand our financial information by explaining the functions and relationships between the essential financial statements: the statements of profit or loss and other comprehensive income, the statements of financial position and the statements of cash flows. For comprehensive and authoritative definitions and explanations, readers should refer to the relevant accounting standards.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial performance measured by recording the flow of income and expenses over a period of time

This statement is to present all income or expenses in a performance statement during the financial year.

Please refer to Statements of Profit or Loss and Other Comprehensive Income on page 111.

STATEMENTS OF FINANCIAL POSITION

A snapshot of all the assets the company owns and all the claims against those assets, as at a point in time

This statement sums up the Group's non-current assets and working capital, debts and other non-current liabilities and owners' equity at 31 December 2021.

Please refer to Statements of Financial Position on pages 109 to 110.

STATEMENTS OF CASH FLOWS

A statement that provides an overview of the cash inflows and outflows of the Company over a period of time

This statement divides the cash flows during the financial year into operating, investing and financing cash flows.

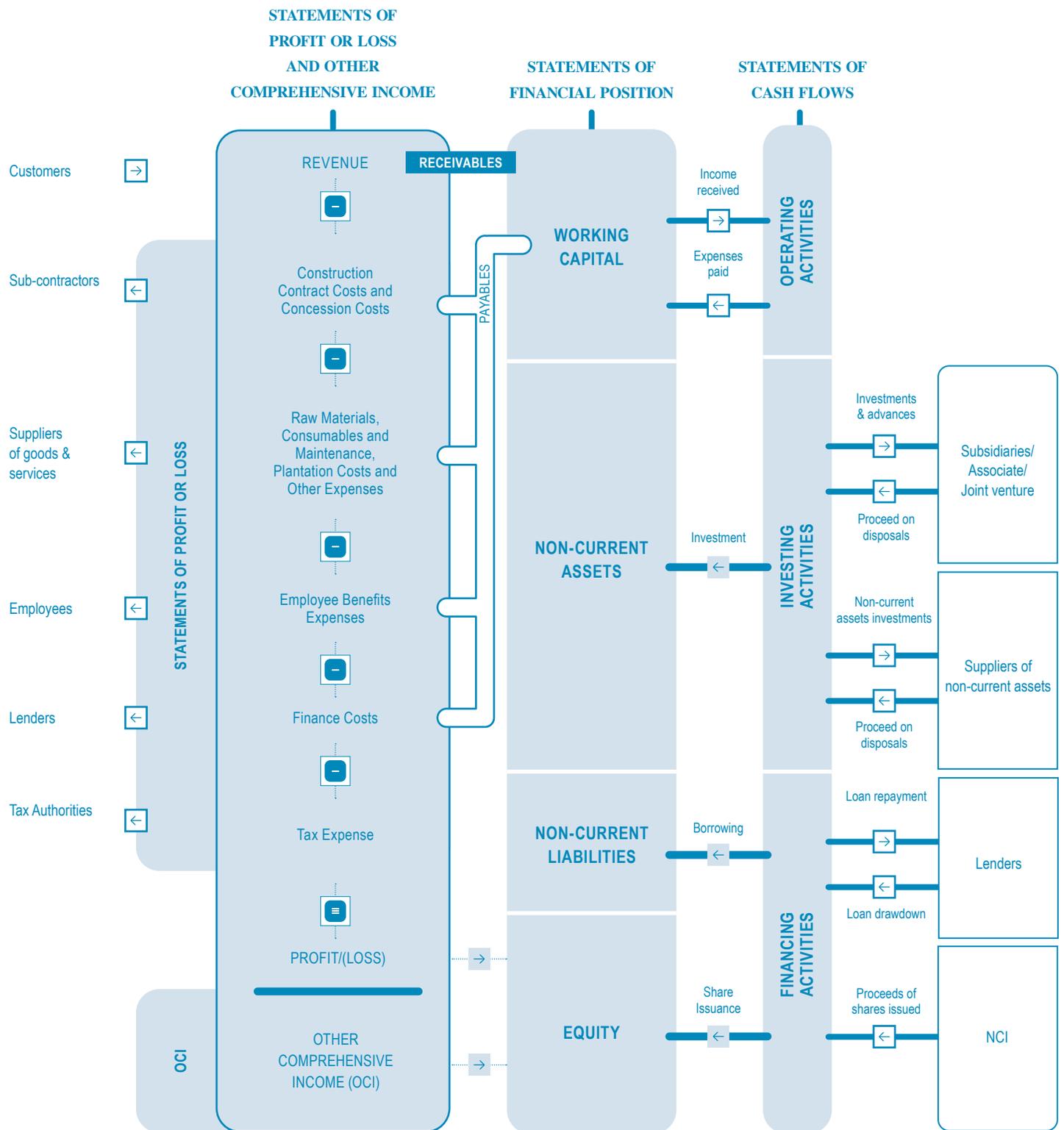
Operating cash flows are the cash inflows and outflows from working capital.

Investing cash flows are the cash flows arising from the purchase or disposal of non-current assets.

Financing cash flows represent the cash flows between the Group, its lenders and Non-Controlling Interest ("NCI").

Please refer to Statements of Cash Flows on pages 115 to 118.

Approaching Our Financial Statements



→ Cash Flow → Accounting Flow □ Minus □ Equates

Definitions

Except where the context otherwise requires, the following definitions shall apply throughout the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2021:

“Bursa Securities”	▶ Bursa Malaysia Securities Berhad
“CGU”	▶ Cash Generating Unit
“CLMSB”	▶ Corporate Line (M) Sdn. Bhd.
“Company”	▶ Puncak Niaga Holdings Berhad
“CPMSB”	▶ Central Plus (M) Sdn. Bhd.
“DSSB”	▶ Danau Semesta Sdn. Bhd.
“Danum Sinar”	▶ Danum Sinar Sdn. Bhd.
“Federal Government”	▶ Government of Malaysia
“Genbina”	▶ Genbina Sdn. Bhd.
“GOM Resources”	▶ GOM Resources Sdn. Bhd.
“GRL”	▶ GOM Resources Limited
“Group”	▶ Puncak Niaga Holdings Berhad and its subsidiaries
“KGL”	▶ KGL Ltd.
“KHEC”	▶ Kris Heavy Engineering & Construction Sdn. Bhd.
“MESB”	▶ Murni Estate Sdn. Bhd.
“NCI”	▶ Non-controlling interests
“PASSB”	▶ Pengurusan Air Selangor Sdn. Bhd.
“PNCBSB”	▶ Puncak Niaga Construction Sdn. Bhd.
“PNHB” or “Puncak”	▶ Puncak Niaga Holdings Berhad
“PNIPPL”	▶ Puncak Niaga Infrastructures & Projects Private Limited
“PNMSSB”	▶ Puncak Niaga Management Services Sdn. Bhd.
“PBSB”	▶ Pujian Bayu Sdn. Bhd.
“PNSB”	▶ PNSB Water Sdn. Bhd.
“POG”	▶ Puncak Oil & Gas Sdn. Bhd.
“PRCSB”	▶ Puncak Research Centre Sdn. Bhd.

Definitions

Except where the context otherwise requires, the following definitions shall apply throughout the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2021 (continued):

"RM"	▶ Ringgit Malaysia
"SGD"	▶ Singapore Dollar
"SINO"	▶ Sino Water Pte. Ltd.
"State Government"	▶ The State Government of Selangor
"SYABAS"	▶ Syarikat Bekalan Air Selangor Sdn. Bhd.
"TRIpIc"	▶ TRIpIc Berhad
"TRIpIc Group"	▶ TRIpIc Berhad and its subsidiaries
"USD"	▶ United States Dollar

Directors' Report

For the Year Ended 31 December 2021

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are disclosed in Note 8 to the financial statements. There has been no significant change in the nature of the principal activities.

RESULTS

	Group RM'000	Company RM'000
Loss for the year	(11,185)	(11,747)
Loss attributable to:		
Owners of the Company	(9,049)	(11,747)
Non-controlling interests	(2,136)	-
	(11,185)	(11,747)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDEND

No dividend was paid during the financial year ended 31 December 2021 and the Directors do not recommend the payment of any dividend for the financial year under review.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Directors

Tan Sri Rozali bin Ismail

Azlan Shah bin Rozali (Appointed as Managing Director on 28 February 2021; Ceased as Alternative Director to Tan Sri Rozali bin Ismail on 28 February 2021)

Dato' Sri Adenan bin Ab. Rahman

Prof Emeritus Datuk Dr Marimuthu Nadason

YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj

Datuk Sr Haji Johari bin Wahab

Noor Faiz bin Hassan

Faizal bin Othman (Appointed on 28 February 2021 and resigned on 30 September 2021)

Dato' Abdul Jalil bin Abdul Karim (Resigned on 28 February 2021)

Directors' Report

For the Year Ended 31 December 2021

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

Name of Director	Number of ordinary shares			
	1.1.2021	Acquired	Sold	31.12.2021
<i>Direct Interest:</i>				
<i>Ordinary shares of the Company</i>				
Tan Sri Rozali bin Ismail	1,901,900	-	-	1,901,900
Azlan Shah bin Rozali	389,400	-	-	389,400
<i>Deemed Interest:</i>				
<i>Ordinary shares of the Company</i>				
Tan Sri Rozali bin Ismail *	175,140,824	-	-	175,140,824
Dato' Abdul Jalil bin Abdul Karim ** (Resigned on 28 February 2021)	4,000	-	-	4,000
Datuk Sr Haji Johari bin Wahab ***	1,050	-	-	1,050

* Deemed interest by virtue of 100% shareholding interest in CPMSB and CLMSB, both are substantial corporate shareholders of the Company, of which 5% is held in his own name and 95% in his spouse's and children's names.

** Deemed interest by virtue of shares held in his spouse's name.

*** Deemed interest by virtue of shares held in his brother's name.

By virtue of his interests in the shares of the Company, Tan Sri Rozali bin Ismail is also deemed interested in the shares of the subsidiaries during the financial year to the extent that Puncak Niaga Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2021 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 28 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 33(A) to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

During the financial year, there were no changes in the issued and paid-up capital of the Company. The Company has not issued any debentures during the financial year.

Directors' Report

For the Year Ended 31 December 2021

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, there is no indemnity cost for Directors or Officers of the Company. The insurance cost for Directors and Officers liability of the Group and of the Company was RM140,206.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

There is no qualification for the auditors' report on the audit of the financial statements of the Company's subsidiaries.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

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

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

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

In the opinion of the Directors:

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

Directors' Report

For the Year Ended 31 December 2021

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Tan Bee Lian
 Wong Ley Chan
 Faridatulzakiah binti Mohd Bakhry
 Prof Dato' Dr Mohd Zainul Fithri bin Othman
 YAM Dato' Tengku Rozanna Petri Tengku Mohamed Nasrun
 YAM Tengku Mohamad Ridzman
 Dr Gabriel Peter Salgo
 Johanna Sammet
 Chan Yit Hwa
 Tan Sri Datuk Ling Chiong Ho
 Wong Ko Hock
 Dato' Ts. Jamaludin bin Buyong (Appointed on 28 February 2021)
 Faizal bin Zaharudin (Appointed on 28 February 2021)
 Mohammad Shahree bin Shamsuddin (Appointed on 28 February 2021)
 Lim Mun Lee (Appointed on 28 February 2021)
 Mohd Sukrie bin Mat Zin (Appointed on 28 February 2021)
 Syed Badli Shah bin Syed Mansoor (Appointed on 28 February 2021)
 Kamaruzaman bin Budin (Appointed on 28 February 2021)
 Taufik Afendy bin Othman (Appointed on 28 February 2021)
 Lim Hock Thye (Appointed on 14 March 2021)
 Dato' Borhan bin Mohd Doya (Appointed on 5 May 2021)
 Dato' Azlinda binti Zainal Abidin (Appointed on 5 May 2021)
 Dato' Syed Danial bin Syed Ariffin (Appointed on 5 May 2021)
 Bakri bin Jamaluddin (Appointed on 31 January 2022)
 Dato' Yusof bin Badawi (Resigned on 28 February 2021)
 Wong Hee Chai (Resigned on 14 March 2021)
 Zaidi bin Mohamed Noor (Appointed on 28 February 2021 and resigned on 14 July 2021)
 Azini bin Omar (Appointed on 28 February 2021 and resigned on 31 January 2022)
 T. Anandan (Ceased as Director on 28 January 2022)

SIGNIFICANT EVENTS

Significant events are disclosed in Note 34 to the financial statements.

Directors' Report

For the Year Ended 31 December 2021

AUDITORS

The auditors' remuneration is disclosed in Note 24.1 to the financial statement.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT, as permitted under Section 289 of the Companies Act 2016. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 December 2021.

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

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

.....
Tan Sri Rozali bin Ismail

Director

.....
Azlan Shah bin Rozali

Director

Shah Alam

Date: 30 March 2022

Statements of Financial Position

As at 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	4	478,016	510,968	18	1
Investment properties	5	836,380	818,925	266,200	273,200
Bearer biological assets	6	309,711	312,629	-	-
Concession asset	7	4,967	5,368	-	-
Investment in subsidiaries	8	-	-	890,848	887,194
Investment in associate	9	12	10	26	23
Deferred tax assets	10	36,598	25,551	-	-
Trade and other receivables	14	859,213	852,940	-	-
		2,524,897	2,526,391	1,157,092	1,160,418
Current assets					
Inventories	11	4,280	4,301	-	-
Fresh fruits bunches	12	5,811	5,549	-	-
Contract assets	13	727	9,623	-	-
Trade and other receivables	14	209,746	164,398	180,795	165,754
Short-term investments	15	95,007	123,157	10,157	21,782
Tax recoverable		788	4,497	-	-
Cash and cash equivalents	16	243,283	304,779	57,744	69,711
		559,642	616,304	248,696	257,247
Total assets		3,084,539	3,142,695	1,405,788	1,417,665

Statements of Financial Position

As at 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital		554,663	554,663	554,663	554,663
Treasury shares		(5,941)	(5,941)	(5,941)	(5,941)
Reserves		93,274	95,190	-	1,656
Retained earnings		666,479	673,605	829,014	839,105
	17	1,308,475	1,317,517	1,377,736	1,389,483
Non-controlling interests	8.4	27,935	29,971	-	-
Total equity		1,336,410	1,347,488	1,377,736	1,389,483
Non-current liabilities					
Loans and borrowings	18	1,033,131	1,057,579	-	-
Concession liability	7	100,779	105,485	-	-
Trade and other payables	19	-	5,040	-	-
Deferred tax liabilities	10	168,241	169,119	20,184	20,292
		1,302,151	1,337,223	20,184	20,292
Current liabilities					
Loans and borrowings	18	200,454	200,997	-	-
Trade and other payables	19	195,620	210,708	7,868	7,890
Contract liabilities	13	4,153	1,324	-	-
Provision for foreseeable loss	20	43,581	43,962	-	-
Tax payable		2,170	993	-	-
		445,978	457,984	7,868	7,890
Total liabilities		1,748,129	1,795,207	28,052	28,182
Total equity and liabilities		3,084,539	3,142,695	1,405,788	1,417,665

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

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	21	355,003	384,344	-	-
Other income		7,709	12,980	397	4,149
Finance income		6,498	12,647	7,696	10,118
Items of expense					
Raw materials, consumables and maintenance		(6,975)	(2,158)	-	-
Construction contract costs		(117,779)	(119,697)	-	-
Plantation costs		(31,202)	(33,876)	-	-
Concession costs		(54,635)	(136,495)	-	-
Employee benefits expense	22	(42,995)	(34,966)	(1,644)	(1,955)
Impairment losses	8.3	-	-	(996)	(383)
Net (loss)/gain on impairment of financial instruments and contract assets		(574)	1,969	(62)	7,442
Reversal for foreseeable loss	20	381	4,067	-	-
Depreciation and amortisation expense		(22,807)	(24,162)	(6)	(3)
Other expenses		(28,273)	(25,842)	(17,231)	(17,446)
Finance costs	23	(79,357)	(48,090)	(9)	(8)
Share of results of equity accounted entities		(64)	(103)	-	-
(Loss)/Profit before tax	24	(15,070)	(9,382)	(11,855)	1,914
Tax credit	25	3,885	12,479	108	2,162
(Loss)/Profit for the year		(11,185)	3,097	(11,747)	4,076
Other comprehensive income/(expense)					
Item that will not be reclassified subsequently to profit or loss					
Revaluation of land and buildings, net of tax	26	-	3,834	-	-
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation	26	7	24	-	-
Total comprehensive (expense)/income for the year		(11,178)	6,955	(11,747)	4,076
(Loss)/Profit attributable to:					
Owners of the Company		(9,049)	6,853	(11,747)	4,076
Non-controlling interests	8.4	(2,136)	(3,756)	-	-
		(11,185)	3,097	(11,747)	4,076
Total comprehensive (expense)/ income attributable to:					
Owners of the Company		(9,042)	10,711	(11,747)	4,076
Non-controlling interests		(2,136)	(3,756)	-	-
		(11,178)	6,955	(11,747)	4,076
Basic (loss)/earnings per ordinary share (sen per share):					
Basic/Diluted	27	(2.02)	1.53		

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

Statements of Changes in Equity

For the Year Ended 31 December 2021

Group	Note	Attributable to owners of the Company		
		Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000
At 1 January 2020		554,663	(5,941)	867
Foreign currency translation	26	-	-	24
Revaluation of land and buildings, net of tax	26	-	-	-
Total other comprehensive income		-	-	24
Profit/(Loss) for the year		-	-	-
Total comprehensive income/(expense)		-	-	24
Realisation of revaluation arising from disposal of assets		-	-	-
At 31 December 2020		554,663	(5,941)	891
At 1 January 2021		554,663	(5,941)	891
Foreign currency translation	26	-	-	7
Total other comprehensive income		-	-	7
Loss for the year		-	-	-
Total comprehensive income/(expense)		-	-	7
Contributions by owners of the Company:				
Subscription of shares by NCI in a subsidiary	8.4(a)	-	-	-
Total transactions with owners of the Company		-	-	-
Realisation of revaluation arising from disposal of assets		-	-	-
At 31 December 2021		554,663	(5,941)	898

Statements of Changes in Equity

For the Year Ended 31 December 2021

Revaluation reserve RM'000	Other reserve RM'000	Distributable		Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Retained earnings RM'000	Total			
125,531	(20,014)	651,700	1,306,806	33,727	1,340,533	
-	-	-	24	-	24	
3,834	-	-	3,834	-	3,834	
3,834	-	-	3,858	-	3,858	
-	-	6,853	6,853	(3,756)	3,097	
3,834	-	6,853	10,711	(3,756)	6,955	
(15,052)	-	15,052	-	-	-	
114,313	(20,014)	673,605	1,317,517	29,971	1,347,488	
114,313	(20,014)	673,605	1,317,517	29,971	1,347,488	
-	-	-	7	-	7	
-	-	-	7	-	7	
-	-	(9,049)	(9,049)	(2,136)	(11,185)	
-	-	(9,049)	(9,042)	(2,136)	(11,178)	
-	-	-	-	100	100	
-	-	-	-	100	100	
(1,923)	-	1,923	-	-	-	
112,390	(20,014)	666,479	1,308,475	27,935	1,336,410	

Statements of Changes in Equity

For the Year Ended 31 December 2021

Company	Attributable to owners of the Company				Total equity RM'000
	Non-distributable			Distributable	
	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Retained earnings RM'000	
At 1 January 2020	554,663	(5,941)	16,305	820,380	1,385,407
Profit and total comprehensive income for the year	-	-	-	4,076	4,076
Realisation of revaluation arising from disposal of assets	-	-	(14,649)	14,649	-
At 31 December 2020	554,663	(5,941)	1,656	839,105	1,389,483
Loss and total comprehensive expense for the year	-	-	-	(11,747)	(11,747)
Realisation of revaluation arising from disposal of assets	-	-	(1,656)	1,656	-
At 31 December 2021	554,663	(5,941)	-	829,014	1,377,736

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

Statements of Cash Flows

For the Year Ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities					
Receipts from customers		293,798	258,722	-	-
Other income		1,613	1,214	361	105
Payments for operating expenses		(105,719)	(121,808)	(6,892)	(8,737)
Payments to contractors		(191,845)	(245,789)	-	-
Payment of management fee to a subsidiary		-	-	(11,247)	(10,519)
Cash used in operations		(2,153)	(107,661)	(17,778)	(19,151)
Tax paid		(3,158)	(3,639)	-	-
Interest income		9,447	13,452	1,375	2,065
Net cash generated from/(used in) operating activities		4,136	(97,848)	(16,403)	(17,086)
Cash flows from investing activities					
Investment in ordinary/redeemable preference shares of a subsidiary		-	-	(4,650)	(15,000)
Acquisition of investment properties	(ii)	(365)	(1,135)	-	-
Acquisition of property, plant and equipment	(iii)	(6,071)	(6,951)	(23)	-
Additions of bearer biological assets	(iv)	(2,644)	(8,007)	-	-
Net advances to subsidiaries		-	-	(8,661)	(4,592)
Net advance to associate		(3)	(3)	(3)	(3)
Net advance to joint venture		-	-	(62)	-
Cash flows used in investing activities carried forward		(9,083)	(16,096)	(13,399)	(19,595)

Statements of Cash Flows

For the Year Ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows used in investing activities brought forward		(9,083)	(16,096)	(13,399)	(19,595)
Net proceeds from short-term investments		28,236	12,553	11,624	10,741
Proceeds from disposal of investment properties		6,241	36,602	6,241	36,602
Proceeds from disposal of property, plant and equipment		327	229	-	-
Net cash from investing activities		25,721	33,288	4,466	27,748
Cash flows from financing activities					
NCI subscription of share capital in a subsidiary		100	-	-	-
Proceeds from loans and borrowings		30,700	106,300	-	-
Interest paid		(63,307)	(83,385)	-	-
(Increase)/Decrease in pledged deposit		(24,586)	27,210	-	-
Repayment of loans and borrowings		(55,500)	(94,433)	-	-
Repayment of lease liabilities		(3,155)	(3,078)	-	-
Net cash used in financing activities		(115,748)	(47,386)	-	-
Net (decrease)/increase in cash and cash equivalents		(85,891)	(111,946)	(11,937)	10,662
Effects of exchange rate changes on cash held		(9)	(6)	(30)	-
Cash and cash equivalents at 1 January		285,728	397,680	69,711	59,049
Cash and cash equivalents at 31 December	(i)	199,828	285,728	57,744	69,711

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits with licensed banks	16	126,079	190,531	44,487	63,614
Cash and bank balances	16	117,204	114,248	13,257	6,097
		243,283	304,779	57,744	69,711
Less:					
Cash and bank balances pledged	16	(40,837)	(16,251)	-	-
Bank overdraft	18	(2,618)	(2,800)	-	-
		199,828	285,728	57,744	69,711

Statements of Cash Flows

For the Year Ended 31 December 2021

(ii) Acquisition of investment properties

During the financial year, the Group has made the following cash payments to acquire investment properties:

	Note	Group	
		2021 RM'000	2020 RM'000
Purchase of investment properties	5	-	1,500
Balance cash payment in year 2021		365	(365)
Cash payments on purchase of investment properties		365	1,135

(iii) Acquisition of property, plant and equipment

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	4	6,568	11,351	23	-
Financed by lease agreements		-	(3,026)	-	-
Other non-cash adjustment		(497)	(1,374)	-	-
Cash payments on purchase of property, plant and equipment		6,071	6,951	23	-

(iv) Additions of bearer biological assets

During the financial year, the Group has made the following cash payments to acquire bearer biological assets:

	Note	Group	
		2021 RM'000	2020 RM'000
Additions of bearer biological assets	6	6,128	10,098
Depreciation of property, plant and equipment	6.1	(1,780)	(877)
Payment made to finance cost	6.1	(1,704)	(1,422)
Other non-cash adjustment		-	208
Cash payments on additions of bearer biological assets		2,644	8,007

Statements of Cash Flows

For the Year Ended 31 December 2021

(v) Cash outflows for leases as a lessee

	Group	
	2021 RM'000	2020 RM'000
Included in net cash from operating activities:		
Payment relating to short-term leases	696	461
Payment relating to leases of low-value assets	290	268
Interest paid in relation to lease liabilities	412	435
Included in net cash used in financing activities:		
Repayment of lease liabilities	3,155	3,078
Total cash outflows for leases	4,553	4,242

(vi) Reconciliation between movements of liabilities to cash flows arising from financing activities

	At 1 January 2020 RM'000	Net changes (used in) /from financing cash flows RM'000	Other non-cash flow changes RM'000	At 31 December 2020 RM'000	Net changes (used in) /from financing cash flows RM'000	Other non-cash flow changes RM'000	At 31 December 2021 RM'000
Group							
Term loan	24,754	(2,800)	298	22,252	(5,000)	-	17,252
Tawarruq term loan	137,216	(5,833)	-	131,383	(500)	-	130,883
Revolving credit facility	108,800	40,500	-	149,300	700	-	150,000
Medium Term Notes	329,857	(20,000)	780	310,637	(20,000)	716	291,353
Senior Sukuk Murabahah	615,278	-	2,416	617,694	-	2,426	620,120
Bank overdraft	2,611	189	-	2,800	(182)	-	2,618
Cashline-I	12,500	-	(22)	12,478	-	-	12,478
Lease liabilities	12,113	(3,078)	2,997	12,032	(3,155)	4	8,881
	1,243,129	8,978	6,469	1,258,576	(28,137)	3,146	1,233,585

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

Notes to the Financial Statements

Puncak Niaga Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Securities. The addresses of the principal place of business and registered office of the Company are as follows:

PRINCIPAL PLACE OF BUSINESS

Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan.

REGISTERED OFFICE

10th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan.

The consolidated financial statements as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2021 do not include any other entities.

The principal activity of the Company is investment holding whilst the principal activities of the other Group entities are as disclosed in Note 8 to the financial statements. There has been no significant change in the nature of the principal activities.

These financial statements were authorised for issue by the Board of Directors on 30 March 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2021.

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

Effective for annual period beginning on or after 1 April 2021

- Amendments to MFRS 16 Leases - COVID-19 - Related Rent Concessions beyond 30 June 2021

Effective for annual period beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract-Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020

Notes to the Financial Statements

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

Effective for annual period beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
- 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

Deferred to a date to be determined by the MASB

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 accounting standards, interpretations and amendments from the annual period beginning on 1 April 2021, 1 January 2022 and 1 January 2023 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 April 2021, 1 January 2022 and 1 January 2023.

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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in RM, which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) 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.

Notes to the Financial Statements

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

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:

- Note 4.3 - Revaluation of freehold land, leasehold land and buildings
- Note 5.1 - Fair value of investment properties
- Note 8.3 - Impairment loss on investment in subsidiaries
- Note 12.1 - Fair value of fresh fruit bunches
- Note 14.5 - Impairment of amounts due from subsidiaries
- Note 20 - Provision for foreseeable loss
- Note 21 - Revenue
- Note 30.4 - Provision for expected credit losses

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

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 investment includes transaction costs.

(ii) Business combinations

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

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 accounts 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) 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 from 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.

(v) Associates

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

Investments in associates are 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 associates, 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 the profit or loss.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Associates (continued)

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. 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.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs.

(vi) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

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

(vii) 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 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.

(viii) 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 venture 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities 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.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely 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.

(ii) Operations denominated in functional currencies other than RM

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. The income and expenses of foreign operations 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 or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

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 an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and 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 of the business model.

(a) Amortised cost

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

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(o)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

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

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

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(o)(i)).

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

The Group and the Company categorise financial instruments as follows (continued):

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) *Amortised cost*

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

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

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is 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 profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. 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.

(v) 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 liability simultaneously.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost/revaluation 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 that equipment.

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 revalue its properties comprising land and buildings every 3 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

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

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. 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 are 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. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

• Buildings	10 to 50 years
• Plantation building	10 to 50 years
• Infrastructure	50 years
• Plant and machinery	4 to 25 years
• Computers, software and equipment	3 to 10 years
• Furniture and fittings	5 to 10 years
• Motor vehicles	5 to 10 years
• Renovations	3 to 10 years

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

Right-of-use assets

The below accounting policies for property, plant and equipment applies to leasehold land, plantation land, leasehold improvement, plant and machinery and motor vehicles.

The estimated useful lives for:-

• Long-term leasehold land	over the leasehold period of 82 to 99 years
• Plantation land	over the leasehold period of 86 years
• Leasehold improvement	10 years
• Plant and machinery	4 to 25 years
• Motor vehicles	5 to 10 years

(e) Bearer biological assets

Bearer biological assets comprise oil palm plants which are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the plants and any other costs directly attributable to bringing the plants to maturity. The cost also includes the cost of planting, upkeep and maintenance, direct labour and estate overheads. For immature plants, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Upon maturity of the plants, accumulated cost will be depreciated over estimated production life of the plants of approximately 25 years from date of maturity.

The depreciation method of the plants is the units of production method, which results in a charge based on the expected yield of the plants. The depreciation method of the bearer plants (determined by fields of planting or replanting) is reviewed at the end of each reporting period, and any change in estimate is applied prospectively over the remaining useful life of the plants, commencing in the current period.

When the plants reach the end of their useful lives and are replanted, the carrying amount of the plants is derecognised.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investment properties

(i) Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment properties

When an item of property, plant and equipment is transferred to investment properties following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of investment properties, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(g) Concession arrangements

Where the Group performs more than one service (i.e. construction contract and maintenance services) under a single contract or arrangement, the consideration receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable. The accounting policies for the construction contract and maintenance services are explained in Note 2(s).

Concession asset/(liability)

Concession asset/(liability) is amortised subsequent to initial recognition on a straight-line basis over the remaining tenure of the concession arrangements.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Goodwill

Goodwill arising on business combination is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

(i) Leases

(i) Definition of leases

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 this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

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

(ii) Recognition and initial measurement

(a) As a lessee

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

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

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

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.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

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 estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment as follows:

- Long-term leasehold land over the leasehold period of 82 to 99 years
- Plantation land over the leasehold period of 86 years
- Leasehold improvement 10 years
- Plant and machinery 4 to 25 years
- Motor vehicles 5 to 10 years

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

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

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

(b) As a lessor

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

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 (see Note 2(o)(i)).

(j) Inventories

Inventories other than agriculture produce are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on 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.

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.

(k) Fresh fruit bunches

Fresh fruit bunches, which have yet to be harvested, are measured at fair value less costs to sell.

(l) Contract assets/Contract liabilities

A contract asset is recognised when the Group'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 (see Note 2(o)(i)).

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Contract cost

(i) Incremental cost of obtaining a contract

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

(ii) Costs to fulfil a contract

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group 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. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(n) 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 value with original maturities of three months 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.

(o) Impairment

(i) Financial assets

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

The Group and the Company 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 balance 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.

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Impairment (continued)

(i) Financial assets (continued)

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 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 profit or loss and the allowance account is recognised in other comprehensive income.

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, investment properties measured at fair value, deferred tax asset 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, 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 CGUs. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs 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 purpose of impairment testing, is allocated to group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU 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 CGU.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

An impairment loss shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease. An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Impairment (continued)

(ii) Other assets (continued)

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amounts of the other assets in the CGU (groups of CGUs) 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 the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(p) 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 are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity and are stated at cost.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(q) 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits (continued)

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(r) Provisions

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

(s) Revenue and other income

(i) Revenue

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

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

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

(ii) Dividend income

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

(iii) Finance Income

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue and other income (continued)

(iv) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(t) 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.

(u) Income tax

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

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

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

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Income tax (continued)

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

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

(v) 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 financial year, 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.

(w) 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 by the Board of Directors 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.

(x) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefit 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

When 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.

(y) Fair value measurements

Fair value of an asset or a liability, except for 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Fair value measurements (continued)

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 techniques as follows:

Level 1: Quoted prices (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 liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

3. AWARD OF CONCESSIONS

(a) Concession Agreement UiTM-Zone 1 Phase 2, Puncak Alam Campus ("CA-Z1P2")

The Company's sub-subsidiary, TR1plc Ventures Sdn. Bhd. ("TVSB"), entered into the CA-Z1P2 Concesssion Agreement with the Government of Malaysia ("Government"), represented by the Ministry of Higher Education ("MOHE") and University Teknologi MARA ("UiTM") in 2010. Under the CA-Z1P2, TVSB was granted a 23-year concession to undertake the planning, design, financing, development, construction, landscaping, equipping, installation, completion, testing, commissioning and maintenance of specified facilities and infrastructure for Z1P2 of UiTM Puncak Alam Campus. The specified facilities and infrastructure include academic facilities for three faculties, namely the Faculty of Accountancy, Faculty of Business Administration and Faculty of Hotel and Tourism Management, common facilities, student accommodation, multipurpose hall, maintenance centre, prayer hall, library, student centre, cafeteria and health centre.

The construction works for Z1P2 of UiTM Puncak Alam Campus commenced in 2011 and was completed in April 2014.

The Group, commenced the facilities management services for a period of 20 years from 2014 to 2034.

(b) Concession Agreement UiTM-Zone 1 Phase 3, Puncak Alam Campus ("CA-Z1P3")

The Company's sub-subsidiary, TR1plc Medical Sdn. Bhd. ("TMSB") was awarded a concession to undertake the planning, finance, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure in relation to the Teaching Hospital and Medical Academic Centre at UiTM Puncak Alam Campus and thereafter, to carry out the asset management services of the facilities and infrastructure in accordance with the terms and conditions of the Concession Agreement dated 18 February 2016 entered into between the Government, MOHE, UiTM and TMSB.

The concession is for a period of 25 years and 10 months starting from 11 April 2017; 3 years and 10 months for construction and 22 years for asset management services.

TMSB was granted an extension of time ("EoT No.1") from 10 April 2020 to 10 October 2020 and a further extension of time ("EoT No.2") till 1 February 2021 to complete the CA-Z1P3 construction works. TMSB completed the construction works on time and successfully handed over on 1 February 2021 upon receipt of the Certificate of Acceptance ("COA") by UiTM. Accordingly, the Asset Management Services Period and the payment of the Availability Charges (for the availability of the Facilities and Infrastructure) and Asset Management Services Charges (for the provision of maintenance services and asset replacement programme) of the Concession Agreement had commenced on 1 February 2021 over the next twenty-two (22) years.

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plantation buildings RM'000	Infrastructure RM'000	Plant and machinery RM'000
	← At valuation →				
Group					
Cost/Valuation					
At 1 January 2020	2,550	41,086	11,708	103,328	1,989
Additions	-	-	211	1,377	423
Revaluation	-	2,801	-	-	-
Reclassification	-	-	-	-	-
Disposal	-	-	-	-	-
Written off	-	-	-	-	-
Elimination of accumulated depreciation on revaluation	-	(2,587)	-	-	-
At 31 December 2020	2,550	41,300	11,919	104,705	2,412
Additions	-	-	-	1,322	36
Reclassification	-	-	1,166	660	-
Disposal	-	-	-	-	(1)
Written off	-	-	-	-	-
Transfer to investment properties (Note 5)	-	(13,700)	-	-	-
At 31 December 2021	2,550	27,600	13,085	106,687	2,447
Accumulated depreciation					
At 1 January 2020	-	1,753	928	4,902	731
Charge for the year	-	834	244	2,112	430
Reclassification	-	-	-	-	-
Disposal	-	-	-	-	-
Written off	-	-	-	-	-
Elimination of accumulated depreciation on revaluation	-	(2,587)	-	-	-
At 31 December 2020	-	-	1,172	7,014	1,161
Charge for the year	-	681	254	2,184	284
Reclassification	-	-	-	-	-
Disposal	-	-	-	-	-
Written off	-	-	-	-	-
At 31 December 2021	-	681	1,426	9,198	1,445
Carrying amounts					
At 31 December 2020	2,550	41,300	10,747	97,691	1,251
At 31 December 2021	2,550	26,919	11,659	97,489	1,002

Notes to the Financial Statements

Computers, software and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovations RM'000	Work in progress RM'000	Right-of-use assets RM'000	Total RM'000
At cost						
26,983	5,970	35,067	17,081	1,144	372,078	618,984
161	91	7,001	656	1,260	171	11,351
-	-	-	-	-	2,243	5,044
-	-	178	810	(810)	(178)	-
(32)	-	(1,229)	-	-	(1,197)	(2,458)
(137)	-	(296)	-	-	-	(433)
-	-	-	-	-	(1,567)	(4,154)
26,975	6,061	40,721	18,547	1,594	371,550	628,334
2,199	94	1,276	-	1,641	-	6,568
-	-	737	-	(1,826)	(737)	-
-	-	(2,578)	-	-	-	(2,579)
-	-	(13)	-	-	-	(13)
-	-	-	-	-	(10,040)	(23,740)
29,174	6,155	40,143	18,547	1,409	360,773	608,570
25,613	5,334	29,116	16,492	-	23,159	108,028
647	438	5,023	276	-	6,062	16,066
-	-	3,092	-	-	(3,092)	-
(9)	-	(1,225)	-	-	(932)	(2,166)
(112)	-	(296)	-	-	-	(408)
-	-	-	-	-	(1,567)	(4,154)
26,139	5,772	35,710	16,768	-	23,630	117,366
900	176	2,582	282	-	8,198	15,541
-	-	737	-	-	(737)	-
-	-	(2,340)	-	-	-	(2,340)
-	-	(13)	-	-	-	(13)
27,039	5,948	36,676	17,050	-	31,091	130,554
836	289	5,011	1,779	1,594	347,920	510,968
2,135	207	3,467	1,497	1,409	329,682	478,016

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computers, software and equipment RM'000	Renovations RM'000	Total RM'000
	← At cost →		
Company			
Cost			
At 1 January 2020/31 December 2020	876	1,928	2,804
Additions	23	-	23
At 31 December 2021	899	1,928	2,827
Depreciation			
At 1 January 2020	872	1,928	2,800
Depreciation for the year	3	-	3
At 31 December 2020	875	1,928	2,803
Depreciation for the year	6	-	6
At 31 December 2021	881	1,928	2,809
Carrying amounts			
At 31 December 2020	1	-	1
At 31 December 2021	18	-	18

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

4.1 Right of use assets

	Long-term leasehold land	Plantation land	Leasehold improvement	Plant and machinery	Motor vehicle	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
	At valuation ←	At cost				→	
Group							
Cost/Valuation							
At 1 January 2020	48,365	293,144	5,160	1,740	23,669	372,078	
Additions	-	-	-	-	171	171	
Revaluation	2,243	-	-	-	-	2,243	
Reclassification	-	-	-	-	(178)	(178)	
Disposal	-	-	-	-	(1,197)	(1,197)	
Elimination of accumulated depreciation on revaluation	(1,567)	-	-	-	-	(1,567)	
At 31 December 2020	49,041	293,144	5,160	1,740	22,465	371,550	
Reclassification	-	-	-	-	(737)	(737)	
Transfer to investment properties	(10,040)	-	-	-	-	(10,040)	
At 31 December 2021	39,001	293,144	5,160	1,740	21,728	360,773	
Accumulated depreciation							
At 1 January 2020	1,025	8,522	1,546	174	11,892	23,159	
Charge for the year	542	3,448	516	-	1,556	6,062	
Reclassification	-	-	-	-	(3,092)	(3,092)	
Disposal	-	-	-	-	(932)	(932)	
Elimination of accumulated depreciation on revaluation	(1,567)	-	-	-	-	(1,567)	
At 31 December 2020	-	11,970	2,062	174	9,424	23,630	
Charge for the year	414	3,448	502	174	3,660	8,198	
Reclassification	-	-	-	-	(737)	(737)	
At 31 December 2021	414	15,418	2,564	348	12,347	31,091	
Carrying amounts							
At 31 December 2020	49,041	281,174	3,098	1,566	13,041	347,920	
At 31 December 2021	38,587	277,726	2,596	1,392	9,381	329,682	

4.2 Breakdown of depreciation charge for the year, are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Recognised in profit or loss	13,761	15,189	6	3
Capitalised in bearer biological assets (Note 6.1)	1,780	877	-	-
Depreciation charged for the year	15,541	16,066	6	3

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

4.3 Revaluation of freehold land, leasehold land and buildings

In the previous financial year, the freehold land, leasehold land and buildings were revalued to fair values. Their fair values were arrived at by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair value measurement of the freehold land, leasehold land and buildings was based on the highest and best use, which did not differ from their actual use.

Valuation processes applied by the Group for Level 3 fair value

The following table showed the valuation technique used in the determination of fair values classified within Level 3, as well as the significant unobservable inputs used in the valuation model.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison approach:		
The method involved determining the market value by directly comparing the property under valuation with similar properties, which have been sold, and estimating the fair value from these transactions. This method was based on the principle that the market value of a property would be in line with the market values of similar properties in the same locality as the subject property, the values being indicated through sales transactions of these properties. In arriving at the valuation, the independent professional valuer had made adjustment for factors, which would affect the market value of the investment property including but not limited to location, size, facilities available, market conditions and other factors in order to arrive at a common basis for comparison.	Adjusted market value per square foot.	The estimated fair value would increase/ (decrease) if adjusted market value per square foot were higher/ (lower).

If the leasehold land and buildings were measured using the cost model, the carrying amounts would have been as follows:

	Group	
	2021 RM'000	2020 RM'000
Buildings at 31 December:		
Cost	28,552	31,903
Accumulated depreciation	(5,146)	(6,135)
Carrying amount	23,406	25,768
Right-of-use asset		
Land at 31 December:		
Cost	12,394	17,969
Accumulated depreciation	(2,293)	(3,698)
Carrying amount	10,101	14,271
	33,507	40,039

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

4.4 Security

- (a) As at the end of the reporting period, the carrying amount of the plantation land, plantation buildings and infrastructure of the Group of RM386,874,000 (2020: RM389,612,000) has been charged to secure the banking facilities granted to a sub-subsidiary of the Company as disclosed in Notes 18.2.1(a) to the financial statements.
- (b) As at the end of the reporting period, the carrying amount of the leasehold land and buildings of the Group of RM63,945,000 (2020: RM65,000,000) has been charged to secure the banking facility granted to a subsidiary of the Company as disclosed in Note 18.2.2(b) to the financial statements.

5. INVESTMENT PROPERTIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	818,925	852,297	273,200	305,757
Fair value gain/(loss) recognised during the year	700	(2,227)	-	88
Additional during the year	-	1,500	-	-
Disposal during the year	(7,000)	(32,645)	(7,000)	(32,645)
Subsequent expenditure incurred	15	-	-	-
Transfer from property, plant and equipment (Note 4)	23,740	-	-	-
At 31 December	836,380	818,925	266,200	273,200

Included in the above are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At fair value				
Freehold land	4,825	3,290	-	-
Buildings	39,570	33,590	-	7,000
Long-term leasehold land (Right-of-use assets)	791,985	782,045	266,200	266,200
	836,380	818,925	266,200	273,200

Notes to the Financial Statements

5. INVESTMENT PROPERTIES (CONTINUED)

5.1 Fair value of investment properties

The fair values of the investment properties during the current and previous financial year are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair value measurement of the investment properties is based on the highest and best use, which does not differ from their actual use.

The following table shows the valuation technique used in the determination of fair values, classified within Level 3, as well as the significant unobservable inputs used in the valuation model in the current and previous financial year.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison approach:		
The method involves determining the market value by directly comparing the property under valuation with similar properties which have been sold, and estimating the fair value from these transactions. This method is based on the principle that the market value of a property would be in line with the market values of similar properties in the same locality as the subject property, the values being indicated through sales transactions of these properties. In arriving at the valuation, the independent professional valuer has made adjustment for factors, which would affect the market value of the investment property including but not limited to location, size, facilities available, market conditions and other factors in order to arrive at a common basis for comparison.	Adjusted market value per square foot.	The estimated fair value would increase/ (decrease) if adjusted market value per square foot were higher/ (lower).

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Rental income	718	785	-	38
Direct operating expenses				
- income generating investment properties	(1,435)	(1,040)	-	(76)
- non-income generating investment properties	(663)	(364)	(287)	(124)

5.3 Security

- As at the end of the reporting period, certain parcels of leasehold land of a wholly-owned sub-subsidiary of the Company, Suasa Integrasi Sdn. Bhd. ("SISB"), with a fair value of RM25,770,000 (2020: RM25,770,000) have been charged as security for bank overdraft facility granted to the Group as disclosed in Note 18.5(a)(i) to the financial statements.
- As at the end of the reporting period, certain parcels of leasehold land of a wholly-owned sub-subsidiary of the Company, Zuriat Watan Sdn. Bhd. ("ZWSB") with a fair value of RM153,900,000 (2020: RM153,900,000) have been charged as security for term loan facility granted to the Group as disclosed in Note 18.1(ii) and Note 18.6(b)(i) to the financial statements.

Notes to the Financial Statements

6. BEARER BIOLOGICAL ASSETS

	Note	Matured area RM'000	Oil palm Immature area RM'000	Total RM'000
Group				
Cost				
At 1 January 2020		267,946	57,982	325,928
Reclassification		32,529	(32,529)	-
Additions	6.1	-	10,098	10,098
At 31 December 2020		300,475	35,551	336,026
Reclassification		2,425	(2,425)	-
Additions	6.1	-	6,128	6,128
At 31 December 2021		302,900	39,254	342,154
Accumulated amortisation				
At 1 January 2020		14,424	-	14,424
Charge for the year		8,973	-	8,973
At 31 December 2020		23,397	-	23,397
Charge for the year		9,046	-	9,046
At 31 December 2021		32,443	-	32,443
Net book value				
At 31 December 2020		277,078	35,551	312,629
At 31 December 2021		270,457	39,254	309,711

6.1 Included in the additions during the year are as follows:

	Note	Group	
		2021 RM'000	2020 RM'000
Finance cost *	23	1,704	1,422
Depreciation of property, plant and equipment	4.2	1,780	877

* Finance cost is capitalised at the borrowing cost rates range within 4.25% to 4.75% (2020: 4.25% to 5.40%) per annum.

6.2 Risk management objectives, policies and processes for managing the bearer biological assets

The Group has obtained borrowings to finance the development expenditures for bearer biological assets (see Note 18.2.1). The bearer biological assets comprise oil palm plants which take three to four years to mature and bear fruits, upon which the bearer biological assets will begin to generate cash inflows from the sale of fresh fruit bunches. The repayments of these borrowings take into consideration the timing of cash inflows to be generated by these bearer biological assets.

The Group is also exposed to risk of market price changes of fresh fruit bunches due to supply and demand changes. The market price risk is monitored by the Group on an ongoing basis.

Notes to the Financial Statements

7. CONCESSION ASSET/(LIABILITY)

	Note	Group	
		2021 RM'000	2020 RM'000
Concession asset	7.1	4,967	5,368
Concession liability	7.2	(100,779)	(105,485)

7.1 Concession asset

The concession asset represents the fair value adjustment on CA-Z1P2 concession pursuant to the acquisition of TRIplc Berhad and its subsidiaries. During the current financial year, a total of RM400,000 (2020: RM400,000) was amortised to profit or loss of the Group. Refer to Note 14.1(a) to the financial statements for details of the concession asset.

7.2 Concession liability

The concession liability represents the fair value adjustment on CA-Z1P3 concession pursuant to the acquisition of TRIplc Berhad and its subsidiaries. During the current financial year, a total of RM4,705,000 (2020: RM4,705,000) was amortised to profit or loss of the Group. Refer to Note 14.1(b) to the financial statements for details of the concession liability.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Cost		
Unquoted shares	1,210,001	1,205,351
Less: Accumulated impairment losses	(319,153)	(318,157)
	890,848	887,194

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name	Principal activities	Effective ownership interest and voting interest	
		2021 %	2020 %
Principal place of business/ Incorporated in Malaysia			
PNMSSB	Provision of management, advisory and consultancy services	100	100
PNCBSB	Construction work, general contracts and related activities	100	100
POG	Investment holding and provision of services for offshore logistics and marine management	100	100
Puncak Seri (M) Sdn. Bhd.*	Dormant	100	100
MESB	Investment holding and oil palm plantation business	100	100
TRIpIc	Investment holding and engaged in property construction and related activities	100	100
PRCSB *	Research and development and technology development for water, wastewater and environment sectors	100	100
Magnum Nature Sdn. Bhd. *	Dormant	100	100
Ideal Water Resources Sdn. Bhd.*	Dormant	100	100
Unggul Raya (M) Sdn. Bhd. *	Dormant	100	100
Aspen Streams Sdn. Bhd.	Dormant	60	60
Puncak Communication Sdn. Bhd. *	Mobile dealer, telecommunication and other related services	100	100
Puncak Patem Konsortium Sdn. Bhd.	Development, construction and management of water supply system, water treatment and other related services	60	-
Principal place of business/ Incorporated in Singapore			
SINO *	Investment holding in water and wastewater projects	98.65	98.65
Principle place of business/ Incorporated in India			
PNIPPL *	Struck off on 28 January 2022	100	100
Principal place of business/ Incorporated in Hong Kong			
Jadekind Ltd *	Development, manufacturing and distribution of supplement product in PRC	50 [^]	50 [^]

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name	Principal activities	Effective ownership interest and voting interest	
		2021 %	2020 %
Principal place of business/ Incorporated in Malaysia			
Subsidiaries of TRIpIc			
TRIpIc Medical Sdn. Bhd.	Concession relates to design, development, construction and completion of the facilities and infrastructure and asset management services activities	100	100
TRIpIc Ventures Sdn. Bhd.	Concession relates to design, development, construction and completion of the facilities and infrastructure and maintenance works activities	100	100
TRIpIc Resources Sdn. Bhd.	Property construction and related activities	100	100
TRIpIc FMS Sdn. Bhd.	Provision of facilities management services and related activities	100	100
Central Challenger (M) Sdn. Bhd.	Property development, provision of project management services and property management	100	100
TRIpIc Industries Sdn. Bhd.	Property construction and related activities	100	100
Prinsip Barisan (M) Sdn. Bhd.	Property investment	100	100
Insa Alliance Sdn. Bhd.	Property development and provision of project management services	100	100
Zuriat Watan Sdn. Bhd.	Property development	100	100
Samasys Sdn. Bhd. *	Property development	100	100
Layar Kekal (M) Sdn. Bhd. *	Property development	100	100
Tirai Gemilang Sdn. Bhd. *	Property development	100	100
Usahasewa Sdn. Bhd. *	Property development	100	100
Suasa Integrasi (M) Sdn. Bhd. *	Property development	100	100
PBSB	To raise fund and/or to issue debentures and/or Islamic securities for and in connection with TRIpIc Group	100	100
Subsidiaries of POG			
GOM Resources	Ceased operations	100	100
KGL	Ceased operations	100	100
Subsidiaries of MESB			
DSSB	Investment holding and oil palm plantation business	90	90

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name	Principal activities	Effective ownership interest and voting interest	
		2021 %	2020 %
Principal place of business/ Incorporated in Malaysia (continued)			
Subsidiary of DSSB			
Danum Sinar	Oil palm plantation business	100	100
Subsidiary of Danum Sinar			
Aneka Suriamas Sdn. Bhd.*	Operate the grocery stores in the plantation estates	100	100

* Audited by firms other than Grant Thornton Malaysia PLT.

^ Although the Group owns only half of the ownership interest in Jadekind Ltd, the Directors have determined that the Group controls this entity.

8.1 Increase in investment of subsidiaries

During the financial year, the Company:

- (a) acquired 150,000 ordinary shares, representing 60% equity interest in Puncak Patem Konsortium Sdn. Bhd. ("PPKSB") for a total consideration of RM150,000.
- (b) subscribed Musharakah Redeemable Preference Shares of RM4,500,000 ("Preference B") in MESB with cash payment of RM4,500,000. The additional capital injection into MESB was used by MESB for the subscription of Class A Musharakah Cumulative Convertible Redeemable Preference Shares ("Musharakah CCRPS-A") of RM4,500,000 ("Preference A") in DSSB. In turn, DSSB subscribed Musharakah Redeemable Preference Shares ("Preference B") of RM4,500,000 in Danum Sinar.

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

8.2 Striking off of a subsidiary

During the financial year, Puncak Niaga Infrastructures & Projects Private Limited ("PNIPPL") a wholly-owned subsidiary of the Company, had on 28 July 2021 submitted an application to strike off the name of PNIPPL from the Register of Companies in India pursuant to Section 248 of the Indian Companies Act, 2013 ("Striking Off").

On 28 January 2022, PNIPPL received the Notice of Striking Off and Dissolution pursuant to Sub-Section (5) of Section 248 of the Indian Companies Act, 2013 dated 28 January 2022 from the Register of Companies in India for the Striking Off of PNIPPL. Accordingly, PNIPPL ceased to be a subsidiary of the Company on 28 January 2022.

8.3 Impairment loss on investment in subsidiaries

During the financial year, at Company level, the impairment loss amounting to RM996,000 (2020: RM383,000) was mainly attributable to a subsidiary that is in the other segment.

The impairment loss recognised in the investment in subsidiaries was due to irrecoverable cost of the investment.

The movement in the allowance for impairment in respect of the subsidiaries' loans and advances during the year is as follows:

	Impairment loss allowance RM'000
Balance at 1 January 2020	317,774
Net remeasurement of loss allowance	383
Balance at 31 December 2020	318,157
Net remeasurement of loss allowance	996
Balance at 31 December 2021	319,153

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

8.4 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material NCI are as follows:

	2021		
	DSSB RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	10%		
Carrying amount of NCI	32,132	(4,197)	27,935
Loss allocated to NCI	(2,459)	323	(2,136)
Summarised financial information before intra-group elimination			
As at 31 December 2021			
Non-current assets	709,216		
Current assets	18,870		
Non-current liabilities	(238,808)		
Current liabilities	(167,955)		
Net assets	321,323		
Year ended 31 December 2021			
Revenue	41,235		
Loss and comprehensive expense for the year	(24,589)		
Cash flows used in operating activities	(9,981)		
Cash flows used in investing activities	(6,354)		
Cash flows from financing activities	14,509		
Net decrease in cash and cash equivalents	(1,826)		

Notes to the Financial Statements

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

8.4 Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material NCI are as follows (continued):

	2020		
	DSSB RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	10%		
Carrying amount of NCI	34,141	(4,170)	29,971
Loss allocated to NCI	(3,682)	(74)	(3,756)

Summarised financial information before intra-group elimination

As at 31 December 2020

Non-current assets	719,935
Current assets	21,571
Non-current liabilities	(238,107)
Current liabilities	(161,988)
Net assets	341,411

Year ended 31 December 2020

Revenue	27,083
Loss and comprehensive expense for the year	(36,823)
Cash flows used in operating activities	(20,217)
Cash flows used in investing activities	(13,188)
Cash flows from financing activities	31,937
Net decrease in cash and cash equivalents	(1,468)

(a) Increase in share capital of PPKSB

During the financial year, the minority shareholder, Patem Holding Sdn. Bhd. had acquired 100,000 ordinary shares, representing 40% equity interest in PPKSB for a total cash consideration of RM100,000.

Notes to the Financial Statements

9. INVESTMENT IN ASSOCIATE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Advances to associate	26	23	26	23
Share of post-acquisition reserves	(14)	(13)	-	-
	12	10	26	23

Name	Principal activities	Effective ownership interest and voting interest	
		2021 %	2020 %
Principal place of business/ Incorporated in Malaysia			
Purnama Persada Sdn. Bhd.*	Dormant	50	50

* Audited by firms other than Grant Thornton Malaysia PLT.

The summarised financial information of the Group's associate is not presented due to not material to the Group.

Notes to the Financial Statements

10. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group						
Property, plant and equipment	-	-	(87,301)	(92,254)	(87,301)	(92,254)
Bearer biological assets	-	-	(75,316)	(74,901)	(75,316)	(74,901)
Investment properties	-	-	(58,256)	(53,773)	(58,256)	(53,773)
Trade receivables	-	-	(26,003)	(26,003)	(26,003)	(26,003)
Unutilised tax losses	10,818	19,718	-	-	10,818	19,718
Unabsorbed capital allowances	300	5	-	-	300	5
Unabsorbed agriculture allowances	55,411	51,947	-	-	55,411	51,947
Concession asset/(liability)	23,595	25,316	(607)	(1,288)	22,988	24,028
Other temporary differences	25,776	7,724	(60)	(59)	25,716	7,665
Net tax assets/(liabilities)	115,900	104,710	(247,543)	(248,278)	(131,643)	(143,568)
Company						
Investment properties	-	-	(20,184)	(20,292)	(20,184)	(20,292)
Net tax liabilities	-	-	(20,184)	(20,292)	(20,184)	(20,292)

Notes to the Financial Statements

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following items (stated at net):

	Group	
	2021 RM'000	2020 RM'000
Unabsorbed tax losses	174,869	171,256
Unabsorbed capital allowances	3,493	3,130
Other temporary differences	(624)	1,585
	177,738	175,971

The comparative figures of the Group have been revised to reflect the previous year's final tax submission.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the time frame to carry forward current year tax losses for Year of Assessment ("YA") 2019 and subsequent years of assessment has been extended from 7 to 10 consecutive years of assessment. Unabsorbed tax losses accumulated up to the year of assessment 2018 can now be carried forward for 10 consecutive years of assessment until the year of assessment 2028.

The unabsorbed tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidance issued by the tax authority as follows (net of tax):

	Group	
	2021 RM'000	2020 RM'000
Utilisation period		
Indefinite	2,869	4,715
Within 10 years from unabsorbed tax losses	174,869	171,256
	177,738	175,971

11. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000
Cost		
Stores and consumables	3,836	3,432
Others	444	869
	4,280	4,301

During the year, the amount of inventories recognised in the profit or loss of the Group was RM8,137,000 (2020: RM6,974,000) and is included in raw materials, consumables and maintenance in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

12. FRESH FRUIT BUNCHES

12.1 Fair value of fresh fruit bunches

	Group	
	2021 RM'000	2020 RM'000
Fair value less cost to sell		
Fresh fruit bunches	5,811	5,549

The following table shows the valuation technique used in the determination of fair values, classified within Level 3, as well as significant unobservable inputs used in the valuation model.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach:		
The method involves forecasting the income to be generated by the fresh fruit bunches on the trees at year end by using 4 months projected sales less cost of harvesting and collection to estimate the fresh fruit bunches on the trees as the black bunches normally require 4 to 5 months to reach maturity. In arriving at the valuation, a transformation growth factor was included.	Maturity period of the fresh fruit bunches and transformation growth factor.	The estimated fair value would increase/ (decrease) if: (a) the fresh fruit bunches take (shorter)/longer time to reach maturity. (b) the transformation growth factor is higher/ (lower).

The following table shows a reconciliation of the fair value of fresh fruit bunches:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	5,549	4,015
Change in fair value recognised in profit or loss	262	1,534
At 31 December	5,811	5,549

During the financial year, the Company harvested approximately 49,952 MT (2020: 52,569 MT). The quantity of unharvested fresh fruit bunches ("FFB") of the Company as at 31 December 2021 included in the fair valuation of unharvested FFB was 16,800 MT (2020: 21,200 MT).

If the FFB selling price changes by 5%, profit or loss for the Company would have equally increased or decreased by approximately RM291,000 (2020: RM278,000).

Notes to the Financial Statements

13. CONTRACT BALANCES

	Group	
	2021 RM'000	2020 RM'000
Contract assets	727	9,623
Contract liabilities	(4,153)	(1,324)

13.1 Contract assets/(liabilities)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

The contract liabilities primarily relate to the advance consideration received from a customer for construction contract, which the revenue is recognised over time during the construction period.

14. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Trade					
Receivables from concession customer	14.1	835,726	827,170	-	-
Non-trade					
Prepayments	14.2	23,487	25,770 [^]	-	-
		23,487	25,770	-	-
		859,213	852,940 [^]	-	-
Current					
Trade					
Trade receivables	14.3	43,831	21,743	-	-
Receivables from concession customer	14.1	79,343	49,919	-	-
Advances to subcontractors	14.4	4,796	4,796	-	-
		127,970	76,458	-	-
Non-trade					
Amounts due from subsidiaries	14.5	-	-	180,170	165,233
Prepayments	14.2	38,183	49,919 [^]	22	25
Other receivables		27,225	22,814	593	486
Deposits	14.6	16,368	15,207	10	10
		81,776	87,940	180,795	165,754
		209,746	164,398 [^]	180,795	165,754
		1,068,959	1,017,338	180,795	165,754

[^] The comparative figures have been restated as disclosed in Note 36 to the financial statements.

Notes to the Financial Statements

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

14.1 Receivables from concession customer

(a) Concession Agreement (“CA-Z1P2”)

On 4 May 2010, TRIpIc Ventures Sdn. Bhd. (“TVSB”), a wholly-owned sub-subsiary of the Company executed a CA-Z1P2 with the Government of Malaysia and UiTM for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the Facilities and Infrastructure of UiTM Puncak Alam Campus and to carry out the maintenance works in relation to the maintenance of the Facilities and Infrastructure (collectively referred to as the “Concession”) as disclosed in Note 3(a) to the financial statements.

The principal terms of the CA-Z1P2 are as follows:

- (i) the Concession Period shall be for a period of twenty three (23) years commencing from the Construction Commencement Date or Effective Date whichever is later and ending on twenty third (23rd) anniversary of the date. The commencement date of the construction was 11 April 2011.
- (ii) the maintenance works will commence upon the issuance of Certificate of Acceptance by UiTM and expire on the last date of the Concession Period (“Maintenance Period”).

The construction was completed and the Certificate of Acceptance was issued by UiTM on 11 April 2014. The issuance of Certificate of Acceptance was to confirm the acceptance of the availability of Facilities and Infrastructure by UiTM and to confirm the commencement of the Maintenance Period was from 11 April 2014.

UiTM shall pay TVSB throughout the Maintenance Period the following charges:

- (i) Availability Charges for the availability of the Facilities and Infrastructure; and
- (ii) Maintenance Charges for the provision of maintenance works in accordance with the provision of the Concession Agreement.

The receivables from the concession customer of CA-Z1P2 are pledged to Danajamin Nasional Berhad (“Danajamin”) and Junior Note as disclosed in Note 18.3 to the financial statements.

The Group, through another wholly-owned sub-subsiary commenced with the facilities management services for a period of 20 years from 2014 to 2034.

(b) Concession Agreement (“CA-Z1P3”)

On 18 February 2016, TRIpIc Medical Sdn. Bhd. (“TMSB”), a wholly-owned sub-subsiary of the Company executed the CA-Z1P3 with the Government of Malaysia and UiTM for the rights and authority to undertake the planning, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the Facilities and Infrastructure in relation to the Teaching Hospital and Medical Academic Centre at UiTM Puncak Alam Campus and thereafter to carry out the asset management services of the Facilities and Infrastructure (collectively referred to as the “Concession”) as disclosed in Note 3(b) to the financial statements.

Notes to the Financial Statements

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

14.1 Receivables from concession customer (continued)

(b) Concession Agreement ("CA-Z1P3") (continued)

The principal terms of the CA-Z1P3 are as follows:

- (i) the concession granted is for a period of twenty five (25) years and 10 months ("Concession Period") which consists of three (3) years and 10 months for construction works and twenty two (22) years for asset management services. The commencement date of the construction was 11 April 2017;
- (ii) the asset management services had commenced on 1 February 2021 upon completion of the construction works and expiring on the last date of the Concession Period ("Asset Management Services Period");
- (iii) throughout the Asset Management Services Period, UiTM shall pay TMSB the Availability Charges for the availability of the Facilities and Infrastructure and the Asset Management Services Charges for the provision of maintenance services and asset replacement programme; and
- (iv) On 22 May 2020, TMSB was granted an extension of time ("EoT No.1") from 10 April 2020 to 10 October 2020 and on 6 October 2020, a further extension of time ("EoT No.2") till 1 February 2021 to complete the CA-Z1P3 construction works. TMSB completed the construction works on time and successfully handed over UiTMZ1P3 on 1 February 2021 upon receipt of the Certificate of Acceptance ("COA") by UiTM.

The receivables from the concession customer of CA-Z1P3 are pledged to the Security Trustee for the Al-Kafalah Facility, Senior Sukuk Murabahah and Junior Sukuk Murabahah granted to TMSB as disclosed in Note 18.4(e)(v) to the financial statements as part of the assignment of the Concession Agreement.

14.2 Prepayments

- (a) Included in prepayments of the Group is prepaid guarantee premium fees of RM2,024,000 (2020: RM3,028,000) in respect of the Medium Term Notes, prepaid guarantee premium fees and prepaid interest expense of RM5,812,000 (2020: RM19,469,000) and RM41,701,000 (2020: RM44,946,000) respectively in respect of the Senior Sukuk Murabahah.
- (b) Included in prepayment of the Group is prepaid interest expense of RM5,409,000 (2020: RM6,285,000) paid on the redemption of Junior Term Note issued by TVSB.

14.3 Trade receivables

Trade receivables are non-interest bearing and are generally on a range of 30 to 90 days (2020: 30 to 90 days) terms. Credit terms are assessed and approved on a case-by-case basis.

14.4 Advances to subcontractors

Advances are paid to subcontractors upon request by subcontractors, as per contract. Advances are non-interest bearing and are recouped progressively and proportionately from subsequent progress billings from the subcontractors upon supply of the works attaining a certain percentage of the contract sum.

Notes to the Financial Statements

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

14.5 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and repayable on demand. During the current financial year, the interest charged to these amounts ranged from 1.98% - 2.27% per annum (2020: 2.18% - 3.34% per annum).

The increase in impairment loss of RM58,000 during the financial year of the Company is mainly arising from advances to PNMSB while in the previous financial year, the net reversal of impairment loss of RM7,433,000 was mainly arising from repayment from PNCSB to the Company. Refer to Note 30.4.5 to the financial statements.

14.6 Deposits

Included in deposits of the Group are deposits paid to various regulatory authorities in regards to the on-going construction project of RM7,109,000 (2020: RM7,199,000) and deposits of the net adjudicated amount of RM6,315,000 (2020: RM6,315,000) which is currently held by the solicitor of Genbina and its receiver cum co-plaintiff, namely Malaysia Debt Ventures Berhad ("MDV") in regards to the notice of adjudication as disclosed in Note 35(IV) to the financial statements.

15. SHORT-TERM INVESTMENTS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term investments	15.1	11,037	23,974	10,157	21,782
Fixed deposits placed with licensed banks	15.2	83,970	99,183	-	-
		95,007	123,157	10,157	21,782

15.1 Short-term investments

Short-term investments represent unit trust and cash fund placements in financial institutions and are categorised as financial assets at fair value through profit or loss.

15.2 Fixed deposits placed with licensed banks

The fixed deposits placed with licensed banks have maturity of more than three (3) months and are measured at amortised cost.

Included in the Group's short-term investments are restricted monies amounting to RM2,824,000 (2020: RM1,396,000) held under the Revenue Accounts, MTN Debt Service Reserve Account and Junior Note Debt Service Reserve Account, representing securities assigned and charged with Security Agent for the Financial Guarantee Insurance ("FGI"), Medium Term Notes and Junior Notes as disclosed in Note 18.3.1(d)(vii) to the financial statements.

Included in the Group's short-term investments are restricted monies amounting to RM74,863,000 (2020: RM65,142,000) held under Disbursement Account, Revenue Account, Senior Sukuk Finance Service Reserve Account, Senior Sukuk TRA and Junior Sukuk TRA. The Disbursement Account, Revenue Account and Senior Sukuk Finance Service Reserve Account are securities pledged, assigned and charged with Security Agent, licensed banks and/or licensed financial institutions for Al-Kafalah Facility, Senior Sukuk Murabahah, Term Loan Facility and Junior Sukuk Murabahah as disclosed in Note 18.4(e)(ii),(iii) and (iv) to the financial statements.

Notes to the Financial Statements

15. SHORT-TERM INVESTMENTS (CONTINUED)

15.2 Fixed deposits placed with licensed banks (continued)

Included in the Group's short-term investments are restricted monies amounting to RM5,987,000 (2020: RM32,355,000) held under the Proceeds Accounts, Debt Service Reserve Account ("DSRA"), Liquidity Reserve Account ("LRA") and Trustee Reimbursement Account ("TRA"). The Proceeds Accounts, DSRA and LRA are securities assigned and charged with Security Trustee for the Medium Term Notes as disclosed in Note 18.3.2(d)(iv) to the financial statements.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits with licensed banks	126,079	190,531	44,487	63,614
Cash and bank balances	117,204	114,248	13,257	6,097
	243,283	304,779	57,744	69,711

- (a) Included in the cash and cash equivalents of the Group is an amount of RM525,000 (2020: RM638,000) held under the Group's Designated Accounts pledge to a Security Agent as securities for the repayment of the total secured amount for the term loan facility as disclosed in Note 18.1 to the financial statements.
- (b) Included in the cash and cash equivalents of the Group is an amount of RM37,999,000 (2020: RM13,248,000) held under the Group's Proceed Accounts, DSRA, TRA and LRA. The Group's Proceed Account, DSRA and LRA are pledged with a licensed financial institution as disclosed in Note 18.3.2(d)(iv) to the financial statements.
- (c) Included in cash and cash equivalents of the Group is an amount of RM2,369,000 (2020: RM2,365,000) held under the Group's Escrow Account pledged with a licensed bank to secure the loan facilities as disclosed in Note 18.2.1(c) to the financial statements.
- (d) Included in the cash and cash equivalents of the Group is an amount of RM18,816,000 (2020: RM19,044,000) held under the Group's Revenue Account, Operating Account and MTN Debt Service Reserve Account ("DSRA") ("Designated Accounts"). The Group has assigned and charged to the Security Agent all its rights, title, interest, and benefits in and under the Designated Accounts as securities for the repayment of the total secured amount for the Financial Guarantee Insurance ("FGI") Facility and Junior Note. The repayment shall rank in the order of priority as disclosed in Note 18.3.1(d)(viii) to the financial statements.
- (e) Included in the cash and cash equivalents of the Group is an amount of RM16,000 (2020: RM16,000) held under the Junior Note DSRA ("JN DSRA"). The Group has assigned and charged to the Security Agent all its rights, title, interest and benefits in and under the JN DSRA as security for the payment of the outstanding under the Junior Note.
- (f) Included in the cash and cash equivalents is an amount of RM68,145,000 (2020: RM95,842,000) held under the Group's Disbursement Account, Revenue Account, Operating Account, Senior Sukuk Finance Service Reserve Account ("Senior Sukuk FSRA"), Junior Sukuk Finance Service Reserve Account ("Junior Sukuk FSRA"), Senior Sukuk TRA and Junior Sukuk TRA. The Group's Disbursement Account, Revenue Account, Operating Account, Senior Sukuk FSRA and Junior Sukuk FSRA are pledged, assigned and charged to the Security Trustee all its rights, title, interest and benefits under these accounts as disclosed in Note 18.4(e)(ii),(iii) and (iv) to the financial statements.

Notes to the Financial Statements

17. CAPITAL AND RESERVES

17.1 Share capital

	Group and Company			
	2021		2020	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Ordinary shares, issued and fully paid with no par value: At 1 January/31 December	554,663	449,285	554,663	449,285

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 (Note 17.2), all rights are suspended until those shares are reissued.

17.2 Treasury shares

Treasury shares comprise solely the ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. There was no repurchase of issued share capital in the current financial year.

As at 31 December 2021, the Company held 2,036,800 (2020: 2,036,800) of the Company's ordinary shares as treasury shares, amounting to RM5,941,000 (2020: RM5,941,000).

17.3 Foreign currency translation reserve

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

Notes to the Financial Statements

17. CAPITAL AND RESERVES (CONTINUED)

17.4 Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment and also for those properties reclassified from property, plant and equipment to investment properties. Details of the revaluation reserve are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January, gross	128,132	138,152	2,513	17,162
Add:				
Revaluation surplus of land and buildings, recognised in other comprehensive income	-	5,044	-	-
Less:				
Realisation of revaluation arising from disposal of assets	(1,923)	(15,064)	(2,513)	(14,649)
At 31 December, gross	126,209	128,132	-	2,513
At 1 January, deferred tax	(13,819)	(12,621)	(857)	(857)
Less:				
Recognised in other comprehensive income for revaluation surplus of land and buildings	-	(1,210)	-	-
Add:				
Realisation of deferred tax arising from disposal of assets	-	12	857	-
At 31 December, deferred tax	(13,819)	(13,819)	-	(857)
At 31 December, net	112,390	114,313	-	1,656

17.5 Other reserve

Other reserve represents the premium paid on the acquisition of the non-controlling interests in KGL and GOM Resources respectively.

Notes to the Financial Statements

18. LOANS AND BORROWINGS

	Note	Group	
		2021 RM'000	2020 RM'000
Non-current			
Term loan	18.1	12,252	18,502
Tawarruq term loan	18.2	128,483	122,733
Medium Term Notes	18.3	266,726	291,080
Senior Sukuk Murabahah	18.4	620,120	617,694
Lease liabilities	30.5	5,550	7,570
		1,033,131	1,057,579
Current			
Term loan	18.1	5,000	3,750
Tawarruq term loan	18.2	2,400	8,650
Medium Term Notes	18.3	24,627	19,557
Bank overdraft	18.5	2,618	2,800
Revolving credit facility	18.2	150,000	149,300
Cashline-I	18.6	12,478	12,478
Lease liabilities	30.5	3,331	4,462
		200,454	200,997
		1,233,585	1,258,576

18.1 Term loan

TRIpIc Berhad has on August 2019 obtained Term loan amount of RM25 million. The purpose of the loan is for TRIpIc Berhad to acquire the Medium Term Notes II totaling RM25 million issued by Pujian Bayu Sdn. Bhd. and was drawdown on September 2019.

The Term loan amount of RM25 million is repayable as follows:

- (i) by 20 quarterly principal instalments of RM1.25 million each. The first (1st) repayment commenced on 1 October 2020 which is the first (1st) day of 13th month following the date of the loan drawdown, or
- (ii) from the proceeds of disposal of the Medium Term Notes II.

The Term loan is secured by:

- (i) first assignment and charge over all the Designated Accounts of TRIpIc Berhad;
- (ii) legal charge over a land of the Group as disclosed in Note 5.3(b) to the financial statements;
- (iii) assignment of the construction profits accruing to TRIpIc Berhad from the construction component of the development of CA-Z1P2 of at least RM5 million; and
- (iv) assignment and charge on Medium Term Notes II of RM25 million issued by Pujian Bayu Sdn. Bhd.

The Term loan bears effective interest at a rate of 5.43% (2020: 5.43%) per annum.

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

18.2 Tawarruq term loan and revolving credit facility

18.2.1 Tawarruq term loan and revolving credit facility I

Tawarruq term loan facility and Tawarruq revolving credit facility were granted to Danum Sinar to refinance its previous banking facilities, for working capital purposes and to finance the expansion of the plantation development activities in Sarawak, Malaysia.

The Tawarruq term loan facility is for a period of 180 months inclusive of twenty four (24) months grace period and subject to a yearly review. The principal repayment commenced on the 25th month end from the date of initial drawdown in November 2017. The profit is payable on a monthly basis at a profit rate of Islamic Cost of Fund plus margin of 1.6% per annum.

The Tawarruq revolving credit facility is for a period of one (1), two (2) or three (3) months and subject to yearly review. The profit is payable at the end of each profit period at profit rate of Islamic Cost of Fund plus margin of 1.6% per annum.

The facilities were secured via the following:

- (a) first charge on plantation land, plantation buildings and infrastructure as disclosed in Note 4.4(a) to the financial statements;
- (b) debenture over present and future assets of Danum Sinar;
- (c) charge and assignment over a designated Escrow Account; and
- (d) undertaking letter from PNHB to finance any cash flow deficiency in Danum Sinar and to top up any shortfall in the Minimum Required Balance in the Escrow Account.

The key financial covenants of the facilities are as follows:

- (a) Danum Sinar shall maintain a minimum Finance Service Coverage Ratio ("FSCR") of 1.20 times at all times. FSCR shall be computed as the ratio of net operating and investing cash flow and operating cash balance to the annual principal and profit payment obligations;
- (b) Puncak Niaga Group's consolidated net finance to equity ("FE") ratio shall not be more than 1.20 times at all times; and
- (c) no further indebtedness in Danum Sinar, save for hire purchase machinery or equipment financing with total limit up to RM30.0 million only.

18.2.2 Tawarruq revolving credit facility II

The Tawarruq revolving credit facility was granted to Puncak Niaga Construction Sdn. Bhd. for working capital purposes and operating expenses related to the Kuantan Project.

The revolving credit facility is for a period of one (1), two (2) or three (3) months and subject to yearly review. The profit is payable at the end of each profit period at a profit rate of Islamic Cost of Fund plus margin of 1.15% per annum.

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

18.2 Tawarruq term loan and revolving credit facility (continued)

18.2.2 Tawarruq revolving credit facility II (continued)

The facility was secured via the following:

- (a) assignment of all rights, title and interests in the proceeds from the project under a Designated Account maintained with the bank;
- (b) third party first legal charge on leasehold land and buildings as disclosed in Note 4.4(b) to the financial statements;
- (c) a charge over the Designated Account maintained by the Main Contractor of the project with the bank; and
- (d) corporate guarantee by PNHB.

18.3 Medium Term Notes

	Group	
	2021 RM'000	2020 RM'000
Medium Term Notes		
At beginning of the financial year	315,000	335,000
Repayment during the financial year	(20,000)	(20,000)
At end of the financial year	295,000	315,000
Accretion of discount		
At beginning of the financial year	4,363	5,143
Less: Recognised in profit or loss	(716)	(780)
At end of the financial year	3,647	4,363
	291,353	310,637
<i>Represented as:</i>		
Current	24,627	19,557
Non-current	266,726	291,080
	291,353	310,637

18.3.1 Medium Term Notes I

- (a) On 10 October 2011, TVSB issued RM240 million nominal value Medium Term Notes I under a MTN programme for the following purpose:
 - (i) to part finance the construction cost as defined under the Concession Agreement ("CA") executed between TVSB, UiTM and the Government of Malaysia, as represented by MOHE for the design, development, construction of the Facilities and Infrastructure as defined under the CA; and
 - (ii) to finance the payment of coupons under the Medium Term Notes I during the construction period of the said Facilities and Infrastructure and to prefund the debt service reserve account require under the financial guarantee facility up to such amount equivalent to the minimum required balance.

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

18.3 Medium Term Notes (continued)

18.3.1 Medium Term Notes I (continued)

- (b) The Medium Term Notes I of the Group bears coupon at a rate of 3.00% per annum for the first 3 years of the tenure and at rates ranging from 5.40% to 5.93% per annum for the subsequent years of the tenure.
- (c) The Medium Term Notes I is repayable as follows:
 - (i) repayment of RM20 million instalments each to be made from the fifth year to the tenth year from the issue date;
 - (ii) repayment of RM25 million instalments each to be made from the eleventh to the fourteenth year from the issue date; and
 - (iii) final repayment of RM20 million to be made at the end of the fifteenth year from the issue date.
- (d) Medium Term Notes I is secured by the Financial Guarantee Insurance ("FGI") facility. The FGI facility is secured by:
 - (i) the debenture over present and future assets of TVSB;
 - (ii) assignment of all rights, title, interests and benefits in and under the CA;
 - (iii) assignment of all rights, title, interests and benefits in and under the insurances and the performance bonds;
 - (iv) corporate guarantee from TRlplc Berhad;
 - (v) charge over investment in a sub-subsidiary, TVSB with a carrying amount of RM26,650,000 (2020: RM26,650,000);
 - (vi) undertaking by the Company and TRlplc Berhad;
 - (vii) assignment and charged of all rights, title, interests and benefits in and under the Designated Accounts;
 - (viii) repayment of the secured amount shall rank in the following order of priority:
 - (1) Firstly, Danajamin Nasional Berhad in respect of FGI facility;
 - (2) Secondly, the trustee for the benefit of holders of Junior Notes.
- (e) Significant covenants for the Medium Term Notes I is as follows:
 - (i) debt service cover ratio (annual) of not less than 1.30 times throughout the tenure of the credit facilities of TVSB for the covenant of Medium Term Notes I; and
 - (ii) debt service cover ratio (restricted distribution) of not less than 1.50 times after payment of Junior Notes interest and dividend throughout the tenure of the credit facilities of TVSB for the covenant of Medium Term Notes I.

As at the end of the financial year, the debt service cover ratio for item (i) and (ii) remains not less than 1.30 times and 1.50 times respective

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

18.3 Medium Term Notes (continued)

18.3.2 Medium Term Notes II

- (a) On 31 July 2019, PBSB issued RM200 million nominal value Medium Term Notes II under a MTN programme for the following purpose:
- (i) advance to TRIpIc Berhad as and when required to part finance the construction costs pursuant to the concession agreement dated 18 February 2016 entered between the Government of Malaysia, Universiti Teknologi MARA and TMSB for the planning, design, financing, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure in relation to the Teaching Hospital and Medical Academic Centre in UiTM Puncak Alam Campus ("CA-Z1P3");
 - (ii) advance to TRIpIc Berhad to partially repay the term loan facility to part finance the construction costs of the CA-Z1P3 Project;
 - (iii) purchase RM35 million in nominal value of Junior Notes issued by TVSB;
 - (iv) to finance the payment obligations in respect of the initial pre-fund amount for the purpose of making coupon payments of the Medium Term Notes II and meet the minimum requirement for debt service reserve account and liquidity reserve account; and
 - (v) to pay fees and expenses in connection with the issuance of Medium Term Notes II.
- (b) The Medium Term Notes II of the Group bears coupon at a rate ranging from 6.05% to 6.70% per annum.
- (c) The Medium Term Notes II is repayable as follows:
- (i) repayment of RM60 million instalments to be made for the tenth year from the issue date;
 - (ii) repayment of RM30 million instalments to be made for the eleventh year from the issue date;
 - (iii) repayment of RM25 million instalments to be made from the twelfth to thirteenth year from the issue date; and
 - (iv) final repayment of RM30 million to be made from the fourteenth to fifteenth year from the issue date.
- (d) The Medium Term Notes II is secured by:
- (i) a second ranking charge by TRIpIc Berhad over the entire issued and fully paid up share capital of TVSB ("Share Charge"). Such Share Charge shall rank after the charge over the TVSB Shares given by TRIpIc Berhad in favour of Malaysian Trustees Berhad as Security Agent in respect of the TVSB Medium Term Notes I and Junior Notes;
 - (ii) an assignment by TRIpIc Berhad over all dividends declared or to be declared by TVSB from time to time;
 - (iii) a charge by PBSB over the rights, interest, title and benefits under the Junior Notes of RM35 million in nominal value issued by TVSB as disclosed in Note 18.3.1(e);
 - (iv) an assignment and charge by PBSB over the Designated Accounts and the credit balances;
 - (v) a debenture by PBSB by way of a first ranking fixed and floating charge over all the present and future assets, rights and interests of PBSB; and

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

18.3 Medium Term Notes (continued)

18.3.2 Medium Term Notes II (continued)

- (d) The Medium Term Notes II is secured by (continued):
- (vi) an assignment by PBSB over the rights, interests, titles and benefits of the debt receivables from TRIpIc Berhad pursuant to the advance granted to TRIpIc Berhad by PBSB.
- (e) Significant covenants for the Medium Term Notes II is as follows:

PBSB shall maintain a sub-debt service coverage ratio ("Sub-DSCR") of at least 1.20 times throughout the tenure of the Medium Term Notes II.

18.4 Senior Sukuk Murabahah

	Group	
	2021 RM'000	2020 RM'000
At beginning of the financial year	639,000	639,000
Accretion of discount		
At beginning of the financial year	21,306	23,722
Less: Recognised in profit or loss	(2,426)	(2,416)
At end of the financial year	18,880	21,306
At end of the financial year	620,120	617,694

- (a) On 23 October 2017, a wholly-owned sub-subsidiary of the Company, TMSB issued the Senior Sukuk Murabahah of up to RM639 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) with tenure from five (5) years up to eighteen (18) years from the date of issuance for the following purposes:
- (i) to part finance the construction cost of the CA-Z1P3;
- (ii) to finance the payment obligations in respect of the initial pre-fund amount for the Senior Sukuk FSRA for the purpose of making profit payments of the Senior Sukuk Murabahah and guarantee fee payments under the Al-Kafalah Facility; and
- (iii) the balance shall be utilised to pay and/or reimburse the fees and expenses incidental to CA-Z1P3.
- (b) The Senior Sukuk Murabahah bears coupon at profit rates ranging from 4.75% to 5.90% per annum.
- (c) The Senior Sukuk Murabahah was guaranteed by both guarantors, Danajamin Nasional Berhad and Bank Pembangunan Malaysia Berhad ("Al-Kafalah Providers") for a period of forty eight (48) months from the date of issuance of Senior Murabahah or upon issuance of the Certificate of Acceptance ("Al-Kafalah Period"), whichever is earlier.

The guarantee fee is charged at 1.75% per annum for the first three (3) years and 2.00% for the fourth (4th) year.

The Al-Kafalah Facilities and Al-Kafalah policy was cancelled effective 1 February 2021 upon issuance of the Certificate of Acceptance by UiTM.

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

18.4 Senior Sukuk Murabahah (continued)

- (d) The Senior Sukuk Murabahah is repayable as follows:
- (i) repayment of RM40 million instalments each to be made from the fifth year to the ninth year from the issue date;
 - (ii) repayment of RM44 million instalment to be made for the tenth year from the issue date;
 - (iii) repayment of RM45 million instalment to be made for the eleventh year from the issue date; and
 - (iv) repayment of RM50 million instalments each to be made from the twelfth year to the eighteenth year from the issue date.
- (e) TMSB has executed the following security documents being securities for the Senior Sukuk Murabahah and Term loan:
- (i) the debenture by TMSB;
 - (ii) the assignment and charge over Disbursement Account, Revenue Account and Operating Account;
 - (iii) the assignment and charge over Senior Sukuk FSRA;
 - (iv) the assignment and charge over Junior Sukuk FSRA;
 - (v) the assignment of CA-Z1P3;
 - (vi) the assignment of performance bonds and completion guarantee;
 - (vii) the assignment of Project Documents;
 - (viii) the assignment of takaful/insurances;
 - (ix) the fixed charge over the shares of TMSB;
- (f) The rights of the above security documents and any proceeds of realisation thereof as stated in the Priority and Security Sharing Agreement ("PSSA") shall now rank as follows:
- (i) Firstly, the Senior Sukuk Trustee on behalf of the Senior Sukuk holders; and
 - (ii) Secondly, Hong Leong Bank Berhad to secure the Term loan of up to RM105,000,000 granted to TRIPIC Berhad as disclosed in Note 18.1 to the financial statements; and
 - (iii) Thirdly, the Junior Sukuk Trustee on behalf of the Junior Sukuk holders.

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

18.4 Senior Sukuk Murabahah (continued)

- (g) Significant financial covenants for the Senior Sukuk Murabahah and Junior Sukuk Murabahah are as follows:
- (i) finance service cover ratio of at least 1.65 times during the Asset Management Services Period; and
 - (ii) permitted distribution finance service cover ratio of at least 1.65 times following any distribution made after the permitted distribution conditions are met.

18.5 Bank overdraft

- (a) Bank overdraft of TRIpIc Berhad, a wholly-owned subsidiary of the Company is secured by:
- (i) a third party first legal charge over a leasehold land as disclosed in Note 5.3(a) to the financial statements; and
 - (ii) pledged of first party fixed deposit of RM296,000 (2020: RM290,000).
- (b) Bank overdraft of the Group bears interest at a rate of 6.57% (2020: 6.57%) per annum.

18.6 Cashline-I facility

- (a) TRIpIc Berhad, a wholly-owned subsidiary of the Company obtained the approval from the lender for a Cashline-I facility of RM12.5 million to finance the partial repayment of Term loan. The RM12.5 million was drawdown on 4 December 2019.
- (b) The Cashline-I Facility bears effective interest at a rate of 6.39% (2020: 5.43%) per annum.

The facility is secured by:

- (i) 3rd party second land charge over a leasehold land as disclosed in Note 5.3(b) to the financial statements;
- (ii) 1st party second legal charge over all present and future shares of TMSB;
- (iii) the existing Debenture by TMSB shall extend to secure the Cashline-I Facility;
- (iv) 3rd party second legal assignment and charge over the principal Construction Contract of Zone 1 Phase 3 Project ("CA-Z1P3");
- (v) 3rd party second legal assignment and charge over the construction profit under the Construction Contract of CA-Z1P3;
- (vi) 3rd party second legal assignment and charge over the Designated Accounts of CA-Z1P3;
- (vii) 1st party second charge over existing Designated Escrow Accounts of TRIpIc Berhad;
- (viii) A legal assignment over the rights and interest to the dividends to be declared by TMSB to TRIpIc Berhad, shall be at least RM20 million or sufficient amount to fully settle the facility;
- (ix) A legal assignment and charge over the Escrow Islamic Account and Islamic Current Accounts; and
- (x) A letter of Undertaking from the Company to cover any shortfall and financial obligation of TRIpIc Berhad.

Notes to the Financial Statements

19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Trade					
Trade payable	19.1	-	5,040	-	-
Current					
Trade					
Trade payables	19.2	132,775	157,136	-	-
		132,775	157,136	-	-
Non-trade					
Other payables and accruals	19.3	62,845	53,572	2,115	2,131
Amount due to subsidiaries		-	-	5,753	5,759
		195,620	210,708	7,868	7,890
		195,620	215,748	7,868	7,890

19.1 Non-current trade payable

As at 31 December 2020, non-current trade payable represents an advance from a third party in respect of a construction project in the construction operating segment. This amount is non-interest bearing and it shall be recouped progressively by the client once the project reaches more than 25% completion.

19.2 Current trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 60 days (2020: 30 - 60 days) terms.

19.3 Other payables and accruals

During the current financial year, included in the other payables and accruals are accrued interest expense on Medium Term Notes, accrued interest expense on Junior Note and provision for replacements costs relating to CA-Z1P2 amounting to RM74,000 (2020: RM159,000), RM9,285,000 (2020: RM10,223,000) and RM20,086,000 (2020: RM18,340,000) respectively.

Included in other payables and accruals is an amount owing to a Director of the Company of RM5,306,000 (2020: RM5,306,000). The amount owing to a Director represents advances which are unsecured, interest-free and repayable on demand.

Notes to the Financial Statements

20. PROVISION FOR FORESEEABLE LOSS

	Group	
	2021 RM'000	2020 RM'000
At 1 January	43,962	48,029
Provision utilised during the year	(381)	(4,067)
At 31 December	43,581	43,962

Provision for foreseeable loss of the Group, which arose from a subsidiary, PNCSB was made as the total contract costs of one of its contracts, "Pakej D44 – Pembinaan Rangkaian Paip Pembentungan di Bunus, Kuala Lumpur (Reka dan Bina)" ("D44 Project"), is expected to exceed the total estimated contract revenue as a result of cost increase subsequent to the termination of the previous subcontractor for non-performance and slow work progress.

The provision for foreseeable loss that was utilised during the year reflects the actual work that was realised upon revenue and cost recognition.

21. REVENUE

	Group	
	2021 RM'000	2020 RM'000
Revenue from contracts with customers	352,839	381,855
Other revenue		
- Others	2,164	2,489
	355,003	384,344

Notes to the Financial Statements

21. REVENUE (CONTINUED)

21.1 Disaggregation of revenue

Group	Construction		Plantation		Concession		Other revenue		Total	
	2021 RM'000	2020 RM'000								
Primary geographical markets										
Malaysia	134,735	131,922	41,235	27,083	178,937	225,274	96	65	355,003	384,344
Major products and service lines										
Construction contracts	134,735	131,922	-	-	-	-	-	-	134,735	131,922
CA-Z1P2 – maintenance service	-	-	-	-	42,269	43,653	-	-	42,269	43,653
CA-Z1P3 – asset management services	-	-	-	-	75,102	-	-	-	75,102	-
CA-Z1P3 – construction contracts	-	-	-	-	44,835	14,902	-	-	44,835	14,902
CA-Z1P3 – supply of medical equipment	-	-	-	-	14,678	146,264	-	-	14,678	146,264
CA-Z1P3 – supply of furniture	-	-	-	-	2,053	20,455	-	-	2,053	20,455
Sale of fresh fruits bunches	-	-	39,167	24,659	-	-	-	-	39,167	24,659
Others	-	-	2,068	2,424	-	-	96	65	2,164	2,489
	134,735	131,922	41,235	27,083	178,937	225,274	96	65	355,003	384,344
Timing of recognition										
At a point in time	-	-	41,235	27,083	16,731	166,719	96	65	58,062	193,867
Over time	134,735	131,922	-	-	162,206	58,555	-	-	296,941	190,477
	134,735	131,922	41,235	27,083	178,937	225,274	96	65	355,003	384,344
Revenue from contract with customers										
Other revenue	134,735	131,922	39,167	24,659	178,937	225,274	-	-	352,839	381,855
Total revenue	-	-	2,068	2,424	-	-	96	65	2,164	2,489
	134,735	131,922	41,235	27,083	178,937	225,274	96	65	355,003	384,344

Notes to the Financial Statements

21. REVENUE (CONTINUED)

21.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Construction contract	Revenue is recognised over time using the cost incurred method.	Based on agreed milestones, certified by architects. Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Defect liability period of 2 years is given to the customer.
CA-Z1P2					
1. Construction contract	Revenue is recognised over time using the cost incurred method. The construction of the building and faculties are on land owned by the customer.	A fixed monthly payment will be received after the completion of the construction works. Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	TVSB to make good defects throughout maintenance period.
2. Maintenance service	Revenue is recognised over time when the services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
CA-Z1P3					
1. Construction contract	Revenue is recognised over time using the cost incurred method. The construction of the building and faculties are on land owned by the customer.	A fixed monthly payment will be received after the completion of the construction works. Credit period is of 30 days from invoice date.	Not applicable.	Not applicable.	TMSB to make good defects throughout asset management services period.
2. Supply of medical equipment	Revenue is recognised at a point in time when the goods are delivered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	TMSB to make good defects throughout asset management services period.
3. Supply of furniture	Revenue is recognised at a point in time when the goods are delivered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	TMSB to make good defects throughout asset management services period.
4. Asset management services	Revenue is recognised over time when the services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Sale of fresh fruit bunches	Revenue is recognised at a point in time when the goods are delivered.	Credit period of 15 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

Notes to the Financial Statements

21. REVENUE (CONTINUED)

21.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a direction of more than one year.

	Year	Total RM'000
Construction segment		
- Construction contract	2022	91,978
Concession segment		
- CA-Z1P2 – Availability charges	2022 to 2034	295,509
- CA-Z1P2 – Maintenance service	2022 to 2034	181,626
- CA-Z1P3 – Availability charges	2022 to 2043	857,730
- CA-Z1P3 – Asset management services	2022 to 2043	814,800
		2,241,643

21.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

Construction contract

Significant judgement is involved in determining the costs to completion of the construction contract of the Group as at the reporting date, which has bearing on the computation of the stage of completion and the provision for foreseeable loss as disclosed in Note 20 to the financial statements. The stage of completion requires management to make reasonably dependable estimates of progress towards completion of projects.

These construction works are subject to final approval by respective customers. There is time lag between the final approval and the completion of construction work done by the Group. Hence, the actual costs could only be determined reliably on the completion of contracts, which may result in adjustments to the recognised profit or loss of the contracts.

CA-Z1P2

The Group applied the following approach to allocate the transaction price of the identified performance obligations:

Construction contract	: Expected cost-plus margin approach
Maintenance service	: Residual approach

In applying the above, the Group assumed an appropriate gross profit margin for the construction contract. A change in the gross profit margin will directly affect the transaction price, the amounts allocated to the identified performance obligations and the timing of the revenue recognised.

Upon completion of the construction works, the Group is entitled to fixed payments throughout the tenure of the concession period, as per the concession agreement. The discount rate used for the purpose of computation of the concession revenue comprising revenue from construction contract require significant judgements. A change in the discount rate will directly affect the amount and timing of revenue recognised.

Notes to the Financial Statements

21. REVENUE (CONTINUED)

21.4 Significant judgements and assumptions arising from revenue recognition (continued)

CA-Z1P3

The Group applied the following approach to allocate the transaction price of the identified performance obligations:

Construction contract	: Expected cost-plus margin approach
Supply of medical equipment	: Expected cost-plus margin approach
Supply of furniture	: Expected cost-plus margin approach
Asset management services	: Residual approach

In applying the above, the Group assumed an appropriate gross profit margin for the construction contract, supply of medical equipment and furniture. A change in the gross profit margin will directly affect the transaction price, the amounts allocated to the identified performance obligations and the timing of the revenue recognised.

Upon completion of the construction works, the Group is entitled to fixed payments throughout the tenure of the concession period, as per the concession agreement. The discount rate used for the purpose of computation of the concession revenue comprising revenue from construction contract require significant judgements. A change in the discount rate will directly affect the amount and timing of revenue recognised.

22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries and bonuses	34,892	26,526	1,156	1,234
Defined contribution plan	4,246	3,979	93	110
Other staff related expenses	3,857	4,461	395	611
	42,995	34,966	1,644	1,955

Included in employee benefits expense of the Group is the Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM3,574,000 (2020: RM3,920,000) as further disclosed in Note 28 to the financial statements.

Notes to the Financial Statements

23. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revolving credit interest	6,883	6,048	-	-
Tawarruq term loan interest	5,985	6,221	-	-
Senior Sukuk Murabahah	47,712	16,466	-	-
Term loan	1,106	1,436	-	-
Junior Note interest	-	870	-	-
Medium Term Notes interest	11,243	11,239	-	-
Guarantee fees	6,309	5,395	-	-
Overdraft interest	165	186	-	-
Cashline-I interest	797	848	-	-
Lease liabilities interest	412	435	-	-
Facility fee	398	300	-	-
Bank charges	48	49	9	8
Commitment fees	3	19	-	-
	81,061	49,512	9	8
Recognised in profit or loss	79,357	48,090	9	8
Capitalised in bearer biological assets (Note 6.1)	1,704	1,422	-	-
	81,061	49,512	9	8

Notes to the Financial Statements

24. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax from continuing operations is arrived at:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
After charging:					
Auditors' remunerations	24.1	434	430	83	83
Short-term lease payment for:					
- buildings		696	461	-	-
Lease payment for low-value asset:					
- photocopier machine		290	268	-	-
Impairment loss on investment in subsidiaries	8.2	-	-	996	383
Impairment loss on expected credit loss		574	-	62	-
Loss on disposal of investment properties		759	-	759	-
Property, plant and equipment written off		-	25	-	-
Realised foreign exchange loss (net)		4	156	-	-
Fair value loss on investment properties	5	-	2,315	-	-
and after crediting:					
Gain on disposal of property, plant and equipment		95	220	-	-
Gain on disposal of investment properties		-	3,957	-	3,957
Fair value gain on investment properties	5	700	88	-	88
Net reversal of impairment loss on expected credit loss		-	1,969	-	7,442
Gain on disposal of short-term investment		15	23	-	-
Fair value gain on short-term investment		337	550	337	533
Fair value gain on fresh fruit bunches	12	262	1,534	-	-
Finance income		6,093	12,074	985	1,531
Finance income charged on amount due from subsidiaries		-	-	6,321	8,054
Unrealised foreign exchange gain (net)		7	10	44	7
Amortisation of concession assets and liabilities	7	4,305	4,305	-	-
Reversal of foreseeable loss	20	381	4,067	-	-

Notes to the Financial Statements

24. (LOSS)/PROFIT BEFORE TAX (CONTINUED)

24.1 Auditors' remunerations

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Grant Thornton Malaysia PLT				
- Statutory audit	311	308	60	60
- Other non-audit services	18	17	12	12
Other auditors				
- Statutory audit	87	83	6	6
- Other non-audit services	18	22	5	5
	434	430	83	83

25. TAX CREDIT

Recognised in profit or loss

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Total income tax credit	(3,885)	(12,479)	(108)	(2,162)
Major components of income tax expense include:				
Current income tax				
- Current financial year	7,944	6,106	-	-
- Under/(Over) provision in respect of prior years	96	(3,592)	-	(35)
	8,040	2,514	-	(35)
Deferred income tax (Note 10)				
- Origination and reversal of temporary differences	(17,358)	(6,839)	(108)	(2,127)
- Under/(Over) provision in respect of prior years	5,433	(8,154)	-	-
	(11,925)	(14,993)	(108)	(2,127)
Total income tax credit	(3,885)	(12,479)	(108)	(2,162)

Notes to the Financial Statements

25. TAX CREDIT (CONTINUED)

Reconciliation of tax credit

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(Loss)/Profit before tax	(15,070)	(9,382)	(11,855)	1,914
Taxation at Malaysian statutory tax rate of 24%	(3,617)	(2,252)	(2,845)	459
Income not subject to tax	(43,219)	(13,112)	(188)	(1,114)
Expenses not deductible for tax purposes	35,547	3,679	2,817	655
Under/(Over) provision of current tax expenses in prior years	96	(3,592)	-	(35)
Under/(Over) provision of deferred tax in prior years	5,433	(8,154)	-	-
Movement of deferred tax liabilities/asset arising from disposal of investment properties	108	(2,127)	108	(2,127)
Movement of deferred tax assets not recognised	1,767	13,079	-	-
Income tax credit recognised in profit or loss	(3,885)	(12,479)	(108)	(2,162)

26. OTHER COMPREHENSIVE INCOME/(EXPENSE)

	2021			2020		
	Before tax RM'000	Tax expense RM'000	Net of tax RM'000	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
Items that will not be reclassified subsequently to profit or loss						
Revaluation of land and building, net of tax	-	-	-	5,044	(1,210)	3,834
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations						
- Gain arising during the year	7	-	7	24	-	24
	7	-	7	5,068	(1,210)	3,858

Notes to the Financial Statements

27. (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (loss)/earnings per ordinary share

The calculation of basic loss or earnings per ordinary share for the year ended 31 December 2021 was based on the profit or loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2021	2020
(Loss)/Profit attributable to ordinary shareholders (RM'000)	(9,049)	6,853
Weighted average number of ordinary shares ('000)	447,248	447,248
Basic (loss)/earnings per ordinary share (sen)	(2.02)	1.53

Diluted (loss)/earnings per ordinary share

The calculation of diluted loss or earnings per ordinary share at 31 December 2021 was based on profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The diluted loss or earnings per ordinary share has not been disclosed as it does not have dilutive potential ordinary shares.

28. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive Directors				
Wages, salaries and bonuses	2,101	2,495	229	420
Defined contribution plan	539	605	39	70
Other emoluments	934	820	33	49
Total Executive Directors' remuneration (excluding benefits-in-kind)	3,574	3,920	301	539
Estimated money value of benefits-in-kind	144	178	27	19
Total Executive Directors' remuneration (including benefit-in-kind)	3,718	4,098	328	558
Non-Executive Directors				
Other emoluments	543	447	543	447
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)	543	447	543	447
Estimated money value of benefits-in-kind	14	6	14	6
Total Non-Executive Directors' remuneration (including benefit-in-kind)	557	453	557	453
Total Directors' remuneration (including benefits-in-kind)	4,275	4,551	885	1,011

Notes to the Financial Statements

28. DIRECTORS' REMUNERATION (CONTINUED)

	Group			Company		
	Salaries and/or other emoluments*	Benefits- in-kind	Total	Salaries and/or other emoluments*	Benefits- in-kind	Total
2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors						
Tan Sri Rozali bin Ismail	2,594	102	2,696	-	-	-
Azlan Shah bin Rozali	425	27	452	211	24	235
Dato' Abdul Jalil bin Abdul Karim (Resigned on 28 February 2021)	90	3	93	90	3	93
Faizal bin Othman (Appointed on 28 January 2021 and resigned on 30 September 2021)	465	12	477	-	-	-
	3,574	144	3,718	301	27	328
Non-Executive Directors						
Dato' Sri Adenan bin Ab. Rahman	127	3	130	127	3	130
Prof Emeritus Datuk Dr Marimuthu A/L Nadason	111	3	114	111	3	114
Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj	103	5	108	103	5	108
Noor Faiz bin Hassan	103	-	103	103	-	103
Datuk Sr Haji Johari bin Wahab	99	3	102	99	3	102
	543	14	557	543	14	557
	4,117	158	4,275	844	41	885

* Includes defined contribution plan and meeting allowances

Notes to the Financial Statements

28. DIRECTORS' REMUNERATION (CONTINUED)

	Group			Company		
	Salaries and/or other emoluments*	Benefits-in-kind	Total	Salaries and/or other emoluments*	Benefits-in-kind	Total
2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors						
Tan Sri Rozali bin Ismail	2,594	118	2,712	-	-	-
Azlan Shah bin Rozali	401	27	428	-	-	-
Dato' Abdul Jalil bin Abdul Karim	539	19	558	539	19	558
Dato' Yusof bin Badawi	386	14	400	-	-	-
	3,920	178	4,098	539	19	558
Non-Executive Directors						
Dato' Sri Adenan bin Ab. Rahman	106	1	107	106	1	107
Prof Emeritus Datuk Dr Marimuthu A/L Nadason	106	1	107	106	1	107
Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj	87	2	89	87	2	89
Noor Faiz bin Hassan	21	-	21	21	-	21
Datuk Sr Haji Johari bin Wahab	85	2	87	85	2	87
Dr Haji Badrul Hisham bin Mohd Yusoff	42	-	42	42	-	42
	447	6	453	447	6	453
	4,367	184	4,551	986	25	1,011

* Includes defined contribution plan and meeting allowances

Notes to the Financial Statements

29. OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the continuing operations and discontinued operations in each of the Group's reportable segments:

- Construction Includes construction activities.
- Plantation Includes oil palm plantation activities.
- Concession Includes construction and maintenance related activities relating to the concession agreements between TR1plc, UiTM and the Government.

Other non-reportable segments comprise mainly investment holding and management-related activities.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Board of Directors. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment as included in the internal management reports that are reviewed by the Board of Directors.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and other tangible assets.

Notes to the Financial Statements

29. OPERATING SEGMENTS (CONTINUED)

	Construction		Plantation		Concession		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	134,735	131,922	41,235	27,083	178,937	225,274	354,907	384,279
Finance income	765	800	40	46	3,639	7,540	4,444	8,386
Other income	2	2	267	952	33	102	302	1,056
Fair value gain on fresh fruit bunches	-	-	262	1,534	-	-	262	1,534
Operating expenses	135,502	132,724	41,804	29,615	182,609	232,916	359,915	395,255
Reversal for foreseeable loss	(126,427)	(123,294)	(39,541)	(40,280)	(76,644)	(150,057)	(242,612)	(313,631)
Depreciation and amortisation	381	4,067	-	-	-	-	381	4,067
Segment results	(124)	(281)	(18,921)	(19,098)	(727)	(338)	(19,772)	(19,717)
Finance costs	9,332	13,216	(16,658)	(29,763)	105,238	82,521	97,912	65,974
Profit/(Loss) before tax	(2,821)	(4,085)	(11,414)	(10,911)	(73,527)	(40,194)	(87,762)	(55,190)
	6,511	9,131	(28,072)	(40,674)	31,711	42,327	10,150	10,784
Assets and liabilities								
Segment assets	77,294	113,347	730,929	744,425	1,321,518	1,297,137	2,129,741	2,154,909
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	-	10	10,084	19,271	1,990	981	12,074	20,262
Segment liabilities	(297,304)	(340,295)	(350,783)	(340,700)	(1,113,163)	(1,112,470)	(1,761,250)	(1,793,465)

Notes to the Financial Statements

29. OPERATING SEGMENTS (CONTINUED)

Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items

	2021 RM'000	2020 RM'000
Profit or loss		
Total profit or loss for reportable segments	10,150	10,784
Other non-reportable segments and elimination	(26,323)	(19,035)
Unallocated income/(expenses)	1,103	(1,131)
Loss before tax	(15,070)	(9,382)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance cost RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000	Segment liabilities RM'000
2021							
Total reportable segments	354,907	(19,772)	(87,762)	4,444	2,129,741	12,074	(1,761,250)
Other non-reportable segments	96	(3,035)	2,084	8,375	2,015,586	622	(348,978)
Elimination of inter-segment transactions or balances	-	-	6,321	(6,321)	(1,098,174)	-	532,511
Unallocated assets	-	-	-	-	37,386	-	-
Unallocated liabilities	-	-	-	-	-	-	(170,412)
Consolidated total	355,003	(22,807)	(79,357)	6,498	3,084,539	12,696	(1,748,129)

2020

Total reportable segments	384,279	(19,717)	(55,190)	8,386	2,154,909	20,262	(1,793,465)
Other non-reportable segments	65	(4,445)	(954)	12,321	2,038,552	-	(365,750)
Elimination of inter-segment transactions or balances	-	-	8,054	(8,060)	(1,080,814)	-	534,117
Unallocated assets	-	-	-	-	30,048	-	-
Unallocated liabilities	-	-	-	-	-	-	(170,109)
Consolidated total	384,344	(24,162)	(48,090)	12,647	3,142,695	20,262	(1,795,207)

Notes to the Financial Statements

29. OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers while segment assets are based on the geographical location of the assets. The geographical location of the customers for segment revenue are disclosed in Note 21.1 to the financial statements. The amounts of non-current assets do not include financial instruments (including investment in associate) and deferred tax assets.

Geographical information	Group	
	External revenue RM'000	Non-current assets RM'000
2021		
Malaysia	355,003	1,624,107
2020		
Malaysia	384,344	1,642,522

Major customers

The following are major customers with revenue more than 10% of the Group's total revenue:

	Revenue		Segment
	2021 RM'000	2020 RM'000	
All common control companies of:			
- Customer A	133,929	123,092	Construction
- Customer B	178,937	225,274	Concession

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2021 categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL")
 - Designated upon initial recognition ("DUIR")

2021	Carrying amount RM'000	AC RM'000	FVTPL-DUIR RM'000
Group			
Financial assets			
Trade and other receivables	1,002,493	1,002,493	-
Short-term investments	95,007	83,970	11,037
Cash and cash equivalents	243,283	243,283	-
	1,340,783	1,329,746	11,037
Financial liabilities			
Trade and other payables	(195,620)	(195,620)	-
Loans and borrowings	(1,224,704)	(1,224,704)	-
	(1,420,324)	(1,420,324)	-
Company			
Financial assets			
Other receivables	180,773	180,773	-
Short-term investments	10,157	-	10,157
Cash and cash equivalents	57,744	57,744	-
	248,674	238,517	10,157
Financial liability			
Other payables	(7,868)	(7,868)	-

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments as at 31 December 2020 categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL")
 - Designated upon initial recognition ("DUIR")

2020	Carrying amount RM'000	AC RM'000	FVTPL-DUIR RM'000
Group			
Financial assets			
Trade and other receivables	936,853	936,853	-
Short-term investments	123,157	99,183	23,974
Cash and cash equivalents	304,779	304,779	-
	1,364,789	1,340,815	23,974
Financial liabilities			
Trade and other payables	(215,748)	(215,748)	-
Loans and borrowings	(1,246,544)	(1,246,544)	-
	(1,462,292)	(1,462,292)	-
Company			
Financial assets			
Other receivables	165,729	165,729	-
Short-term investments	21,782	-	21,782
Cash and cash equivalents	69,711	69,711	-
	257,222	235,440	21,782
Financial liability			
Other payables	(7,890)	(7,890)	-

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
Designated upon initial recognition	352	573	337	533
Financial assets at amortised cost	5,471	13,994	7,235	17,019
Financial liabilities at amortised cost	(79,306)	(48,022)	-	-
	(73,483)	(33,455)	7,572	17,552

30.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors regularly reviews and agrees policies and procedures for the management of these risks.

The following sections provide details on the Group's and the Company's exposure to the abovementioned financial risks and the objectives and policies for the management of these risks.

30.4 Credit risk

Credit risk is the risk of a financial loss 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 its receivables from customers, short-term investments and cash and cash equivalents.

The Company's exposure to credit risk arises primarily from loans and advances to subsidiaries, financial guarantees given to banks for credit facilities granted to subsidiaries, short-term investments and cash and cash equivalents. There are no significant changes as compared to prior periods.

30.4.1 Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

The Group manages its credit risk by establishing credit controls with the view to ensuring that overdue debts are within an acceptable level. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

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

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

30.4.1 Trade receivables and contract assets (continued)

The gross carrying amounts of credit impaired trade receivables and contract assets are written off 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 and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Credit risk concentration profile

At the reporting date, the Group's trade receivables were mainly due from four (2020: four) customers.

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 and contract assets are represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30-60 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments except for construction and concession segment. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Management has taken reasonable steps to ensure that trade receivables and contract assets that are neither past due nor impaired are stated at their recoverable values. A significant portion of these trade receivables and contract assets are arising from a few individual customers. The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

30.4.1 Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2021 which are grouped together as they are expected to have similar risk nature.

Group	2021			2020		
	Gross carrying amount RM'000	Net remeasurement of loss allowance RM'000	Net balance RM'000	Gross carrying amount RM'000	Net remeasurement of loss allowance RM'000	Net balance RM'000
Unbilled	937,757	(7,420)	930,337	911,571	(9,345)	902,226
Not past due	29,986	(2,544)	27,442	10,563	(25)	10,538
1-30 days past due	6,388	-	6,388	-	-	-
	974,131	(9,964)	964,167	922,134	(9,370)	912,764
Credit impaired						
More than 90 days past due	321	(65)	256	565	(78)	487
Individually impaired	10,328	(10,328)	-	10,346	(10,346)	-
	984,780	(20,357)	964,423	933,045	(19,794)	913,251
Trade receivables	968,967	(10,067)	958,900	908,246	(9,414)	898,832
Advances to subcontractors	15,048	(10,252)	4,796	15,048	(10,252)	4,796
Contract assets	765	(38)	727	9,751	(128)	9,623
	984,780	(20,357)	964,423	933,045	(19,794)	913,251

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

30.4.1 Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

Group	Trade Receivables			Total RM'000
	Lifetime ECL RM'000	Credit impaired RM'000	Contract assets RM'000	
Balance at 1 January 2020	7,364	13,714	293	21,371
Net remeasurement of loss allowance	1,878	(3,290)	(165)	(1,577)
Balance at 31 December 2020	9,242	10,424	128	19,794
Net remeasurement of loss allowance	684	(31)	(90)	563
Balance at 31 December 2021	9,926	10,393	38	20,357

30.4.2 Short-term investments

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

As at the end of the reporting period, the Group or the Company has only invested in unit trust and cash fund. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

There is no history of default on the unit trust and cash fund and there are no indicators that these fund may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

30.4.3 Cash and cash equivalents

Cash and cash equivalents are placed with financial institutions which are regulated.

As at the end of the reporting period, the maximum exposure to credit risk of the Group and of the Company are represented by the carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

30.4.4 Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on non-current other receivables are mainly arising from receivables from contract with customer which represents financial assets from the concession agreements for the UiTM project.

Credit risks on current other receivables are mainly on sundry debtors and deposits paid.

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk are represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

In managing credit risk of other receivables, the Group and the Company manage their sundry debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The movements in the allowance for impairment in respect of other receivables during the year are shown below:

	Lifetime ECL Other receivables RM'000
Group	
Balance at 1 January 2020	8,235
Net remeasurement of loss allowance	(392)
Balance at 31 December 2020	7,843
Net remeasurement of loss allowance	11
Balance at 31 December 2021	7,854
Company	
Balance at 1 January 2020	36
Net remeasurement of loss allowance	(9)
Balance at 31 December 2020	27
Net remeasurement of loss allowance	4
Balance at 31 December 2021	31

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

30.4.5 Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to the subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

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.

Loans and advances are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- the subsidiary is unlikely to repay its loan or advance to the Company in full; or/and
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at 31 December 2021.

Company	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
2021			
Low credit risk	551	-	551
Significant increase in credit risk	172,788	(2,027)	170,761
Credit impaired	344,393	(335,535)	8,858
	517,732	(337,562)	180,170
2020			
Low credit risk	160	-	160
Significant increase in credit risk	166,962	(1,969)	164,993
Credit impaired	335,615	(335,535)	80
	502,737	(337,504)	165,233

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

30.4.5 Inter-company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

The movement in the allowance for impairment in respect of the subsidiaries' loans and advances during the year is as follows:

Company	Lifetime ECL RM'000	Credit Impaired RM'000	Total RM'000
Balance at 1 January 2020	1,729	343,208	344,937
Net remeasurement of loss allowance	240	(7,673)	(7,433)
Balance at 31 December 2020	1,969	335,535	337,504
Net remeasurement of loss allowance	58	-	58
Balance at 31 December 2021	2,027	335,535	337,562

The significant increase in net measurement of loss allowance during the year is primarily due to a subsidiary in the construction segment where the subsidiary is continuously loss making and is having a deficit shareholder's fund. The subsidiary is unlikely to repay its loan and advance to the Company.

30.4.6 Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM712,894,000 (2020: RM676,273,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period which are guaranteed by the Company.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- the subsidiary is unlikely to repay its credit obligation to the bank in full; or/and
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arise principally from its various payables, loans and borrowings.

The Group manages liquidity risk by establishing budget with the view to ensure sufficient bank balances and have sufficient liquidity to meet its liabilities when they fall due. In addition, the Group negotiates with financial institutions to reschedule and/or restructure the existing credit facilities to coincide with the present operating environment.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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:

Group	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2021						
Financial liabilities						
Term loan	17,252	5.43% - 5.48%	22,252	3,750	18,502	-
Tawarruq term loan	130,883	4.25% - 4.75%	177,980	8,564	42,410	127,006
Revolving credit facility	150,000	4.25% - 4.75%	150,000	150,000	-	-
Medium Term Notes	291,353	3.00% - 6.70%	348,720	33,227	143,086	172,407
Senior Sukuk Murabahah	620,120	4.75% - 5.90%	912,358	73,522	343,295	495,541
Bank overdraft	2,618	6.57%	2,618	2,618	-	-
Cashline-I	12,478	6.39%	12,478	12,478	-	-
Lease liabilities	8,881	2.51% - 4.52%	9,811	3,750	6,061	-
Trade and other payables	195,620	-	195,620	195,620	-	-
Total undiscounted financial liabilities	1,429,205		1,831,837	483,529	553,354	794,954

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.5 Liquidity risk (continued)

Maturity analysis (continued)

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: (continued)

Group (continued)	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2020						
Financial liabilities						
Term loan	22,252	5.43% - 6.54%	22,252	3,750	18,502	-
Tawarruq term loan	131,383	4.25% - 5.40%	152,517	14,142	97,000	41,375
Revolving credit facility	149,300	4.25% - 5.40%	149,300	149,300	-	-
Medium Term Notes	310,637	3.00% - 6.70%	413,703	30,668	130,076	252,959
Senior Sukuk Murabahah	617,694	4.75% - 5.90%	946,172	33,814	282,925	629,433
Bank overdraft	2,800	6.57%	2,800	2,800	-	-
Cashline-I	12,478	6.39% - 7.64%	12,478	12,478	-	-
Lease liabilities	12,032	2.51% - 6.63%	13,158	5,018	8,140	-
Trade and other payables	215,748	-	215,748	210,708	5,040	-
Total undiscounted financial liabilities	1,474,324		1,928,128	462,678	541,683	923,767

Company	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	On demand or within one year RM'000
2021				
Financial liability				
Other payables	7,868	-	7,868	7,868
Total undiscounted financial liability	7,868		7,868	7,868
Financial guarantees (Note 30.4.6)	-		712,894	712,894
2020				
Financial liability				
Other payables	7,890	-	7,890	7,890
Total undiscounted financial liability	7,890		7,890	7,890
Financial guarantees (Note 30.4.6)	-		676,273	676,273

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.6 Market risk

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

30.6.1 Currency risk

The Group is exposed to various currencies, mainly USD and SGD. Foreign currency denominated assets and liabilities together with expected cash flows from expenses, give rise to foreign exchange exposures.

Risk management objectives, policies and processes for managing the risk

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Exposure to foreign currency risk

The Group's and Company's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
	USD RM'000	SGD RM'000
Group		
As at 31 December 2021		
Cash and cash equivalents	525	10,888
Trade and other receivables	8	-
Trade and other payables	(6)	(63)
	527	10,825
As at 31 December 2020		
Cash and cash equivalents	552	4,593
Trade and other receivables	9	-
Trade and other payables	(6)	(50)
	555	4,543
Company		
As at 31 December 2021		
Cash and cash equivalents	134	10,867
As at 31 December 2020		
Cash and cash equivalents	165	4,572

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.6 Market risk (continued)

30.6.1 Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

30.6.2 Interest rate risk

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's investments in fixed deposits and its 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 and receivables are exposed to a risk of change in cash flows due to changes in interest rates. Investments in short-term receivables and payables are not significantly exposed to interest rate risk.

The Company's loans and advances to subsidiaries are exposed to a risk of change in cash flows due to changes in interest rates charged. Short-term loans and advances to subsidiaries are not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company'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				
Financial assets	210,049	289,714	44,487	63,614
Financial liabilities	(920,354)	(940,363)	-	-
	(710,305)	(650,649)	44,487	63,614
Floating rate instruments				
Financial assets	11,037	23,974	10,157	21,782
Financial liabilities	(313,231)	(318,213)	-	-
	(302,194)	(294,239)	10,157	21,782

The Group's and the Company's income and operating cash flows on fixed interest rate instruments are substantially independent on changes in market interest rates.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.6 Market risk (continued)

30.6.2 Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. 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 rates instruments

At the reporting date, if interest rates had been 100 basis points higher, with all other variables held constant, the Group's pre-tax loss would have been higher by the amount of RM3,132,000 (2020: RM3,182,000). If the interest rates had been 100 basis points lower, with all other variables held constant, the Group's pre-tax loss would have had equal but opposite effect.

30.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments.

The following are the analyses of the carrying amount and fair value of those financial instruments not carried at fair value. These fair values are categorised under Level 3 of the fair value hierarchy.

Group	Carrying amount	Fair value	Carrying amount	Fair value
	2021	2021	2020	2020
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Loans and borrowings				
- Terma loan	(17,252)	(17,252)	(22,252)	(22,252)
- Tawarruq term loan	(130,883)	(130,883)	(131,383)	(131,383)
- Revolving credit facility	(150,000)	(150,000)	(149,300)	(149,300)
- Medium Term Notes	(291,353)	(291,353)	(310,637)	(310,637)
- Senior Sukuk Murabahah	(620,120)	(620,120)	(617,694)	(617,694)
- Bank overdraft	(2,618)	(2,618)	(2,800)	(2,800)
- Cashline-I	(12,478)	(12,478)	(12,478)	(12,478)

Short-term investments (comprise of unit trust and cash fund) of the Group amounted to RM11,037,000 (2020: RM23,974,000) while short-term investments of the Company amounted to RM10,157,000 (2020: RM21,782,000). These short-term investments which are carried at fair value are categorised under Level 2 of the fair value hierarchy.

Fair values of financial guarantees of the Company amounted to RM712,894,000 (2020: RM676,273,000) are not expected to be material due to low credit risk exposure.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.7 Fair value information (continued)

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2020: no transfer in either direction).

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation methods.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Loans and borrowings	Discounted cash flows using rates based on the current market rate of borrowings of the respective Group entities at the reporting date.
Financial guarantees	Probability weighted discounted cash flows taking into account the likelihood of the guaranteed party defaulting and the estimated loss exposure if the party guaranteed were to default.

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to support the Group's growth strategy and maximise shareholder value with optimal capital structure.

The Group and the Company are not subject to externally imposed capital requirements other than the financial covenant as disclosed in Note 18 to the financial statements.

The Group manages capital using a gearing ratio, which is net debt divided by total capital being the equity attributable to equity holders of the Company plus net debt. Included within net debts of the Group are loans and borrowings.

At year end, the Group has a net debt of RM1,233,585,000 (2020: RM1,258,576,000) and a total capital of RM2,542,060,000 (2020: RM2,576,093,000) giving rise to a gearing ratio of approximately 49% (2020: 49%).

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

Notes to the Financial Statements

32. CAPITAL AND OTHER COMMITMENTS

Capital expenditure as at the reporting date is as follows:

	Group	
	2021 RM'000	2020 RM'000
Contracts approved and contracted for		
- Property, plant and equipment	10,541	2,918
- Bearer biological assets	252	252
	10,793	3,170

33. 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 or jointly 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. 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. 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 holding companies, significant investors, subsidiaries, associates and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. Information regarding outstanding balances arising from related party transactions are disclosed in Notes 14 and 19 to the financial statements.

	Group	
	2021 RM'000	2020 RM'000
A. Directors-related corporation		
Deposit paid on Proposed Land Acquisition (Note 34(ii))		
- Puncak Alam Housing Sdn. Bhd.	1,100	-

	Company	
	2021 RM'000	2020 RM'000
B. Subsidiaries		
Interest income charged on amount due from subsidiaries	6,321	8,054
Management fees charged by PNMSB	(11,247)	(10,519)

Notes to the Financial Statements

33. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
C. Key management personnel					
Employee benefits		5,582	5,790	229	420
Defined contribution plan		1,021	1,090	39	70
Other staff related expenses		1,670	1,519	576	496
Estimated money value of benefits-in-kind		297	317	41	25
		8,570	8,716	885	1,011
Included in the total key management personnel are:					
Directors' remuneration	28	4,275	4,551	885	1,011

The top five senior management's remuneration in bands of RM50,000 for the current and the previous financial year are as follows:

Range of remuneration	Tan Sri Rozali bin Ismail			Faridatulzakiah binti Mohd Bakhry	
	Ismail	Tan Bee Lian	Wong Ley Chan	Faizal bin Othman	Mohd Bakhry
2021					
RM450,001 to RM500,000				√	√
RM600,001 to RM650,000			√		
RM700,001 to RM750,000		√			
RM2,650,001 to RM2,700,000	√				

Range of remuneration	Tan Sri Rozali bin Ismail		Ar Mohd Khalid bin Mohammed Yusuf		Dato' Abdul Jalil bin Abdul Karim
	Ismail	Mohammed Yusuf	Tan Bee Lian	Wong Ley Chan	Abdul Karim
2020					
RM550,001 to RM600,000					√
RM600,001 to RM650,000				√	
RM700,001 to RM750,000			√		
RM900,001 to RM950,000		√			
RM2,700,001 to RM2,750,000	√				

Notes to the Financial Statements

34. SIGNIFICANT EVENTS

(i) COVID-19

The World Health Organisation declared the 2019 Novel Coronavirus infection ('COVID-19') a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ('MCO') on 18 March 2020 and has subsequently entered into various phases of the MCO.

The Group and the Company have been granted approval from Ministry of International Trade and Industry ('MITI') to continue its operations and with proper Standard Operating Procedures put in place.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 31 December 2021.

Given the fluidity of the situation, the Group and the Company will continuously monitor the impact of the COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.

(ii) Proposed Acquisition of Land

On 23 July 2021, PNMSSB, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement pertaining to a related party transaction with Puncak Alam Housing Sdn. Bhd. ("PAHSB") to acquire three (3) adjoining plots of vacant building land designated for commercial use with 99 years leasehold expiring on 12 April 2109 located along Persiaran Puncak Alam 4, Bandar Puncak Alam, Ijok, Kuala Selangor, Selangor Darul Ehsan for a total cash consideration of RM11,000,000 only.

The transaction has been completed on 16 March 2022 upon fulfilment of the conditions precedent of the sale and purchase agreement dated 23 July 2021.

(iii) Abortion of Proposed Renounceable Rights Issue of Convertible Secured Islamic Debt Securities ("Proposed Rights Issue of CSIDS")

On 29 July 2021, the Company announced that further to the Company's Bursa announcement dated 27 January 2021, the Company still requires more time to procure the undertakings from the Undertaking Shareholders due to the impact from the protracted COVID-19 pandemic, the extended phase one of movement control under the National Recovery Plan and the enhanced movement control order in selected areas under several states.

Consequently, the application for the issuance of CSIDS to the Securities Commission and the listing application together with the draft circular to Bursa Securities was extended from 31 July 2021 until 31 October 2021.

On 25 October 2021, after taking into consideration, amongst others, the current market conditions brought about by the protracted COVID-19 pandemic and the delay in procuring the undertakings from the Undertaking Shareholders, the Board of Directors of the Company decided not to proceed with the Proposed Rights Issue of CSIDS.

The abortion of Proposed Rights Issue of CSIDS did not have any material impact on the financial statements of the Group.

Notes to the Financial Statements

34. SIGNIFICANT EVENTS (CONTINUED)

(iv) Proposed Issuance of Islamic Medium Term Notes Programme of up to RM300.0 million in Nominal Value under the Shariah Principle of Murabahah via Tawarruq Arrangement ("Sukuk Murabahah Programme")

On 23 December 2021, the Company announced that Danum Sinar, a wholly owned subsidiary of DSSB which is 90% owned by MESB, which in turn is wholly-owned by the Company, made a lodgement with the Securities Commission Malaysia ("SC") for Danum Sinar's Sukuk Murabahah Programme pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued by the SC on 9 March 2015 and revised on 22 November 2021, as amended from time to time).

Danum Sinar's Sukuk Murabahah Programme, which has a perpetual programme tenure, provides Danum Sinar with the flexibility to issue, from time to time, rated and/or unrated Sukuk Murabahah subject to the aggregate outstanding nominal value of RM300.0 million.

Danum Sinar intends to issue the first tranche of up to RM50.0 million in nominal value under the Sukuk Murabahah Programme.

The proceeds from the issuance of the Sukuk Murabahah Programme, from time to time, shall be utilised by Danum Sinar for the following Shariah-compliant purposes:

- i) To pay all fees and expenses in relation to the Sukuk Murabahah Programme; and
- ii) To part finance Danum Sinar's new plantation development expenditure, construction of plantation mill and for working capital requirements (including to prefund the minimum required balance in the relevant designated account(s), if any).

As at the date of this report, Danum Sinar has issued RM50.0 million in nominal value under the Sukuk Murabahah Programme.

35. MATERIAL LITIGATIONS

(I) KHEC

(i) The First Arbitration Proceedings

KHEC, a sub-contractor for the Chennai Water Supply Augmentation Project 1 - Package III ("Chennai Project"), had initially referred certain disputed claims totalling Rs8,44,26,981 (equivalent to approximately RM6.75 million) against PNHB-LANCO-KHEC JV ("the Consortium"), a jointly controlled entity of the Company in India.

Arising from the arbitration proceedings initiated by KHEC, both KHEC and the Consortium had each appointed a qualified civil engineer as their arbitrator respectively, and both arbitrators had selected a retired Judge of the High Court in Chennai, India as the third arbitrator who will also act as the presiding arbitrator of the arbitral tribunal. The arbitral tribunal was officially constituted on 24 September 2005.

On 28 September 2005, the Company was informed that the arbitral tribunal had fixed the following dates for the filing of the arbitration cause papers as part of the preliminary procedural formalities:

- (i) claim by the claimant, KHEC to be filed before 4 October 2005;
- (ii) rejoinder by the respondent, the Consortium to be filed before 18 November 2005; and
- (iii) reply rejoinder by the claimant, KHEC to be filed before 5 December 2005.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(I) KHEC (continued)

(i) The First Arbitration Proceedings (continued)

The Consortium had on 2 January 2006, filed its counter-claim amounting to Rs13,61,61,931 (equivalent to approximately RM10.89 million) against KHEC's claim of Rs8,44,26,981 (equivalent to approximately RM6.75 million) to the arbitral tribunal in India.

The Statement of Claim lodged by KHEC was subsequently revised from Rs8,44,26,981 (equivalent to approximately RM6.75 million) to Rs9,84,58,245 (equivalent to approximately RM7.88 million) whilst the counter-claim submitted by the Consortium, was also revised as per the rejoinder, from Rs13,61,61,931 (equivalent to approximately RM10.89 million) to Rs13,63,39,505 (equivalent to approximately RM10.91 million).

The Company was notified on 4 March 2009 by solicitors acting on behalf of Consortium that the Arbitration Panel had at its meeting held on 26 February 2009 accepted the letter of withdrawal from the Arbitration Panel dated 18 February 2009 from the arbitrator nominated by KHEC. As such, the date for further meeting of the Arbitration Panel was to be communicated after the appointment of the substitute arbitrator to be nominated by KHEC under Section 15(2) of the Arbitration and Conciliation Act, 1996 of India.

The Company was notified on 25 June 2009 that the first sitting of the newly formed Arbitration Panel for the First Arbitration Proceedings comprising the Presiding Arbitrator, the arbitrator nominated by the Consortium and the substitute arbitrator nominated by KHEC was held on 20 June 2009.

The continued hearing date for the First Arbitration Proceedings were fixed on 31 August 2013, 28 September 2013 and 29 September 2013, 9 November 2013 and 10 November 2013.

At the hearing held on 10 November 2013, the Arbitration Panel tentatively fixed the continued hearing of the First Arbitration Proceedings on 4 January 2014 and 5 January 2014.

The continued hearing tentatively scheduled on 4 January 2014 and 5 January 2014 did not proceed as scheduled.

On 29 January 2014, the Arbitration Panel fixed the continued hearing of the First Arbitration Proceedings on 8 February 2014 and 9 February 2014, respectively.

The continued hearing proceeded on 8 February 2014 but the hearing date of 9 February 2014 was vacated due to non-availability of the Chief Arbitrator. The Arbitration Panel fixed the continued hearing dates for the First Arbitration Proceedings on 29 May 2014 and 30 May 2014.

The hearing for the First Arbitration Proceedings fixed on 29 May 2014 and 30 May 2014 did not proceed as scheduled and was fixed by the Arbitration Panel on 4 July 2014 to be fixed on 16 August 2014 and 17 August 2014.

The hearing of the First Arbitration Proceedings fixed on 16 August 2014 and 17 August 2014 proceeded as scheduled.

The Arbitration Panel tentatively fixed the next continued hearing dates on 24 October 2014 and 25 October 2014 which proceeded as scheduled.

On 17 November 2014, the Arbitration Panel fixed the continued hearing dates for the First Arbitration Proceedings on 6 and 7 December 2014 respectively.

On 26 November 2014, the Arbitration Panel rescheduled the continued hearing dates for the First Arbitration Proceedings originally scheduled on 6 December 2014 and 7 December 2014 to 24 January 2015 and 25 January 2015, respectively.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(I) KHEC (continued)

(i) The First Arbitration Proceedings (continued)

On 7 January 2015, the Arbitration Panel postponed the continued hearing dates for the First Arbitration Proceedings originally scheduled on 24 January 2015 and 25 January 2015.

On 14 December 2015, the counsel of the Consortium notified the Presiding Arbitrator that the Arbitrator in charge was unable to continue as Arbitrator in view of his continued ill-health. An alternative Arbitrator will be appointed in due course.

On 3 March 2016, the name of the replacement Arbitrator was submitted by the counsel of the Consortium to the Panel for consideration and decision.

On 20 April 2016, the name of the replacement Arbitrator was accepted by the Panel. The Panel did not schedule new dates for the continued hearing for the First Arbitration Proceedings.

On 2 June 2016, KHEC's Arbitrator resigned and a new arbitrator was nominated for the Panel's consideration and decision before the Panel schedules new dates for the continued hearing for the First Arbitration Proceedings.

On 11 July 2016, the Panel fixed 30 July 2016 for the continued hearing of the First Arbitration Proceedings.

At the hearing on 30 July 2016, the Panel fixed 17 September 2016 and 18 September 2016 for the continued hearing of the First Arbitration Proceedings.

On 19 September 2016, the Company updated that the hearing of the First Arbitration Proceedings will be continued on 2 October 2016.

On 4 October 2016, the Company updated that the hearing of the First Arbitration Proceedings will be continued on 12 November 2016 and 13 November 2016.

On 11 November 2016, the Company notified that the hearing fixed on 11 November 2016 and 12 November 2016 had been cancelled as the Chief Arbitrator had resigned due to health reasons. The remaining Panel was in the process of selecting a suitable replacement for the Chief Arbitrator before the Panel schedules the new dates for the continued hearing for the First Arbitration Proceedings.

On 21 November 2016, the Company was notified that the Panel had approved the replacement for the Chief Arbitrator for the First Arbitration Proceedings. The new dates for the continued hearing for the First Arbitration Proceedings had yet to be scheduled by the Panel.

On 4 January 2017, the Company was notified that the Panel had fixed the continued hearing for the First Arbitration Proceedings on 10 January 2017.

On 11 January 2017, the Company was notified at the hearing held on 10 January 2017 that the Chief Arbitrator had withdrawn himself from the Panel and the remaining Panel will have to find a replacement for the Chief Arbitrator before the Panel schedules new dates for the continued hearing for the First Arbitration Proceedings.

The newly constituted Panel fixed the hearing for the First Arbitration Proceedings on 7 March 2017 and the continued hearing on 11 April 2017 and 22 April 2017.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(I) KHEC (continued)

(i) The First Arbitration Proceedings (continued)

At the hearing held on 11 April 2017, the Panel fixed the next continued hearing date of the First Arbitration Proceedings on 17 June 2017 and vacated the earlier date fixed on 22 April 2017.

On 17 June 2017, the Panel fixed the continued hearing dates of the First Arbitration Proceedings on 15 July 2017 and 16 July 2017, respectively which were subsequently cancelled by the Panel.

The next continued hearing date of the First Arbitration Proceedings which was fixed by the Panel on 10 September 2017 was subsequently adjourned and held on 18 November 2017.

At the hearing held on 18 November 2017, the Panel fixed the next continued hearing dates of the First Arbitration Proceedings on 6 and 7 January 2018.

The continued hearing proceeded on 6 January 2018 but the hearing date of 7 January 2018 was vacated and the Panel fixed the next continued hearing of the First Arbitration Proceedings on 24 February 2018, 25 February 2018, 24 March 2018 and 25 March 2018, respectively.

At the hearings held on 24 February 2018 and 25 February 2018, the Panel fixed the next continued hearing of the First Arbitration Proceedings on 24 March 2018, 25 March 2018, 5 May 2018, 6 May 2018 and 8 May 2018, respectively.

The next continued hearing date of the First Arbitration Proceedings which was fixed by the Panel on 24 March 2018 and 25 March 2018 were subsequently adjourned. The Panel fixed the next hearing of the First Arbitration Proceedings on 5 May 2018, 6 May 2018 and 7 May 2018, respectively.

The continued hearing proceeded on 5 May 2018 and 6 May 2018 but the hearing date of 7 May 2018 was vacated. The Panel fixed the next continued hearing date on 23 June 2018 and 24 June 2018.

The hearing proceeded on 23 June 2018 and the Panel vacated the hearing scheduled on 24 June 2018. The Panel fixed the next continued hearing of First Arbitration Proceedings on 30 June 2018 and 1 July 2018.

The hearing proceeded on 30 June 2018 and 1 July 2018. The Panel fixed the next continued hearing of the First Arbitration Proceedings on 11 August 2018 and 12 August 2018.

The hearing proceeded on 11 August 2018. The Panel vacated the hearing scheduled on 12 August 2018 and fixed the next continued hearing of the First Arbitration Proceedings on 15 September 2018.

The continued hearing proceeded on 15 September 2018 and parties were directed to submit written submissions on or before 15 October 2018.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(I) KHEC (continued)

(i) The First Arbitration Proceedings (continued)

The Arbitration Panel of India delivered the Final Award dated 13 November 2019 (which was notified to the Company on 16 November 2019) in relation to the First Arbitration Proceedings, allowing only the following 3 out of the 34 claims brought by the Claimant against PNHB-LANCO-KHEC JV ("the JV") totalling Rs50,51,786 (equivalent to RM293,708.48 at RM1 = Rs17.2 exchange rate) out of the total claim sum of Rs9,84,58,245 (equivalent to RM5.72 million at RM1 = Rs17.2 exchange rate) with interest at 18% from the date of the award to full and final payment of the Final Award sum. The Arbitration Panel further dismissed the counter claim by the JV in the Final Award.

Claim No	Description	Final Awards (Rs)
2	Extra charges for making holes on the pipe	2,44,750
19	Release of Final Bill	36,43,463
22	Refund of Security Deposit (Retention amount)	11,41,703*
	Total three (3) claims awarded	50,29,916
	Additional Expense for Services as per award	21,870
	Final Arbitration Award amount	50,51,786

Note:-

* The Total Retention amount due to the Claimant is Rs61,41,703. The Fixed Deposit of Rs50,00,000 deposited by the JV with the Arbitration Panel will be handed over to the Claimant after the appeal time is over or after the disposal of the appeal, if any.

The JV sought advice from its solicitors in India on the next course of action.

On 8 June 2020, the Claimant's counsel served on the counsel for the JV, a copy of the Petition filed at the Madras High Court to appeal against the decision of the Arbitration Panel dated 13 November 2019.

On 12 August 2020, the Claimant's Petition filed at the Madras High Court to appeal against the decision of the Arbitration Panel dated 13 November 2019 was returned by the Registrar pending the Claimant's representation with compliance. The hearing of the appeal was adjourned to 9 September 2020 and did not proceed as scheduled as it was not listed at the Madras High Court.

The Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings were jointly heard at the Madras High Court on 9 February 2022 where the Consortium's counsel clarified on certain technicalities raised by the Madras High Court and directions were given by the Madras High Court and further joint hearings were held on 17 February 2022 and 23 February 2022 and was adjourned to 16 March 2022. The hearing which was listed on 16 March 2022 was adjourned to 31 March 2022.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(I) KHEC (continued)

(ii) The Second Arbitration Proceedings

KHEC had commenced a second arbitration proceedings against the PNHB-Lanco members of the Consortium ("the Second Arbitration Proceedings") on the basis of the terms of the Joint Venture Agreement ("JVA") dated 13 February 2003 and the Supplemental Agreement to the JVA dated 26 March 2003 respectively, entered into between the Company, Lanco Infratech Limited ("Lanco") and KHEC whereby KHEC is claiming for loss of profit (inclusive of interest and other cost) amounting to Rs5,44,32,916 (equivalent to approximately RM4.35 million) as they alleged that they, despite being a 10% share owner, received only 4.31% out of the total value of the contract works of the Chennai Project. Subsequently, KHEC had filed in an amended claim for damages and loss of profit from Rs5,44,32,916 to Rs55,44,32,916 (equivalent to approximately RM4.35 million to RM44.3 million).

PNHB-Lanco's counsel had filed an interim application to dismiss the claim of Rs50,00,00,000 (equivalent to approximately RM39.9 million) for compensation for loss of opportunity on the basis that it is frivolous and unreasonable.

The Second Arbitration Proceedings which was heard by a single arbitrator was completed wherein the parties submitted their respective written submissions on 1 December 2012.

On 1 April 2013, PNHB-Lanco members of the Consortium received the Arbitrator's Final Award dated 29 March 2013 wherein the PNHB-Lanco members of the Consortium are to pay interest for the delayed payment of enabling cost of Rs58 Lakhs amounting to Rs14,62,503 (approximately RM83,627.38) only to the Claimant, KHEC on or before 30 April 2013 and all other claims by the Claimant were rejected.

PNHB-Lanco member of consortium had on 27 April 2013 complied with the Final Award of the Arbitration dated 29 March 2013 by paying the interest for the delayed payment of enabling cost of Rs58 Lakhs amounting to Rs14,62,503 to KHEC.

KHEC had on 4 November 2013 served the PNHB-Lanco members of the Consortium with a copy of the Petition filed at the Madras High Court to appeal against the decision of the Arbitrator dated 29 March 2013. The Madras High Court fixed the Petition for hearing on 2 December 2013.

On 2 December 2013, the Madras High Court postponed the hearing of the Petition filed by KHEC to 3 December 2013.

On 3 December 2013, the Madras High Court fixed the continued hearing of the Petition filed by KHEC on 10 December 2013.

On 10 December 2013, the Madras High Court postponed the hearing of the Petition filed by KHEC, wherein the new hearing date had yet to be fixed by the Madras High Court.

On 29 June 2018, the Madras High Court fixed the continued hearing on 27 July 2018 for the Second Arbitration Proceedings.

At the hearing held on 27 July 2018, the Madras High Court adjourned the next hearing for the Second Arbitration Proceedings to 27 August 2018.

On 27 August 2018, the Madras High Court adjourned the hearing for the Second Arbitration Proceedings to a later date to be advised in due course due to the change in the sitting judge.

On 12 September 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to the first week of October 2018.

On 3 October 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to the third week of October 2018.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(I) KHEC (continued)

(ii) The Second Arbitration Proceedings (continued)

On 1 November 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to a later date to be advised in due course.

On 7 March 2019, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to a later date to be advised in due course.

On 9 April 2019, the Madras High Court adjourned the hearing to a later date to be advised in due course.

On 24 April 2019, the Madras High Court adjourned the hearing to a later date to be advised in due course.

On 12 June 2019, the Madras High Court fixed the next hearing on 26 June 2019.

On 26 June 2019, the Madras High Court adjourned the hearing to a later date to be advised in due course.

The Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings were jointly heard at the Madras High Court on 9 February 2022 where the Consortium's counsel clarified on certain technicalities raised by the Madras High Court and directions were given by the Madras High Court and further joint hearings were held on 17 February 2022 and 23 February 2022 and was adjourned to 16 March 2022. The hearing which was listed on 16 March 2022 was adjourned to 31 March 2022.

(II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB")

Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit")

The Company had, on the evening of 9 May 2017, received a sealed copy of the Amended Writ together with an Amended Statement of Claim both dated 28 April 2017 from the solicitors of PASSB.

The Suit arose from alleged breaches on the Sale and Purchase Agreement dated 11 November 2014 ("SPA") between the Company and PASSB relating to the disposals of Puncak Niaga (M) Sdn. Bhd. ("PNSB") and 70% equity interest and RM212.0 million nominal value of redeemable convertible loan stocks held in SYABAS by the Company to PASSB for RM1,555.3 million in line with the consolidation/ restructuring of the water industry in the State of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya by the State Government and the Federal Government. The disposals of PNSB and SYABAS were completed on 15 October 2015.

The Company is named as the First Defendant in the Suit. The relief sought by PASSB against the Company is as follows:

- (i) a sum of RM63,237,583.05 ("Sum") to be paid within 14 days from the date of the Honourable Court judgement.
- (ii) interests on the Sum at the rate of 5% per annum to be calculated from 22 August 2016 until full payment thereof.
- (iii) a declaration that the Company continues to indemnify PASSB for all losses which arises after the filing of this claim that PASSB may suffer as a result of the breaches in this action, including but not limited to future RPGT relation to the transfer of properties of PNSB to the Company Group under the SPA.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(II) Pengurusan Air Selangor Sdn. Bhd. (“PASSB”) (continued)

Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. (“PASSB”) vs Puncak Niaga Holdings Berhad & 5 Others (“the Suit”) (continued)

The Company is named as the First Defendant in the Suit. The relief sought by PASSB against the Company is as follows (continued):

- (iv) general damages to be assessed (“Assessed Damages”) and interests on the Assessed Damages at the rate of 5% per annum to be calculated from the date of assessment until full payment thereof.
- (v) an order that the Company do deliver to PASSB the original or photocopies of PNSB’s documents within seven (7) days from the date of the Honourable Court order.
- (vi) costs and interests at the rate of 5% and other reliefs or orders that the Honourable Court may deem fit and proper to grant.

The alleged breaches are said to arise from a breach of the SPA, amongst others, Clauses 7.2(c), 7.2(d) and the Representations and Warranties of Puncak in Schedule 2, Clause 10.1.5.

The Sum of RM63,237,583.05 is made out of, amongst others, alleged payments made in respect of the Non-CA Related Business.

The Company had instructed its solicitors to contest the matter and to file an appearance at the pre-trial case management on 17 May 2017.

On 17 May 2017, the Court fixed another pre-trial case management on 18 July 2017. Meanwhile, the Company filed an appearance on 16 May 2017.

The Company filed its Defence on 20 June 2017 and a copy of the Defence was served on PASSB’s solicitors on 21 June 2017. Puncak received a copy of PASSB’s reply to the Defence on 14 July 2017.

On 5 July 2017, PASSB served a sealed application to restrain Puncak’s solicitors from acting in the proceeding for the Suit.

At the case management held on 18 July 2017, the Court scheduled PASSB’s application to restrain Puncak’s solicitors from acting in the proceeding for the Suit on 24 August 2017. Meanwhile, Puncak and Puncak’s solicitors filed and served their affidavit in replies to oppose the said application by PASSB on 17 July 2017.

At the case management held on 21 August 2017, the Court adjourned the hearing of PASSB’s application to restrain Puncak’s solicitors from acting in the proceeding for the Suit to 14 September 2017. Meanwhile, the respective submission in reply is due on 4 September 2017.

At the hearing of PASSB’s application to restrain Puncak’s solicitors from acting in the proceeding for the Suit held on 14 September 2017, the Court adjourned the hearing of the said application to 26 September 2017.

At the hearing held on 26 September 2017, the Court adjourned the hearing of PASSB’s application to restrain Puncak’s solicitors from acting in the proceeding for the Suit to 30 November 2017.

At PASSB’s request, the Court brought forward the hearing of PASSB’s application to restrain Puncak’s solicitors from acting in the proceeding for the Suit to 9 November 2017.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB") (continued)

Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit") (continued)

PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit was part heard on 9 November 2017, 30 November 2017, 29 December 2017 and completed on 15 January 2018.

On 27 February 2018, the Judge allowed PASSB's application to restrain Puncak's solicitors from acting in the proceedings with costs. Having consulted Puncak's solicitors, Puncak had given instructions to them to lodge an appeal to the Court of Appeal against this decision. Meanwhile, the Judge fixed the PASSB's claim for case management on 29 March 2018.

On 14 March 2018, the Judge recorded a stay of the Order dated 27 February 2018 to restrain Puncak's solicitors from acting in the proceedings with costs until the hearing and final disposal of Puncak's appeal to the Court of Appeal against the said decision. Meanwhile, Puncak's application to stay further proceedings in the High Court pending the disposal of Puncak's appeal is fixed for hearing on 29 March 2018.

Puncak's Notice of Appeal to appeal against the decision of the High Court dated 27 February 2018 to restrain its solicitors from acting in the proceedings had been filed and served on 14 March 2018. The Court of Appeal has fixed the matter for case management on 30 May 2018 before the Deputy Registrar of the Court of Appeal.

On 29 March 2018, the Judge recorded a stay of all further proceedings in the High Court pending the hearing and final disposal of Puncak's appeal against the Order dated 27 February 2018 to restrain Puncak's solicitors from acting in the proceedings with costs, except for any interlocutory applications by the other defendants in the action. The matter is fixed for case management on 2 May 2018.

The case management originally fixed on 2 May 2018 has been postponed to 1 June 2018 by the High Court.

On 30 May 2018, Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for case management. The appeal will be further case managed on 3 July 2018 before the Deputy Registrar of the Court of Appeal pending receipt of the High Court's grounds of judgement and notes of proceedings.

On 1 June 2018, the case management adjourned to 4 July 2018 for parties to update the High Court on the status of Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting.

On 3 July 2018, Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for further case management. The appeal will be further case managed on 18 July 2018 before the Deputy Registrar of the Court of Appeal pending the filing of the Supplementary Record of Appeal and to fix a hearing date for the appeal.

The case management which was fixed on 4 July 2018 was subsequently adjourned by the High Court to 18 September 2018 for parties to update the Court on the status of Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting.

Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for case management on 18 July 2018. The appeal was fixed for final case management on 8 October 2018 before the Deputy Registrar of the Court of Appeal, and the appeal was fixed for hearing on 18 October 2018.

On 18 September 2018, the case management was adjourned to 24 October 2018 for parties to update the Court on the outcome of Puncak's appeal to the Court of Appeal against the decision to restrain solicitors from acting from Puncak.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(II) Pengurusan Air Selangor Sdn. Bhd. (“PASSB”) (continued)

Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. (“PASSB”) vs Puncak Niaga Holdings Berhad & 5 Others (“the Suit”) (continued)

Puncak’s appeal to the Court of Appeal against the decision to restrain Puncak’s solicitors from acting which was fixed for hearing on 18 October 2018, was taken-off by the Court of Appeal and the hearing of the appeal was adjourned to 8 January 2019.

The case management scheduled on 24 October 2018 was adjourned to 14 January 2019 for parties to update the Court on the outcome of Puncak’s appeal to the Court of Appeal against the decision to restrain solicitors from acting for Puncak.

On 8 January 2019, the Court of Appeal dismissed Puncak’s appeal with costs against the decision to restrain Puncak’s solicitors from acting. Puncak will consider the next course of action in defending the suit by PASSB.

On 14 January 2019, the High Court fixed the next case management on 28 January 2019 for parties to update the High Court on whether Puncak was appealing the Court of Appeal’s decision dated 8 January 2019 in respect of the Disqualification Application.

On 28 January 2019, the case management before the Shah Alam High Court Judge was adjourned to 12 February 2019 for parties to update the Court on whether PNHB was appealing the Court of Appeal’s dismissal of PNHB’s appeal against the High Court’s decision to restrain PNHB’s current solicitors from acting for PNHB.

The case management before the Shah Alam High Court Judge was postponed to 1 March 2019.

On 1 March 2019, Puncak’s new solicitors attended the case management and the High Court fixed the next case management on 9 April 2019.

At the case management held on 9 April 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 27 May 2019.

At the case management held on 27 May 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 4 July 2019.

At the case management held on 4 July 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 6 August 2019.

At the case management held on 6 August 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 11 September 2019.

At the case management held on 11 September 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 3 October 2019.

At the case management held on 3 October 2019, the plaintiff filed an application to amend the Amended Statement of Claim and the said application was fixed for hearing on 21 October 2019. The High Court further directed the parties to comply with the pre-trial directions. The trial dates in November 2019 were maintained.

At the case management held on 21 October 2019, the plaintiff withdrew the application to amend the Amended Statement of Claim. The Court allowed the withdrawal and fixed the next case management on 22 October 2019. The trial dates in November 2019 were maintained.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB") (continued)

Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit") (continued)

At the case management held on 22 October 2019, the High Court directed the parties to comply with the pre-trial directions. The trial dates in November 2019 were maintained.

On 4 November 2019, the Court vacated the trial dates scheduled on 4 November 2019 to 6 November 2019 because the Judge was on medical leave.

At the trial held on 18 November 2019, the Court fixed the continued trial on 7 March 2020, 17 April 2020, 11 August 2020, 12 August 2020, 13 August 2020, 8 September 2020, 10 September 2020, 15 September 2020, 17 September 2020, 22 September 2020, 23 September 2020, 24 September 2020, 29 September 2020, 30 September 2020, 6 October 2020, 7 October 2020, 8 October 2020, 13 October 2020, 14 October 2020 and 15 October 2020.

The Court also fixed 23 June 2020, 24 June 2020, 25 June 2020, 8 July 2020 and 9 July 2020 tentatively for continued trial pending confirmation from all the parties.

The Court subsequently confirmed that the tentative continued trial dates on 23 to 25 June 2020 are confirmed whilst the tentative continued trial dates on 8 to 9 July 2020 were taken off.

At the case management held on 22 January 2020, the plaintiff filed an application to amend the Amended Statement of Claim and the said application was fixed for hearing on 9 March 2020.

At the case management on 27 February 2020, the Court maintained the hearing date fixed on 9 March 2020 for the plaintiff's application to amend the Amended Statement of Claim. The Court also vacated the trial date fixed on 17 March 2020.

At the hearing for the plaintiff's application to amend the Amended Statement of Claim on 9 March 2020, the Court fixed the matter for decision on 30 March 2020.

Due to the Extended Movement Control Order imposed by Government due to the COVID-19 outbreak, the Court subsequently fixed the matter for decision on 14 May 2020.

On 14 May 2020, the High Court dismissed the plaintiff's application to amend the Amended Statement of Claim with costs and vacated the trial dates fixed in June 2020.

The trial dates on 11 August 2020 to 13 August 2020 were vacated by the High Court as the Judge was unwell.

The trial proceeded as scheduled in September 2020 and October 2020 except for the trial dates on 22 September 2020 to 24 September 2020, 6 October 2020 to 8 October 2020 and 13 October 2020 to 15 October 2020 which were vacated by the Court. The trial date on 2 November 2020 was subsequently vacated due to the extended Conditional Movement Control Order ("CMCO").

The next trial dates will be on 4 January 2021 and 5 January 2021.

The Shah Alam High Court vacated the trial dates fixed on 14 January 2021, 18 January 2021, 2 February 2021 and 3 February 2021.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(II) Pengurusan Air Selangor Sdn. Bhd. (“PASSB”) (continued)

Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. (“PASSB”) vs Puncak Niaga Holdings Berhad & 5 Others (“the Suit”) (continued)

The trial proceeded on 4 January 2021, 5 January 2021, 8 March 2021, and 9 March 2021 respectively. The trial dates fixed on 13 April 2021 and 14 April 2021 were vacated because the trial judge will be transferred with effect on 5 April 2021 and the parties need to wait for further directions from the Shah Alam High Court with regards to the continued trial. The Shah Alam High Court fixed a case management on 13 April 2021.

On 19 March 2021, the Company announced that the trial will be continued before the current trial judge on 4 May 2021 to 6 May 2021. The Shah Alam High Court vacated the case management fixed on 13 April 2021 and vacated the trial date fixed on 3 May 2021.

The trial date on 5 May 2021 was subsequently vacated by the Court and the trial continued on 4 May 2021 and 6 May 2021. The trial dates fixed in June 2021 were maintained.

On 3 June 2021, the Company announced that in light of the full Movement Control Order (“FMCO”) imposed by the Government, the trial dates fixed on 11 June 2021 and 14 June 2021 have been vacated.

The continued trial dates for the Suit fixed on 6 October 2021 and 11 November 2021 were subsequently vacated by the Shah Alam High Court.

The Shah Alam High Court has fixed the continued trial dates of the Suit on 24 March 2022, 25 March 2022 and 18 April 2022.

The continued trial dates of the Suit on 24 March 2022 and 25 March 2022 were subsequently vacated by the Shah Alam High Court.

(III) Puncak Niaga Holdings Berhad (“Puncak”)

Puncak Niaga Holdings Berhad (“Puncak” or “Plaintiff”) vs 1. Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali 3. The Selangor State Government (“Collectively Defendants”)

The solicitors of Puncak as the Plaintiff (“Plaintiff”) served the sealed Writ of Summons vide Shah Alam High Court Suit No. BA-21NCvC-72-10/2017 together with the Statement of Claim dated 27 October 2017 on:-

- (i) the solicitors of Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim (“Tan Sri Khalid”), as the former Menteri Besar of Selangor on 2 November 2017;
- (ii) Dato’ Seri Mohamed Azmin bin Ali (“Dato’ Seri Azmin”), as the present Menteri Besar of Selangor on 21 November 2017; and
- (iii) The Selangor State Government (“Selangor State Government”) on 6 November 2017; collectively “the Defendants”.

The suit is initiated by Puncak against the Defendants including the Selangor State Government, who Puncak asserts is vicariously liable for the tortious acts of Tan Sri Khalid and Dato’ Seri Azmin in abusing their powers in public office/misfeasance by threatening to cause and/or requesting or attempting to cause the Federal Government to invoke use of the Water Services Industry Act 2006 (“WSIA”) to force a take-over of the State’s water industry.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(III) Puncak Niaga Holdings Berhad ("Puncak") (continued)

Puncak Niaga Holdings Berhad ("Puncak" or "Plaintiff") vs 1. Tan Sri Dato' Seri Abdul Khalid bin Ibrahim 2. Dato' Seri Mohamed Azmin bin Ali 3. The Selangor State Government ("Collectively Defendants") (continued)

Puncak claims damages, interest on damages and costs of:-

- (i) the difference between the value of PNSB Water Sdn. Bhd. (formerly known as Puncak Niaga (M) Sdn. Bhd.) ("PNSB") and Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") at the range of RM2,081,000,000 to RM2,353,000,000 and the actual purchase consideration of RM1,555,300,000 under the Share Purchase Agreement dated 11 November 2014 between Puncak and Pengurusan Air Selangor Sdn. Bhd. ("PASSB"); and
- (ii) Loss of business opportunities (local and foreign) totalling RM13,496,009,000.

At the case management held on 28 November 2017, the Judge made directions for the filing of pleadings, the exchange of affidavits and submissions in respect of the 1st Defendant's ("Tan Sri Khalid") application to strike out the claim ("Striking out Application") as well as pre-trial case management directions as follows:-

- (i) Tan Sri Khalid's Striking out Application is fixed for decision on 23 January 2018.
- (ii) The next case management before the Judge for parties to comply with pre-trial case management directions is on 12 February 2018.
- (iii) The trial dates are scheduled on 28 March 2018 to 30 March 2018.

Meanwhile, the Judge directed parties to attempt mediation in January 2018.

The Selangor State Government's sealed Striking Out Application together with the Affidavit in Support was served on Puncak's solicitors on 19 December 2017.

At the case management of the Selangor State Government's application to strike out the claim on 20 December 2017, the Judge made directions for the filing of pleadings, the exchange of affidavits and submissions in respect of the same with a date for delivery of decision on 23 January 2018. Meanwhile, both Tan Sri Khalid and Dato' Seri Azmin filed and served their respective Defences, with Dato' Seri Azmin also filing a Counterclaim against Puncak by alleging that the claim is an abuse of process, and in turn, he claims for general damages, interest and costs.

Dato' Seri Azmin's sealed Striking Out Application with the Affidavit in Support was served on Puncak's solicitors on 12 January 2018 and the matter was fixed for hearing on 23 January 2018.

At the hearing on 23 January 2018, the Judge fixed both Tan Sri Khalid's and the Selangor State Government's application to strike out the claim for oral arguments on 26 January 2018. As for Dato' Seri Azmin's application to strike out the claim, the Judge made directions for the exchange of affidavits and submissions with a date for delivery of decision on 22 February 2018. The Judge also adjourned the case management of the suit from 12 February 2018 to 22 February 2018.

On 26 January 2018, the Judge reserved decision on both striking out applications to 22 February 2018 after hearing the oral arguments on both Tan Sri Khalid's and the Selangor State Government's application to strike out the claim.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

Puncak Niaga Holdings Berhad (“Puncak” or “Plaintiff”) vs 1. Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali 3. The Selangor State Government (“Collectively Defendants”) (continued)

At the hearing on 22 February 2018, the Judge allowed the Defendants’ applications and struck out the claim with costs. Accordingly, the Judge vacated all pre-trial directions and the trial dates from 28 March 2018 to 30 March 2018. As for the Counterclaim filed by Dato’ Seri Azmin, the Judge directed the parties to file and exchange submissions with a date for delivery of decision on 13 March 2018 in respect of the Counterclaim.

Puncak gave instructions to its solicitors to lodge an appeal with the Court of Appeal against this decision.

On 26 February 2018, Puncak lodged an appeal with the Court of Appeal against the High Court’s decision in allowing the Defendants’ applications and striking out the claim with costs.

On 12 March 2018, the Judge granted the application by Dato’ Seri Azmin’s solicitors to adjourn the delivery of decision in respect of the Counterclaim filed by Dato’ Seri Azmin (“Dato’ Seri Azmin’s Counterclaim”). The decision in respect of Dato’ Seri Azmin’s Counterclaim which was originally set on 13 March 2018 was adjourned to 15 March 2018.

On 15 March 2018, the Judge dismissed Dato’ Seri Azmin’s Counterclaim with costs.

Puncak’s appeal to the Court of Appeal against the decision of High Court in allowing the Defendant’s applications and striking out claim with costs were all fixed for case management on 23 May 2018 before the Registrar of the Court of Appeal.

On 6 April 2018, Puncak’s solicitors received a copy of Dato’ Seri Azmin’s Notice of Appeal to the Court of Appeal against the decision of the High Court in dismissing the Counterclaim with costs. The matter was fixed for case management on 25 May 2018 before the Registrar of the Court of Appeal.

On 18 May 2018, Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak was fixed for case management on 25 May 2018 before the Registrar of the Court of Appeal.

On 23 May 2018, Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim was fixed for hearing on 30 August 2018 at the Court of Appeal.

On 25 May 2018, the Registrar of the Court of Appeal fixed Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak for further case management on 2 July 2018 pending the receipt of the grounds of judgement from the High Court and the filing of the Record of Appeal.

On 2 July 2018, Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak was called up for case management. The Registrar of the Court of Appeal fixed the said appeal for further case management on 18 July 2018 pending the filing of the Record of Appeal.

At the case management on 18 July 2018, the Registrar of the Court of Appeal fixed Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak for hearing on 5 November 2018.

The hearing of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim which was scheduled on 30 August 2018 was adjourned to 15 January 2018 at the Court of Appeal.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(III) Puncak Niaga Holdings Berhad ("Puncak") (continued)

Puncak Niaga Holdings Berhad ("Puncak" or "Plaintiff") vs 1. Tan Sri Dato' Seri Abdul Khalid bin Ibrahim 2. Dato' Seri Mohamed Azmin bin Ali 3. The Selangor State Government ("Collectively Defendants") (continued)

On 8 October 2018, Puncak's solicitors received notification from the Court of Appeal that Puncak's appeal against the High Court's decision in allowing Tan Sri Khalid's application to strike out the claim was scheduled for case management on 21 November 2018 before the Deputy Registrar at the Court of Appeal.

The hearing of Dato' Seri Azmin's appeal to the Court of Appeal against the High Court's decision in dismissing his Counterclaim against Puncak that was scheduled on 5 November 2018 was vacated as Dato' Seri Azmin had withdrawn the said appeal.

Puncak's solicitors received notification from the Court of Appeal that Puncak's appeals against the High Court's decision in allowing Tan Sri Khalid, Dato' Seri Azmin and the Selangor State Government's applications to strike out the claim which were scheduled on 21 November 2018 were now rescheduled for case management on 10 December 2018 before the Deputy Registrar at the Court of Appeal.

On 10 December 2018, the Court of Appeal adjourned the hearing of Puncak's appeals to 8 March 2019 which was originally fixed on 15 January 2018.

On 30 April 2019, the Court of Appeal adjourned the matter for the further case management on 28 June 2019.

The case management of Puncak's appeals against the High Court's decision in allowing the defendant's applications and striking out the claim was adjourned for further case management on 20 August 2019 at the Court of Appeal.

On 20 August 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 25 September 2019 at the Court of Appeal.

On 25 September 2019, the case management of Puncak's appeal against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 18 November 2019 at the Court of Appeal.

On 18 November 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 22 January 2020 at the Court of Appeal.

On 28 November 2019, Puncak was informed that the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim which was previously fixed on 22 January 2020 had been brought forward to 6 December 2019 at the Court of Appeal.

On 6 December 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 20 December 2020 at the Court of Appeal.

On 20 December 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 10 January 2020 at the Court of Appeal.

Subsequently, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim which was scheduled on 10 January 2020 was vacated. The next case management fixed on 7 February 2020 at the Court of Appeal was also vacated.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

Puncak Niaga Holdings Berhad (“Puncak” or “Plaintiff”) vs 1. Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali 3. The Selangor State Government (“Collectively Defendants”) (continued)

At the case management of Puncak’s appeals at the Court of Appeal on 13 February 2020, the Court of Appeal fixed the Hearing of Puncak’s appeals on 22 June 2020.

The Hearing of Puncak’s appeals at the Court of Appeal on 22 June 2020 was vacated and in lieu thereof, a case management was held. The Court of Appeal fixed another case management date on 8 July 2020 for the re-scheduling of the Hearing of Puncak’s appeals.

The Hearing of Puncak’s appeals in the Court of Appeal was scheduled on 11 February 2021.

At the Hearing of Puncak’s appeals at the Court of Appeal on 11 February 2021, the Court of Appeal decided as follows:-

- (i) The appeal against Tan Sri Khalid and the Selangor State Government were allowed with costs in the cause. The matter was remitted for trial at the Shah Alam High Court. A case management was fixed on 18 February 2021.
- (ii) The appeal against Dato’ Seri Azmin was dismissed with costs of RM10,000.00.

On 18 February 2021, the case management of Puncak’s claim at the Shah Alam High Court against Tan Sri Khalid and the Selangor State Government was vacated and re-scheduled to 5 March 2021.

At the case management of Puncak’s claim at the Shah Alam High Court on 5 March 2021, the Shah Alam High Court fixed the next case management on 8 April 2021 for Tan Sri Khalid and the Selangor State Government to update the Shah Alam High Court on the status of their respective Defences and Tan Sri Khalid’s intended appeal to the Federal Court.

At the case management of Puncak’s claim at the Shah Alam High Court on 8 April 2021, the Shah Alam High Court gave directions for the filing and exchange of affidavits and submissions vis-à-vis the Selangor State Government’s application to amend its Defence and fixed next case management on 8 June 2021 to monitor these matters. The Shah Alam High Court also fixed a separate case management on 7 May 2021 to Tan Sri Khalid to update the Shah Alam High Court on the status of his motion for leave to appeal to the Federal Court and his intended application to amend his Defence.

At the case management of Puncak’s claim at the Shah Alam High Court against Tan Sri Khalid and the Selangor State Government on 7 May 2021, the Selangor State Government withdrew its application to amend its Defence with liberty to file afresh and with no orders as to costs. The Shah Alam High Court vacated the case management originally fixed on 8 June 2021 and fixed the next case management on 25 June 2021 pending the outcome of Tan Sri Khalid motion for leave to appeal to the Federal Court.

At the case management of Puncak’s claim at the Shah Alam High Court on 25 June 2021, the Court directed the Selangor State Government to file its amendment application and supporting affidavit within a week after Movement Control Order is lifted or after the law firms are allowed to operate. Puncak is directed to file its reply affidavit within 14 days after receipt of the Selangor State Government’s affidavit in support. The High Court also directed Tan Sri Khalid to file his amendment application on or before the next case management on 22 July 2021.

At the case management of Puncak’s claim at the Shah Alam High Court on 22 July 2021, the High Court fixed a further case management on 9 August 2021 for Puncak to inform the High Court whether it agrees with Tan Sri Khalid’s proposed amendments to his Defence and for the Selangor State Government to update the High Court on the status of its amendment application.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(III) Puncak Niaga Holdings Berhad ("Puncak") (continued)

Puncak Niaga Holdings Berhad ("Puncak" or "Plaintiff") vs 1. Tan Sri Dato' Seri Abdul Khalid bin Ibrahim 2. Dato' Seri Mohamed Azmin bin Ali 3. The Selangor State Government ("Collectively Defendants") (continued)

At the case management of Puncak's claim at the Shah Alam High Court on 9 August 2021, the High Court fixed another case management on 20 August 2021 to give further directions on the Selangor State Government's application to amend its Defence.

At the case management of Puncak's claim at the Shah Alam High Court on 20 August 2021, the High Court fixed another case management on 10 September 2021 for Puncak to update the High Court on its reply affidavit (if any) to the Selangor State Government's amendment application and Puncak's amended reply to Tan Sri Khalid's amended defence.

At the case management of Puncak's claim at the Shah Alam High Court on 10 September 2021, the High Court fixed the Selangor State Government's amendment application for hearing on 24 September 2021 and the next case management of Puncak's claim on 24 September 2021. Puncak was directed to file its Amended Reply to Tan Sri Khalid's Amended Defence by 1 October 2021.

At the hearing of the Selangor State Government's amendment application and case management of Puncak's claim at the Shah Alam High Court on 24 September 2021, the High Court allowed the Selangor State Government's amendment application with no orders as to costs, as agreed between the parties. The High Court gave further directions on the filing and service of pleadings between Puncak and the Selangor State Government and fixed the next case management of Puncak's claim on 16 November 2021 which was subsequently rescheduled to 21 December 2021.

At the case management of Puncak's claim on 21 December 2021, the Shah Alam High Court gave further directions regarding pre-trial documents and fixed the next case management on 7 February 2022 which was subsequently rescheduled to 17 March 2022.

The case management on 17 March 2022 was vacated and rescheduled to 18 April 2022 by the Shah Alam High Court.

Tan Sri Khalid's appeal to the Federal Court (Dismissed on 23 June 2021)

Tan Sri Khalid subsequently filed an application for leave at the Federal Court to appeal against the Court of Appeal's decision dated 11 February 2021 in allowing Puncak's appeal. The leave application was fixed for case management on 8 April 2021.

On 8 April 2021, the Federal Court fixed the next case management on 13 April 2021.

At the case management at the Federal Court on 13 April 2021, the Federal Court scheduled the said motion for an online hearing on 23 June 2021. A further case management was fixed on 4 June 2021 for parties to file written submissions for the said motion.

On 23 April 2021, a further case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court was fixed on 28 April 2021.

At the case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court on 28 April 2021, the Federal Court maintained the Hearing of the said motion on 23 June 2021.

At the case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court on 4 June 2021, the Federal Court directed parties to file written submissions on 8 June 2021. The next case management is fixed on 16 June 2021.

At the case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court on 16 June 2021, the Federal Court maintained the hearing date for the matter on 23 June 2021.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

Puncak Niaga Holdings Berhad (“Puncak” or “Plaintiff”) vs 1. Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali 3. The Selangor State Government (“Collectively Defendants”) (continued)

Tan Sri Khalid’s appeal to the Federal Court (Dismissed on 23 June 2021) (continued)

At the case management of Tan Sri Khalid’s motion for leave to appeal to the Federal Court on 23 June 2021, the Federal Court dismissed the motion with costs of RM30,000.00 to be paid by Tan Sri Khalid to Puncak within 14 days. The said sum was subsequently paid to Puncak.

(IV) PNCSB

Notice of Adjudication issued under the Construction Industry Payment & Adjudication Act 2012. (“CIPAA”) to the Company’s wholly-owned subsidiary. PNCSB

(1) Notice of Adjudication dated 11 February 2020 issued under CIPAA to PNCSB

PNCSB, a wholly-owned subsidiary of Puncak, had on 12 February 2020 received a Notice of Adjudication dated 11 February 2020 to refer disputes arising from alleged payment claim under Section 7 and 8 under the Construction Industry Payment & Adjudication Act 2012 (“CIPAA”) from its sub-contractor, Mersing Construction & Engineering Sdn. Bhd. (“Mersing”). The alleged payment claim is for the sum of RM2,723,839.04 for the project “Supply And Lay Network Sewerage Pipe At Zone 3 & 3A For Pembinaan Rangkaian Paip Pembetulan Di Bonus, Kuala Lumpur” (“D44 Project”) together with interest and cost in relation to the adjudication proceedings. PNCSB has instructed its solicitors to contest the matter.

On 4 March 2020, the adjudicator appointed by the Director of the Asian International Arbitration Court accepted the appointment to act as Adjudicator in respect of the Notice of Adjudication dated 11 February 2020.

On 4 August 2020, the Adjudicator delivered the Adjudication Decision dated 4 August 2020 wherein PNCSB was required to pay Mersing RM2,578,346.30 only (inclusive of fees and costs). PNCSB sought legal advice on the next course of action available to it with regards to the outcome of the Adjudication Decision.

On 18 August 2020, PNCSB filed an application to the Kuala Lumpur High Court to set aside and to stay the Adjudication Decision dated 4 August 2020 (“Setting Aside Application”). The matter was fixed for case management on 4 September 2020 and 6 October 2020.

The case management on 6 October 2020 was subsequently vacated by the Kuala Lumpur High Court and the next case management was fixed on 30 October 2020.

On 30 October 2020, the Kuala Lumpur High Court fixed the hearing of the Setting Aside Application on 26 November 2020.

At the hearing on 26 November 2020, the Kuala Lumpur High Court reserved its decision to be delivered on 24 December 2020.

On 24 December 2020, the Kuala Lumpur High Court dismissed the Setting Aside Application and consequently enforced the Adjudication Decision dated 4 August 2020 in favour of Mersing with cumulative costs of RM10,000.00 to Mersing.

On 12 January 2021, PNCSB’s solicitors had, on behalf of PNCSB, filed an appeal on the Kuala Lumpur High Court’s Decision on Setting Aside Application, at the Court of Appeal (“PNCSB’s Appeal on Kuala Lumpur High Court’s Decision on Setting Aside Application”).

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(IV) PNCSB (continued)

Notice of Adjudication issued under the Construction Industry Payment & Adjudication Act 2012, ("CIPAA") to the Company's wholly-owned subsidiary, PNCSB (continued)

(1) Notice of Adjudication dated 11 February 2020 issued under CIPAA to PNCSB (continued)

On 2 February 2021, the Court of Appeal fixed the case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 4 March 2021. On 4 March 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 5 May 2021.

On 5 May 2021, the Court of Appeal fixed the next management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 4 August 2021.

On 4 August 2021, the Court of Appeal fixed the next management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 6 October 2021.

At the case management of PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 6 October 2021, the Court of Appeal fixed the next case management on 15 March 2022. The Court of Appeal also fixed the hearing date of PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 30 March 2022.

At the hearing of PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application at the Court of Appeal on 30 March 2022, the Court of Appeal directed parties to file further submissions and the matter was fixed for further case management on 1 April 2022.

Two (2) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB

(1) Notice of Arbitration dated 17 June 2016 issued under KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB

On 20 June 2016, PNCSB received a Notice of Arbitration dated 17 June 2016 from Genbina to refer the disputes or differences arising from the termination of the contract contained in a Letter of Award and its Addendums ("Contract") and an Operate, Maintain and Service Agreement under the Contract ("OMSA") for the D44 Project to arbitration under KLRCA in accordance to the Arbitration Act 2005 and the Arbitration (Amendment) Act 2011 for the alleged sum of RM119,699,168.11 together with the damages, interest, costs as such other relief as the learned arbitrator deems fit or proper and PNCSB instructed its solicitor to contest the matter.

On 18 July 2016, PNCSB issued a response to Genbina's Notice of Arbitration dated 17 June 2016 through its solicitors. In summary, PNCSB's response denied the claims asserted by Genbina in its Notice of Arbitration dated 17 June 2016 as well as raised numerous set-offs and/or counterclaim against Genbina's claims in its Notice of Arbitration dated 17 June 2016.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(IV) PNCSB (continued)

Two (2) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB (continued)

(2) Notice of Arbitration dated 17 June 2016 issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB

On 20 June 2016, PNCSB received a Notice of Arbitration dated 17 June 2016 from Genbina to refer the disputes or differences arising from the termination of the Contract and an OMSA for the D44 Project to arbitration under KLRCA in accordance to the Arbitration Act 2005 and the Arbitration (Amendment) Act 2011 for the alleged sum of RM24,171,671.43 together with the damages, interest, costs as such other relief as the learned arbitrator deems fit or proper and PNCSB instructed its solicitor to contest the matter.

On 18 July 2016, PNCSB issued a response to Genbina's Notice of Arbitration dated 17 June 2016 through its solicitors. In summary, PNCSB's response denied the claims asserted by Genbina in its Notice of Arbitration dated 17 June 2016 as well as raised numerous set-offs and/or counterclaim against Genbina's claims in its Notice of Arbitration dated 17 June 2016.

Three (3) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 by PNCSB

PNCSB had on 18 July 2016 issued three (3) separate Notices of Arbitration dated 18 July 2016 to Genbina to refer the disputes or differences arising from the termination of the Contract, an OMSA and Workers' Agreement dated 12 October 2016 ("Workers' Agreement") relating to the D44 Project to arbitration.

The details of the Notices of Arbitration dated 18 July 2016 issued by PNCSB to Genbina are as follows:

- (i) In respect of the Notice of Arbitration arising from the Contract, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's breaches under the Contract which led to PNCSB's termination of the Contract. PNCSB seeks to recover the loss and damage suffered by PNCSB from Genbina in the arbitration;
- (ii) In respect of the Notice of Arbitration arising from the OMSA, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's wrongful acts under the OMSA over Genbina's failure to return the Machineries & Equipment belonging to PNCSB under the OMSA, unlawfully removing the said Machineries & Equipment from the D44 Project site and wrongfully detaining them. PNCSB seeks to recover the loss and damage suffered by PNCSB from Genbina in the arbitration; and
- (iii) In respect of the Notice of Arbitration arising from the Workers' Agreement, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's breach of the Workers' Agreement over Genbina's failure and/or refusal to pay the foreign workers' salaries and to bear all direct and incidental costs for their repatriation, amongst others. PNCSB seeks to recover its loss and damage suffered from Genbina in the arbitration.

PNCSB has asserted that it has suffered losses and damage arising from Genbina's breaches and wrongful acts under the Contract, OMSA and Workers' Agreement and is preparing a counterclaim against Genbina, which PNCSB has assessed and estimated to be in the region of RM152.2 million.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(IV) PNCSB (continued)

Three (3) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 by PNCSB (continued)

The two (2) separate arbitrations initiated by Genbina and the three (3) separate arbitrations initiated by PNCSB had been consolidated into a single arbitration proceeding. The arbitral tribunal had been constituted and a preliminary meeting was called on 5 July 2017 wherein parties have been given directions to move the arbitration forward.

The arbitral tribunal confirmed the hearing dates for the arbitration on 24 May 2021, 25 May 2021, 27 May 2021, 28 May 2021 and 31 May 2021 which were subsequently vacated and the arbitral tribunal fixed the new hearing dates on 20 December 2021 to 23 December 2021 and 28 December to 31 December 2021.

At the case management held on 13 December 2021, the Arbitral Panel vacated the hearing dates fixed on 20 December 2021 to 23 December 2021 and 31 December 2021. The Arbitral Panel further fixed a new hearing date on 27 December 2021 and maintained the hearing dates of 28 December 2021 to 30 December 2021 fixed previously for the arbitration proceeding.

The Arbitral Panel subsequently vacated the hearing dates fixed on 27 December 2021 to 30 December 2021. A case management was held by the Arbitral Panel on 27 December 2021 for further directions to be given in the arbitration proceedings.

No further directions were given by the Arbitral Panel at the case management held on 27 December 2021 as parties are to propose mutual hearing dates for the Arbitral Panel's consideration by 31 December 2021.

The hearing dates for the arbitration have been scheduled on 20 December 2022 to 23 December 2022, 30 January 2023 to 31 January 2023 and 2 February 2023 to 3 February 2023.

Notice of Adjudication dated 11 February 2020 issued under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to PNCSB

PNCSB, a wholly-owned subsidiary of Puncak, had on 2 June 2020 received six Notices of Adjudication dated 2 June 2020 from its sub-contractor, PDP Utek (M) Sdn. Bhd. ("PDP Utek") to refer disputes arising from six payment claims under Sections 7 & 8 under the Construction Industry Payment & Adjudication Act 2012, ("CIPAA") for the combined sum of RM9,654,955.20 for the project "Pakej D44-Pembinaan Rangkaian Paip Pembedungan Di Bunus, Kuala Lumpur (Reka Dan Bina)" ("D44 Project") together with interest, cost and/or any other relief against PNCSB in relation to the payment claims as may be appropriate. PNCSB instructed its solicitors to contest the matter.

On 15 March 2021, the adjudicator appointed by the Director of the Asian International Arbitration Centre ("AIAC"), accepted the appointment to act as the Adjudicator in respect of the Notices of Adjudication dated 2 June 2020.

Subsequently, PDP Utek issued its Notice of Withdrawal of Adjudication Claim/Proceeding dated 12 May 2021 in respect of the six (6) Notices of Adjudication dated 20 June 2020 commenced against PNCSB ("Notice of Withdrawal") which was acknowledged by the Adjudicator on 17 May 2021.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(IV) PNCSB (continued)

Notice of Adjudication dated 17 July 2020 issued under the Construction Industry Payment & Adjudication Act 2012 (“CIPAA”) to PNCSB

PNCSB, a wholly-owned subsidiary of Puncak, had on 21 July 2020 received a Notice of Adjudication dated 17 July 2020 from its sub-contractor, City Tunneling Sdn. Bhd. (“CTSB”) to refer disputes arising from six payment claims under Sections 7 & 8 under the Construction Industry Payment & Adjudication Act 2012, (“CIPAA”) for the combined sum of RM1,335,237.34 for the project “Pakej D44-Pembinaan Rangkaian Paip Pembetulan Di Bunas, Kuala Lumpur (Reka Dan Bina)” (“D44 Project”) together with interest, cost and/or any other relief against PNCSB in relation to the payment claims as may be appropriate. PNCSB instructed its solicitors to contest the matter.

On 21 December 2020, PNCSB was notified that the adjudicator appointed by the Director of the Asian International Arbitration Centre (“AIAC”) had on 18 December 2020 accepted the appointment to act as Adjudicator in respect of the Notice of Adjudication dated 17 July 2020.

On 25 March 2021, the Adjudicator delivered the Adjudication Decision dated 25 March 2021 wherein PNCSB is required to pay CTSB RM1,241,348.85 (excluding interests and costs). PNCSB is seeking legal advice on the next course of action available to it with regards to the outcome of the Adjudication Decision.

On 7 April 2021, PNCSB reached an amicable resolution with City Tunneling over the sums to be paid pursuant to the Adjudication Decision dated 25 March 2021 as well as matter which relate to City Tunneling in the D44 Project, going forward.

Notice of Arbitration dated 26 October 2020 issued under AIAC in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to Mersing Construction and Engineering Sdn. Bhd.

PNCSB, a wholly-owned subsidiary of Puncak had on 26 October 2020 issued a Notice of Arbitration dated 26 October 2020 against one of its sub-contractors for the D44 Project, Mersing Construction and Engineering Sdn. Bhd. (“Mersing”), to refer disputes relating to the true value of works carried out by Mersing up to 30 September 2020 as well as the value of PNCSB’s entitlement to backcharges and/or deductions to be determined by the arbitral tribunal.

The details of the Notice of Arbitration issued by PNCSB are as follows:-

- (i) To seek a determination of the true value of work carried out by Mersing up to 30 September 2020, to determine the value of PNCSB’s entitlement to backcharges and/or deductions, a declaration that Mersing is not entitled to any payment as determined in the adjudication decision dated 4 August 2020 (“Adjudication Decision”) together with damages, interest and costs; and
- (ii) Further to the above and in the event any payment has been made pursuant to the Adjudication Decision, that such payment (or any sum thereto) shall be refunded to PNCSB.

PNCSB had subsequently issued a commencement request to the Asian International Arbitration Centre (“AIAC”) to commence the arbitration on 27 October 2020 and had also applied to the Kuala Lumpur High Court to stay the Adjudication Decision dated 4 August 2020 pending final determination of the dispute between PNCSB and Mersing by arbitration (“Stay Application”).

The Stay Application was fixed for case management on 30 October 2020.

On 30 October 2020, the Kuala Lumpur High Court fixed the hearing of the Stay Application on 26 November 2020.

At the hearing on 26 November 2020, the Kuala Lumpur High Court reserved its decision to be delivered on 24 December 2020.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(IV) PNCSB (continued)

Notice of Arbitration dated 26 October 2020 issued under AIAC in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to Mersing Construction and Engineering Sdn. Bhd. (continued)

On 24 December 2020, the Kuala Lumpur High Court dismissed the Stay Application with costs of RM5,000.00 to Mersing.

On 12 January 2021, PNCSB's solicitors had, on behalf of PNCSB, filed an appeal on the Kuala Lumpur High Court's Decision on Stay Application, at the Court of Appeal ("PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application").

On 2 February 2021, the Court of Appeal fixed the case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 4 March 2021.

On 4 March 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 5 May 2021.

On 5 May 2021, the Court Appeal fixed next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 4 August 2021.

On 4 August 2021, the Court Appeal fixed next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 6 October 2021.

At the case management of PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 6 October 2021, the Court of Appeal fixed the next case management on 15 March 2022. The Court of Appeal also fixed the hearing date of PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 30 March 2022.

On 25 October 2021, Puncak announced that PNCSB has withdrawn PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application vide the filing of the Notice of Discontinuance at the Court of Appeal on 21 October 2021 and duly confirmed by the Court of Appeal on 22 October 2021.

Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNCSB

On 3 December 2020, a wholly-owned subsidiary of Puncak, PNCSB filed a judicial review application at the Kuala Lumpur High Court ("Judicial Review Application") to challenge the notices of assessment known as Form G which PNCSB received from the IRB on 23 November 2020 for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively (hereinafter referred to as "Notices"). These Notices were issued by the IRB under Section 44A(9) of the ITA consequent to the IRB's decision to disallow the losses surrendered by PNCSB to another related company which is also a wholly-owned subsidiary of Puncak, namely PNMSSB under the group relief scheme.

Based on the legal advice obtained from its tax solicitors, PNCSB is of the view that it has good basis in law to contend that the Notices were erroneously and arbitrarily raised by the IRB. Accordingly, PNCSB had commenced the legal avenues available to challenge the Notices including the Judicial Review Application which commenced on 3 December 2020 against the Minister of Finance.

On 16 December 2020, the Kuala Lumpur High Court fixed PNCSB's Judicial Review Application for leave hearing on 7 January 2021.

On 7 January 2021, the Kuala Lumpur High Court fixed PNCSB's Judicial Review Application for hearing on 2 March 2021. The Kuala Lumpur High Court also granted an interim stay of enforcement of the Form G on PNCSB until the hearing date on 2 March 2021. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(IV) PNCSB (continued)

Two (2) Notices of Assessment issued by the Inland Revenue Board (“IRB”) in accordance with the Income Tax Act 1967 (“ITA”) to PNCSB (continued)

The hearing of PNCSB’s Judicial Review Application which was initially fixed on 2 March 2021 at the Kuala Lumpur High Court was vacated. The Kuala Lumpur High Court granted an interim stay of the enforcement on the Form G on PNCSB until the hearing of PNCSB’s Judicial Review Application and the case management for the Inland Revenue Board’s application to intervene on 20 April 2021. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

At the case management for PNCSB’s Judicial Review Application on 20 April 2021, the Kuala Lumpur High Court dismissed the inland Revenue Board’s application to intervene and subsequently granted an interim stay of the enforcement of the Form G on PNCSB until the hearing of PNCSB’s Judicial Review Application on 2 June 2021. In the meantime, no taxes are payable by PNCSB since the interim stay have been granted.

The Director General of Inland Revenue (“DGIR”) subsequently filed an appeal to the Court of Appeal in relation to the Kuala Lumpur High Court’s decision dated 20 April 2021 to dismiss the Inland Revenue Board’s application to intervene in PNCSB’s Judicial Review Application. A copy of DGIR’s notice of appeal dated on 5 May 2021 was served to PNCSB solicitors on 10 May 2021.

In light of the Movement Control Order that is in force, the hearing of PNCSB Judicial Review Application which were initially fixed on 2 June 2021 and 16 August 2021 were vacated. The Kuala Lumpur High Court granted an interim stay of enforcement of Form G on PNCSB until the hearing of PNCSB’s Judicial Review Application on 17 January 2022. In the meantime, no taxes are payable by PNCSB since the interim stay have been granted.

The hearing of PNCSB’s Judicial Review Application fixed on 17 January 2022 was vacated and the Kuala Lumpur High Court fixed a new hearing date on 13 June 2022. An interim stay of the enforcement of Form G on PNCSB was granted by the Kuala Lumpur High Court until the hearing of PNCSB’s Judicial Review Application on 13 June 2022. In the meantime, no taxes are payable by PNCSB.

Application to the Court of Appeal by IRB to Intervene in PNCSB’s Judicial Review Application (“IRB’s Application to Intervene in PNCSB’s Judicial Review Application”)

At the first case management of the IRB’s Application to Intervene in PNCSB’s Judicial Review Application at the Court of Appeal on 18 August 2021, the IRB requested for more time to file an additional record of appeal. Thereafter, the Court of Appeal directed parties to attend the next case management fixed on 28 September 2021.

At the case management of the IRB’s Application to Intervene in PNCSB’s Judicial Review Application at the Court of Appeal on 28 September 2021, PNCSB’s solicitor requested for more time to finalise the notes of proceedings as the IRB had sent the draft notes of proceedings to PNCSB’s solicitor on 27 September 2021. Thereafter, the Court of Appeal directed parties to attend the next case management fixed on 2 November 2021.

At the case management of the IRB’s Application to Intervene in PNCSB’s Judicial Review Application at the Court of Appeal on 2 November 2021, the Court of Appeal directed that the case be heard together with another similar IRB appeal case at the Court of Appeal at the hearing fixed on 14 December 2021. The Court of Appeal also fixed the next case management on 23 November 2021 for parties to update the Court on the filing of the written submissions.

At the hearing of the IRB’s Application to Intervene in PNCSB’s Judicial Review Application at the Court of Appeal on 14 December 2021, the Court of Appeal allowed the DGIR’s appeal with costs to the cause. Since the interim stay of the enforcement of the Form G on PNCSB granted by the Kuala Lumpur High Court is still in force until the hearing of PNCSB’s Judicial Review Application on 17 January 2022 which was subsequently vacated and the Kuala Lumpur High Court fixed a new hearing date on 13 June 2022. No taxes are payable by PNCSB in the meantime.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(IV) PNCSB (continued)

Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNCSB (continued)

PNCSB's Appeal to the Federal Court in relation to the Court of Appeal's Decision Dated 14 December 2021 in relation to the IRB's Application to intervene in PNCSB's Judicial Review Application

PNCSB had filed a notice of motion on 12 January 2022 to the Federal Court for leave to appeal against the Court of Appeal's decision on 14 December 2021 in allowing the IRB's Application to intervene in PNCSB's Judicial Review Application against the Minister of Finance ("PNCSB's Appeal to the Federal Court").

At the case management on 11 February 2022, the Federal Court directed parties to attend the next case management on 18 February 2022 to fix the hearing date of PNCSB's Appeal to the Federal Court.

At the case management on 18 February 2022, the Federal Court directed parties to attend the next case management on 9 May 2022 and fixed the hearing date of PNCSB's Appeal to the Federal Court on 24 May 2022.

PNCSB's Tax Appeal to the Special Commissioners of Income Tax ("SCIT") ("PNCSB's Tax Appeal to SCIT") (Appeal No. MOF.PKCP.700.7/1/1303-1304(2021))

At the first mention on 28 September 2021 before the Special Commissioners of Income Tax ("SCIT") in respect of the tax appeal by PNCSB against the notices of assessment known as Form G issued by the IRB to PNCSB for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively ("PNCSB's Tax Appeal to SCIT"), the SCIT directed parties to file the cause papers by 28 December 2021 and fixed the next case management on 28 December 2021.

At the case management on 28 December 2021, the SCIT fixed the next case management on 2 March 2022 to update the SCIT on the filing of the cause papers.

At the case management on 2 March 2022, the SCIT fixed the next case management on 17 May 2022 to update the SCIT on the filing of the cause papers.

(V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB")

Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor ("RMCD") in accordance with the Goods and Services Tax Act 2014 to PNMSSB

(i) **Bill of Demand dated 21 October 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB**

On 23 October 2019, a wholly-owned subsidiary, PNMSSB received a Bill of Demand from RMCD dated 21 October 2019, demanding for Goods and Services Tax in the sum of RM850,645.23 for the period between 1 January 2018 and 31 August 2018 ("Demand"). PNMSSB sought advice from its tax agent and solicitors on the next course of action. Based on the preliminary advice received, PNMSSB will contest and appeal against the Demand.

On 31 October 2019, PNMSSB filed to commence a judicial review application ("Application") against RMCD to set aside the Bill of Demand dated 21 October 2019.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(V) Puncak Niaga Management Services Sdn. Bhd. (“PNMSSB”) (continued)

Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor (“RMCD”) in accordance with the Goods and Services Tax Act 2014 to PNMSSB (continued)

(i) Bill of Demand dated 21 October 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB (continued)

At the case management on 5 November 2019, the Court fixed the hearing of the Application on 8 January 2020 and granted an interim order to stay the enforcement and effect of Bill of Demand pending the disposal of the Application.

At the hearing on 8 January 2020, the Court granted leave for the Application and an order to stay the enforcement and effect of the Bill of Demand pending the disposal of the substantive hearing of the Application.

At the case management on 5 February 2020, the Registrar directed parties to attend another case management on 17 April 2020 to obtain the Court's directions on the filling of cause papers in respect of the Application.

At the case management on 17 June 2020, the Court maintained the interim stay previously granted by Court of all further proceedings including the enforcement and effect of the Bill of Demand dated 21 October 2019 as the Application is currently put on hold pending the disposal of the other Application against RMCD for the two (2) Bills of Demand dated 18 December 2019.

At the case management on 7 October 2020, the Court fixed the next case management of the Application on 18 January 2021.

At the case management on 18 January 2021, the Court fixed the case management of the Application on 8 March 2021.

On 8 March 2021, the Court fixed the next case management of the Application on 3 June 2021.

The Court vacated the case management of the Application fixed on 3 June 2021 and fixed the next case management of the Application on 16 June 2021.

At the case management on 16 June 2021, the Court fixed the hearing of the Application against RMCD on 27 September 2021 and granted the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 until 27 September 2021.

The Court subsequently vacated the hearing of the Application originally fixed on 27 September 2021 and fixed a case management on 23 September 2021 for parties to fix a new hearing date for the Application against RMCD.

At the case management on 23 September 2021, the Court fixed the hearing of the Application against RMCD on 16 December 2021 and granted the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 until 16 December 2021.

The hearing of the Application against RMCD fixed on 16 December 2021 was vacated as the presiding judge for the matter has been transferred out of the Shah Alam High Court to the Kuala Lumpur High Court.

In the meantime, at the hearing of PNMSSB's application to extend the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 in light of the substantive hearing of the Application against RMCD being vacated at the Shah Alam High Court on 16 December 2021 before a different judge, the Shah Alam High Court granted PNMSSB an interim stay of all further proceedings until the disposal of the Application against RMCD.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor ("RMCD") in accordance with the Goods and Services Tax Act 2014 to PNMSSB (continued)

(i) Bill of Demand dated 21 October 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB (continued)

The Shah Alam High Court has fixed the hearing of PNMSSB's Application against RMCD on 23 May 2022 before a new judge. The Shah Alam High Court had previously granted PNMSSB an interim stay of all further proceedings until the disposal of the hearing of the Application against RMCD.

(ii) Bills of Demand dated 18 December 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB

PNMSSB had on 18 December 2019 received two (2) Bills of Demand both dated 18 December 2019 from RMCD, demanding for Goods and Services Tax in the aggregate sum of RM5,268,924.68 for the period between 1 February 2016 to 31 December 2017.

On 30 December 2019, PNMSSB filed a judicial review application ("Application") against RMCD to set aside the Bill of Demand.

At the case management on 7 January 2020, the Registrar fixed a further case management before the learned Judge on 14 January 2020 for parties to record an interim order to stay the enforcement and effect of the Bills of Demand pending the hearing of the Application.

At the case management on 14 January 2020, the learned Judge granted an interim stay order to stay the enforcement and effect of the Bills of Demand pending the hearing of the Application. The learned Judge also directed both parties to attend a case management on 5 February 2020 to fix a hearing date for the Application.

At the case management held on 5 February 2020, the Registrar fixed the hearing of the Application on 17 April 2020. The Registrar also fixed another case management on 31 March 2020 for parties to update the Registrar on the filling at the relevant cause papers.

The Court subsequently vacated the hearing scheduled on 17 April 2020 and fixed a case management before the Registrar on 29 April 2020 for parties to fix a new hearing date for the Application.

Due to the Extended Movement Control Order imposed by the Government due to the COVID-19 outbreak, the Court subsequently fixed the case management on 4 June 2020.

At the case management on 4 June 2020, the Registrar directed the parties to attend another case management on 17 June 2020 for the parties to fix a hearing date for the Application.

At the case management on 17 June 2020, the Court fixed the hearing of the Application on 28 August 2020. The interim stay of all further proceedings including the enforcement and effect of the Bills of Demand previously granted by the Court remain in force pending the disposal of the Application.

The Court had subsequently vacated the hearing date of the Application on 28 August 2020 and fixed a new hearing date on 24 September 2020. The interim stay of all further proceedings including the enforcement and effect of the Bills of Demand previously granted by the Court remain in force pending the disposal of the Application.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(V) Puncak Niaga Management Services Sdn. Bhd. (“PNMSSB”) (continued)

Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor (“RMCD”) in accordance with the Goods and Services Tax Act 2014 to PNMSSB (continued)

(ii) Bills of Demand dated 18 December 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB (continued)

On 24 September 2020, the Court fixed the next case management of the Application on 7 October 2020.

At the case management on 7 October 2020, the Court renewed the interim order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 which was previously granted on 24 September 2020. The Court fixed the next case management of the Application on 18 January 2021. In the meantime, the interim stay order will be renewed every two (2) weeks until the hearing date.

At the case management on 18 January 2021, the Court fixed the case management of the Application on 8 March 2021.

On 8 March 2021, the Court fixed the next case management of the Application on 3 June 2021.

On 15 April 2021, the Court vacated the case management of the Application fixed on 3 June 2021 and fixed the next case management of the Application on 16 June 2021.

At the case management on 16 June 2021, the Court fixed the hearing of the Application against RMCD on 27 September 2021 and granted the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 until 27 September 2021.

The Court subsequently vacated the hearing of the Application originally fixed on 27 September 2021 and fixed a case management on 23 September 2021 for parties to fix a new hearing date for the Application against RMCD.

At the case management on 23 September 2021, the Court fixed the hearing of the Application against RMCD on 16 December 2021 and granted the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 until 16 December 2021.

The hearing of the Application against RMCD fixed on 16 December 2021 was vacated as the presiding judge for the matter has been transferred out of the Shah Alam High Court to the Kuala Lumpur High Court.

In the meantime, at the hearing of PNMSSB's application to extend the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 in light of the substantive hearing of the Application against RMCD being vacated at the Shah Alam High Court on 16 December 2021 before a different judge, the Shah Alam High Court granted PNMSSB an interim stay of all further proceedings until the disposal of the Application against RMCD.

The Shah Alam High Court has fixed the hearing of PNMSSB's Application against RMCD on 23 May 2022 before a new judge. The Shah Alam High Court had previously granted an interim stay of all further proceedings until the disposal of the hearing of the Application against RMCD.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNMSSB

On 3 December 2020, a wholly-owned subsidiary of Puncak, PNMSSB filed a judicial review application at the Kuala Lumpur High Court ("Judicial Review Application") to challenge the notices of assessment known as Form J which PNMSSB received from the IRB for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively (hereinafter referred to as "Notices"). These Notices were issued by the IRB under Section 44A(9) of the ITA consequent to the IRB's decision to disallow the losses claimed by Puncak under the group relief scheme. The losses were surrendered by one of Puncak's wholly-owned subsidiary, PNCBS, which is a related company of PNMSSB, to PNMSSB.

Based on the legal advice obtained from its tax solicitors, PNMSSB was of the view that it has good basis in law to contend that the Notices were erroneously and arbitrarily raised by the IRB. Accordingly, PNMSSB commenced the legal avenues available to challenge the Notices including the Judicial Review Application which commenced on 3 December 2020 against the Minister of Finance.

On 10 December 2020, the Kuala Lumpur High Court fixed PNMSSB's Judicial Review Application for case management on 16 December 2020.

At the case management on 16 December 2020, the Kuala Lumpur High Court granted PNMSSB an interim stay until the next mention date on 13 January 2021.

At the case management on 13 January 2021, the Kuala Lumpur High Court granted an interim stay of the enforcement of the Form J on PNMSSB until the next case management on 18 January 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management on 18 January 2021 on PNMSSB's Judicial Review Application, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the hearing of the IRB's application to intervene on 6 May 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the hearing on PNMSSB's Judicial Review Application on 6 May 2021, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the case management fixed on 19 May 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management of PNMSSB's Judicial Review Application on 19 May 2021, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the case management fixed on 10 June 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

The case management on PNMSSB's Judicial Review Application which was initially fixed on 10 June 2021 was vacated and the matter was fixed for case management on 6 September 2021. The Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management of PNMSSB's Judicial Review Application on 6 September 2021, the Kuala Lumpur High Court fixed the next case management on 18 November 2021. As the Kuala Lumpur High court previously granted an interim stay of enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(V) Puncak Niaga Management Services Sdn. Bhd. (“PNMSSB”) (continued)

Two (2) Notices of Assessment issued by the Inland Revenue Board (“IRB”) in accordance with the Income Tax Act 1967 (“ITA”) to PNMSSB (continued)

At the case management of PNMSSB’s Judicial Review Application on 18 November 2021, the Kuala Lumpur High Court fixed the next case management on 21 December 2021. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB’s Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

At the case management of PNMSSB’s Judicial Review Application on 21 December 2021, the Kuala Lumpur High Court fixed the next case management on 17 March 2022. On 17 March 2022, the Kuala Lumpur High Court fixed the next case management on 1 June 2022. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB’s Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

Kuala Lumpur High Court Suit No. : WA-24NCVC-1885-10/2021 Director General of Inland Revenue (“Plaintiff”) vs PNMSSB (“Defendant”)

The Director General of Inland Revenue (“DGIR”) had on 6 October 2021 applied to set aside the interim stay order that was granted to PNMSSB on 10 June 2021 by the Kuala Lumpur High Court (“Interim Stay Order dated 10 June 2021”) until the disposal of the leave hearing in respect of PNMSSB’s Judicial Review Application. The matter is fixed for case management at the Kuala Lumpur High Court on 18 October 2021. PNMSSB has instructed its solicitors to represent PNMSSB in the matter and to oppose the DGIR’s application to set aside the Interim Stay Order dated 10 June 2021.

At the case management at the Kuala Lumpur High Court on 18 October 2021, the Court fixed the next case management of the DGIR’s Application to Set Aside the Interim Stay Order dated 10 June 2021 on 26 November 2021 for parties to update the Court on the status of the filing of affidavits.

At the case management at the Kuala Lumpur High Court on 26 November 2021, the Court fixed the hearing of the DGIR’s Application to Set Aside the Interim Stay Order dated 10 June 2021 on 18 March 2022.

The hearing of the DGIR’s Application to Set Aside the Interim Stay Order dated 10 June 2021 on 18 March 2022 was converted into a case management and the Kuala Lumpur High Court allowed the Plaintiff’s withdrawal of the case with cost of RM1,000 to be given to PNMSSB subject to allocator fee.

PNMSSB’s Tax Appeal to the Special Commissioners of Income Tax (“SCIT”) (“PNMSSB’s Tax Appeal to SCIT”) (Appeal No. MOF. PKCP.700.7/1/1301-1302(2021))

At the first mentioned on 28 September 2021 before the Special Commissioners of Income Tax (“SCIT”) in respect of the tax appeal by PNMSSB against the notices of assessment known as Form J issued by the IRB to PNMSSB for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively (“PNMSSB’s Tax Appeal to SCIT”), the SCIT directed parties to file the cause paper by 28 December 2021 and fixed the next case management on 28 December 2021.

At the case management on 28 December 2021, the SCIT fixed the next case management on 2 March 2022 to update the SCIT on the filing of the cause papers.

At the case management on 2 March 2022, the SCIT fixed the next case management on 17 May 2022 to update the SCIT on the filing of the cause papers.

Notes to the Financial Statements

35. MATERIAL LITIGATIONS (CONTINUED)

(V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

Shah Alam High Court Suit No: BA-21NCVC-80-07/2021 Government of Malaysia vs PNMSSB

On 6 August 2021, Puncak announced that IRB, on the behalf of the Government of Malaysia, had commenced a civil action against Puncak Niaga Management Services Sdn Bhd ("PNMSSB") to recover the purported unpaid taxes under the Notices of Assessment known as Form J for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively ("Notice") despite the interim stay on the enforcement of the Form J granted by the Kuala Lumpur High Court on 10 June 2021 as disclosed above. The IRB had served a copy of the Writ of Summons dated on 29 July 2021 on PNMSSB on 5 August 2021.

As the Kuala Lumpur High Court had granted an interim stay of the enforcement of the Form J on PNMSSB until disposal of the leave hearing in respect of PNMSSB's Judicial Review Application on 10 June 2021, the IRB has no basis to initiate the civil recovery proceedings on PNMSSB. As such, PNMSSB solicitor had written to IRB on 6 August 2021 to demand the IRB withdraw its Writ of Summons on PNMSSB within 7 days.

On 16 August 2021, Puncak announced that the IRB, on the behalf of the Government of Malaysia, did not respond to PNMSSB's solicitors letter dated 6 August to withdraw its Writ of Summons on 29 July 2021 served on PNMSSB on 5 August 2021. Upon PNMSSB's instruction, its solicitor filled the Memorandum of Appearance in relation to the suit on behalf of PNMSSB at the Shah Alam High Court on 13 August 2021 and the same had been served on IRB.

At the first case management of the suit at the Shah Alam High Court on 30 August 2021, the IRB informed the Court that they do not have any objections towards PNMSSB's application to strike out the suit ("PNMSSB's Application to Strike Out") and PNMSSB's application for extension of time to file its defence ("PNMSSB's Application for Extension of Time to File Defence"). The Shah Alam High Court fixed the next management on 4 October 2021.

At the case management of the suit at the Shah Alam High Court on 4 October 2021, the Court granted PNMSSB's Application for Extension of Time to File Defence until the disposal of PNMSSB's Application to Strike Out the suit. The Shah Alam High Court fixed the next case management on 1 November 2021.

At the case management of the suit at the Shah Alam High Court on 1 November 2021, the Court fixed the hearing of PNMSSB's Application to Strike Out the suit 7 March 2022 and fixed the case management of the suit by IRB on 8 March 2022.

At the hearing of PNMSSB's Application to Strike Out the suit on 7 March 2022, the Shah Alam High Court fixed the matter for decision on 18 March 2022 and vacated the case management of the suit by IRB fixed on 8 March 2022.

On 18 March 2022, the Shah Alam High Court delivered its decision on PNMSSB's Application to Strike Out the suit wherein the Court granted a stay of proceedings in respect of the enforcement of the civil suit commenced by IRB against PNMSSB until the full disposal of the leave hearing in respect of PNMSSB's Judicial Review Application with no order as to costs.

Notes to the Financial Statements

36. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of current financial year:-

	Note	Group 31 December 2020	
		As previously reported RM'000	As restated RM'000
Statements of Financial Position (extracted):-			
Assets			
Non-current assets			
Trade and other receivables	14	832,579	852,940
Current assets			
Trade and other receivables	14	184,759	164,398
Note 14 to the financial statements (extracted):-			
Non-current			
Non-trade			
Prepayments	14	5,409	25,770
Current			
Non-trade			
Prepayments	14	70,280	49,919

Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 109 to 241 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

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

.....
Tan Sri Rozali bin Ismail

Director

.....
Azlan Shah bin Rozali

Director

Shah Alam

Date: 30 March 2022

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Wong Ley Chan**, the Officer primarily responsible for the financial management of Puncak Niaga Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 109 to 241 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Wong Ley Chan (MIA CA: 6550), at Shah Alam in the State of Selangor on **30 March 2022**.

.....
Wong Ley Chan

Before me:

Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Puncak Niaga Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 109 to 241.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

To the Members of Puncak Niaga Holdings Berhad

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
1) Revenue Recognition	
<p>Construction revenue</p> <p>As at 31 December 2021, the Group recognised RM134.7 million of revenue from construction division.</p> <p>The construction revenue is recognised over time by reference to the cost incurred over the estimated cost of each individual contract. The construction revenue is considered a key audit matter due to it required us to exercise significant judgement to evaluate the estimate of the total costs to be incurred, which inherently was uncertain.</p>	<p>Our audit procedures included, among others:</p> <p>Construction revenue:</p> <ul style="list-style-type: none"> Performed site visits for individually significant on-going projects to arrive at an overall assessment towards stage of completion. Reviewed information provided by the entity and inquired management as to whether they had determined the completeness of the budgets, if there were any disputes with the customers/sub-contractors and if there would be any delays in the projects which would render additional costs. Selected samples of estimated costs and compared them with contracts or letter of awards. Performed a re-computation of the actual costs to budgeted cost to determine if the percentage of completion was computed appropriately, and subsequently, performed a re-computation to determine if the revenue was recognised appropriately. Re-assessed the foreseeable losses had been recognised in accordance with the requirements of the accounting standards.
<p>Concession revenue</p> <p>As at 31 December 2021, the Group recognised RM178.9 million of revenue from concession division. The revenue is considered a key audit matter due to it required significant judgement in determining the appropriate discount rates to compute the concession revenue from construction contracts, maintenance services and finance income.</p>	<p>Concession revenue:</p> <ul style="list-style-type: none"> Reviewed the agreements and assessed whether these agreements had been appropriately identified to be service concession agreements within the scope of MFRS 15. Evaluated the appropriateness of discount rates applied in discounting the receivables from the customers. Assessed the Group's estimate on budgeted costs to be incurred including comparison of historical budgets with actual costs incurred. Assessed the Group's estimate on total costs to completion through enquires and inspected documentation to support the cost estimates.

Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
2) Impairment assessments of cost of investment in subsidiaries and amounts due from subsidiaries	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> Challenged the assessment for indications of impairment performed by the Company by considering whether it had factored or considered relevant internal and external information. Compared the impairment assessment performed by the Company with the requirements of the accounting standards. Challenged the recoverable amounts determined by the Company by evaluating the key assumptions made by the Company.

The Company's cost of investments and advances provided to subsidiaries to finance their operations are significant. Some of these subsidiaries are reporting unfavourable results and hence, subject to impairment assessments.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of 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.

Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

Report on the Audit of the Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matter

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
30 March 2022

ANTONY LEONG WEE LOK
(NO: 03381/06/2022 J)
CHARTERED ACCOUNTANT

Analysis on Securities of Company

As at 30 March 2022

ANALYSIS OF SHAREHOLDINGS

Share Capital	: RM554,662,777.00
Total Number of Issued Shares	: 449,284,556
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per ordinary share
No. of Shareholders	: 10,688

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders						No. of Issued Shares Held					
	Malaysian		Foreigner		Total		Malaysian		Foreigner		Total	
	No.	%#	No.	%#	No.	%#	No.	%#	No.	%#	No.	%#
Less than 100	551	5.16	5	0.04	556	5.20	12,905	*	204	*	13,109	*
100-1,000	1,559	14.59	19	0.18	1,578	14.77	1,054,102	0.24	12,550	*	1,066,652	0.24
1,001-10,000	5,690	53.24	52	0.49	5,742	53.73	25,344,004	5.67	248,987	0.06	25,592,991	5.73
10,001-100,000	2,379	22.26	45	0.42	2,424	22.68	76,614,408	17.13	1,674,480	0.37	78,288,888	17.50
100,001-22,362,386 (less than 5% of the issued share capital)	370	3.46	16	0.15	386	3.61	183,536,767	41.04	7,120,600	1.59	190,657,367	42.63
22,362,387 and above (5% and above of the issued share capital)	2	0.01	0	0	2	0.01	151,628,749	33.90	0	0	151,628,749	33.90
TOTAL	10,551	98.72	137	1.28	10,688	100.00	438,190,935	97.98	9,056,821	2.02	447,247,756	100.00

Notes:

* Negligible

Excluding a total of 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2022

Analysis on Securities of Company

As at 30 March 2022

LIST OF TOP THIRTY SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same Registered Holder)

No.	Name Of Shareholder	No. Of Issued Shares Held	% Of Issued Shares*
1.	Central Plus (M) Sdn Bhd	103,798,260	23.21
2.	Corporate Line (M) Sdn Bhd	47,830,489	10.69
3.	Corporate Line (M) Sdn Bhd	21,600,000	4.83
4.	Nusmakmur Development Sdn Bhd	8,600,000	1.92
5.	Kenanga Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Goh Tai Siang]	7,690,000	1.72
6.	Lee Kuang Chong	4,988,300	1.11
7.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Teh Koon Chai (E-KTN/JBH)]	4,618,200	1.03
8.	Ng Choi	3,294,900	0.74
9.	Lee Chee Beng	2,864,200	0.64
10.	Goh Tai Siang	2,718,300	0.61
11.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Wong Sui Yuing (E-BTL)]	2,674,400	0.60
12.	Lin Thean Fatt	2,634,000	0.59
13.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Tee Kim Hew (E-KLG/BTG)]	2,470,300	0.55
14.	Lim Mok Leng	2,092,000	0.47
15.	Maybank Securities Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Zulkifli Bin Ismail]	2,000,000	0.45
16.	Central Plus (M) Sdn Bhd	1,912,075	0.43
17.	Rozali bin Ismail	1,901,900	0.43
18.	Kalayarasu A/L Subramaniam	1,708,300	0.38
19.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Tan Pet Huan (E-PKG)]	1,650,000	0.37
20.	Lee Pa Wei	1,539,600	0.34
21.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Lee Pa Wei (E-SJA)]	1,487,400	0.33
22.	Lim Teik Hoe	1,479,000	0.33
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Chong Ken Min (8042243)]	1,460,000	0.33
24.	CGS-CIMB Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Ng Chai Hock (MY0972)]	1,365,100	0.31
25.	Goh Teck Yiew	1,351,100	0.30
26.	Khor Keng Saw @ Khaw Ah Soay	1,301,200	0.29
27.	UPA Corporation Bhd	1,271,500	0.28
28.	Maybank Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Oh Kim Sun]	1,250,000	0.28
29.	Zainul Abideen bin Fazle Abbas	1,200,000	0.27
30.	Khoo Kim Hong	1,123,400	0.25
	Total	241,873,924	54.08

* Excluding 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2022

Analysis on Securities of Company

As at 30 March 2022

DIRECTORS' INTEREST IN ORDINARY SHARES AS PER THE REGISTER OF THE DIRECTORS' SHAREHOLDINGS

No.	Name of Director	No. Of Issued Shares Held In The Company			
		Direct Interest	%#	Indirect Interest	%#
1.	YBhg Tan Sri Rozali bin Ismail	1,901,900	0.43	175,140,824*	39.16*
2.	Encik Azlan Shah bin Rozali	389,400	0.09	-	-
3.	YBhg Dato' Sri Adenan bin Ab. Rahman	-	-	-	-
4.	YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason	-	-	-	-
5.	YBhg Datuk Sr Haji Johari bin Wahab	-	-	1,050	*AA
6.	YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj	-	-	-	-
7.	Encik Noor Faiz bin Hassan	-	-	-	-

Notes:

* Negligible

+ Deemed interest by virtue of 100% shareholding interest each in Central Plus (M) Sdn Bhd (Co. No. 183535-W) and Corporate Line (M) Sdn Bhd (Co. No. 172689-H) of which 5% is held in his own name and 95% is held in his spouse's and children's names, respectively

AA Deemed interest by virtue of shares held in his brother's name

Excluding a total of 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2022

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

(Excluding Bare Trustees)

No.	Name of Substantial Shareholder	No. of Issued Shares Held in The Company			
		Direct Interest	%#	Indirect Interest	%#
1.	YBhg Tan Sri Rozali bin Ismail	1,901,900	0.43	175,140,824*	39.16*
2.	YBhg Puan Sri Faridah binti Idris	-	-	175,140,824**	39.16**
3.	Central Plus (M) Sdn Bhd	105,710,335	23.64	-	-
4.	Corporate Line (M) Sdn Bhd	69,430,489	15.52	-	-

Notes:

* Deemed interest by virtue of 100% shareholding interest each in Central Plus (M) Sdn Bhd (Co. No. 183535-W) and Corporate Line (M) Sdn Bhd (Co. No. 172689-H) of which 5% is held in his own name and 95% is held in his spouse's and children's names, respectively

** Deemed interest by virtue of 75% shareholding interest each in Central Plus (M) Sdn Bhd (Co. No. 183535-W) and Corporate Line (M) Sdn Bhd (Co. No. 172689-H), respectively

Excluding a total of 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2022

List of Properties

As at 31 December 2021

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built - Up area	Net Book Value (RM'000) 31.12.2021	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
Property, Plant and Equipment						
Building and Adjacent Land						
Wisma Rozali, No. 4 & 6, Persiaran Sukan, Seksyen 13, 40100 Shah Alam Selangor Darul Ehsan	01/08/2005 31/12/2011 (V) 31/12/2014 (V) 31/12/2017 (V) 31/12/2020 (V)	12,952 sq.m	63,945	99 Years Leasehold	81 Years Expiring on 22/01/2102	Office premises and land
3 Storey Building						
No. 31, Jalan Temoleh 8/7, Precinct 8, 62250 Putrajaya	09/11/2016 31/12/2017 (V) 31/12/2020 (V)	387 sq.m	4,111	Freehold	N/A	Premises
Plantation Land and Building						
Lot 43, Murum Land District Lot 20, Murum Land District Lot 21, Murum Land District Lot 22, Murum Land District Lot 23, Murum Land District Lot 24, Murum Land District Lot 25, Murum Land District Lot 13, Murum Land District Lot 14, Murum Land District Lot 15, Murum Land District Lot 1, Silat Land District	03/07/2017 20/12/2016 (V) 27/02/2020 (V)	36,864 Ha. 2.5 Ha. 0.6 Ha. 2.0 Ha. 3.90 Ha. 5.84 Ha. 0.16 Ha. 1,409 Ha. 126 Ha. 1,996 Ha. 2,540 Ha.	289,385	99 years Leasehold	82 years expiring in 2103 95 years expiring in 2116	Plantation
Investment Properties						
Land and Building						
PN10340, Lot No. 267, Mukim of Serting Ulu, District of Jempol, Negeri Sembilan Darul Khusus bearing address No. PT 1152, Batu 36, Jalan Pahang, 72200 Batu Kikir, Negeri Sembilan Darul Khusus	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2020 (V) 31/12/2021 (V)	231,704 sq.m	23,740	99 Years Leasehold	72 Years Expiring on 25/03/2093	A parcel of industrial land of which about 7.22 acres is built upon with a single-storey factory building with two-storey office section and single storey workers quarters. The factory is rented out. The remaining portion of the property comprising an estimated land area of about 50.04 acres is presently undeveloped

List of Properties

As at 31 December 2021

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built - Up area	Net Book Value (RM'000) 31.12.2021	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
Investment Properties						
Freehold Land						
No. 8, Jalan Sultan Mahmud, 21080 Kuala Terengganu, Terengganu. (Lot 2119, Mukim of Batu Buruk, District of Kuala Terengganu, Terengganu Darul Iman)	02/07/2008 31/12/2011 (V) 31/12/2014 (V) 31/12/2015 (V) 31/12/2016 (V) 31/12/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	2,058 sq.m	1,425	Freehold	N/A	Vacant
Land and Building						
No. 20, Jalan Presiden F U1/F, Accentra Business Park Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	01/02/2008 31/12/2011 (V) 31/12/2014 (V) 31/12/2015 (V) 31/12/2016 (V) 31/12/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	164 sq.m	2,200	Freehold	N/A	Vacant
Land and Building						
No. 8, Jalan Presiden F U1/F, Accentra Business Park Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	24/7/2020 31/12/2021 (V)	164 sq.m	2,200	Freehold	N/A	Vacant
Leasehold Land						
H.S.(D) 2605, PT 1563, Mukim Jeram, District of Kuala Selangor, Selangor Darul Ehsan	01/08/2010 31/12/2011 (V) 31/12/2014 (V) 31/12/2015 (V) 31/12/2016 (V) 30/09/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	159,996 sq.m	56,400	99 Years Leasehold	74 Years Expiring on 01/12/2095	Vacant

List of Properties

As at 31 December 2021

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built - Up area	Net Book Value (RM'000) 31.12.2021	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
Investment Properties						
Land and Building						
H.S.(D) 6163, PN 77569 Lot 7092	16/02/2007	331,438 sq.m	462,300	99 Years	80 Years	Partly Rented Out
H.S.(D) 6164, PN 77570 Lot 7093	31/12/2011 (V)	213,092 sq.m		Leasehold	Expiring on	Vacant
H.S.(D) 6165, PN 77571 Lot 7094#	31/12/2014 (V)	229,299 sq.m			24/10/2101	Partly Rented Out
H.S.(D) 6166, PN 77572 Lot 7095	31/12/2015 (V)	229,733 sq.m				Vacant
Mukim of Ijok	31/12/2016 (V)					
District of Kuala Selangor	30/09/2017 (V)					
Selangor Darul Ehsan	31/12/2018 (V)					
# include a single storey building	31/12/2019 (V)					
complete with parking facilities	31/12/2020 (V)					
	31/12/2021 (V)					
4 Storey Shophouse						
No. 12, Jalan Todak 5,	21/03/2007	238 sq.m	2,500	99 Years	71 Years	Partly Rented Out
Pusat Bandar Seberang Jaya,	31/12/2011 (V)			Leasehold	Expiring on	
13700 Perai, Pulau Pinang	31/12/2014 (V)				21/10/2092	
	31/12/2015 (V)					
	31/12/2016 (V)					
	31/12/2017 (V)					
	31/12/2018 (V)					
	31/12/2019 (V)					
	31/12/2020 (V)					
	31/12/2021 (V)					
5 Storey Shophouse						
No. 32, Blok 4,	07/06/2011	1,014 sq.m	4,750	99 Years	88 Years	Vacant
Laman Seri Business Park,	31/12/2014 (V)			Leasehold	Expiring on	
Persiaran Sukan, Seksyen 13,	31/12/2017 (V)				21/3/2109	
Shah Alam, Selangor Darul Ehsan	31/12/2018 (V)					
	31/12/2019 (V)					
	31/12/2020 (V)					
	31/12/2021 (V)					
Building						
No. 12B, Jalan PJS 8/11,	19/10/2011	331 sq.m	5,600	99 Years	81 Years	Partly Rented Out
Dataran Mentari, Bandar Sunway,	31/12/2014 (V)			Leasehold	Expiring on	
46150 Petaling Jaya,	31/12/2017 (V)				06/11/2102	
Selangor Darul Ehsan	31/12/2018 (V)					
	31/12/2019 (V)					
	31/12/2020 (V)					
	31/12/2021 (V)					

List of Properties

As at 31 December 2021

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built - Up area	Net Book Value (RM'000) 31.12.2021	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
Investment Properties						
3 Storey Shophouse						
Sublot 8 (Survey Lot 9306) Lot 1541, Block 6, Seduan Land District, Sibu, Sarawak	17/08/2016 31/12/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	140 sq.m	1,155	99 Years Leasehold	18 Years Expiring on 31/12/2039	Rented Out
Leasehold Land						
H.S.(D) 80453, Lot No. 19255 Mukim Ijok District of Kuala Selangor Selangor Darul Ehsan	24/10/2017 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	84,130 sq.m	41,900	99 Years Leasehold	86 Years Expiring on 11/05/2107	Vacant
3 Storey Shophouse						
HS(D) 103098 and 103097, Lots PT 33384 and PT 33383 Mukim of Sungai Buloh, District of Petaling Selangor Darul Ehsan Nos. 6 and 8 Jalan Apollo CH U5/CH Bandar Pinggiran Subang 1, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	312 sq.m	2,000	99 Years Leasehold	74 Years Expiring on 10/06/2095	Vacant
3 Storey Shophouse						
HS(D) 136264 and 136265, Lots PT 2774 and PT 2775, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan bearing address Nos. 20 and 22, Jalan Uranus AH U5/AH, Subang Impian, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	327.04 sq.m	2,200	99 Years Leasehold	78 Years Expiring on 03/04/2099	Partly Rented Out

List of Properties

As at 31 December 2021

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built - Up area	Net Book Value (RM'000)	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
	31.12.2021					
Investment Properties						
Leasehold Land						
Part of PN16618, Lot 10965, Mukim of Bukit Raja, District of Petaling Selangor Darul Ehsan bearing address: Lot 10965, Jalan Pulau Angsa U10/14, Taman Puncak Perdana, Section U10, 40170 Shah Alam Selangor Darul Ehsan	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	3.625 acres	7,000	99 Years Leasehold	78 Years Expiring on 09/04/2099	A parcel of residential building land comprising the remaining undeveloped part of Lot 10965 which has been approved for development of medium-cost apartment
Leasehold Land						
State alineated development land formerly part of Bukit Cherakah Forest Reserve located within Taman Puncak Perdana, Section U10, Shah Alam, in the Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	25.65 acres	41,340	99 Years Leasehold	95 Years Expiring on 19/02/2117	A parcel of land approved for commercial development
Leasehold Land						
17 titles included in: PN 81600 to 81603, Lot Nos. 57580 to 57583; PN 81612 to 81617, Lot Nos. 57592 to 57597; HS(D)114797 to 114801, Lots PT 2104 to 2108; HS(D) 114811 and 114812, Lots PT 2118 and PT 2119:	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V)	50,263 sq.m	25,770	99 Years Leasehold	84 Years Expiring on 05/07/2105 (save for Lots PT 2104 to PT 2108, PT 2118 & PT 2119 that are expiring on 28/10/2096)	53 Vacant detached house lots
35 titles included in: PN 81635 to 81646, Lot Nos. 57615 to 57626; PN 81647 to 81669, Lot Nos. 57628 to 57650						
1 title under PN 81770, Lot No. 57751, all in Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan						

List of Properties

As at 31 December 2021

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built - Up area	Net Book Value (RM'000) 31.12.2021	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
Investment Properties						
Leasehold Land						
906 sub-divided plots of vacant land with individual titles:-	01/11/2016 (V)	338.67 acres	153,900	99 Years	78 years	906 sub-divided building plots approved for development and three parcels of agricultural land with development potential which are not approved for any development as yet.
(i) 27524-27548, 27550-27555, 27558-27566, 27568-27590, 27592-27718, 27720-27841, 27845-27851, 27853-27861, 27863-27984, 27986-28046, 28048-28063, 28065-28071, 28073-28097, 28099-28112, 28114-28174, 28178-28186, 28188-28228, 28232-28259, 28261-28325, 28339, 28341-28371, 28374-28383, 28385, 28391-28404, 28406-28411, 28413-28429, 28431-28445, 28447-28451, 28455-28470, 28473, 28475-28479 Seksyen 20, Bandar Serendah, District of Ulu Selangor	31/05/2018 (V)	(gross)		Leasehold	expiring on 19/06/2099 (except for Lot No. 28480 (formerly known as PT 1833) which is expiring on 20/06/2099 and Lots Nos. PT 103, PT 115 and PT 117 which are expiring on 25/09/2080)	
(ii) PT Nos. 1489,1490,1533,1673,1771, 1833, 2360 Mukim of Serendah, District of Ulu Selangor together with public facilities and amenities areas						

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for 'In Accordance' Option — Core

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G4-2	Description of key impacts, risks and opportunities	-	Chairman's Letter To Shareholders, Management Discussion And Analysis	18-21 22-29
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G4-4	Primary brands, products and services	-	Management Discussion And Analysis, Corporate Profile	22-29 10-11
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G4-11	Percentage of total employees covered by collective bargaining agreements	-	No Unionised Workers	Not Applicable
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G4-18	Process for defining the report content and the aspect boundaries	-	Stakeholder Engagement	32-33
G4-19	Material aspects identified in the process for defining report content	-	Materiality	33
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for 'In Accordance' Option — Core

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SPECIFIC STANDARD DISCLOSURES — CORE OPTION

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	Total weight of waste by type and disposal method	Currently unavailable for total weight of hazardous waste produced by disposal methods.	Waste Management Practices	G4-EN23: 40
Biodiversity	Disclosure Management Approach	-	Conserving Biodiversity	G4-DMA: Biodiversity: 37-39
	Conserving Biodiversity -- Protection of High Conservation Value ("HCV"), High Carbon Stock ("HCS") and peat areas -- through the following measures: <ul style="list-style-type: none"> • Soil conservation • Maintaining riparian buffer zones • Treatment of wastewater before discharge 	-	Conserving Biodiversity	G4-EN11: 37-39
Category: Social				
Sub-category: Labour Practices and Decent Work				
Employment	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Employment: 42-45
	Total number and rates of new employee hires and employee turnover by age group, gender, and region	-	Workplace Diversity	G4-LA1: 42-43
	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	-	Benefits And Compensation	G4-LA2: 45
Occupational Safety And Health	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Occupational Health and Safety: 45-47
	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	-	Occupational Safety And Health	G4-LA6: 45-47

GRI G4 Content Index

for 'In Accordance' Option — Core

Specific Standard Disclosures

Material Aspects	Description	Omissions	Reference	DMA And Indicators
Category: Social				
Sub-category: Labour Practices and Decent Work				
Training and Education	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Training and Development: 44
	Average hours of training per year per employee by gender, and by employee category	-	Training And Development	G4-LA9: 44
Diversity and Equal Opportunity	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Diversity and Equal Opportunity: 42-43
	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	-	Workplace Diversity	G4-LA12: 42-43
Labour Practices Grievance Mechanisms	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Labour Practices Grievance Mechanism: 43
	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanism	-	Grievance Mechanism	G4-LA16: 43
Sub-Category: Human Rights				
Child Labour	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Child Labour: 43
	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	-	Human Rights	G4-HR5: 43
Forced or Compulsory Labour	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Forced or Compulsory Labour: 43
	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	-	Human Rights	G4-HR6: 43
Security Practices	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Security Practices: 47
	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	-	Security Practices	G4-HR7: 47
Indigenous Rights	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Communities	G4-DMA: Indigenous Rights: 48
	Total number of incidents of violations involving rights of indigenous peoples and actions taken	-	Local Communities	G4-HR8: 43, 48

Notice of 25th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (25th) Annual General Meeting of Puncak Niaga Holdings Berhad [199701000591 (416087-U)] will be conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 25 May 2022 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESSES

1. To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors of the Company who retire by rotation pursuant to Rule 100 of the Company's Constitution:
 - (a) YBhg Datuk Sr Haji Johari bin Wahab **Resolution 1**
 - (b) YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj **Resolution 2**
3. To approve the Independent Non-Executive Directors' remuneration with effect from 25 May 2022 until the next Annual General Meeting of the Company. **Resolution 3**
4. To re-appoint Grant Thornton Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration. **Resolution 4**
5. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN BEE LIAN (MAICSA 7006285/SSM PC No: 201908003714)

WAN RAZMAH BINTI WAN ABD RAHMAN (MAICSA 7021383/SSM PC No: 202008002111)

Secretaries

Shah Alam
26 April 2022

Notice of 25th Annual General Meeting

NOTES:

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 25th AGM in person at the Broadcast Venue on the day of the Meeting. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 25th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV in the Information for Shareholders on 25th AGM which is posted on our website at www.puncakniaga.com.my and take note of Notes (2) to (15) below in order to participate remotely via RPV.**

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 18 May 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
3. A member who is entitled to participate in this AGM via RPV is entitled to appoint another person to participate in this AGM in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV provided that:
 - a) where a member is an authorised nominee as defined in the Central Depositories Act, it may appoint up to 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.
 - b) where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account namely, Omnibus Securities Account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Securities Account it holds with ordinary shares of the Company standing to the credit of the said Omnibus Securities Account.

Where a member appoints two (2) or more proxies (as the case maybe), the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. Member(s), proxy(ies), corporate representative(s) or attorney(s) to participate at this AGM via RPV are required to register at **TIIH Online** website at <https://tiih.online> as a user first and then pre-register their attendance for the 25th AGM for verification of their eligibility to attend the 25th AGM using the RPV on the **Record of Depositors as at 18 May 2022**. **Please follow the Procedures for RPV in the Information for Shareholders on 25th AGM as set out in www.puncakniaga.com.my.**
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the power of attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.
7. Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Rule 85 of the Company's Constitution.

Notice of 25th Annual General Meeting

8. 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 twenty-four (24) hours before the time appointed for holding this AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form

- a) In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

(ii) In electronic form via TIIH Online

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Information For Shareholders on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. The last date and time for lodging the proxy form is **Tuesday, 24 May 2022 at 10.00 a.m.**

10. Members may submit questions in relation to the agenda items for the 25th AGM prior to the meeting via TIIH Online at <http://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Tuesday, 24 May 2022 at 10.00 a.m.** The Board will endeavour to address the questions received at the 25th AGM.

Members may use the **Query Box** facility to ask questions real time (in the form of typed text) during the meeting. The Chairman/Board will endeavour to respond to questions submitted by remote participants during the 25th AGM.

11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 25th AGM will be put to vote by poll. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and Coopers Professional Scrutineers Sdn. Bhd. as the Independent Scrutineers to verify the poll results and as the Independent Observer of the Questions & Answers Session of the 25th AGM.

12. **Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2021**

The audited financial statements are for discussion only under Agenda 1, as they do not require the shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, they will not be put for voting.

13. **Resolutions 1 and 2 : Agenda 2 - Re-election of Directors who retire by rotation in accordance with Rule 100 of the Company's Constitution**

Rule 100 of the Company's Constitution provides that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to one-third with a minimum of one, shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting, whether adjourned or not.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 25th AGM, the Board through the Nomination Committee's recommendations, had approved that the Directors who retire by rotation in accordance with Rule 100 of the Company's Constitution namely, YBhg Datuk Sr Haji Johari bin Wahab and YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj are eligible to stand for re-election. These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Nomination Committee Meetings.

Notice of 25th Annual General Meeting

14. Resolution 3: Agenda 3 – Approval of the Independent Non-Executive Directors' remuneration

Section 230(1) of the Companies Act, 2016 provides amongst others, that “the fees of the directors, and any benefits payable to the directors” of a listed company and its subsidiaries shall be approved at a general meeting.

The Company is seeking the shareholders' approval on the payment of the Independent Non-Executive Directors' (“INEDs”) remuneration up to the next Annual General Meeting in 2023.

The details of the proposed payment of remuneration under Resolution 3 are as set out below:

Puncak Niaga		Monthly Allowance (RM)	Chairman's Yearly Allowance (RM)	Other Benefit	Meeting Allowance (RM)
Board	INEDs	5,000	N/A	Corporate golf club membership	2,000 per each Board Committee/ General Meeting and adjourned meetings of the Company attended
Board Committees	Audit Committee				
	Chairman	N/A	24,000	-	
	Member	N/A	N/A	-	
	Remuneration Committee, Nomination Committee and Compliance, Internal Control & Risk Policy Committee				
	Chairman	N/A	8,000 for each Committee	-	
	Member	N/A	N/A	-	

NOTES:

- * There has been no change to the remuneration payable to the INEDs since 2013. The corporate golf club membership was extended to the INEDs after the 23rd AGM in 2020.
- * None of the INEDs received any remuneration from the subsidiaries in their positions as Directors of the Company.
- * If approved by the shareholders, the remuneration framework will result in a projected INEDs' remuneration of RM670,000.00 for the period from 25 May 2022 to the next AGM in 2023 based on the assumption of the projected number of Board and Board Committee Meetings in 2022/2023 to the next AGM.

15. Resolution 4: Agenda 4 - Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company

Pursuant to Practice 9.3 Principle B (Effective Audit and Risk Management) of the Malaysian Code On Corporate Governance 2021, the Audit Committee, with the assistance of the Finance Division of the Company, has assessed the suitability and independence of Grant Thornton Malaysia PLT as the Auditors of the Company. The Audit Committee and the Board have recommended the re-appointment of Grant Thornton Malaysia PLT, who shall retire as Auditors of the Company at the 25th AGM of the Company and who have expressed their willingness to continue in office, to hold office as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Board of Directors of the Company.

Statement Accompanying The Notice of 25th Annual General Meeting

STATEMENT ACCOMPANYING THE NOTICE OF 25TH ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27 (2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

There is no individual standing for election as Director (other than the Directors standing for re-election namely, YBhg Datuk Sr Haji Johari bin Wahab and YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj at the forthcoming 25th Annual General Meeting of Puncak Niaga Holdings Berhad).

The profiles of the Directors who are standing for re-election as per Resolutions 1 and 2 as stated in the Notice of 25th Annual General Meeting are set out in the Board of Directors' Profile section on pages 58 and 59 together with the details of the Directors' interest in the ordinary shares of the Company are set out in page 250 of the Company's Annual Report 2021.



PUNCAK NIAGA HOLDINGS BERHAD
[199701000591 (416087-U)]

PROXY FORM

Number of Shares Held	CDS Account No.									

I/We _____
 NRIC No./Passport No./Company No.: _____ Tel/Mobile Phone No.: _____
 CDS Account No.: _____ Number of Shares Held: _____
 Address: _____
 _____ being a Member/Members of Puncak Niaga Holdings Berhad, hereby appoint:

1) Name of Proxy: _____ NRIC/Passport No.: _____
 Address: _____
 Number of Shares Represented: _____

and/or:

2) Name of Proxy: _____ NRIC/Passport No.: _____
 Address: _____
 Number of Shares Represented: _____

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Twenty-Fifth Annual General Meeting (25th AGM) of Puncak Niaga Holdings Berhad which will be conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 25th May 2022 at 10.00 a.m. and at any adjournment thereof, as indicated below:

NO.	RESOLUTION	FOR	AGAINST
ORDINARY BUSINESSES			
1	To re-elect YBhg Datuk Sr Haji Johari bin Wahab as a Director of the Company.		
2	To re-elect YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj as a Director of the Company.		
3	To approve the Independent Non-Executive Directors' remuneration with effect from 25 May 2022 until the next Annual General Meeting of the Company.		
4	To re-appoint Grant Thornton Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration.		

Please indicate with a cross (X) how you wish your votes to be cast in respect of each Resolution. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____ 2022

Signature(s)/Common Seal of Shareholder

Notes:-

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the Meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 25th AGM in person at the Broadcast Venue on the day of the Meeting. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 25th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV in the Information for Shareholders on 25th AGM** which is posted on our website at www.puncakniaga.com.my and take note of **Notes (2) to (15)** below in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 18 May 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

3. A member who is entitled to participate in this AGM via RPV is entitled to appoint another person to participate in this AGM in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV provided that:-

a) where a member is an authorised nominee as defined in the Central Depositories Act, it may appoint up to 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.

b) where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account namely, Omnibus Securities Account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Securities Account it holds with ordinary shares of the Company standing to the credit of the said Omnibus Securities Account.

Where a member appoints two (2) or more proxies (as the case maybe), the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. Member(s), proxy(ies), corporate representative(s) or attorney(s) to participate at this AGM via RPV are required to register at **TIIH Online** website at <https://tiih.online> as a user first and then pre-register their attendance for the 25th AGM for verification of their eligibility to attend the 25th AGM using the RPV on the **Record of Depositors as at 18 May 2022**. **Please follow the Procedures for RPV in the Information for Shareholders on 25th AGM as set out in www.puncakniaga.com.my**

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the power of attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.

7. Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Rule 85 of the Company's Constitution.

8. 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 twenty-four (24) hours before the time appointed for holding this AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) **In hard copy form**

a) In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

(ii) **In electronic form via TIIH Online**

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Information For Shareholders on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. The last date and time for lodging the proxy form is **Tuesday, 24 May 2022 at 10.00 a.m.**

10. Members may submit questions in relation to the agenda items for the 25th AGM prior to the Meeting via TIH Online at <http://tih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Tuesday, 24 May 2022 at 10.00 a.m.** The Board will endeavour to address the questions received at the 25th AGM.

Members may use the **Query Box** facility to ask questions real time (in the form of typed text) during the meeting. The Chairman/Board will endeavour to respond to questions submitted by remote participants during the 25th AGM.

11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 25th AGM will be put to vote by poll. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and Coopers Professional Scrutineers Sdn. Bhd. as the Independent Scrutineers to verify the poll results and as the Independent Observer of the Questions & Answers Session of the 25th AGM.

12. **Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2021**

The audited financial statements are for discussion only under Agenda 1, as they do not require the shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, they will not be put for voting.

13. **Resolutions 1 and 2 : Agenda 2 - Re-election of Directors who retire in accordance with Rule 100 of the Company's Constitution**

Rule 100 of the Company's Constitution provides that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to one-third with a minimum of one, shall retire from office. A Director retiring at a Meeting shall retain office until the close of the Meeting, whether adjourned or not.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 25th AGM, the Board through the Nomination Committee's recommendations, had approved that the Directors who retire in accordance with Rule 100 of the Company's Constitution namely, YBhg Datuk Sr Haji Johari bin Wahab and YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj are eligible to stand for re-election. These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Nomination Committee Meetings.

14. **Resolution 3 : Agenda 3 – Approval of the Independent Non-Executive Directors' remuneration**

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees of the directors, and any benefits payable to the directors" of a listed company and its subsidiaries shall be approved at a general meeting.

The Company is seeking the shareholders' approval on the payment of the Independent Non-Executive Directors' ("INEDs") remuneration up to the next AGM in 2023.

PLEASE FOLD HERE

Stamp

Share Registrar for
Puncak Niaga Holdings Berhad [199701000591(416087-U)]
Tricor Investor & Issuing House Services Sdn Bhd [197101000970(11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

PLEASE FOLD HERE

The details of the proposed payment of remuneration under Resolution 3 are as set out below:

Puncak Niaga		Monthly Allowance (RM)	Chairman's Yearly Allowance (RM)	Other Benefit	Meeting Allowance (RM)
Board	INEDs	5,000	N/A	Corporate golf club membership	2,000 per each Board Committee/ General Meeting and adjourned meetings of the Company attended
Board Committees	Audit Committee				
	Chairman	N/A	24,000	-	
	Member	N/A	N/A	-	
	Remuneration Committee, Nomination Committee and Compliance, Internal Control & Risk Policy Committee				
	Chairman	N/A	8,000 for each Committee	-	
	Member	N/A	N/A	-	

Notes:-

- * There has been no change to the remuneration payable to the INEDs since 2013. The corporate golf club membership was extended to the INEDs after the 23rd AGM in 2020.
 - * None of the INEDs received any remuneration from the subsidiaries in their positions as Directors of the Company.
 - * If approved by the shareholders, the remuneration framework will result in a projected INEDs' remuneration of RM670,000.00 for the period from 25 May 2022 to the next AGM in 2023 based on the assumption of the projected number of Board and Board Committee Meetings in 2022/2023 to the next AGM.
15. **Resolution 4: Agenda 4 - Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company**
- Pursuant to Practice 9.3 Principle B (Effective Audit and Risk Management) of the Malaysian Code On Corporate Governance 2021, the Audit Committee, with the assistance of the Finance Division of the Company, has assessed the suitability and independence of Grant Thornton Malaysia PLT as the Auditors of the Company. The Audit Committee and the Board have recommended the re-appointment of Grant Thornton Malaysia PLT, who shall retire as Auditors of the Company at the 25th AGM of the Company and who have expressed their willingness to continue in office, to hold office as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Board of Directors of the Company.



PUNCAK NIAGA HOLDINGS BERHAD
[193701000591 (416087-U)]

PERSONAL DATA NOTICE

The Personal Data Protection Act 2010 ("Act") regulates the processing and use of personal data in commercial transactions and applies to Puncak Niaga Holdings Berhad ("the Company").

Personal data including but not limited to your (or your proxy/proxies, if appointed) name, NRIC number or passport number, CDS account number, contact details, mailing address and any other personal data furnished or made available to the Company will be used or disclosed by the Company and the Company's personnel for the purpose of the Twenty-Fifth Annual General Meeting of the Company as well as for disclosure requirements imposed by law or any other regulatory authorities from time to time including but not limited to the stock exchange, companies commission and securities commission ("Purpose"). The Company shall retain the personal data for so long as it is necessary for the fulfilment of the Purpose or for compliance with any law or legal obligations.

If you wish to make any enquiries regarding this Personal Data Notice or any personal data disclosed to the Company, please contact the Company at:

Mailing Address : **PUNCAK NIAGA HOLDINGS BERHAD**
10th Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13, 40100 Shah Alam
Selangor Darul Ehsan
Attention: Madam Tan Bee Lian,
Executive Director,
Corporate Services Division/
Group Company Secretary

Telephone No. : +603 5522 8589
Fax No. : +603 5512 0220

Please ensure that your proxy/proxies consent to the disclosure of their personal data for the Purpose.

NOTIS DATA PERIBADI

Akta Perlindungan Data Peribadi 2010 ("Akta") mengawal selia pemprosesan dan penggunaan data peribadi dalam transaksi komersil dan diaplikasikan kepada Puncak Niaga Holdings Berhad ("Syarikat").

Data peribadi termasuk tetapi tidak terhad kepada nama, nombor NRIC atau nombor pasport, nombor akaun CDS, butiran perhubungan, alamat surat-menyurat dan apa-apa data peribadi lain anda (atau proksi anda, jika dilantik) yang diberikan atau tersedia kepada Syarikat akan digunakan atau didedahkan oleh Syarikat atau kakitangan Syarikat untuk tujuan Mesyuarat Agung Tahunan Syarikat yang Kedua Puluh Lima dan juga untuk keperluan pendedahan yang dikerah oleh undang-undang atau mana-mana pihak berkuasa yang berkaitan dari masa ke semasa termasuk tetapi tidak terhad kepada bursa saham, suruhanjaya syarikat dan suruhanjaya sekuriti ("Tujuan"). Syarikat akan menyimpan data peribadi selagi perlu untuk memenuhi Tujuan atau bagi pematuhan mana-mana undang-undang atau obligasi undang-undang.

Sekiranya anda ingin membuat sebarang pertanyaan mengenai Notis ini atau mana-mana data peribadi anda yang didedahkan kepada Syarikat, sila hubungi Syarikat di:

Alamat Surat-menyurat : **PUNCAK NIAGA HOLDINGS BERHAD**
Tingkat 10, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13, 40100 Shah Alam
Selangor Darul Ehsan
Untuk Perhatian: Puan Tan Bee Lian,
Pegarah Eksekutif,
Bahagian Perkhidmatan Korporat/
Setiausaha Syarikat Kumpulan

No. Telefon : +603 5522 8589
No. Faks : +603 5512 0220

Sila pastikan proksi anda bersetuju dengan pendedahan data peribadi mereka untuk Tujuan tersebut.



PUNCAK NIAGA HOLDINGS BERHAD
[199701000591 (416087-U)]

PUNCAK NIAGA HOLDINGS BERHAD [199701000591 (416087-U)]

Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam,
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