ANNUM BERHAD

SINCE 1997

Registration No: 199701030432 (445931-U)

(previously known as CYMAO HOLDINGS BERHAD)

ANNUAL REPORT 2020

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About ANNUM

Cymao Plywood & Lumber Co. Ltd., ("CLPC") was part of Taiwan's largest privately owned corporation before relocation to Sabah under the name of Cymao Plywood Sdn. Bhd. CLPC was established in 1960, with a long history of producing quality and innovative wood products. CLPC's manufacturing facility in northern Taiwan's Taipei city together with its sister company, Sunrise Plywood Corporation's facilities in Central, and Southern Taiwan represented one of Taiwan's major player in wood based primary, secondary and downstream processing industry.

Our VISION

To be a leading supplier of construction materials, through sound business practices, that is profitable, sustainable and socially responsible to all our stakeholders.

Our MISSION

Sustainable profitability through vertical integration, capacity expansion and product offerings.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Mohd Shariff bin Omar
Chairman/Independent Non-Executive Director

David Wong You King
Executive Director (Appointed on 9 December 2020)

Lim Yun Nyen
Executive Director (Appointed on 9 December 2020)

Kenneth Chai Chuan Teong
Independent Non-Executive Director
(Appointed on 9 December 2020)

Khor Chin Meng
Independent Non-Executive Director
(Appointed on 15 December 2020)

Syed Amir Syakib Arsalan bin Syed Ibrahim
Independent Non-Executive Director
(Appointed on 15 December 2020)

Lin, Kai-Min
Non-Independent Non-Executive Director
(Redesignated on 10 December 2020)

Hiew Seng
Independent Non-Executive Director
(Resigned on 15 December 2020)

Encik Syed Ibrahim bin Syed Abd. Rahman
Independent Non-Executive Director
(Resigned on 15 December 2020)

Lin, Kai-Hsuan
Executive Director (Resigned on 10 December 2020)

AUDIT COMMITTEE

Khor Chin Meng
Chairman, Independent Non-Executive Director

Dato' Seri Mohd Shariff bin Omar
Member, Chairman/ Independent Non-Executive Director

Kenneth Chai Chuan Teong
Member, Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Seri Mohd Shariff bin Omar
Chairman, Chairman/ Independent Non-Executive Director

Kenneth Chai Chuan Teong
Member, Independent Non-Executive Director

Khor Chin Meng
Member, Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Seri Mohd Shariff bin Omar
Chairman, Chairman/ Independent Non-Executive Director

Kenneth Chai Chuan Teong
Member, Independent Non-Executive Director

Khor Chin Meng
Member, Independent Non-Executive Director

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482/SSM PC N0. 201908002253)
Vimalraj A/L Shanmugam
(MAICSA 7068140/SSM PC No. 202008000925)

REGISTERED OFFICE

Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor Darul Ehsan
Tel: +6(03) 7890 0638
Fax: +6(03) 7890 1032

CORPORATE OFFICE

8.7KM Jalan Batu Sapi
Locked bag No. 13
90009 Sandakan, Sabah
Email: contact@annumberhad.com
Website: www.annumberhad.com

AUDITORS

Messrs. Al Jafree Salihin Kuzaimi PLT
(LLP0006652-LCA & AF1522)

No. 555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor Darul Ehsan

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Public Bank Berhad

SHARE REGISTRAR

Boardroom.com Sdn Bhd
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor Darul Ehsan

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Short Name: **ANNUM**
Stock Code: 5082

GROUP STRUCTURE

ANNUM BERHAD
SINCE 1997

Registration No: 199701030432 (445931-U)
(previously known as CYMAO HOLDINGS BERHAD)

- 100% **CYMAO PLYWOOD SDN. BHD.** *(Registration No.: 199001004746 (196313-M))*
- 100% **ANNUM EPCC SDN BHD** **(fka BILLION APEX SDN. BHD.)** *(Registration No.: 200501006050 (683097-U))*
- 100% **INOVWOOD SDN. BHD.** *(Registration No.: 200201017946 (585609-D))*
- 100% **SYABAS MUJUR SDN. BHD.** *(Registration No.: 200601008392 (728141-A))*

DIRECTORS' PROFILE

Dato' Seri Mohd Shariff Bin Omar
("Dato' Seri Shariff")
(Chairman/Independent Non-Executive Director)
Male, Aged 74, Malaysian

Chairman of Nomination Committee and Remuneration Committee, Member of Audit Committe

Dato' Seri Shariff was appointed to the Board of Annum Berhad (Formerly known as Cymao Holdings Berhad) ("Annum") on 22 November 2013. He graduated from University of Malaya in 1972 with a Bachelor Degree in Economics majoring in rural development. He began his civil service in 1972 as the Assistant District Officer of Pekan, Pahang and continued to serve the state of Perak and Penang until 1982. His political career started when he won the state seat of Sungai Dua in the 1982 General Election. He served the Penang State Legislative Executive Council (EXCO) from 1982 until 1990. He then served as the Parliamentary Secretary for Ministry of Agriculture from 1990 until 1995. He held the position as Deputy Chief Minister of Penang from 1995 to 1999. He was a Member of Parliament from 1999 until 2008 and during that stint he was appointed a Deputy Minister of Agriculture and Agro-based Industry.

David Wong You King *("Mr. David")*
(Executive Director)
Male, Aged 49, Malaysian

Mr. David was appointed to the Board of Annum on 9 December 2020. He holds Bachelor of Science in Electronic & Electrical Engineering, UK and attended Master of Engineering in Manufacturing systems, UKM. He has been a Technologist member of the Institution of Engineers, Australia since 2005. He has more than 23 years of working experience in large and complex Project management, design engineering, procurement, construction and commissioning, maintenance support as well as identifying and planning upgrade of equipment of the heavy industry, Oil & Gas upstream and midstream Industry, Complex Petrochemical Plant, Refinery and Petrochemical Integrated Development (RAPID). He plays an important role in the management and execution projects in the above industries.

Lim Yun Nyen *("Mr. Lim")*
(Executive Director)
Male, Aged 50, Malaysian

Mr. Lim was appointed to the Board of Annum on 9 December 2020. Upon obtaining his Diploma in Business Studies in 1990, he joined Ernst & Young as an Audit Assistant for 4 years. In 1995, he joined Aturmaju (Sabah) Holding Sdn Bhd as an Accounts Supervisor and was subsequently promoted to Finance and Administrative Manager in 1997. He has over 19 years of experiences in the timber industry and involved in the co-ordination and day-to-day operations of the mills.

Lin, Kai-Min
(Non-Independent Non-Executive Director)
Male, Aged 51, Taiwanese

Lin, Kai-Min was appointed to the Board of Annum on 13 November 2003 and re-designated as Non-Independent Non-Executive Director on 10 December 2020. He graduated from Fu-Jen University, Taiwan, with a Bachelor of Science majoring in Accounting in 1993. He joined CPSB in 1994 as a Production Line Foreman and was given extensive production training. He became the Log Purchasing Manager from 1997 to 1998 in Cymao Plywood Sdn. Bhd. and subsequently headed its Finance Department. He was armed with extensive training and experience from all aspects of production, raw materials and accounting. He was in-charge of the Finance and Marketing Department prior to his promotion in 2016 to take over the role of Managing Director.

DIRECTORS' PROFILE
(cont'd)

Khor Chin Meng
(Independent Non-Executive Director)
Male, Aged 49, Malaysian

Chairman of Audit Committee
Member of Remuneration Committee and Nomination Committee

Khor Chin Meng was appointed to the Board of Annum on 15 December 2020. He has over 20 years of experience in Tax services and Audit Services. He joined Singam & Yong in July 1996 to October 1997 as Audit Senior. Then, he joined Weld Corporate Services Sdn Bhd in November 1997 as a Partner of Company. Currently he is the owner of Weld Asia Tax Advisory Sdn Bhd. He is the Independent Non-Executive Director of ARB Berhad.

Kenneth Chai Chuan Teong ("Mr. Kenneth")
(Independent Non-Executive Director)
Male, Aged 42, Malaysian

Member of Audit Committee, Remuneration Committee and Nomination Committee

Mr. Kenneth was appointed to the Board of Annum on 9 December 2020. He holds a Diploma in Economics and a Bachelor of Science in Economics and Management from University of London, and a Master of Business Administration (Finance) from University of Leicester.

Mr. Kenneth is an experienced corporate manager with vast experience in corporate management including corporate planning and strategy, corporate finance, corporate affairs and branding, corporate communication and stakeholder engagement, corporate governance and compliance, and strategic marketing. He has been involved in numerous corporate exercises, projects and initiatives, ranging from planning through implementation including results review and monitoring. He is also an effective communicator and negotiator at strategic, corporate and operational levels that ensures cohesiveness and unity amongst various stakeholders in achieving the set objectives.

Mr. Kenneth's previous roles include serving as corporate planner with a Malaysian agriculture and resources conglomerate with businesses spanning from Malaysia to Indonesia, heading the corporate planning functions at holding company level of another Malaysian conglomerate and executing transactions of its boutique corporate finance outfit, and managing the corporate planning and strategy functions in the CEO's Office of a Malaysian government-linked corporation, which is also a Fortune Global 500 company. His other notable past experiences include management of a venture capital management company with interest in oil and gas, information and communication technology, renewable energy and pharmaceutical companies, and spearheading all corporate functions of a Malaysian oil and gas company listed on the Alternative Investment Market of the London Stock Exchange. He also sit in the Board of Ageson Berhad.

DIRECTORS' PROFILE
(cont'd)

Syed Amir Syakib Arsalan Bin Syed Ibrahim
("Syed Amir")
(Independent Non-Executive Director)
Male, Aged 47, Malaysian

Syed Amir was appointed to the Board of the Board of Annum on 15 December 2020. He is the managing partner in the firm of Syed Ibrahim & Co. He graduated from International Islamic University Malaysia with Honours and is actively involved in the Malaysian corporate scene, advising clients on mergers & takeovers, leveraged buyouts, corporate restructuring and other business transactions. He has been a practicing lawyer for more than 20 years in various firms, including one of the largest legal firms in Malaysia.

He was also attached in an advisory capacity with Capital Partners Securities Ltd of London through Capital Partners Asia Pacific Sdn Bhd. His primary role was to advise Malaysian and regional companies who were seeking to raise capital on the London Stock Exchange.

He was also the former Managing Director of Advanced Digital Devices Sdn. Bhd. which was primarily involved in manufacturing and supply of home and audio electronics, which had its manufacturing facilities in Anhui, China. Previously he was an Independent Non-Executive Director of Asdion Bhd, a company listed in Bursa Malaysia Securities Berhad.

OTHER INFORMATION OF DIRECTORS

Family Relationship of Directors

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

Conflict of Interest

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

Directorship in Public Companies and Listed Issuers

Save as disclosed above, none of the Directors hold directorships in any other public companies and listed issuers in Malaysia.

Convictions of Offence

Other than traffic offences, if any, none of the Directors has been convicted of any offence within the past five years or public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders and Stakeholders,

On behalf of the Board of Directors of Annum Berhad, it is my pleasure to present to you the financial statements of Annum Berhad ("Annum" or the "Company") and its subsidiaries (the "Group") for the Financial Year Ended 31 December 2020 ("FYE 2020").

FINANCIAL PERFORMANCE

I am delighted to report the close of a resilient financial year given the challenges faced by the Group in FYE 2020. The Group registered a total revenue of RM42.32 million in FYE 2020 compared to total revenue of RM46.28 million in FYE 2019 and a profit before tax of RM3.01 million in FYE 2020 compared to loss before tax of RM11.95 million in FYE 2019 (restated). The profit was mainly due to a gain on disposal of investment in subsidiary company – Poly-Ply Industries Sdn. Bhd which has been completed in fourth quarter FYE 2020.

I am encouraged by the performance having considered the global events that shaped FYE 2020.The COVID-19 pandemic presented a major challenge to the global economy and the Group in FYE 2020. Domestically, the Movement Control Order ("MCO") (18 March 2020 to 3 May 2020) announced by the Government helped to stabilize the situation from a national health standpoint but disrupted business operations. All of our operations had to be stopped or reduced during this period and only gradually restarted following the new standard operating procedures recommended by the Government. Despite these impediments, I was impressed by the fact that the Group was still able to turnaround for FYE 2020.

We will continue to seek to expand the Group and are always looking for opportunities to expand and grow the business. Our balance sheet remains strong with low levels of gearing ensuring that we are well placed to take full advantage of any available expansion opportunities.

OUTLOOK

The economy registered a negative growth of 3.4% in the fourth quarter (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order (CMCO) on a number of states since mid-October. For 2020 as a whole, the economy contracted by 5.6%. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity during the fourth quarter. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: 18.2%).

For the quarter, headline inflation declined to -1.5% in part reflecting the larger decline in retail fuel prices as compared to the corresponding period last year. Core inflation moderated to 0.8% due mainly to lower inflation for communication services and rental.

The manufacturing sector contracted by 8.7% during the first half of 2020, as almost all industry operations were temporarily halted, following supply chain disruptions amid the movement control order ("MCO"). Nonetheless, the manufacturing sector is expected to improve by 2.4% in the second half of 2020, as industrial activities resume operations in line with the gradual lifting of the MCO.

Against the backdrop of uncertain global economic conditions, ongoing COVID-19 pandemic as well as weakened consumer sentiment and plywood demand, the prices for plywood products have decreased. The Group expects that the demand and prices for plywood products will remain low in the next financial year.

In order to be profitable in its plywood business, the Group plans to procure more sales from export markets, in which the selling prices are generally higher than the local market; and focus its productions in Sandakan, Sabah, where the supply of logs is more stable and therefore the cost for raw material is expected to be less volatile. Nevertheless, the Group anticipates that the future prospects of the plywood business will continue to be challenging.

CHAIRMAN'S STATEMENT
(cont'd)

PROSPECTS

Despite the continued challenging business environment, the Group adopted a cautious yet prudent approach and strategised the business initiatives to reassess market situations. Over the past few years, the Group has seen increasing challenges in the plywood industry and declining revenue from its existing business and the management anticipates that the future prospects of the plywood business will continue to be challenging.

As such, the Group has vide the proposed diversification to expand the Group's core business to include the Construction Business. This is in line with its objective to seek new business opportunities and additional income source and to reduce the Group's reliance on the plywood business.

The construction sector contracted by 25.9% in the first half of 2020 and is expected to shrink by 11.8% in the second half with all segments declining significantly. At the same time, prolonged property overhangs continue to weigh down the performance of the sector. However, civil engineering and specialised construction activities subsectors are expected to improve gradually, cushioned by various measures under the economic stimulus packages. Overall, for the year, the sector is projected to contract by 18.7%.

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector.

Premised on the above and having considered the overview and outlook of the Malaysian construction industry and the risks associated with entering into the Construction Business, the Board is cautiously optimistic that the Construction Business would contribute positively to the Group's future earnings and improve the Group's financial performance and shareholders' value.

The International Monetary Fund, in its World Economic Outlook Update in October 2020, estimates that the global economy would register GDP growth of 5.2% in 2021, strengthening from the projected negative growth of -4.4% for 2020. The recovery is expected to be gradual with global GDP forecasted to just exceed 2019 levels amidst uncertainties faced worldwide in light of the ongoing COVID-19 pandemic.

Growth is expected to improve further in 2021, benefitting from the recovery in global demand and spillovers onto the domestic sectors, continued policy support including the recent KITA PRIHATIN and 2021 Budget measures, as well as higher production from existing and new facilities. However, the pace of recovery will be uneven across sectors with some industries expected to remain below pre-pandemic levels, and a slower improvement in the labour market. With the pandemic not yet behind us, and although there have been some signs of improvement in the economy, we expect the economy to only achieve a full recovery in the second half of 2021 at the earliest.

CORPORATE SOCIAL RESPONSIBILITY

The Group acknowledges the importance of Corporate Social Responsibility (CSR) and believes that CSR is the integral part to the sustainable development of the Group. The Group has continued to undertake activities consistent with good corporate practices and social responsibility with initiatives on human resource development, health and safety and community support.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to record my heartfelt gratitude to our shareholders, stakeholders, management and employees, joint venture partners, business associates, suppliers, bankers and government authorities for your unwavering trust, support and patience, especially through this challenging period. Without your consistent guidance, assistance, hard work and support, it would not have been possible for us to maintain our resilience and continue to deliver respectable financial performance every year.

We will continue to grow the business through hard work and a dedication to invest in our people and technology to deliver sustainable value for all stakeholders.

DATO' SERI MOHD SHARIFF BIN OMAR
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW

Background

Annum Berhad (formerly known as Cymao Holdings Berhad) is engaged in the manufacture and trading of veneer and plywood products. Annum Berhad ("Annum" or the "Company") has five wholly owned subsidiaries of which three are operating subsidiaries and two are of dormant status. (the "Group")

Cymao Plywood Sdn. Bhd. ("CPSB") and Inovwood Sdn. Bhd. ("ISB") are both active subsidiaries located in Sandakan, having the similar business activity of producing plywood and veneer. As CPSB and ISB are based in Sandakan where the source of timber logs come from, the Group is strategically placed to capture the logs availability for its plywood production.

Poly-Ply Industries Sdn. Bhd. ("PPISB") is the third operating subsidiary situated in Klang producing laminated plywood and carrying on general trading of plywood products.

BUSINESS OBJECTIVE AND ANALYSIS

The Group strives to be a high-quality plywood producer in Malaysia. Both CPSB and ISB are a California Air Resources Board ("CARB") Certified Manufacturer with formaldehyde emission of our plywood below 0.05 parts per million. In our plywood manufacturing process, we also adopt the product standard for imported wood veneer and platform (IHPA "C 2000) "C by the International Wood Products Association ("IWPA"), United States ("US").

Since 2016, the Group has implemented measures to streamline and rationalise its business, including: -Merging of 2 operating facilities in Sandakan, Sabah to optimise its production capacity and reduce its operating costs (completed in January 2017); cessation of loss-making plywood operation in Jengka, Pahang (in FYE 31 December 2019); disposal of 2 parcels of unutilised industrial land with plywood factory in Sandakan, Sabah (completed on 13 May 2019); and the Company has on 8 July 2020, entered into a conditional sale and purchase agreement ("SPA") with Zinton for the disposal of 1,000,000 ordinary shares in Poly-Ply Industries Sdn. Bhd. ("PPISB"), representing its entire equity interest in Poly-Ply for a cash consideration of RM9.1 million subject to the terms and conditions as set out in the SPA. The disposal was completed on 11 December 2020 following the transfer of the Sale Shares to the Purchaser on even date. The disposal shall unlock and realise the value of the Group's investment in PPISB and provide the additional cash inflow for the Group.

The financial performance of the Group has been on a declining trend for the past 3 years from financial year ended ("FYE") 31 December 2017 to FYE 31 December 2019.The losses were mainly attributable to the decreasing demand for plywood products; competitive pricing and low profit margins; and fluctuating costs of raw materials due to unstable supply of logs.

In view of the above, the Group expects declining revenue from its existing business and the management anticipates that the future prospects of the plywood business will continue to be challenging. The Group has decided to explore new business opportunities vide the proposed diversification to reduce its reliance on the Group's plywood business.

On the 24 December 2020, the company made the announcement to undertake the proposed diversification of the existing core business of Cymao and its subsidiaries to include construction, project management and related activities ("Proposed Diversification"). The Proposed Diversification has been passed through the Notice of the Extraordinary General Meeting ("EGM") dated 18 January 2021, and was approved by the shareholders of the Company at the EGM held on 9 February 2021.

The Proposed Diversification is to expand the Group's core business to include the Construction Business. This is in line with its objective to seek new business opportunities and additional income source and to reduce the Group's reliance on the plywood business and to improve the Group's financial performance and shareholders' value.

The Group intends to secure more construction-related contracts in the future. With the proposed diversification, the Group expects the Construction Business will contribute 25% or more of the net profits of the Group and/or may result in a diversion of 25% or more of the Group's net assets ("NA") in the future after taking into consideration its historical financial performance. The management's plan to continue to seek for and secure more construction-related contracts, leveraging on the business network of the Group's key management.

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW
(cont'd)

KEY FINANCIAL POSITION	Audited FYE 31 December	
		(restated)
	2020 RM'000	2019 RM'000
Shareholders' fund	51,118	47,163
Revenue	42,323	46,282
Profit / Loss for the year	3,955	(11,103)
Net current assets	35,555	27,184
Cash and bank balances	1,166	1,374
Borrowings	4,328	9,751
Net assets per share	RM0.70	RM0.64

FINANCIAL REVIEW

The Group registered a total revenue of RM42.32 million in FYE 2020 compared to total revenue of RM 46.28 million in FYE 2019 representing an decrease of RM3.96 million amid a very challenging operating environment for the plywood industry.

The Group registered profit before tax of RM3.01 million in FYE 2020 compared to loss before tax of RM11.95 million in FYE 2019. The profit was mainly due to a gain on disposal of investment in subsidiary company – Poly-Ply Industries Sdn. Bhd which has been completed in fourth quarter FYE 2020.

The total banking facilities of the Group are RM8.0 million comprising of trade facilities of RM7.0 million and overdraft of RM 1.0 million as at 31 December 2020. Under normal business cycles and on the assumption that there is no major acquisition nor debt repayment, our cash and cash equivalents and cash generated from operations should be sufficient to meet the business requirements. One major key decision the group made in FYE 2020 was the fund-raising exercise of disposing PPISB that raised RM 9.10 million. The emphasis with the fund is to expand the more profitable operations by buying better quality logs to produce higher quality products to fetch better export price.

Additionally, the net current assets of the Group were RM35.555 million as at 31 December 2020 as compared to FY 2019 of RM27.184 million (restated) and the Group therefore does not have any working capital deficit situation.

RISKS AND UNCERTAINTIES

Impact of COVID-19

According to the World Bank, the COVID-19 pandemic has triggered the deepest global recession in decades. While the future outcome is still uncertain, the current impact from the outbreak has resulted in economic contractions across the globe including the vast majority of emerging markets and developed economies. The outbreak of the COVID-19 pandemic and subsequent containment actions taken by many countries have caused severe disruptions in the supply chain and adverse impact on the global economy.

Beyond the complications created by the pandemic, escalating tensions between the United States and China on multiple fronts, frayed relationships among the OPEC coalition of oil producers, and widespread social unrest in several pockets of the world also pose additional challenges to the global economy.

Further, global production cuts, higher unemployment, natural disasters, and the political uncertainties did not help in the demand for plywood products, our main revenue streams.

Product Demand and Price Fluctuations

Our revenues and financial results are primarily dependent on the demand and selling prices of our plywood products. The demand and the price of plywood could be volatile and is subject to factors such as global economic conditions, the global demand, changes in industry production capacity and other factors which are beyond our control. Declines in plywood demand, and corresponding reductions in prices for our products may also adversely affect our financial results.

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW
(cont'd)

Availability of Logs Supply and Fluctuation in Logs Prices

Logs are the main raw material for the manufacturing of plywood. We may face the risk of shortage in supply of logs as we do not own any timber concessions. Substantially all of our logs are harvested within Sabah. Forestry Department of Sabah controls the volumes that can be harvested every year. Determinations by Forestry Department of Sabah to reduce the volume of timber that may be harvested may reduce our ability to secure log supply and may increase our log purchase costs.

In addition, weather conditions and climate changes are also the factors that may influence the supply of logs as there will be lesser logging activities during the monsoon months due to wet weather conditions. In short, insufficient log supply might result in reduction in our production, increase in log purchase costs and directly affect our unit production cost.

Competition

We compete with Southeast Asian producers, especially Indonesian producers, which may have lower productions costs than we do. Markets for our products are highly competitive. Our ability to maintain or improve the cost of producing and delivering the plywood products to those markets is crucial. Factors such as cost and availability of raw materials, energy and labour, the ability to maintain high production volume and low production cost per unit, and the product quality will affect our earnings.

BUSINESS OUTLOOK

2020 has been a challenging year as the performance was affected significantly by the substantial drop in demand for plywood and the drop-in pricing for plywood. Against the backdrop of uncertain global economic conditions, ongoing COVID-19 pandemic as well as weakened consumer sentiment and plywood demand, the prices for plywood products have decreased. The Group expects that the demand and prices for plywood products will remain low in the next financial year.

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector. With the diversification plan, the Group's core business is to include the Construction Business.

The Proposed Diversification is to expand the Group's core business to include the Construction Business. This is in line with its objective to seek new business opportunities and additional income source and to reduce the Group's reliance on the plywood business and to improve the Group's financial performance and shareholders' value.

The Group intends to secure more construction-related contracts in the future. With the proposed diversification, the Group expects the Construction Business will contribute 25% or more of the net profits of the Group and/or may result in a diversion of 25% or more of the Group's net assets ("NA") in the future after taking into consideration its historical financial performance. The management's plan to continue to seek for and secure more construction-related contracts, leveraging on the business network of the Group's key management.

This is in line with its objective to seek new business opportunities and additional income source and to reduce the Group's reliance on the plywood business and to improve the Group's financial performance and shareholders' value.

The management of Annum remains resilient and committed to executing the strategies to strengthen the business operations and processes. The management is therefore cautiously optimistic that the Group will turn around and will look forward to enhancing the shareholders' value in the near future.

SUSTAINABILITY STATEMENT

The Group recognizes the importance of sustainability in our organization and business activities. We further recognize the business impact on economic, environment and society ("EES"). Hence, the Group is committed to operate its businesses in an economically, environmentally and socially sustainable manner, balancing business opportunities and risks and further create value to its stakeholders in the long-term. Sustainability and responsibility remain as key pillar to grow our business.

REPORTING SCOPE

This Sustainability Statement of Annum was prepared in accordance with the guidelines set out in the Main Market Listing Requirements relating to Sustainability Statement in Annual Report of Listed Issuers ("Guidelines") issued by Bursa Malaysia Securities Berhad and covers the Company's business operations in Malaysia for the financial year ended 31 December 2020.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Annum is responsible for the oversight of embedding sustainability into the Group and its business strategy, and that adequate resources, systems and processes are in place for managing sustainability matters. The Board is supported by the management in overseeing the implementation of sustainability strategy and considers input of all business divisions in sustainability processes. We believe a strong governance structure and a clear line of accountability enable the Group to deliver its commitment to sustainability.

STAKEHOLDERS ENGAGEMENT

The Group believes that it is through a stakeholder-driven approach that we can accelerate sustainability. We value our partnerships with numerous stakeholders as a way to not only address our sustainability issues, but to help our partners address their sustainability challenges. By establishing effective and transparent lines of communication with our stakeholders, we aim to address their concerns in a collaborative manner that meets both the stakeholders' interest and the Group's vision on the achievement of a long-term sustainable growth.

The stakeholder groups which have significant influence and impact on the Group's businesses are carefully identified and engaged at various platforms and intervals throughout the year. We prioritize honest and open communications with our internal and external stakeholders to fully understand their sustainability concerns and issues with a view to ensuring that their key interests are aligned with those of the Group.

The following table represents the stakeholder engagement methods which the Group adopts in its sustainability practices to meet the EES requirements.

Stakeholder	Areas of Interest	Initiatives
Customers	• Sustaining long-term relationship • Product quality and performance • Compliance with International Quality Standards	• Customer visit • Customer retention and brand recognition • Customer feedback
Shareholders/Investors	• Group financial performance • Business strategy and governance • Corporate growth	• Annual general meeting • Press Release • Company website • Quarterly reports • Annual reports
Suppliers	• Service delivery • Payment schedule • Pricing of services • Services/products quality	• Purchasing contract • Purchasing policy • Correspondences / Site Visits • Supplier meetings
Employees	• Career development • Employee welfare and health & safety • Working environment • Business performance	• Training and development • Meeting/discussion • Informal or festival gathering
Government and Regulators	• Regulatory Compliance • Labour practices • Environmental emissions	• Compliance to statutory requirements and regulations • Active engagement with agencies/associations
Community/Association	• Community living issue • Corporate social responsibilities • activities	• Donations • Charitable events

SUSTAINABILITY STATEMENT
(cont'd)

OUR MATERIALITY ASSESSMENT

The management has reviewed key Economic, Environment and Social issues for potential financial, operational and reputational impacts that these issues may have on the Group. We have identified numerous key material issues that are of utmost concern to the stakeholders and of high significance for our Group in year 2020. These material issues have been prioritized through our materiality assessment process. Material issues identified are then assessed to establish if proper policies and procedures are implemented to manage and monitor these issues.

The table below provides an overview of the material subjects and their grouping under the three sustainability pillars namely, the Economic, Environmental and Social:

Areas of Impact	Material Sustainability Matters
Economic	• Economic Performance • Research and Development • Supply Chain Management • Distribution Network and Customers • Business Conduct
Environmental	• Compliance to Environmental Laws and Regulations • Waste Management and Recycling
Social	• Occupational Health and Safety • Employee Training and Talent Development • Diversity and Equal Opportunity • Employee Welfare and Benefits • Local Community Engagement

MANAGING SUSTAINABILITY

ECONOMIC

The Group is committed to achieving economic sustainability growth for our shareholders. We conduct our business in compliance with applicable laws and regulations and in accordance with high ethical business practices and good corporate governance. The Group places the utmost importance on the approaches to achieve a sustainable business that will grow constantly during changes and challenges in the current global economic environment.

The Group's financial review and outlook are elaborated in the Management Discussion and Analysis section of this Annual Report.

Despite the challenging economic and business environment, the Group continues to enhance product quality and efficiency of the manufacturing process in order to comply with the buyers' quality requirements. We are customer centric and aim to provide products/services which meet customers satisfaction. We encourage our customers' feedback and input. These are then reviewed and relevant follow-up actions are performed to improve customer satisfaction. While meeting our customers' satisfaction and requirements, the Group is also mindful that an equilibrium needs to be achieved with the appropriate strategies in sustaining our business. In managing our customers, the Group has implemented policies to ensure that credit sales of products and services are made to customers with an appropriate credit standing or with an appropriate credit history.

The Group is committed to good corporate governance and ethical practices at the workplace. The governance practices are guided by the recommendations of the MCCG 2017, Bursa Malaysia's Listing Requirements and other regulatory requirements. Management and staff are made aware to observe and comply with all relevant legislation, regulations and codes of practice and inculcate good ethical standards in business dealings.

SUSTAINABILITY STATEMENT
(cont'd)

ENVIRONMENT

As our business is closely associated with natural resources, we recognized the importance of practicing responsible stewardship of the environment. To this end, environmental protection measures and considerations have long been embedded in our manufacturing processes and day-to-day operations.

We remain committed towards our responsibility on environmental issues in the conduct of our business. It combines our responsibility with our business objectives for long-term sustainable development.

i. Compliance

The Group always ensure the compliance of the following legislations for long term sustainable strategy:

i. Lacey Act Verification (LCV) program in assuring the legality of sourced forest products used in our products. This can avoid the illegal logs harvesting activities to protect the forest; and,

ii. The Group is certified as a California Air Resources Board ("CARB") Certified manufacturer. This CARB standard is to reduce formaldehyde emissions from composite wood products.

ii. Waste Management

The Group is committed to reduce environmental impact of its operation by adopting practices and protecting the environment to reduce waste which are generated from the production. By adopting the waste management and recycling programs, wood waste from plywood production is used to generate biomass energy to supply electricity to the Group's office and production plant. Consequentially, the Group manages to reduce cost and reliance on energy fuel. The Group also uses water-based paint and varnishes to eliminate volatile organic compound in the environment.

The Group has also began recycling office waste (such as printed paper, shred paper and Non-Food Waste from Office Pantry) and reduced usage of single used plastics (such as mineral water packing, lunch box and disposable utensils), reducing carbon footprint and reducing waste to landfill.

SOCIAL

Social sustainability is the ability to develop processes and structures which not only meet the need of the Group's employees, customers and local communities but also supporting the future generations to maintain a healthy community.

HEALTH AND SAFETY

Occupational Safety and Health (OSH) is our utmost priority. To safeguard the health, wellbeing and safety of our employees, the Group has placed a high level of emphasis on maintaining a safe, clean and healthy working environment for the employees through awareness programme and improved facilities such as fire prevention and emergency rescue facilities. On-going trainings and briefing sessions such as firefighting trainings and Health and Safety awareness talks are organised regularly to educate all the employees on safety issues.

WORKPLACE

We believe our employees are our greatest asset. The health of our employees is directly linked to their productivity and satisfaction at work. We believe clear engagement with employees coupled with career development opportunities will improve personal performance, business productivity and product quality. We recognise the potential in each employee and the benefits of a diverse workforce.

i. Recruitment and Equal Opportunity

The Group encourages diversity in employment to ensure that the Company has an appropriate mix of skills and talent to conduct its business and achieve the Group's goals.

The Group supports the principal of equal opportunities in respect to employment including hiring, training and career advancement with the aims of not discriminating the employees in terms of gender, age, ethnicity, cultural background or other personal factors by adopting a diversity policy within the Group.

SUSTAINABILITY STATEMENT
(cont'd)

ii. Employees' Engagement and Development

The Group encourages employees to acquire new or advanced skills and knowledge through various training programs as well as organising indoor and outdoor activities regularly for team building and leadership skills development. The Group believes that employees' development would promote loyalty among the employees. We focus on attracting and retaining talent and then helping them to develop their skills to drive our Group's success. We believe that learning and training is an important, continuous and life-long process so that employees are equipped with the competencies needed to meet current and future business needs.

COMMUNITY WELL BEING

The Group continues to support the local communities associated with our operations through the offering of job opportunities, fair pay and minimise all environmental and social impacts.

SUSTAINABLE JOURNEY - MOVING FORWARD

The Group will continue to uphold our commitment towards sustainability in our policies and business practices. All stakeholders will be adequately addressed to ensure everyone mutually benefited from the sustainability initiatives implemented.

With better understanding the impact and importance of sustainability initiatives, the Group will continuously refine and improve on sustainability issues and matters. The Group will further embed sustainable practices within our businesses so as to improve our overall sustainability performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("Board") of Annum Berhad (Formerly known as Cymao Holdings Berhad) (the "Company" or "Annum") remains committed in maintaining an adequate standards of corporate governance ("CG") within the Company and the Group, adhering to the principles and best practices of CG, through observing and practicing the core values of Malaysian Code on Corporate Governance 2017 ("MCCG") and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). The commitment from the top paves the way for Management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

The Board is pleased to present an overview on the application of the principles as set out in the MCCG and the extent to which the Company and the subsidiaries ("Group") have complied with the three (3) key principles of the MCCG during the financial year under review.

This statement should be read together with the CG Report 2020 of the Company which is available on the Company's website at www.annumberhad.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board's Leadership

1.1 Strategic Aims, Values and Standards

The Board is responsible for the overall performance of the Group in achieving its objectives and long-term goals, of the Group. The Group's values and standards and the Board's responsibilities are set out in the Board's Charter. Corporate strategies as well as the annual plan are presented to the Board as part of the ongoing review and monitoring, with focus on its core values and standards through the vision and mission of the Group.

The Board focuses mainly on the strategic management, performance monitoring and measurement, risk management and internal controls, standards of conduct, shareholders' communication and critical business decisions. The matters reserved for the collective decision of the Board are listed in the Board Charter which is available on the corporate website.

The Board implements a strategy planning process to oversee the matters delegated to Management and ensures the goals and targets are in line with the Company's strategic plan and long-term objectives.

The key responsibilities of the Board include:

- reviewing and adopting the overall strategic plan for the Company and Group;
- overseeing the conduct of the Company's and Group's business operations;
- monitoring Board composition, processes and performance including establishment of Board committees delegate authorities;
- monitoring and ensuring the compliance with regulatory requirements and ethical standards;
- supervision of the overall risk management functions, ensuring adequate risks identification and mitigation of principal risks through the existence of adequate internal controls and risk management systems;
- overseeing the succession planning of senior management;
- overseeing the development and implementation of a shareholders' communication policy; and
- reviewing and ratifying the internal control systems to ensure its effectiveness to mitigate the business risks.

The Board acknowledges it is essential that the Group's strategies also promote sustainability. The Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board delegates and confers some of the Board's authorities and discretion on the Executive Directors as well as on properly constituted Committees comprising Non- Executive Directors which operate within clearly defined terms of reference. This provides the necessary check and balance to the Board's decision making process, safeguarding the interest of shareholders and stakeholders and ensure that the recommended standard of corporate governance is applied.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board's Leadership (Cont'd)

1.2 Chairman

The Chairman of the Company leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. Together with the other Independent Non- Executive Directors, he leads the discussion on the strategies and policies recommended by Management. He chairs the meetings of the Board and the shareholders, and thus ensuring effective communication with the shareholders as well as the relevant stakeholders.

1.3 Separate Position of the Board Chairman and Executive Directors

The positions of Chairman and Executive Directors of the Company are held by separate individuals to ensure a continuing balance of power, authority and accountability at the Board level. The Chairman primarily leads the Board with the responsibility to ensure effective functioning of the Board as a whole, engaging active participation amongst members of the Board and inculcating good corporate governance practices and the overall conduct of the Group.

The Executive Directors being the key personnel areas responsible to develop and put the operations plan into action. They monitor actual results on a weekly basis with the senior management team from various departments and where planned performance is not met, strategies are re-assessed and remedial actions taken to address the variances. Both domestic and export marketing strategies are discussed at the weekly meetings.

The Executive Directors are responsible for implementing policies and decisions of the Board, overseeing operations as well as managing development and implementation of business and corporate strategies.

All decisions of the Board are made unanimously or by consensus. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest. The responsibilities of the Board are to oversee the business and affairs of the Company on behalf of the shareholders as stipulated in the Company's Constitution, the Companies Act 2016 ("the Act"), the Main Market Listing Requirements ("MMLR") of Bursa Securities and any applicable rules, laws and regulations.

1.4 Qualified and Competent Secretaries

The Board is supported by two suitably qualified and competent Company Secretaries. Every Director has ready and unhindered access to the advice and services of the Company Secretaries. Both Company Secretaries are qualified to act as company secretary and meet the requirement under Section 235 of the Act. The Company Secretaries play an advisory role to the Board particularly with regard to the Company's Constitution, Board policies and procedures, corporate governance issues and Directors 'responsibilities in complying with regulatory requirements, codes, guidance and legislation. The Company Secretaries also regularly update the Board on changes to statutory and regulatory requirements and advise the Board on the impact, if any, to the Company and the Board. The Company Secretaries attend all Board and Board Committees meetings as well as meeting of members and ensure that deliberations and decisions are well documented and kept, and subsequently communicated to the relevant Management for appropriate actions.

1.5 Access to Information and Advice

The Board recognises that decision making process is highly dependent on the quality of information furnished. As such, the Board expects and receives adequate, timely and quality information on an ongoing basis to enable the effective discharge of its duties. The Board receives updates from the Management on the Group's operations and performance as well as the status of implementation of the Board's policies and decisions during the Board meetings. Prior to a meeting, a formal agenda and the relevant proposal papers together with supporting documents are provided to the Board members not less than seven (7) business days or a shorter period, where deliberations involve price-sensitive information in accordance with the listing requirements, before the relevant Board and Board Committee meetings to ensure that they have sufficient time to peruse, deliberate, obtain additional information and/or seek further clarification on the matters to be tabled at the meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.5 Access to Information and Advice (Cont'd)

The Directors has direct access to Senior Management staff and has full and unrestricted access to all information pertaining to the Group's businesses and affairs, whether as a full Board or in their individual capacity. The Directors may, if necessary, obtain independent professional advice in the furtherance of their duties from external consultants at the Company's expense.

The Board, whether as a full Board or in their individual capacity, has the right to engage independent professional advice, if necessary, at the Group's expense.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board has established a Board Charter which sets out the composition, principal roles and responsibilities of the Board, its various Board Committees, individual Directors and Management. The Board Charter also outlines the processes and procedures for the Board and its Committees to be effective and efficient.

The Board will review the Board Charter as and when necessary to ensure it is in tandem with the Board's objectives and within the applicable laws and regulations. The Board Charter is available on the Company's website at www.annumberhad.com.

3. Promoting Good Business Conduct and Corporate Structure

3.1 Code of Conduct and Ethics

The Board is committed in maintaining a corporate culture which engenders ethical conduct. The ethical standards are formalised through the Directors' Code of Conduct and Corporate Disclosure Policy, which requires all Directors and Employees to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

The Directors' Code of Conduct and Corporate Disclosure Policy are available on the Company's website at www.annumberhad.com.

3.2 Whistleblowing Policy

The Board has adopted a whistleblowing policy for the Group which outlines the avenues for all employees, suppliers, agents, contractors and customers of the Group to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.

Any employee and member of public who has reasonable belief that there is serious malpractice relating to the matter disclosed, may direct such complaint and report to their immediate superior or head of department; or to the Head of Human Resources; or to the Chairman of the Audit Committee, if the concerns remains unresolved or they feel that the matter is grave in nature that it can't be discussed with any of the first or second personnel mentioned earlier on through formal or informal channels.

Management will ensure that the identity of the whistle blower who raises a genuine complaint in good faith shall be kept confidential.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. Strengthen Board's Objectivity

4.1 Board Composition

The Board currently consists of four (4) Independent Non-Executive Directors, two (2) Executive Directors and (1) Non-Independent Non-Executive Director, as follows: -

Members of the Board	Designation
Dato' Seri Mohd Shariff Bin Omar	Chairman /Independent Non-Executive Director
David Wong You King	Executive Director (appointed on 9 December 2020)
Lim Yun Nyen	Executive Director (appointed on 9 December 2020)
Lin, Kai-Min	Non-Independent Non-Executive Director (redesignated on 10 December 2020)
Kenneth Chai Chuan Teong	Independent Non-Executive Director (appointed on 9 December 2020)
Khor Chin Meng	Independent Non-Executive Director (appointed on 15 December 2020)
Syed Amir Syakib Arsalan Bin Syed Ibrahim	Independent Non-Executive Director (appointed on 15 December 2020)

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a broad range of skills, experience and knowledge to direct and manage the Group's businesses. The Board is satisfied that, through the annual performance appraisal of the Board, the Board Committees and individual directors, the current board composition represents a mix of knowledge, skills and experience required to discharge the Board's duties and responsibilities effectively.

The present composition of the Board is in compliance with Paragraph 15.02 of the MMLR and MCCG as more than half of its members are Independent Directors.

4.2 Tenure of Independent Director

No tenure of Independent Director.

4.3 Policy of Tenure of Independent Director

Practice 4.2 of MCCG sets the tenure of an independent should not exceed a cumulative period of nine years and such director shall be re-designated as Non-Independent Director. If the board intends to retain an independent director beyond nine years, it should justify and seek the shareholders' approval. If the board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

The Board is of the view that the length of tenure should not be referred as sole criterion in determining a director's independence. The spirit, intention, purpose and attitude should be taking into account in assessing the independence of a Director. The Company may derive benefits from retaining such long serving director who has proven with his positive contributions in the Board and Committee meetings, working experiences, networking and familiarization with the Group's business operations as a whole. As such the Company does not have a policy to limit the tenure of an Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. Strengthen Board's Objectivity (Cont'd)

4.4 Diverse Board and Senior Management Team

The Board acknowledges the importance of diverse Board and Senior Management. The Group strictly adhered to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which including the selection of Board members.

The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Group endeavour to meet the diversity at the Senior Management level and the composition of the Key Senior Management of the Group comprises a mixture of both genders.

4.5 Gender Diversity

The Board recognises diversity, including the facet of gender, as an important criterion to determine board composition as it provides the necessary range of perspectives, experiences and expertise required to achieve effective stewardship and management of the Company and the Group. However, at present, the Board does not have any female Directors and has yet to formalise targets and measures on the aspect of gender diversity. Although the Board did not set any target for Board representation in its diversity policy, the Board will continue to take the necessary measures to gradually achieve at least 30% women Directors on the Board in line with the recommendation in Practice 4.5 of the MCCG. In its effort to promote gender diversity in the boardroom, the Board through its Nomination Committee will undertake several concerted steps to ensure that independent women candidates are sought from various sources including professional bodies as part of its recruitment exercise. The Nomination Committee will also consider candidates recommended by the existing Board members, Management or major shareholders, former Directors or Senior Management.

4.6 Nomination Committee

The Nomination Committee comprises three (3) Independent Non-Executive Directors as follows:

Members of the Board	Designation
Dato' Seri Mohd Shariff Bin Omar	Chairman
Hiew Seng (resigned on 15 December 2020)	Member
Syed Ibrahim Bin Syed Abd. Rahman (resigned on 15 December 2020)	Member
Kenneth Chai Chuan Teong (appointed on 15 December 2020)	Member
Khor Chin Meng (appointed on 15 December 2020)	Member

The Nomination Committee is responsible for identifying and making recommendations to the Board on the suitability of candidates nominated for appointment to the Board and Board Committees. The Board may authorise the Nomination Committee to refer to independent sources, for example directors' registry, industry and professional associations or independent search firms) to identify suitable qualified candidates for directorship, where required and necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. Strengthen Board's Objectivity (Cont'd)

However, the Nomination Committee having considered the present Board's size and balance, did not propose to the Board of potential candidature for additional non-executive director position.

The selection process for any suitable candidature of director involves first and foremost evaluation on the balance and composition including mix of skills, independence, experience and diversity (including gender diversity) of the Board. In making recommendation of suitable candidates, the Nomination Committee shall consider various criteria, such as:

- skills, knowledge, expertise and experience;
- time commitment and contribution;
- honesty, integrity, professional conduct and business ethics/practices;
- number of directorships in other companies and other external obligations which may affect his/her commitment; and
- for position of independent non-executive directors, the candidate shall be evaluated at minimum in accordance with the definition of "Independent Director" as stipulated by the MMLR.

This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine skills matrix to support strategic direction and needs of the Company. The Company Secretaries will ensure that all appointment process is properly recorded, all relevant information of the new director is disclosed as well as all legal and regulatory obligations are fulfilled. The Nomination Committee shall ensure all new directors participate in the board induction and training programmes as stipulated by the MMLR.

The Nomination Committee has discharged its duties during the financial year 2020 as follows:

- Reviewed and assessed annual assessment of the performance and effectiveness of the Board as a whole, the committee of the Board, contribution of each individual director;
- Reviewed and assessed the size, composition and the required mix of skills of the Board and Board Committees;
- Reviewed and assessed the independence of the Independent Non-Executive Directors;
- Reviewed and recommended to the Board, the re-election and re-appointment of the Directors who will be retiring at the forthcoming AGM of the Company;
- Reviewed and recommended the types of trainings suitable for the Board;
- Reviewed and assessed the level of financial literacy of the Audit Committee members; and
- During the financial year 2020, (5) five new Directors were appointed to the Board.
- Identify suitable candidates for appointment to the Board.

5. Overall Board Effectiveness

5.1 Annual Evaluation

The Nomination Committee has a formal assessment in place to assess the effectiveness of the Board as a whole, the performance of its Committees and the contribution of each Individual Director on an annual basis by way of a set of customised self-assessment questionnaires. The evaluation process is led by the Chairman of the Nomination Committee and supported by the Company Secretaries. All assessments and evaluations carried out by the Nomination Committee are properly documented.

During the financial year 2020, the Board had conducted the annual assessment based on a number of criteria set out below but not limited to the following:

- Directors Self-Assessment
- Assessment of Independence of Independent Director
- Assessment of Board as a Whole

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5. Overall Board Effectiveness (Cont'd)

5.1 Annual Evaluation

Based on the annual assessment conducted, the Nomination Committee was satisfied with the existing Board composition and concluded that each Directors has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM.

The attendance record of the Directors at Board and Board Committee meetings for the financial year ended 31 December 2020 is set out as follows:

Meeting Attendance	Board	AC	NC	RC	AGM
Dato' Seri Mohd Shariff Bin Omar	3/3	3/3	Nil	Nil	1/1
David Wong You King *(Appointed on 9 December 2020)*	Nil	Nil	Nil	Nil	Nil
Lim Yun Nyen *(Appointed on 9 December 2020)*	Nil	Nil	Nil	Nil	Nil
Kenneth Chai Chuan Teong *(Appointed on 9 December 2020)*	Nil	Nil	Nil	Nil	Nil
Khor Chin Meng *(Appointed on 15 December 2020)*	Nil	Nil	Nil	Nil	Nil
Syed Amir Syakib Arsalan bin Syed Ibrahim *(Appointed on 15 December 2020)*	Nil	Nil	Nil	Nil	Nil
Lin, Kai-Min *(Re-designated on 10 December 2020)*	3/3	Nil	Nil	Nil	1/1
Lin, Kai-Hsuan *(Resigned on 10 December 2020)*	2/3	Nil	Nil	Nil	1/1
Hiew Seng *(Resigned on 15 December 2020)*	3/3	3/3	Nil	Nil	1/1
Syed Ibrahim Bin Syed Abd Rahman *(Resigned on 15 December 2020)*	3/3	3/3	Nil	Nil	1/1

5.2 Directors' Training

The Board fully supports the need for its members to continuously enhance their skills and knowledge to keep abreast with the developments in the economy, industry, technology and updates on regulations, amongst others to effectively carry out their duties and responsibilities as directors and to comply with continuous training as required by the MMLR.

Details of seminars/conferences/training programmes attended by the Board members during the financial year as listed below:

Name of Directors	Title of Seminars	Duration (Day)
Dato' Seri Mohd Shariff Bin Omar	NIL	NIL
David Wong You King *(Appointed on 9 December 2020)*	1. Stock Market & Securities Law (SC)	1 day
	2. Financial Statement Analysis Asset Valuation (SCC)	1 day
Lim Yun Nyen *(Appointed on 9 December 2020)*	NIL	NIL

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5. Overall Board Effectiveness (Cont'd)

5.2 Directors' Training (Cont'd)

Name of Directors	Title of Seminars	Duration (Day)
Kenneth Chai Chuan Teong *(Appointed on 9 December 2020)*	1. Economic Consequences of Covid-19 in Business Agreements: What Need to be Done?	25th March 2020
	2. Mandatory Accreditation Programme for Directors of Public Listed Companies	30th March to 1st April 2020
	3. A Balancing Act: Supporting Your People and Your Business	8th April 2020
	4. Business Continuity Post-MCO: From Financial Distress Management to Corporate Rescue Mechanism	9th April 2020
	5. Marketing for a New Normal	29th April 2020
	6. Covid-19: Dealing with Creditors to Survive the Crisis	21st May 2020
	7. Growing Business Against the Tides of Disruptions	28th May 2020
	8. What Drives Investor Sentiments Today? The Disconnect Between Wall Street & Main Street	5th September 2020
	9. 2020 Asia Economic And Entrepreneurship Summit, "Growing Partnership For Inclusive, Innovative And Sustainable Growth"	8th September 2020
	10. Renewables and Clean Energy- Opportunities in Malaysia and the UK	10th September 2020
	11. Capital Market Update- IPO Opportunities in London	29th September 2020
	12. Navigating the Pandemic: A Multispeed Recovery in Asia	27th October 2020
	13. Investor Relations in the Age of Disruption	17th November 2020
	14. International Conference on Nation-Building 2020	18th to 19th November 2020
Khor Chin Meng (Appointed on 15 December 2020)	1. VI Bootcamp – Value Investment Strategy (Online Programme organised by Vi College)	1 Day
	2. Share Investment Programme (online progrmme organized by Grandpine)	1 Day
Syed Amir Syakib Arsalan bin Syed Ibrahim (Appointed on 15 December 2020)	NIL	NIL

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5. Overall Board Effectiveness (Cont'd)

5.2 Directors' Training (Cont'd)

Name of Directors	Title of Seminars	Duration (Day)
Lin, Kai-Min (Re-designated on 10 December 2020)	1. FMM Selangor & Kuala Lumpur Networking with Rehda Selangor 2. National Covid-19 Immunisation Programme 3. APEC Public-Private Dialogue on Inclusive and Responsible Business and Investment 4. Ideas Closed-Door Roundtable "Malaysia, Taiwan and the CPTPP: An Opportunity for Growth? 5. Malaysia-Taiwan Economic Cooperation Committee (Mtecc) Business Advisory Group (Bag) 6. Labour Standards Compliance for Sustainable Supply Chain	

During the financial year ended 31 December 2020, Dato' Seri Mohd Shariff Bin Omar, Lim Yun Nyen and Syed Amir Syakib Arsalan bin Syed Ibrahim were unable to attend any training during the financial year due to their busy work schedule. However, they have constantly been updated with relevant reading materials and technical updates, which will enhance their knowledge and equip them with the necessary skills to effectively discharge their duties as Directors of the Company.

The Board will on a continuing basis evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management to enable the Directors to discharge their duties effectively.

In addition to the above, Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and Company Secretaries during the Committee and Board Meetings.

6. Level and Composition of Remuneration

6.1 Remuneration Policy

The Board recognises that the level and composition of remuneration of Directors and senior management should take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the company's long-term objectives. The Remuneration Committee together with the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders.

The Company has in place policies and procedures to determine the remuneration of Directors and senior management, which provide for:

- periodic review;
- competitive compensation package for Executive Directors that reflects market rate, individual's performance, job responsibilities and at levels that are sufficient to attract and retain the Executive Directors needed to run the Group successfully; and
- Non-Executive Directors are paid a basic fee as ordinary remuneration and additional allowances for attendance at meetings. The Chairman of the Board and Chairmen of Committees are provided with additional fees.

The Remuneration Committee is chaired by an Independent Non-Executive Director and comprises all Independent Non-Executive Directors.

The Remuneration Committee reviews annually the Directors' Fees and the Directors' Remuneration (including Non-Executive Directors) to commensurate with the level of responsibility of its Directors and senior management. There should be appropriate incentives to attract talent as well as nurture and retain high calibre directors and senior management, whilst taking into account the interests of other stakeholders, including shareholders and employees. In addition, the remuneration policy and procedures should also be aligned with the business strategy and long-term objectives of the Company.

7. Disclosure of Remuneration

7.1 Detailed Disclosure of Directors' Remuneration

The Board acknowledges that disclosure of remuneration of the Directors and senior management on an individual basis provides transparency and enable the stakeholders to assess whether the remuneration commensurate with their individual performance, taking into consideration of the Company's performance. However, the Board also understand that such disclosure at employee level for senior management have to be considered in terms of how its affect the dynamics of the workforce internally which may yield unintended outcome among the employees, who themselves are part of the Company's stakeholders, and for this reason has not adopted any disclosure of such employees' remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

7. Disclosure of Remuneration (Cont'd)

7.1 Detailed Disclosure of Directors' Remuneration (Cont'd)

The details of remuneration of the Directors for services rendered to the Company and the Group are as follows:

Directors	Company			
	Directors' fees (RM)	Salaries (RM)	Meeting Allowance (RM)	Total (RM)
Executive Directors				
David Wong You King	-	-	-	-
Lim Yun Nyen	-	-	-	-
Lin, Kai-Hsuan	22,200	-	-	22,200
Non-Executive Directors				
Dato' Seri Mohd Shariff Bin Omar	55,500	–	5,000	60,500
Kenneth Chai Chuan Teong	-	–	-	-
Syed Amir Syakib Arsalan bin Syed Ibrahim	-	–	-	-
Khor Chin Meng	-	-	-	-
Lin, Kai-Min (redesignated on 10 December 2020)	22,200	-	2,000	24,200
Syed Ibrahim Bin Syed Abd Rahman	33,300	-	5,000	38,300
Hiew Seng	44,400	-	5,000	49,400
Total	177,600	–	17,000	194,600

Directors	Group			
	Directors' fees (RM)	Salaries (RM)	Meeting Allowance (RM)	Total (RM)
Executive Directors				
David Wong You King	-	-	-	-
Lim Yun Nyen	-	-	-	-
Lin, Tsai-Rong	-	191,538	-	191,538
Lin, Kai-Hsuan	22,200	117,546	-	139,746
Non-Executive Directors				
Dato' Seri Mohd Shariff Bin Omar	55,500	–	5,000	60,500
Kenneth Chai Chuan Teong	-	–	-	-
Syed Amir Syakib Arsalan bin Syed Ibrahim	-	–	-	-
Khor Chin Meng	-	-	-	-
Lin, Kai-Min (redesignated on 10 December 2020)	22,200	191,538	2,000	215,738
Syed Ibrahim Bin Syed Abd Rahman	33,300	-	5,000	38,300
Hiew Seng	44,400	-	5,000	49,400
Total	177,600	500,622	17,000	695,222

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

8. Audit Committee

8.1 Effective and Independent Group Audit Committee

The Group's financial reporting and internal control system are reviewed by the Audit Committee of the Group which comprises all Independent Non-Executive Directors. The Chairman of the Audit Committee is an Independent Non-Executive Director and is not the Chairman of the Board. All Audit Committee members are financially literate and have sufficient understanding of the Group's businesses. The Group Audit Committee operates within its Terms of Reference which clearly define its functions and authority.

The Audit Committee ensure that all critical issues highlighted by the internal and external auditors are brought to the attention of the Board on a timely basis. The key matters deliberated at the Audit Committee meetings will be reported to the Board by the Chairman of the Audit Committee. A summary of the activities of the Audit Committee in discharging its functions and duties including how it has met its responsibilities for the financial year 2020 are set out in the Audit Committee Report in this Annual Report.

8.2 Relationship with External Auditors

The Board maintains a transparent and professional relationship with the Company's auditors through the Audit Committee. The Audit Committee has been explicitly accorded the power to communicate directly with the Auditors.

The External Auditors are invited to attend the Audit Committee meetings at least twice a year to review the audit process and to discuss the Company's annual financial statements, the audit findings, the audit plan as well as problems and reservations arising from the final audit. The Audit Committee also meets with the External Auditors whenever it deems necessary. In addition, the External Auditors are invited to attend the Annual General Meeting of the Company and available to answer shareholders' questions relating to the conduct of the statutory audit and the preparation and contents of their audit report. The External Auditors will report to the Audit Committee and the Management on any weaknesses in the internal control systems and any non-compliance of accounting standards that come to their attention in the course of their audit.

The Audit Committee is tasked with the authority from the Board to review any matters concerning the appointment and re-appointment, audit fee, resignation or dismissal of External Auditors. During the financial year under review, the Audit Committee in consultation with the Board, had assess the external auditor's suitability and independence based on the following criteria:

- calibre of external audit firm in terms of standing, international capabilities, technical expertise and knowledge;
- size and expertise of audit team in terms of ability to provide effective audit service;
- audit scope and planning in terms of adequate geographical coverage and significant areas;
- understanding of audit expectations;
- audit communications in terms of availability, quality, control and timeliness;
- quality processes/performance in terms of independence, quality, efficiency and timeliness of service delivery;
- audit fees in terms of reasonableness and sufficiency; and
- independence and objectivity in-terms of performance, limit on engagement term, cooling off period of engagement partner and non-audit services rendered, in absolute terms and/or as a percentage of audit fee.

The Audit Committee was satisfied with the External Auditors technical competency and audit independence and took note that the quantum of non-audit fee charged thereto was not material as compared to the total audit fees paid to the External Auditors. Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 31 December 2020 to the External Auditors are set out in the Additional Information of this Annual Report.

The Audit Committee, having satisfied itself with the performance and fulfilment of criteria as set out in the Non-Audit Services Policy as well as received the assurance from the External Auditors as stated above, recommended their reappointment as the External Auditors to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

9. Risk Management and Internal Control Framework

9.1 Risk Management and Internal Control System

The Board is fully aware of their overall responsibility of continuously maintaining a sound system of internal control which covers not only financial controls but also operational and compliance controls as well as risk management and the need to review its effectiveness regularly in order to safeguard shareholders' investment and Group's assets. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The Board has been integrating the risk issues into their decision-making process whilst maintaining the flexibility to lead the business of the Group through the ever-changing internal and external environments.

The Group's internal audit function is outsourced to two independent professional firms namely, RCA Corporate Services Sdn Bhd to provide internal audit services to Klang and Sandakan operations respectively.

The Internal Auditors had adopted a risk-based approach towards the planning and conduct of audits that are consistent with the Group's established framework in designing, implementing and monitoring of its internal control systems.

Details of the activities carried out by the Internal Auditors during the year under review are set out in the Audit Committee Report of this Annual Report.

The Statement on Risk Management and Internal Control provides an overview of the Company's risk management framework and the system of internal controls within the Group was also presented in the Annual Report.

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

10. Communication with Shareholders and Investors

The Board recognises the importance of timely and equal dissemination of clear, relevant and comprehensive information on major developments of the Group to shareholders and investors, which is carried out by means of various disclosures, press releases and announcements to the stock exchange, taking into consideration the legal and regulatory framework governing the release of material and price-sensitive information. The Group's performance is reported quarterly to the stock exchange and on a yearly basis, the Annual Report is an important channel used by the Company to provide its shareholders and investors with information on its business, financial performance and other key activities.

The Company has, from time to time, held meetings and dialogues with investors and research or investment analysts to convey information regarding the Group's progress, performance and business strategies.

In addition, the Group maintains a website at www.annumberhad.com which is updated from time to time to provide shareholders and members of the public the current information and events relating to the Group.

11. Shareholder Participation at General Meetings

The AGM of the Company provides the principal forum of dialogue and interaction between the Board and the shareholders. The shareholders are given the opportunity to raise questions or to seek for clarifications of pertinent and relevant information of the Company. During the meeting, the Chairman, the Board members and the External Auditors are available to respond to the shareholders' queries.

The notices of the AGM and the Annual Report are sent out to shareholders at least twenty-one (21) days prior to the meeting which in compliance with the Companies Act, 2016 and Listing Requirements.

All the Directors shall endeavor to present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company at the AGM. The Directors and the External Auditors will be in attendance at the AGM to respond to the shareholders' queries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

11. Shareholder Participation at General Meetings (Cont'd)

In line with the MMLR, the Company will implement poll voting for all the proposed resolutions set out in the notice of AGM. Each item of special business included in the notice of AGM will be accompanied by an explanation of the said proposed resolutions. All shareholders or proxies will be briefed on the voting procedures prior to the poll voting by the poll administrator. The Company will appoint independent scrutineers to validate the votes cast at the AGM.

The outcome of resolutions tabled and passed at the AGM are released to Bursa Securities on the same meeting day.

CONCLUSION

The Board is mindful of the need to regularly review the Group's corporate governance practices against the principles in the MCCG with the view of ensuring that they remain relevant in meeting with the challenges of its business environment. The Board is satisfied that the Company has substantially applied the principles and best practices prescribed in the MCCG to date.

This CG Overview Statement was approved by the Board on 8 April 2021.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of Annum Berhad (formerly known as Cymao Holdings Berhad) ("the Company" or "Annum") is pleased to present the Audit Committee ("AC") Report for the financial year ended 31 December 2020 ("FY2020").

The main objectives of the AC are to provide assistance to the Board in fulfilling its fiduciary responsibilities, particularly in relation to the accounting and management controls and financial reporting of the Company and the Group and also to serve as a focal point of communication between the Board, external auditors, internal auditors and the management by means of a forum for discussion which is independent of the management.

COMPOSITION AND ATTENDANCE

AC consists of the following three (3) members, all of whom are Independent Non-Executive Directors ("INED"), who meet the requirements of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"): -

Chairman	:	Khor Chin Meng	(Independent Non-Executive Directors)
Members	:	Dato' Seri Mohd Shariff Bin Omar Kenneth Chai Chuan Teong	(Chairman/Independent Non-Executive Director) (Independent Non-Executive Directors)

MEETINGS AND ATTENDANCE

During FY2020, AC held a total of three (3) meetings. The attendance of the members of the AC as follows:

Names	No. of meetings attended	Percentage of attendance (%)
Hiew Seng *(Resigned on 15 December 2020)*	3/3	100
Dato' Seri Mohd Shariff Bin Omar	3/3	100
Syed Ibrahim Bin Syed Abd Rahman *(Resigned on 15 December 2020)*	3/3	100
Khor Chin Meng *(Appointed on 15 December 2020)*	NIL	NIL
Kenneth Chai Chuan Teong *(Appointed on 15 December 2020)*	NIL	NIL

The Company's Executive Directors, Internal Auditors, External Auditors and relevant responsible senior management are usually invited to attend the AC meetings to brief the AC on any matters of interest and to provide input and clarification to the relevant items on the agenda. The Company Secretaries act as Secretary at the meetings to record and maintain minutes of the proceedings of the meetings.

TERMS OF REFERENCE

The Terms of Reference of the AC is available on the Company's website at www.annumberhad.com.

INDEPENDENCE OF THE AUDIT COMMITTEE

The Company recognized the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the AC of the Company were former key audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a member of the AC was a key audit partner of the external auditors of the Group.

FINANCIAL LITERACY OF THE AUDIT COMMITTEE MEMBERS

Collectively, the members of the AC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the AC. The qualification and experience of the individual AC members are disclosed in the Directors' Profiles in this Annual Report. During FY2020, two members of the AC had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to effectively discharge their duties.

AUDIT COMMITTEE REPORT
(cont'd)

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The summary of the activities carried out by the AC during FY2020 as follows:

1. Financial Results

   - Reviewed and discussed the quarterly financial results of the Group (including announcements) and the annual financial statements of the Group and of the Company to ensure compliance with the requirements of financial reporting and disclosure of the relevant authorities prior to the recommendation to the Board for approval.
   - Deliberated on significant matters raised by the External Auditors including financial reporting issues, significant judgements made by Senior Management, significant and unusual events or transactions and management's reports and updates on actions recommended by the External Auditors for improvement.
   - Deliberated on changes or implementation of major accounting changes and compliance with accounting standards and other legal requirements.

2. Internal Audit

   - Reviewed and approved the Internal Audit Plan for year 2020 and the internal auditors' scope of work.
   - Reviewed and discussed with the Internal Auditors, their audit findings and issues arising during the course of their audit and ensure that the appropriate corrective actions are taken by the Management.
   - Reviewed the adequacy and competency of the internal audit functions via carried out the annual assessment of the Internal Auditors.
   - Met the Internal Auditors for a frank and candid dialogue, and to exchange free and honest views and opinions.

3. External Audit

   - Reviewed and approved the Audit Planning Memorandum in respect of FY2020 prior to commencement of the annual audit.
   - Reviewed and discussed with the External Auditors, the results of the audit, the audit report and findings noted in the course of their audit and reported the same to the Board.
   - Evaluated the independence and performance of the External Auditors and recommended their fees and re-appointment to the Board for approval.
   - Met the External Auditors with the presence of the Executive Directors and Management staff for a frank and candid dialogue, and to exchange free and honest views and opinions.

4. Annual Report

   - Reviewed the AC Report, Corporate Governance Overview Statement, and Statement on Risk Management and Internal Control to ensure adherence to the relevant statutory requirements and recommended the same to the Board for approval.

INTERNAL AUDIT FUNCTION

The Company engaged the services with independent professional firm namely, Vaersa Advisory Sdn Bhd ("VASB"), to perform the internal audit functions for Poly-Ply Industries Sdn. Bhd. ("Poly-Ply") to assist the AC in discharging its duties and responsibilities. The internal audit function is headed and lead by Mr. Clement Cheong, who is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, Master in Business Administration from VASB. Due to the MCO, the internal audit works performed only for the Poly-Ply during the FY2020. All the personnel deployed by VASB is free from any relationships or conflict of interest in the Group, which could impair their objectivity and independence during the course of their work.

The Internal Auditors are empowered by the AC to provide objective evaluation of risks and controls in the auditable activities to ensure a sound system of internal controls. The Internal Auditors adopts a risk-based audit methodology to develop its audit plan and activities. The internal audit functions of the Group are carried out according to the internal audit plan as approved by the AC. Greater focus and appropriate review intervals are set for higher risk activities, material internal controls, including compliance with the Company's policies, procedures and regulatory requirements.

During FY2020, the Internal Auditors have performed the internal audit according to the approved internal audit plan. Internal Audit reports were issued to the AC in each quarter and tabled during AC meetings. The Internal Audit Reports were also issued to the respective operations management, incorporating audit recommendations and Management responses. The Internal Auditors conducted follow-up audits to ensure the recommendations were implemented appropriately. A summary of the work of the internal audit function FY2020 carried out by the respective internal audit firms are as follows: -

VASB

a) Inadequate system of Internal Control
b) Process Improvement
c) Implementation lapses

The cost incurred for the internal audit function in respect of the FY2020 was RM 13,226.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Annum Berhad (formerly known as Cymao Holdings Berhad) ("Annum" or "the Group") is pleased to present its Statement on Risk Management and Internal Control for the Financial Year Ended 31 December 2020. The disclosure in this statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board of Annum recognizes the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board affirms its overall responsibilities for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity periodically. The Board is assisted by the Management team in implementing the Board approved policies and procedures on risk and internal controls by identifying and analyzing risk information, designing and operating suitable internal controls and monitoring the effectiveness of risk management and control activities. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The Board is of the view that the risk management and internal control system is in place for the year under review and up to the date of issuance of the annual report. It should be noted that these systems are designed to manage, rather than to eliminate risks that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system in place can only provide reasonable and not absolute assurance against material misstatements or errors.

RISK MANAGEMENT FRAMEWORK

The Board firmly believes that an effective risk management is critical to the Group's continued profitability and the enhancement of shareholder value. Therefore, the Board has put in place a formal enterprise risk management framework guided by Committee of Sponsoring Organizations of the Treadway Commission that allows a more structured and focused approach to identify, evaluate, monitor and report the principal risks that could affect the achievement of the Group's business objectives.

GROUP INTERNAL AUDIT

The Group has in place an internal audit function, which provides the Board with much of the assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance systems. This function is currently outsourced to one independent professional firms namely, Vaersa Advisory Sdn Bhd to provide internal audit services to Klang operationsrespectively. The Internal Auditors independently review the internal controls on the key activities and business areas of the Group's business. The internal audit was carried out based on the Internal Audit Plan reviewed by the Audit Committee and approved by the Board.

AUDIT COMMITTEE

The Audit Committee ("AC") is established by the Board, and governed by clearly defined terms of reference and authority for areas within their scope. The review of the risk management and internal control reports and processes is delegated by the Board to AC to assist the Board in reviewing and overseeing the effectiveness of the risk management of the Group.

The Audit Committee reviews reports from Internal Auditors and the management and make recommendations to the Board in strengthening the risk management, internal control and governance systems.

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

To complement and enhance the risk management and internal control systems, the Group also have in place the following practices / structures:

- The Group maintains clearly defined and structured lines of reporting and responsibilities including proper segregation of duties, appropriate authority limits, adequate review and approval procedures;
- Formal Standard Operating Policies and Procedures are in place and they are regularly reviewed and updated to ensure that it continues to support the Group's business activities as the Group continues to grow;
- Monthly monitoring of operational results against the budget for the Board's review and discussion;
- Regular and comprehensive information provided to the Board, covering financial performance and key business indicators;
- Active participation of executive members of the Board in the day-to-day running of the operations; and
- Regular management meeting with all key personnel of respective to address weaknesses and improve efficiency.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies, implementing and maintaining sound systems of risk management and internal control and monitoring and reporting significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objective and performance. The Board has received assurance from the Senior Management that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material respects.

MANAGEMENT'S ASSURANCE AND LIMITATION

The Executive Directors have given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board continues to derive its comfort of the state of risk management and internal control of the Group from the following key processes and information: -

- Periodic review of financial information covering financial performance and quarterly financial results;
- Audit Committee's review and consultation with Management on the integrity of the financial results, Annual Report and audited financial statements before recommending them to the Board for approval; Audit findings and reports on the review of systems of internal control provided by the Internal Auditors and status of Management's implementation of the audit recommendations;
- Annual risk assessment exercise to identify and assess risks faced by the Group as well as the action plans needed to manage the identified risks effectively; and
- Management's assurance that the Group's risk management and internal control systems have been operating adequately and effectively, in all material respects.

For the financial year under review, the Board is satisfied that the existing systems of risk management and internal control are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses that would require additional disclosure in the Annual Report.

Nonetheless, the Board recognizes that the systems of risk management and internal control should be continuously improved in line with the evolving business development. It should also be noted that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems could only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Risk Management and Internal Control and reported to the AC that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the process adopted by the AC and your Board in reviewing the adequacy and integrity of your Group's internal controls.

CONCLUSION

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system and there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual Report. However, the Board is also cognizant of the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment.

Therefore, the Board, will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management framework.

This Statement is made in accordance with the approval and resolution of the Board of Directors dated 8 April 2021.

ADDITIONAL COMPLIANCE INFORMATION

(a) Utilisation of Proceeds

The Company did not implement any fund raising exercise during the financial year.

(b) Audit and Non-Audit Fees

The audit and non-audit fees incurred by the Company and the Group for services rendered by the External Auditors for the financial year under review are as follows:

	Company (RM)	Group (RM)
Audit Fees	40,000	100,000
Non-Audit Fees	15,000	15,000

(c) Material Contracts

There were no material contracts, including contract relating to loan, entered into by the Company and/or its subsidiaries involving Directors and major shareholders that are still subsisting at the end of the financial year or since the end of the previous financial year.

(d) Recurrent Related Party Transactions

There were no other related party transactions of a revenue or trading nature during the financial year under review, except as disclosed in Note 26 to the financial statements.

DIRECTOR'S RESPONSIBILITY STATEMENT

IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Directors are required by the Companies Act 2016 ("the Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and requirements of the Act in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year ended 31 December 2020. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed; and
- prepared financial statements on a "going concern" basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operation for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board dated 8 April 2021.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	3,954,683	6,162,183

RESERVES AND PROVISIONS

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

DIVIDENDS

No dividend has been paid, declared or proposed since the end of the previous financial year.

The Directors do not recommend any dividends for the current financial year ended 31 December 2020.

DIRECTORS

The Directors in office since the beginning of the financial year to the date of the report are:

Dato' Seri Mohd Shariff bin Omar	
Lin, Kai-Min	
David Wong You King	(Appointed on 9 December 2020)
Lim Yun Nyen	(Appointed on 9 December 2020)
Kenneth Chai Chuan Teong	(Appointed on 9 December 2020)
Khor Chin Meng	(Appointed on 15 December 2020)
Syed Amir Syakib Arsalan bin Syed Ibrahim	(Appointed on 15 December 2020)
Hiew Seng	(Resigned on 15 December 2020)
Lin,Kai-Hsuan	(Resigned on 10 December 2020)
Syed Ibrahim bin Syed Abd. Rahman	(Resigned on 15 December 2020)

Pursuant to Section 253 of the Companies Act, 2016 in Malaysia, the Directors of subsidiary companies during the financial year and up to the date of this report, who are also Directors of the Company, are as follows:

David Wong You King	(Appointed on 30 December 2020)
Lim Yun Nyen	(Appointed on 30 December 2020)
Mohd Zulkifli Chow Abdullah	(Resigned on 31 December 2020)
Pang Pah Loh @ Pang Pak Lok	(Resigned on 31 December 2020)
Lin,Tsai-Rong	(Resigned on 31 December 2020)

DIRECTORS' REPORT
(cont'd)

DIRECTORS' INTERESTS IN SHARES

None of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 26 to the Financial Statements.

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

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 8 to the financial statements.

None of the Directors of the Company has received any other benefit otherwise than in cash from the Company during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the Directors or past Directors of the Company during the year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company for the financial year ended 31 December 2020 was RM8,426.

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

ISSUES OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

TREASURY SHARES

As at 31 December 2020, the Company held as treasury shares a total of 1,664,600 of its 75,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM 693,951 and further relevant details are disclosed in Note 21 to the financial statements.

On 12 March 2021, all 1,658,600 out of 1,664,600 units of the treasury shares have been disposed for a total consideration of RM 1,776,802. The minimum price and the maximum price at which the treasury shares were sold were RM 1.070 and RM 1.080, respectively.

DIRECTORS' REPORT
(cont'd)

OTHER STATUTORY INFORMATION

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

(i) proper action had been taken in relation to the writing off of bad debts and the making of allowance for credit losses and satisfied themselves that there were no known bad debts and that adequate allowance had been made for credit losses; and

(ii) any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

(i) which would render it necessary to write off any bad debts or the amount of the allowance for credit losses inadequate to any substantial extent; and

(ii) which would render the value attributed to the current assets in the financial statements of the Group and 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 the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and the Company misleading.

As at the date of this report, there does not exist:

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

(ii) any contingent liability in respect of the Group and the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and the Company for the financial year ended 31 December 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

AUDITORS

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

The audit fees for services rendered by the auditors to the Group and to the Company for the financial year ended 31 December 2020 are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 April 2021.

DAVID WONG YOU KING
Director

LIM YUN NYEN
Director

Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, **David Wong You King** and **Lim Yun Nyen**, being two of the Directors of **ANNUM BERHAD** (formerly known as CYMAO HOLDINGS BERHAD), do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the applicable 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 the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 April 2021.

David Wong You King	**Lim Yun Nyen**
Director	Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, **David Wong You King**, being the Director primarily responsible for the financial management of **ANNUM BERHAD** (formerly known as CYMAO HOLDINGS BERHAD), do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur)
in the state of Kuala Lumpur.)
on 8 April 2021)

David Wong You King

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANNUM BERHAD (FORMERLY KNOWN AS CYMAO HOLDINGS BERHAD)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ANNUM BERHAD (formerly known as CYMAO HOLDINGS BERHAD), which comprise the statements of financial position as at 31 December 2020 of the Group and 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 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 the accompanying pages.

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 2020, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. 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 the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
1) Revenue recognition As set out in Note 2.6 and Note 4 to the financial statements, the Group's revenue for the year ended 31 December 2020 amounted to RM 42,322,976 where it mainly earned from sales of plywood and veneer. Given its magnitude and significant volume of transactions involved, revenue recognition is identified as a key audit matter in our audit. There is a risk that revenue could be subject to misstatement, particularly in respect of the timing and amount of revenue recognised. As described in the Significant Accounting Policies in Note 2.6 to the financial statements, revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer.	Our procedures included, amongst others: • Obtaining an understanding of the Group's relevant internal controls and testing the controls over timing and amount of revenue recognised; • Evaluating the transaction price by agreeing the invoices issued with the agreed purchase order from customers ; • Evaluating whether the allocation of transactions price to the respective performance obligations ; • Evaluating the appropriateness of the timing of revenue recognition based on the transfer of control of the related goods to the customer; and • Testing the recording of sales transactions close to the year end to establish whether the transactions were recorded in the correct accounting period.

INDEPENDENT AUDITORS' REPORT (cont'd)

TO THE MEMBERS OF ANNUM BERHAD (FORMERLY KNOWN AS CYMAO HOLDINGS BERHAD)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Contd.)

Key audit matters	How our audit addressed the key audit matters
2) Impairment of plant, property and equipment During the year, the certain subsidiaries of the Group recorded loss before taxation indicating that the carrying amount of those subsidiaries' property, plant and equipment may be impaired. In accordance with MFRS 136: Impairment of Assets, the Group is required to perform impairment test for its cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. Recoverable amount is defined as the higher of fair value less costs of disposal ("FVLCD") and value-in-use ("VIU"). Arising from the impairment assessment of the plant, property and equipment, no impairment has been made during the year. Refer to the Significant Accounting Policies and the disclosures of property, plant and equipment in Note 2.10 and Note 13 to the financial statements respectively."	In reviewing the impairment assessment based on FVLCD, our procedures included, amongst others: • Obtaining the latest market value of the property, plant and equipment and compared it against the carrying amount of the property, plant and equipment; • Re-calculating the impairment assessment's for mathematical accuracy; • Evaluating the appropriateness of the work of the management expert. We corroborated the expert's work, tested source data and reviewed the expert's report and conclusion; and • Evaluating the objectivity, independence and expertise of the management expert by inquiring the management experts regarding the years of experience and qualifications.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report 2020, which is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements of the Group and 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 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.

When we read the Annual Report 2020, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements of the Group and 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 the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, 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 (cont'd)

TO THE MEMBERS OF ANNUM BERHAD (FORMERLY KNOWN AS CYMAO HOLDINGS BERHAD)
(Incorporated in Malaysia)

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 skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (cont'd)

TO THE MEMBERS OF ANNUM BERHAD (FORMERLY KNOWN AS CYMAO HOLDINGS BERHAD)
(Incorporated in Malaysia)

OTHER MATTERS

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

The financial statements of the Group and the Company for the year ended 31 December 2020 were audited by other auditors whom have expressed an unmodified opinion on these statements on 8 April 2021.

AL JAFREE SALIHIN KUZAIMI PLT
(AF 1522)
CHARTERED ACCOUNTANTS

AIZUL IZUAN BIN ABDUL HAMID
No. 03509/07/2022 J
CHARTERED ACCOUNTANT

Dated: 8 April 2021

Selangor, Malaysia

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
			restated		
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Revenue	4	42,322,976	46,282,040	-	-
Cost of sales		(44,238,330)	(54,764,074)	-	-
Gross loss		(1,915,354)	(8,482,034)	-	-
Other operating income	5	9,334,628	12,846,175	7,062,700	-
Other operating expenses	6	(112,968)	(1,300,247)	-	-
Selling expenses		(1,242,596)	(2,366,763)	-	-
Administrative expenses		(2,812,428)	(5,512,486)	(900,517)	(547,041)
Impairment on property, plant and equipment	9	-	(6,682,090)	-	-
Impairment on investments in subsidiaries	9	-	-	-	(32,031,000)
Profit/(loss) from operations	9	3,251,282	(11,497,445)	6,162,183	(32,578,041)
Finance costs	10	(237,631)	(459,249)	-	-
Profit/(loss) before operations		3,013,651	(11,956,694)	6,162,183	(32,578,041)
Income tax expense	11	-	853,519	-	-
Profit/(loss) from continuing operations		3,013,651	(11,103,175)	6,162,183	(32,578,041)
Profit from discontinued operation, net of tax	34	941,032	-	-	-
Profit/(loss) for the financial year		3,954,683	(11,103,175)	6,162,183	(32,578,041)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the financial year		3,954,683	(11,103,175)	6,162,183	(32,578,041)
Profit/(loss) per share attributable to owners of the Company for continuing operation (sen per share)					
Basic earnings per share	12	5.39	(15.14)		
Diluted earnings per share	12	5.39	(15.14)		

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		Group			Company	
	Note	2020 RM	2019 RM	restated 2019 RM	restated 1 January 2020 RM	2019 RM
ASSETS						
Non-current assets						
Property, plant and equipment	13	17,378,401	22,270,618	31,041,168	-	-
Investment in subsidiaries	15	-	-	-	44,998,637	47,035,937
		17,378,401	22,270,618	31,041,168	44,998,637	47,035,937
Current assets						
Inventories	16	-	29,245,204	29,477,709	-	-
Trade and non-trade receivables	17	47,675,308	14,837,691	15,410,931	12,608,114	9,281
Tax recoverable		497,848	445,451	969,050		-
Cash and bank balances	18	1,166,415	1,373,534	3,306,457	17,457	6,241
Asset held for sale		-	-	2,926,576	-	-
		49,339,571	45,901,880	52,090,723	12,625,571	15,522
TOTAL ASSETS		66,717,972	68,172,498	83,131,891	57,624,208	47,051,459
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	20	92,374,387	92,374,387	92,374,387	92,374,387	92,374,387
Treasury shares	21	(693,951)	(693,951)	(693,951)	(693,951)	(693,951)
Accumulated losses	22	(40,562,538)	(44,517,221)	(33,414,046)	(50,821,462)	(56,983,645)
Total equity		51,117,898	47,163,215	58,266,390	40,858,974	34,696,791
Non-current liabilities						
Loans and borrowings	23	1,151,205	1,627,504	1,987,419	-	-
Deferred tax liabilities	24	664,002	664,002	1,524,463	-	-
		1,815,207	2,291,506	3,511,882	-	-
Current liabilities						
Loans and borrowings	23	3,177,005	8,123,597	9,528,149	-	-
Trade and non-trade payables	25	10,607,862	10,594,180	11,825,470	16,765,234	12,354,668
		13,784,867	18,717,777	21,353,619	16,765,234	12,354,668
Total liabilities		15,600,074	21,009,283	24,865,501	16,765,234	12,354,668
TOTAL EQUITY AND LIABILITIES		66,717,972	68,172,498	83,131,891	57,624,208	47,051,459

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Company			
	Non-distributable			
	Share capital RM	Treasury shares RM	Accumulated losses RM	Total equity RM
Group				
At 1 January 2019	92,374,387	(693,951)	(33,414,046)	58,266,390
Total comprehensive loss for the financial year	-	-	(11,104,291)	(11,104,291)
At 31 December 2019	92,374,387	(693,951)	(44,518,337)	47,162,099
Prior year adjustment	-	-	1,116	1,116
Restated at 31 December 2019	92,374,387	(693,951)	(44,517,221)	47,163,215
Total comprehensive profit for the financial year	-	-	3,954,683	3,954,683
At 31 December 2020	92,374,387	(693,951)	(40,562,538)	51,117,898
Company				
At 1 January 2019	92,374,387	(693,951)	(24,405,604)	67,274,832
Total comprehensive loss for the financial year	-	-	(32,578,041)	(32,578,041)
At 31 December 2019	92,374,387	(693,951)	(56,983,645)	34,696,791
Total comprehensive profit for the financial year	-	-	6,162,183	6,162,183
At 31 December 2020	92,374,387	(693,951)	(50,821,462)	40,858,974

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
			restated		
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit/(loss) before taxation from continuing operation:		3,013,651	(8,249,079)	6,162,183	(32,578,041)
Profit before taxation from discontinued operation:		941,032	(3,707,615)	-	-
Profit/(loss) before taxation, total		3,954,683	(11,956,694)	6,162,183	(32,578,041)
Adjustments for:					
(Reversal)/allowance for slow moving inventories		(686,446)	794,527	-	-
Depreciation of property, plant and equipment		2,181,005	2,964,312	-	1
Depreciation right of use		479,332	11,545		
Impairment on investment in subsidiaries		-	-	-	32,031,000
Gain on disposal of property, plant and equipment		-	(160,584)	-	-
Gain on disposal of assets held for sale		-	(9,073,424)	-	-
Gain on disposal of investment in subsidiary		(8,158,968)	-	(7,062,700)	-
Impairment of inventories			21,314		
Impairment on receivables		-	82,000	-	-
Impairment on property, plant and equipment		-	6,682,090	-	-
Interest expenses		127,353	455,460		-
Interest expenses - lease liabilities		110,278	3,789		
Interest income		(6,147)	(24,599)	-	-
Inventories written down		-	1,917,922	-	-
Loss on damage of material		38,579	202,922	-	-
Property, plant and equipment written off		-	187,750	-	-
Operating (loss)/profit before working capital changes		(1,939,017)	(7,912,984)	(900,517)	(547,040)
Change in inventories		29,871,757	(2,682,866)	-	-
Change in receivables		(24,678,649)	491,240	(3,498,833)	143,313
Change in payables		13,682	(1,231,290)	9,101,633	73,141
Cash used in operations		3,267,773	(11,335,900)	4,702,283	(330,586)
Income tax paid		(52,397)	(471,449)	-	-
Income tax refund		-	988,106	-	-
Interest paid		(127,353)	(455,460)	-	-
Net cash used generated from/(used in) operating activities		3,088,023	(11,274,703)	4,702,283	(330,586)

STATEMENTS OF CASH FLOWS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
			restated		
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,398,354)	(1,123,885)	-	-
Interest received		6,147	24,599	-	-
Proceeds from disposal of property, plant and equipment		6,589,663	209,322	-	-
Proceeds from disposal of assets held for sale		-	12,000,000	-	-
Net cash generated from investing activities		4,197,456	11,110,036	-	-
Cash flows from financing activities					
Change in amount due to subsidiary		-	-	(4,691,067)	311,969
Net (repayment)/drawdown of bankers' acceptance		(5,545,000)	(716,000)	-	-
Repayment of hire purchase		(192,343)	(156,808)	-	-
Repayment of principal lease liability		(509,650)	(16,450)	-	-
Repayment of term loans		(1,485,262)	(156,916)		-
Net cash (used in)/generated from financing activities		(7,732,255)	(1,046,174)	(4,691,067)	311,969
Net decrease in cash and cash equivalents		(446,776)	(1,210,841)	11,216	(18,617)
Cash and cash equivalents at beginning of financial year		1,084,963	2,295,804	6,241	24,858
Cash and cash equivalents at end of financial year	18	638,187	1,084,963	17,457	6,241

(i) Reconciliation of liabilities arising from financing activities

	1 January 2020 RM	Cash flows RM	Non-cash acquisition RM	31 December 2020 RM
Group				
Bankers' acceptance	7,495,000	(5,545,000)	-	1,950,000
Term loans	1,485,262	(1,485,262)	-	-
Hire purchase	425,658	(192,343)	-	233,315
Lease liability	56,610	(399,372)	1,959,429	1,616,667
	9,462,530	(7,621,977)	1,959,429	3,799,982

STATEMENTS OF CASH FLOWS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

(i) Reconciliation of liabilities arising from financing activities (Cont'd)

	restated 1 January 2019 RM	restated Cash flows RM	restated Non-cash acquisition RM	restated 31 December 2019 RM
Bankers' acceptance	8,211,000	(716,000)	-	7,495,000
Term loans	1,642,178	(156,916)	-	1,485,262
Hire purchase	582,466	(156,808)	-	425,658
Lease liability	69,271	(12,661)	-	56,610
	10,504,915	(1,042,385)	-	9,462,530

	1 January 2020 RM	Cash flows RM	Non-cash acquisition RM	31 December 2020 RM
Company				
Amounts due to subsidiary companies	12,123,276	(4,691,067)	-	7,432,209

	1 January 2019 RM	Cash flows RM	Non-cash acquisition RM	31 December 2019 RM
Amounts due to subsidiary companies	11,811,307	311,969	-	12,123,276

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company, incorporated in Malaysia, is a public limited liability company that is incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

The registered office is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia.

The principal place of business is located at 8.7 KM, Jalan Batu Sapi, 90000 Sandakan, Sabah, Malaysia.

These financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors dated 8 April 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

The financial statements have been prepared under the historical cost convention except as disclosed in the respective significant accounting policies.

The financial statements are prepared in Ringgit Malaysia (RM) which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2.2 Changes in Accounting Policies

The following Standards have been adopted in the current year. Unless otherwise disclosed, their adoption has had no material impact on the amounts reported in these financial statements.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 2 Share-based Payment	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7:	
Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020

The adoption of these new standards and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and the Company and had no significant effect on the financial perfomance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards Issued but not Yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 4, MFRS7, MFRS 9, MFRS 16 and MFRS 139: Interest Rate Benchmark Reform Phase 2	1 January 2021
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRS 2018 - 2020	1 January 2022
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statement in the year of initial applications.

2.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020.

The Group achieves control when is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee), exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee which include the contractual arrangement(s) with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

(a) Subsidiaries

Subsidiaries are 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 re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of Consolidation (Cont'd)

(a) Subsidiaries (Cont'd)

The Group uses the acquisition method of accounting to account for subsidiaries in the business combinations procedure

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values 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.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(b) 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.

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.

(c) 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.

(d) Loss of Control

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Foreign Currency Transactions

(a) Functional and Presentation Currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(b) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

2.6 Revenue Recognition

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

(a) Sale of Goods

Revenue from sale of goods is recognised net of taxes and upon transfer of control of the assets to the customer, also considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

(b) Revenue From Services

Revenue from services rendered is recognised net of taxes and discounts as and when the services are performed.

(c) Interest Income

Interest income is recognised using the effective interest method

(d) Management fees

Management fees are recognised as income as and when the services are rendered.

2.7 Employee Benefits

(a) Short Term Benefits

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

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
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Employee Benefits (Cont'd)

(b) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred.

The Group makes contribution to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

2.8 Income Taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on 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;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.9 Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Property, Plant and Equipment

All property, plant and equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

Freehold land (including long leasehold land with remaining unexpired lease term of 100 years and more) is not depreciated but is subject to impairment test if there is any indication of impairment.

Leasehold land with lease period of equal or less than fifty (50) years is classified as short leasehold land whereas leasehold land with lease period of more than fifty (50) years is classified as long leasehold land. Leasehold land is amortised over the period of the lease term, ranging from fifty-one (51) to seventy-eight (78) years.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the property, plant and equipment over the term of their estimated useful lives.

The principal annual rates of depreciation used are as follows:

Buildings	2% - 10%
Renovation	10%
Plant and machinery	10%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

2.11 Inventories

Inventories comprise raw materials, finished goods and work-in-progress.

Inventories are valued at the lower of cost and net realisable value on weighted average basis. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'Solely Payments of Principal and Interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group and the Company only have financial assets at amortised cost.

(i) Financial Assets at Amortised Cost (Debt Instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables and cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(ii) Derecognition

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

- The rights to receive cash flows from the asset have expired; or

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has the following types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Intercompany receivables

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(iii) Impairment of Financial Assets (Cont'd)

The ECL approach can be classified into the categories below:

<u>General 3-stage approach for other receivables, intercompany receivables that are non-trade in nature</u>

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 28 sets out the measurement details of ECL.

<u>Simplified approach for trade receivables</u>

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Note 28 sets out the measurement details of ECL.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information. The following indicators are incorporated:

- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

<u>Definition of default and credit-impaired financial assets</u>

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(iii) Impairment of Financial Assets (Cont'd)

(ii) Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

Individual assessment

The credit risk assessment of trade and other receivables of the Group and the Company are performed on an individual basis. Trade and other receivables which are in default or credit-impaired are assessed individually.

For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

(b) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 9, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria.

Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company has no financial liabilities in this category.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial Instruments (Cont'd)

(b) Financial Liabilities (Cont'd)

(ii) Financial Liabilities Measured at Amortised Cost

The Group's and the Company's financial liabilities measured at amortised cost include trade and other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings ae recognised initially at fair, net of transaction cost incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

2.13 Impairment of Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless that asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Cash and Cash Equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three (3) months or less is normally classified as being short-term. Bank overdrafts are shown within borrowing in current liabilities.

2.15 Assets Classified as Held For Sale and discontinued operations

a) Assets Classified as Held For Sale

Non-current assets (or disposal group) classified as held for sale are measure at the lower of carrying amount and fair value less cost to sell.

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This is the case, when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and the sale is considered to be highly probable.

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Further, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one (1) year from the date that it is classified as held for sale.

b) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which;

- represents a separate major line of business of geographical area of operations;
- is par of a single co-ordinated plan to dispose a separate majore line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year."

2.16 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised as an appropriation of retained profits upon declaration, and are only taken up as liabilities upon the necessary approval being obtained.

2.17 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Borrowings Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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.

2.19 Leases

(a) Definition of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

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

(b) Initial Recognition and Measurement

(i) As a Lessee

The Group and the Company recognise right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received;
- 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.

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 Group's and Company's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (Cont'd)

(b) Initial Recognition and Measurement (Cont'd)

(i) As a Lessee (cont'd.)

The Group and the Company have elected not to recognise right-of use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

If a lessee accounts for short-term leases applying paragraph 6, the lessee shall consider the lease to be a new lease for the purposes of this Standard if: (a) there is a lease modification; or (b) there is any change in the lease term (for example, the lessee exercises an option not previously included in its determination of the lease term).

The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in an entity's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

A lessee shall assess the value of an underlying asset based on the value of the asset when it is new, regardless of the age of the asset being leased.

(ii) As a Lessor

The Company does not have any transactions where they have acted as a lessor.

(c) Subsequent Measurement

(i) As a Lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of use asset reflects that the Group and the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 14 to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortized 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.

2.20 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.

2.21 Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed. Where the effect of the time value of money is material, provisions are discounted using a current per-tax rate that reflects, where appropriate, the risks specific to the liability and the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Contingent liabilities and assets are not recognised in the Statement of Financial Position of the Group and the Company.

2.23 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

2.24 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transactions to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values. useful lives and related depreciation charges for the property. plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors· actions in response to the market conditions.

The Group and the Company anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in Note 13.

(b) Income Taxes

Significant judgement is required in determining the Group's provision for current and deferred taxes because the ultimate tax liability for the Group and the Company are uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial period when such determination is made. The Group and the Company will adjust for the differences as over- or under- provision of current or deferred taxes in the current financial period in which those differences arise.

The income tax expense of the Group and the Company are disclosed in Note 11.

(c) Impairment of Property, Plant and Equipment

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e., the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal ("FVLCD") for that asset and its value-in-use ("VIU"). The VIU is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate.

The Group and the Company use their judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected. In estimating the recoverable amount of the assets in to determine FVLCD, the Directors rely on independent professional.

The carrying amounts of the property, plant and equipment are disclosed in Notes 13.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(d) Impairment of Trade and Non-Trade Receivables

The Group makes provision for impairment loss for financial assets at amortised cost based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and impairment loss in the period in which such estimate has been changed. The carrying amounts of trade receivables as at the reporting date are disclosed in Notes 17 to the financial statements.

(e) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgment and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

The economic uncertainties resulting from the COVID-19 pandemic may continue to impact the saleability of inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amount of inventories as at the reporting date is disclosed in Note 16 to the financial statements.

4. REVENUE

	Group	
	2020 RM	2019 RM
Type of goods		
Plywood	41,332,277	44,568,592
Veneer	990,699	694,546
Other wood products	-	1,018,902
Total revenue from contracts with customers	42,322,976	46,282,040
Market of goods		
Export sales	25,417,204	25,552,993
Local sales	16,905,772	20,729,047
Total revenue from contracts with customers	42,322,976	46,282,040
Operation based revenue		
Klang	22,021,191	20,566,683
Pahang	-	-
Sandakan	20,301,785	25,715,357
Total revenue from contracts with customers	42,322,976	46,282,040
Timing of revenue recognition		
Goods transferred at a point in time	42,322,976	46,282,040
Total revenue from contracts with customers	42,322,976	46,282,040

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

5. OTHER OPERATING INCOME

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Bad debts recovered	-	70,000	-	-
Gain on disposal of property, plant and equipment	-	160,584	-	-
Gain on disposal of assets classified as held for sale	-	9,073,424	-	-
Gain on foreign exchange - Realised	176,745	149,938	-	-
Gain on disposal of a subsidiary	8,158,737	-	7,062,700	-
Insurance recovery	-	2,493,388	-	-
Interest income from fixed deposits	6,147	24,599	-	-
Miscellaneous income	31,805	307,468	-	-
Rental income	-	566,774	-	-
Reversal of allowance slow moving inventories	686,446	-	-	-
Management income	274,749	-	-	-
	9,334,628	12,846,175	7,062,700	-

6. OTHER OPERATING EXPENSES

	Group	
	2020 RM	2019 RM
Allowance for slow moving inventories (Note 16)	-	794,527
Loss on damage of materials	38,579	202,922
Other expense	53,075	33,048
Property, plant and equipment written off	-	187,750
Impairment on receivables (Note 17)	-	82,000
Impairment on inventories	21,314	-
	112,968	1,300,247

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Contributions to defined contribution plan	145,713	264,757	-	-
Contributions to employment insurance system	1,848	1,580	-	-
Salaries and wages	4,669,679	9,726,487	177,600	48,000
Social security contributions	30,348	49,055	-	-
	4,847,588	10,041,879	177,600	48,000

Included in employee benefits expense of the Group and the Company are Executive Directors' remuneration consisting salaries and other emoluments respectively as further disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

8. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Executive Directors' remuneration				
- Fees	44,400	48,000	44,400	48,000
- Salaries and other emoluments	500,622	957,000	-	-
- Meeting allowance	17,000	-	17,000	-
	562,022	1,005,000	61,400	48,000
Non-executive Directors' remuneration:				
- Fees	133,200	144,000	133,200	144,000
Total Directors' remuneration	695,222	1,149,000	194,600	192,000

The number of Directors of the Company and its subsidiaries whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors		Remuneration	
	2020 RM	2019 RM	2020 RM	2019 RM
Group				
Executive Directors:				
RM300,001 - RM600,000	3	3	547,022	1,005,000
Non-executive Directors:				
Below RM50,000	2	2	87,700	84,000
RM50,000 - RM100,000	1	1	60,500	60,000
			695,222	1,149,000

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

9. PROFIT FROM OPERATIONS

Other than those disclosed in Note 6 to 9, profit from operations have been arrived at after charging:

	Group		Company	
		restated		
	2020	2019	2020	2019
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audit	100,000	123,000	40,000	38,000
- other services	15,000	-	15,000	-
Depreciation of property, plant and equipment (Note 13)	2,181,005	2,964,312	-	1
Depreciation of right-of-use (Note 14)	479,332	11,545	-	-
Impairment on property, plant and equipment (Note 13)	-	6,682,090	-	-
Impairment on investments in subsidiaries (Note 15)	-	-	-	32,031,000
Rental expenses+	22,830	305,560	-	-

Expenses relating to short-term leases accounted for applying the recognition exception of MFRS 16 Leases. There are no material expense relating to low value assets.

10. FINANCE COSTS

	Group	
		restated
	2020	2019
	RM	RM
Interest expense		
- Bankers' acceptance	113,845	293,640
- Bank overdraft	4,786	53,780
- Hire purchase	8,722	25,233
- Term loans	-	82,807
- Lease liability	110,278	3,789
	237,631	459,249

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. INCOME TAX EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Continuing operations:				
Estimated current tax payable:				
Current year	-	-	-	-
Under provision in prior years	-	6,942	-	-
	-	6,942	-	-
Deferred tax (Note 24)				
Current year	-	(860,461)	-	-
	-	(860,461)	-	-
Total income tax for continuing operation	-	(853,519)	-	-

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit/(loss) before taxation				
- continuing operations	3,013,651	(11,956,694)	6,162,183	(32,578,041)
- discontinued operation	941,032	-	-	-
	3,954,683	(11,956,694)	6,162,183	(32,578,041)
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	949,124	(2,869,607)	1,478,924	(7,818,730)
Non-tax deductible expenses	(300,844)	598,136	(1,478,924)	7,818,730
Non-taxable income	(1,695,135)	(2,217,449)	-	-
Tax effect on double deduction expenses	-	(86,629)	-	-
Effect of deductible temporary differences arising from initial recognition of assets but not recognised as deferred tax assets	1,908,389	3,715,088	-	-
	-	(860,461)	-	-
Under provision in prior years	-	6,942	-	-
	-	(853,519)	-	-

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

12. PROFIT/LOSS PER SHARE

Basic loss per share amounts are calculated by dividing total comprehensive loss for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2020 RM	Group 2019 RM
Profit/(loss) net of tax attributable to owners of the Company	3,954,683	(11,103,175)
Weighted average number of ordinary shares in issue (excluding treasury shares)	73,335,400	73,335,400

	Group 2020 Sen	Group 2019 Sen
Basic and diluted loss per share	5.39	(15.14)

There is no dilution in the earnings per share of the current and previous year end as there are no dilutive potential ordinary shares outstanding at the end of the reporting period, and therefore the basic and diluted earnings per share is the same.

13. PROPERTY, PLANT AND EQUIPMENT

Group	**Land and buildings* RM**	**Plant and machinery RM**	**Furniture, fixtures and equipment RM**	**Motor vehicles RM**	**Right of use assets RM**	**Total RM**
Costs						
At 1 January 2019	31,487,207	93,165,633	197,354	4,764,666	-	129,614,860
Additions	-	1,007,760	26,425	89,700	-	1,123,885
Disposals	-	(1,739,568)	-	(309,657)	-	(2,049,225)
Written off	-	(187,750)	-	-	-	(187,750)
At 31 December 2019	31,487,207	92,246,075	223,779	4,544,709	-	128,501,770
Restatements	-	-	-	-	69,271	69,271
Additions	1,905,971	-	492,383	-	1,959,429	4,357,783
Disposals	(9,781,994)	(3,558,475)	(443,323)	(1,635,832)	-	(15,419,624)
At 31 December 2020	23,611,184	88,687,600	272,839	2,908,877	2,028,700	117,509,200

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

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

Group	**Land and buildings* RM**	**Plant and machinery RM**	**Furniture, fixtures and equipment RM**	**Motor vehicles RM**	**Right of use assets RM**	**Total RM**
Accumulated depreciation and impairment						
At 1 January 2019	9,513,604	85,085,344	127,434	3,916,581	-	98,642,963
Charge for the financial year	921,282	1,728,488	14,419	300,123	-	2,964,312
Impairment losses	5,492,339	1,112,217	-	77,534	-	6,682,090
Written back on disposal	-	(1,739,568)	-	(260,919)	-	(2,000,487)
At 31 December 2019	15,927,225	86,186,481	141,853	4,033,319	-	106,288,878
Restatements					11,545	11,545
Charge for the financial year	747,408	1,170,501	51,971	211,125	479,332	2,660,337
Disposals	(4,521,930)	(2,686,226)	(79,820)	(1,541,985)	-	(8,829,961)
At 31 December 2020	12,152,703	84,670,756	114,004	2,702,459	490,877	100,130,799
Net book value						
At 31 December 2019 - restated	15,559,982	6,059,594	81,926	511,390	57,726	22,270,618
At 31 December 2020	11,458,481	4,016,844	158,835	206,418	1,537,823	17,378,401

• Land and buildings of the Group comprises:

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

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

Group	Freehold land RM	Long leasehold land RM	Short leasehold land RM	Buildings RM	Total RM
Costs					
At 1 January 2019/31 December 2019	2,785,160	7,827,016	6,327,106	14,547,925	31,487,207
Addition	-	-	-	1,905,971	1,905,971
Disposal	(2,386,800)	-	-	(7,395,194)	(9,781,994)
At 31 December 2020	398,360	7,827,016	6,327,106	9,058,702	23,611,184
Accumulated depreciation and impairment					
At 1 January 2019	-	1,458,871	995,031	7,059,702	9,513,604
Charge for the financial year	-	136,272	147,700	637,310	921,282
Impairment losses	-	2,944,456	-	2,547,883	5,492,339
At 31 December 2019	-	4,539,599	1,142,731	10,244,895	15,927,225
Charge for the financial year	-	45,840	110,622	590,946	747,408
Disposal	-	-	-	(4,521,930)	(4,521,930)
At 31 December 2020	-	4,585,439	1,253,353	6,313,911	12,152,703
Net book value					
At 31 December 2019	2,785,160	3,287,417	5,184,375	4,303,030	15,559,982
At 31 December 2020	398,360	3,241,577	5,073,753	2,744,791	11,458,481

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

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

Company

	Renovation RM	Furniture, fittings and equipment RM	Total RM
Costs			
At 1 January 2019/31 December 2019	104,907	20,944	125,851
Additions	-	-	-
At 31 December 2020	104,907	20,944	125,851
Accumulated depreciation			
At 1 January 2019	104,906	20,944	125,850
Charge for the financial year	1	-	1
At 31 December 2019/31 December 2020	104,907	20,944	125,851
Net book value			
At 31 December 2019	-	-	-
At 31 December 2020	-	-	-

Depreciation of property, plant and equipment during the financial year was taken up in the financial statements as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Recognised in profit or loss (Note 9)				
- Cost of sales	1,966,830	2,332,611	-	-
- Administrative expenses	179,770	618,658	-	1
- Selling expenses	34,405	13,043	-	-
	2,181,005	2,964,312	-	1

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

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

Freehold land, leasehold land and buildings of the Group with net book value amounting to RM 2,166,584 (2019: RM 6,174,205) are pledged for banks for banking facilities granted to the Group as disclosed in Note 23 to the financial statements.

Property, plant and equipment of the Group under leases other than the right of use relating to short and long leasehold land already disclosed above are as follows:

	Cost RM	Accumulated depreciation RM	Net book value RM
2020			
Motor vehicles	531,660	(346,986)	184,674
2019			
Motor vehicles	942,484	(485,531)	456,953

Due to the presence of indicators of impairment, the Group has assessed the recoverable amount of material property, plant and equipment, which was determined based on valuation performed by independent experts using the market comparable approach for land and building and current replacement cost approach for building, plant and equipment. The fair value less cost to sell of the assets are higher than the carrying amounts hence no impairment loss on property, plant and equipment of the Group was recognised during the current financial year (2019: RM6,682,090).

14. RIGHT-OF-USE AND LEASE LIABILITIES

The Group and the Company have leases for factory and office and employee accommodation. Lease contracts are typically made for fixed periods of 2 to 3 years, but may have extension options.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be cancelled by incurring a substantive termination fee and some leases contain an option to extend the lease for a further term.

Group

(a) Lease liability

	Interest rate %	Maturity	2020 RM	2019 RM
Current	5.47	2021	616,077	12,228
Non-current	5.47	2021	1,000,590	44,382
			1,616,667	56,610

No expenses relating to leases of low-value assets (included in administrative expenses)

(b) As at the reporting date, the Group and the Company did not commit to leases which have yet commenced.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

14. RIGHT-OF-USE AND LEASE LIABILITIES (CONT'D)

(c) The net book values of right-of-use assets are recognised and the movements during the year are shown as follows:

	RM
As at 31 December 2019	
At 1 January 2019	-
Effect of adoption of MFRS 16	69,271
Depreciation charge	(11,545)
Net book value as at 31 December 2019	57,726

	RM
As at 31 December 2020	
At 1 January 2020	57,726
Addition	1,959,427
Depreciation charge	(479,332)
Net book value as at 31 December 2020	1,537,821

	2020 RM	2019 RM
Cost	2,028,698	69,271
Accumulated depreciation	(490,877)	(11,545)
Net book value	1,537,821	57,726

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	RM
As at 31 December 2019	
At 1 January 2019	-
Additions	76,849
Finance costs	(3,789)
Payments	(16,450)
At 31 December 2019	56,610

	RM
As at 31 December 2020	
At 1 January 2020	56,610
Additions	1,959,429
Finance costs	110,278
Payments	(509,650)
At 31 December 2020	1,616,667

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

14. RIGHT-OF-USE AND LEASE LIABILITIES (CONT'D)

(c) The net book values of right-of-use assets are recognised and the movements during the year are shown as follows: (Cont'd)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2020 RM	2019 RM
Current	616,077	12,228
Non-Current	1,000,590	44,382
	1,616,667	56,610

15. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2020 RM	2019 RM
Cost		
Unquoted shares, at cost	90,115,688	92,152,988
Accumulated impairment losses	(45,117,051)	(45,117,051)
Net carrying amount	44,998,637	47,035,937

On 11 December 2020, the Company has disposed its entire equity interest in Poly-Ply Industries Sdn. Bhd for a cash consideration of RM9.1 million.

	Company	
	2020 RM	2019 RM
As at 1 January	47,035,937	47,035,937
Disposal of subsidiary - at cost	(2,037,300)	-
As at 31 December	44,998,637	47,035,937

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CON'D)

All of the subsidiaries held by the Company are incorporated in Malaysia, details are as follows:

Name of subsidiaries	Principal activities	Principal place of business	Proportion of ownership interest 2020 %	2019 %
Cymao Plywood Sdn. Bhd.	Manufacturing activities ceased and only involved in trading activities relating to the purchase and sale of veneer, plywood and decorative plywood.	Sandakan and Klang	100	100
Inovwood Sdn. Bhd.	Manufacturing and sale of veneer, plywood and decorative plywood	Sandakan	100	100
Syabas Mujur Sdn. Bhd.	Dormant	Sandakan	100	100
Poly-Ply Industries Sdn. Bhd.	Manufacturing activities ceased and only involved in trading activities relating to the purchase and sale of plywood and decorative plywood.	Klang	-	100
Annum EPCC Sdn. Bhd. (fka Billion Apex Sdn. Bhd.)	Dormant	Sandakan	100	100

The movement of the accumulated impairment losses on the investment in subsidiary companies as follows:

	Company 2020 RM	2019 RM
At 1 January	45,117,051	13,086,051
Charge for the financial year	-	32,031,000
At 31 December	45,117,051	45,117,051

Due to the presence of indicators of impairment, the Company had assessed the recoverable amount of these investment in subsidiaries based on the net tangible assets of these subsidiaries. The recoverable amounts are higher than the carrying amounts hence no impairment loss on the investment of the subsidiaries of the Group was recognised during the current financial year (2019: RM32,031,000).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

16. INVENTORIES

	Group 2020 RM	Group 2019 RM
Cost		
Raw materials	-	2,027,051
Work-in-progress	-	-
Finished goods	-	10,971,396
Materials and supplies	-	2,465,896
Goods-in-transit	-	1,688,337
	-	17,152,680
Net realisable value		
Work-in-progress	-	3,622,338
Finished goods	-	9,435,567
	-	30,210,585
Less: Allowance for slow moving inventories	-	(965,381)
	-	29,245,204

The amounts of inventories recognised as an expense during the financial year amounted to RM NIL (2019: RM54,764,074) while the write-down of inventories to net realisable value recognised as an expense during the financial year amounted to RM NIL (2019: RM1,917,922).

Included in work-in-progress are the following expenses incurred and capitalised during the financial year:

	2020 RM	2019 RM
Employee benefits expense	271,221	693,145
Rental	16,225	172,799

The movement in the allowance for slow moving inventories is as follows:

	2020 RM	2019 RM
At 1 January	965,381	170,854
(Reversal)/Charge for the financial year (Note 6)	(965,381)	794,527
At 31 December	-	965,381

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. TRADE AND NON-TRADE RECEIVABLES

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Trade receivables				
Third parties	25,623,663	5,674,708	-	-
Non-trade receivables				
Deposit and prepayment for log supplies	-	1,491,993	-	-
Other prepayments	1,027,273	1,064,181	6,122	4,998
Staff advances	-	5,000	-	-
Sundry deposits	817,961	1,156,926	-	-
Sundry receivables	8,296,021	5,526,883	11,992,390	-
Stakeholder	11,992,390	-	-	-
	22,133,645	9,244,983	11,998,512	4,998
Less: Allowance for impairment	(82,000)	(82,000)	-	-
Non-trade receivables, net	22,051,645	9,162,983	11,998,512	4,998
Amounts due from subsidiaries	-	-	10,783,321	10,178,002
Less: Allowance for impairment	-	-	(10,173,719)	(10,173,719)
	-	-	609,602	4,283
Total trade and non-trade receivables	47,675,308	14,837,691	12,608,114	9,281

Trade receivables are non-interest bearing and the normal credit terms granted by the Group are 30 to 60 days (2019: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

As at the reporting date, the Group has significant concentration of credit risk in the form of outstanding balance due from 1 (2019: 8) customer representing 52% (2019: 67%) of total net receivables.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

The ageing analysis of the Group's trade receivables as at the reporting date is as follows:

	Gross amount RM	Expected credit loss RM	Carrying value RM
Group			
2020			
Not past due	765,900	-	765,900
Past due			
- less than 60 days	23,098,967	-	23,098,967
- between 61 to 120 days	1,179,127	-	1,179,127
- between 121 to 365 days	566,196	-	566,196
- more than 365 days	13,473	-	13,473
	24,857,763	-	24,857,763
	25,623,663	-	25,623,663
2019			
Not past due	4,599,875	-	4,599,875
Past due			
- less than 60 days	875,038	-	875,038
- between 61 to 120 days	49,733	-	49,733
- between 121 to 365 days	150,062	-	150,062
- more than 365 days	-	-	-
	1,074,833	-	1,074,833
	5,674,708	-	5,674,708

Impairment for trade receivables is measured at an amount equal to lifetime excepted credit loss. The expected credit losses on trade receivables includes both individual impairment for those that show objective evidence of impairment (stage 3 loss) and collective impairment (stage 2 loss) based on a provision matrix. The expected credit losses is zero as the historical loss rates of its trade receivables is negligible and the Directors believe this would continue to be so based on the analysis of receipts subsequent to the year end up to the date of these financial statements.

For other receivables including amounts due from subsidiary companies, a lifetime expected credit loss is assessed for those counterparties that show significant increase in credit risk as at the end of the reporting period, and impairment made based on objective evidence of impairment.

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

Amounts due from subsidiaries are unsecured, interest free and repayable on demand.

Movement in allowance account is as follows:

Group	Trade receivables RM	Non-trade receivables RM	Total RM
At 1 January 2019	-	-	-
Charge for the financial year (Note 6)	-	82,000	82,000
At 31 December 2019/31 December 2020	-	82,000	82,000

Company	2020 RM	2019 RM
Amount due from subsidiaries		
At 1 January/31 December	10,173,719	10,173,719

The allowance account in respect of receivables is used to record impairment losses. Unless the Company is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash in hand	66,847	70,964	8	-
Cash at banks	1,048,190	1,252,445	17,449	6,241
Deposits with licensed banks	51,378	50,125		-
Cash and bank balances	1,166,415	1,373,534	17,457	6,241
Bank overdraft (secured) (Note 23)	(528,228)	(288,571)	-	-
Cash and cash equivalents	638,187	1,084,963	17,457	6,241

The balance of RM 51,378 (2019: RM50,125) is placed as fixed deposits with the interest rate of 2.95% (2019: 2.95%) per annum and with the maturity period of 1 month (2019: 1 month).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

19. ASSET CLASSIFIED AS HELD FOR SALE

	Group 2020 RM	Group 2019 RM
At 1 January	-	2,926,576
Disposal	-	(2,926,576)
At 31 December	-	-

20. SHARE CAPITAL

	Group/Company Share capital Unit	Group/Company Share capital RM
Issued and fully paid		
Ordinary share		
At 1 January 2019/ 31 December 2019/31 December 2020	75,000,000	92,374,387

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

21. TREASURY SHARES

	Group/Company Unit	Group/Company RM
Issued and fully paid		
At 1 January 2019/ 31 December 2019/31 December 2020	1,664,600	693,951

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

On 12 March 2021, all 1,658,600 units out of 1,664,600 units of the treasury shares have been disposed for a total consideration of RM 1,776,802. The minimum price and the maximum price at which the treasury shares were sold were RM1.070 and RM1.080, respectively.

22. ACCUMULATED LOSSES

The Company's policy is to treat all gains and losses that pass through the statement of comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained profits, all other revenue reserves are regarded as non distributable in the form of cash dividends to shareholders. Accumulated losses is the opposite of retained profits and when an entity is in an accumulated loss position, it is prohibited from distributing cash dividends to shareholders.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

23. LOANS AND BORROWINGS

	Group 2020 RM	restated 2019 RM
Non-current		
Obligations under finance leases	150,615	264,135
Term loans	-	1,318,987
Lease liabilities	1,000,590	44,382
	1,151,205	1,627,504
Current		
Bank overdraft (Note 18)	528,228	288,571
Bankers' acceptance	1,950,000	7,495,000
Obligations under finance leases	82,700	161,523
Term loans	-	166,275
Lease liabilities	616,077	12,228
	3,177,005	8,123,597

	Group 2020 RM	restated 2019 RM
Total loans and borrowings		
Bank overdraft	528,228	288,571
Bankers' acceptance	1,950,000	7,495,000
Obligations under finance leases	233,315	425,658
Term loans	-	1,485,262
Lease liabilities	1,616,667	56,610
	4,328,210	9,751,101
Maturity structure of loans and borrowings		
Within one year	3,177,005	8,123,597
Between one to two years	1,083,290	358,720
Between two to five years	67,915	664,106
More than five years	-	604,678
	4,328,210	9,751,101

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

23. LOANS AND BORROWINGS (CONT'D)

The interest rate structures are as follows:

	Nominal interest rate		Effective interest rate	
	2020	2019	2020	2019
Bank overdraft	BLR + 0.5%	BLR + 0.5% - 1.0%	BLR + 0.5%	7.41% - 7.91%
Bankers' acceptance	3.45% - 3.83%	4.02% - 4.09%	3.45% - 3.83%	4.02% - 4.09%
Obligations under finance leases	-	2.56% - 3.63%	-	4.84% - 6.78%
Term loans	BLR - 1.5%	BLR - 1.5%	BLR - 1.5%	5.40%
Lease liabilities	5.47%	5.47%	BLR - 1.5%	5.40%

(a) Banking facilities

(i) Bank overdrafts

Bank overdrafts are denominated in RM and have a limit of RM 1,000,000 (2019: RM 2,000,000)

(ii) Bankers' acceptance

These are used to finance purchases of the Company denominated in RM and have a limit of RM 7,000,000 (2019: RM 10,050,000) and are short term in nature.

(iii) Term loans

The remaining maturities of the term loans are as follows:

	Group	
	2020 RM	2019 RM
Within one year	-	166,275
Between one to two years	-	175,148
Between two to five years	-	583,543
More than five years	-	560,296
	-	1,485,262

The loans are repayable over 120 and 180 monthly instalments ending in the year 2026.

These bank borrowing are secured by:

(i) a legal charge over freehold land, leasehold land and buildings of the Group as disclosed in Note 13 to the financial statements; and

(ii) a joint and several guarantees executed by two Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

23. LOANS AND BORROWINGS (CONT'D)

(b) Obligations under finance leases

Future minimum payments under hire purchase payables together with the present value of the net minimum payments are as follows:

	Group 2020 RM	Group 2019 RM
Minimum hire purchase payments:		
Repayable within one year	118,812	182,040
Repayable between one to two years	118,812	194,463
Repayable between two to five years	18,592	87,903
Total future minimum hire purchase payments	256,216	464,406
Less: Future finance charges	(22,901)	(38,748)
Present value of hire purchase liabilities	233,315	425,658

	Group 2020 RM	Group 2019 RM
Present value of hire purchase liabilities:		
Repayable within one year	82,700	161,523
Repayable between one to two years	82,700	183,572
Repayable between two to five years	67,915	80,563
	233,315	425,658
Representing:		
Current	82,700	161,523
Non-current	150,615	264,135
	233,315	425,658

The hire purchase payables shall be repaid in full by 2023.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

23. LOANS AND BORROWINGS (CONT'D)

(c) Lease liabilities

Future minimum payments under lease liabilities together with the present value of the net minimum payments are as follows:

	Group 2020 RM	Group 2019 RM
Minimum lease liabilities payments:		
Repayable within one year	616,077	12,228
Repayable between one to two years	632,076	12,272
Repayable between two to five years	368,514	32,110
Total future minimum lease liabilities payments	1,616,667	56,610
Less: Future finance charges	(13,059)	(254)
Present value of lease liabilities	1,603,608	56,356

	Group 2020 RM	Group 2019 RM
Present value of lease liabilities:		
Repayable within one year	597,819	12,171
Repayable between one to two years	641,551	12,217
Repayable between two to five years	377,296	32,223
	1,616,667	56,610
Representing:		
Current	616,077	12,228
Non-current	1,000,590	44,382
	1,616,667	56,610

The lease liabilities payables shall be repaid in full by 2025.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

24. DEFERRED TAX LIABILITIES

	Group	
	2020 RM	2019 RM
At 1 January	664,002	1,524,463
Recognised in profit or loss (Note 11)	-	(860,461)
At 31 December	664,002	664,002

The components and movements of deferred tax liabilities of the Group during the financial year are as follows:

	2020 RM	2019 RM
Property, plant and equipment	2,766,674	2,766,674
Tax rate	24%	24%
Deferred tax liabilities recognised	664,002	664,002

The amount of temporary differences of the Group for which no deferred tax asset has been recognised in the statements of financial position is as follows:

	2020 RM	2019 RM
Property, plant and equipment	-	(691,907)
Unutilised tax losses	34,020,760	31,099,077
Unabsorbed capital allowances	41,116,010	39,134,884
Unutilised reinvestment allowance	14,663,909	14,663,909
Other deductible temporary differences	(1,794,864)	(2,316,978)
	88,005,815	81,888,985
Deferred tax assets at 24% (2019: 24%) not recognised in the financial statements	(21,121,396)	(23,029,785)

Under the Malaysia Finance Act, 2018, which was gazetted on 27 December 2018, the Group's tax losses with no expiry period amounting to RM34,020,760 as at 31 December 2020 will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for seven (7) consecutive years of assessment (i.e. from year of assessment 2019 to 2025). Any amount which is not deducted at the end of the period shall be disregarded. The unabsorbed capital allowances and unutilised reinvestment allowance can be carried forward indefinitely to be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

These deferred tax assets are not recognised due to uncertainty of its recoverability.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

25. TRADE AND NON-TRADE PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade payables				
Third parties	654,838	3,646,996	-	-
Non-trade payables	317,507			
Other payables - third parties	9,635,517	1,025,789	9,278,025	135,392
Accruals	317,507	5,921,395	55,000	96,000
	9,953,024	6,947,184	9,333,025	231,392
Amount due to subsidiaries	-	-	7,432,209	12,123,276
Total trade and non-trade payables	10,607,862	10,594,180	16,765,234	12,354,668

Trade payables are non-interest bearing and the normal credit terms granted to the Group are 30 to 60 days (2019: 30 to 60 days).

Other payables are non-interest bearing and normally settled on an average term of six (6) months.

Amounts due to a Director and subsidiaries are unsecured and non-trade in nature. These balances are interest free and repayable on demand.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Group and the Company have related party relationships with its Directors, key management personnel, and a person connected to a Director of the Company.

(b) The aggregate value of transactions and outstanding balances of the related parties of the Group and the Company were as follows:

Group		**Transaction value**		**Balance outstanding as at 31 December**	
Name of related party	**Type of transaction**	**2020 RM**	**2019 RM**	**2020 RM**	**2019 RM**
With person connected to a Director of the Company: Lin, Yu-Lin	Salaries	121,000	120,000	-	-
With a party connected to a former Director:					
Disposal of a subsidiary (Note 34)		9,100,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) The aggregate value of transactions and outstanding balances of the related parties of the Group and of the Company were as follows: (Contd.)

Company		**Transaction value**		**Balance outstanding as at 31 December**	
Name of related party	**Type of transaction**	**2020 RM**	**2019 RM**	**2020 RM**	**2019 RM**
With subsidiaries					
Cymao Plywood Sdn. Bhd.	Advances	-	(311,969)	(7,432,209)	(12,075,276)
	impairment on cost of investment	-	32,031,000	-	-
	Sales	1,406,424	-	-	-
	Purchase	(4,635,299)	-	-	-
	Lamination charges	(2,903,507)			
	Management fee	674,091			
Inovwood Sdn. Bhd.	Sales	2,610,522	-	-	-
	Purchase	(1,406,424)	-	-	-
	Management fee	(674,091)	-	-	-
	Advances	302,292	-	-	-
	Payment of account	907,610	142,389	-	-
	Impairment on financial asset	-	-		-
Poly-Ply Industries Sdn. Bhd.	Sales	2,425,625	-	-	-
	Purchase	(3,047,352)	-	-	-
	Lamination charges	2,903,507	-	-	-
	Advances	4,312,398	-	(9,278,025)	(48,000)
Syabas Mujur Sdn. Bhd.	Advances	1,000	-	-	-
Annum EPCC Sdn. Bhd. (fka Billion Apex Sdn. Bhd.)	Advances	5,054	-	-	-

(c) The remuneration of Directors and other members of key management during the financial year was as follows:

	Group		**Company**	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Short-term employee benefits				
- Directors' remunerations (Note 8)	695,222	1,149,000	194,600	192,000
- Other senior management	314,400	217,787	-	-
	1,009,622	1,366,787	194,600	192,000

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel comprise all the Directors and senior management personnel of the Group and the Company.

The terms and conditions and prices of the above transactions are mutually agreed between the parties.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

27. FINANCIAL GUARANTEE

The fair value of financial guarantees provided by the Company to banks to secure credit facilities granted to certain subsidiaries with nominal amount of RM 8,000,000 (2019: RM 10,000,000) are negligible because the actual interest charged by the banks are not materially difference from the borrowing costs of the subsidiaries and the outstanding borrowings are adequately secured by plant and equipment of the subsidiaries in which their market values upon realisation are expected to be higher than the outstanding borrowing amounts.

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Financial assets				
Financial assets measured at amortised cost				
Trade and non-trade receivables	47,675,308	14,837,691	12,608,114	9,281
Cash and bank balances	1,166,415	1,373,534	17,457	6,241
	48,841,723	16,211,225	12,625,571	15,522
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade and non-trade payables	10,607,862	10,594,180	16,710,234	12,258,668
Loans and borrowings	4,328,210	9,751,101	-	-
	14,936,072	20,345,281	16,710,234	12,258,668

A reconciliation of trade and other receivables financial assets to the amounts reflected in the Statements of Financial Position is as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Trade and other receivables				
As reflected in the Statements of Financial Position	47,675,308	14,837,691	12,608,114	9,281
Less: Other prepayments (Note 17)	(1,027,273)	(1,064,181)	(6,122)	(4,998)
Less: Deposits and prepayments for log supplies (Note 17)	-	(1,491,993)	-	-
	46,648,035	12,281,517	12,601,992	4,283

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group's finance department overseen by an Executive Director. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and non trade receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of Managing Director.

The Company’s exposure to credit risk arises mainly from the amounts due from subsidiaries.

Measurement of Expected Credit Loss (“ECL”)

(i) Trade receivables and contract assets using simplified approach

The expected loss rates for trade receivables and contract assets is assessed on an individual debtor basis. The Group measures the loss allowance for trade receivables and contract assets by estimating the likelihood that the debtor would not be able to repay during the contractual period, the extent of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

(ii) Intercompany receivables and other receivables using general 3-stage approach

The Group and the Company use three categories for intercompany receivables and other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing (Stage 1)	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 month ECL
Under Performing (Stage 2)	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due based on historical experience.	Lifetime ECL
Not Performing (Stage 3)	Interest and/or principal repayments are 180 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ("probability of default") – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjust for forward looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

(iii) Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

Credit risk concentration profile

At the reporting date, the Group has no significant concentration of credit risk other than 1 corporate debtor which represent 83% (2019: 0%) of the Group's total trade receivables, in which these balances are monitored closely. 83% (2019: 0%) of these trade receivables mainly relates to sale of plywood, veneer and logs. The Company has no significant concentration of credit risk except for amounts due from subsidiaries.

The deposits placed with licensed banks are not concentrated to any particular group but widely dispersed across various licensed financial institutions. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Exposure to credit risk and loss allowance assessment

The input of loss allowance on the carrying values of trade receivables related party balances and other receivables and deposits presented by the stages are as follows:

	Performing Stage 1 RM	Under Performing Stage 2 RM	Not Performing Stage 3 RM	Total RM
31 December 2020				
Group				
Trade receivables	25,623,663	-	-	25,623,663
Loss allowance	-	-	-	-
Net carrying amount	25,623,663	-	-	25,623,663
Other receivables	22,051,645	82,000	-	22,133,645
Loss allowance	-	(82,000)	-	(82,000)
Net carrying amount	22,051,645	-	-	22,051,645
31 December 2020				
Company				
Other receivables	11,998,512	-	-	11,998,512
Loss allowance	-	-	-	-
Net carrying amount	11,998,512	-	-	11,998,512
Amount due from subsidiaries	-	10,783,321	-	10,783,321
Loss allowance	-	(10,173,719)	-	(10,173,719)
Net carrying amount	-	609,602	-	609,602

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Exposure to credit risk and loss allowance assessment (cont'd.)

The accumulated impairment for trade receivables, related party balances and other receivables and deposits using the general 3-stage approach as at 31 December 2020 reconciles to opening accumulated impairment for that provision as follows:

	Performing Stage 1 RM	Under Performing Stage 2 RM	Not Performing Stage 3 RM	Total RM
Group				
Trade receivables				
1 January 2020	-	-	-	-
Additonal impairment	-	-	-	-
Write back provision for impairment	-	-	-	-
At 31 December 2020	-	-	-	-
Other receivables				
1 January 2020	-	82,000	-	82,000
Additonal impairment	-	-	-	-
Write back provision for impairment	-	-	-	-
At 31 December 2020	-	82,000	-	82,000
Company				
Amount due from fellow subsidiaries				
1 January 2020	-	10,173,719	-	10,173,719
Additonal impairment	-	-	-	-
Write back provision for impairment	-	-	-	-
At 31 December 2020	-	10,173,719	-	10,173,719

The Company assessed the recoverable amount of the amount due from a subsidiary during the year based on the likelihood that the subsidiary will not be able to repay the outstanding amount. Based on the estimated cash flow of the subsidiary, no impairment has been recognised during the financial year ended 31 December 2020.

Maximum exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets presented in the statements of financial position after deducting any allowance for impairment losses.

As at the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the Statements of Financial Position; and

- a nominal amount of RM 8,000,000 (2019: RM10,000,000) relating to a corporate guarantee provided by the Company to a bank for credit facilities granted to its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
2020					
Loans and borrowings	4,328,210	4,351,111	4,213,707	137,404	-
Trade and non-trade payables	10,290,355	10,290,355	10,290,355	-	-
	14,618,565	14,641,466	14,504,062	137,404	-
2019					
Loans and borrowings	9,751,101	9,733,329	8,131,886	1,041,057	560,296
Trade and non-trade payables	4,672,785	4,672,785	4,672,785	-	-
	14,423,886	14,406,114	12,804,671	1,041,057	560,296
Company					
2020					
Trade and non-trade payables	16,710,234	16,710,234	16,710,234	-	-
Financial guarantee*	-	8,000,000	8,000,000	-	-
	16,710,234	24,710,234	24,710,234	-	-
2019					
Trade and non-trade payables	12,258,668	12,258,668	12,258,668	-	-
Financial guarantee*	-	10,000,000	10,000,000	-	-
	12,258,668	22,258,668	22,258,668	-	-

* The maximum amount of the issued financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its loans and borrowings. All of the Group's and the Company's loans and borrowings are at floating rates and contractually re-priced at intervals of less than six (6) months from the reporting date.

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group Increase/(Decrease)	
	2020	**2019**
	RM	**RM**
Effects on loss after taxation		
Increase of 100bp	(3,937)	(13,794)
Decrease of 100bp	3,937	13,794

The above sensitivity analysis is arising mainly as a result of its floating rate bank borrowings.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate.

The Group has transactional currency exposure arising primarily through sales that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily the United States Dollar (USD).

Approximately 34% (2019: 55%) of the Group's sales are denominated in foreign currencies whilst all the costs are denominated in the functional currency of the Group entities. The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes.

As at the reporting date, the currency exposure of financial assets and financial liabilities that are not denominated in their functional currency are set out below:

	Group	
	2020	**2019**
United States Dollar	**RM**	**RM**
Financial assets		
Cash and bank balances	27,329	279,571
Trade and non-trade receivables	350,288	1,838,249
	377,617	2,117,820
Financial liability		
Trade and non-trade payables	-	-
Net financial assets held in non-functional currencies	377,617	2,117,820

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Foreign currency risk

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

Group	Increase/(Decrease) 2020 RM	2019 RM
Effects on loss after taxation		
USD/RM		
Strengthened by 2% (2019: 2%)	(6,101)	47,796
Weakened by 2% (2019: 2%)	6,101	(47,796)

(c) Fair value information

The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The carrying amount of the variable rate term loan approximate its fair value as the instrument bears interest at variable rates.

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. The Group's strategies were unchanged from the previous financial year.

The gearing ratio of the Group and of the Company as at the end of the reporting period was as follows:

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Loans and borrowings	4,328,210	9,751,101	-	-
Less: Cash and bank balances	(1,166,415)	(1,373,534)	(17,457)	(6,241)
Net debt	3,161,795	8,377,567	(17,457)	(6,241)
Total equity	51,117,898	47,163,215	40,858,974	34,696,791
Gearing ratio	0.06	0.18	-	-

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and bank balances.

Under the requirements of Bursa Malaysia Practice Note 17, where the auditors have highlighted a material uncertainty related to going concern, the Group is required to maintain a consolidated shareholders' equity of not less than the 50% of the issued and paid up capital (excluding treasury shares). The Group has no material uncertainty related to going concern. As for this matter, the rate to be maintained is 25% and the Group has complied with this requirement,

The Group is not subject to any other externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

30. COMMITMENTS

The Group has not entered into any non-cancellable operating lease agreement in regards to any assets.

As at the end of the financial year, no lease commitment in respect of leased assets.

31. SEGMENT INFORMATION

(a) Operating segment

The Group is principally involved in manufacturing and sale of plywood products, which are principally carried out in Malaysia and therefore only has one reportable segment. Accordingly, information by operating segments on the Group's operations as required by MFRS 8 is not presented.

(b) Geographical information

	2020 RM	2019 RM
Malaysia	16,905,773	20,729,047
Asia	3,347,811	3,111,053
Europe	1,589,870	405,026
United States of America	16,519,538	11,899,909
Australia	3,959,986	5,042,777
Others	-	5,094,228
	42,322,976	46,282,040

(c) Major customers

Revenue from 1 (2019: 4) major customer, which contributed five percent or more of the revenue generated, amounted to RM 21,377,409 (2019: RM10,296,973) accounting from 50% (2019: 22%) of total revenue.

32. SUBSEQUENT EVENTS

Group's new business models

On 20 January 2021, Billion Apex Sdn Bhd ("BASB") has accepted a letter of award from HYC Properties Sdn Bhd ("HPSB"), for site clearance, hoarding and earthworks ("sub-contract works") for the proposed mixed development project located at Batang Padang, Perak, with a contract value of an approximately RM134.02 million.

On 21 January 2021, Ageson Development Sdn Bhd ("ADSB") has entered into a memorandum of understanding ("MOU") with BASB, to appoint BASB as the main contractor to undertake and complete main building and infrastructure works for a proposed mixed development project on a parcel of development land measuring 7,395 square metres at Batu Ferringgi, Pulau Pinang, with a contract value of RM120.0 million.

The Group will be seeking its shareholders' approval for the proposed diversification of the principal activities of the Group to include the construction, project management and related activities at the forthcoming extraordinary general meeting.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

33. SIGNIFICANT EVENT

Covid-19 outbreak

Prior to the financial year end, the World Health Organization ("WHO") had declared Covid-19 as a pandemic on 11 March 2020 and there has since been growing concerns on the effects of the Covid-19 pandemic globally. On 18 March 2020, the Government of Malaysia imposed a Movement Control Order ("MCO") which involves movement restrictions and closure of all government and private premises. The Covid-19 pandemic has significantly disrupted many businesses operations around the world. As for the Group, the impact on business operations have not been direct consequences of the Covid-19 outbreak, but a result of the measure taken by the government Malaysia to contain it. As the outbreak continues to evolve subsequent to the financial year, it is challenging to predict the full extent and duration of its impact on business and the economy.

Up to the date of these financial statements, the Group has seen an impact of Covid-19 outbreak on the Group's revenue, earnings, cash flows and financial condition. At this juncture, it is not possible to estimate the full impact of the outbreak's short-term and long-term effects or the Government's varying efforts to combat the outbreak and support businesses.

However, there is an uncertainty about the length and severity of Government or regulatory intervention which could have unexpected impact. A prolonged economic downturn could also lead to further Government or regulatory intervention and more adverse outcomes to the Group's business.

The Group will continue to monitor the development of these events and have implemented measures to mitigate the impact of Covid-19 to the Group's business, including prudent management of its cash flows on the operating, investing and financing activities.

34. DISCONTINUED OPERATION

	2020 RM	2019 RM
Discontinued operations		
Revenue	11,031,266	17,977,715
Cost of sales	(9,736,948)	(17,329,128)
Gross profit	1,294,318	648,587
Other operating income	1,465,188	382,025
Selling expenses	(371,826)	(3,062,315)
Administrative expenses	(1,345,130)	(1,481,088)
Profit from operation	1,042,550	(3,512,791)
Finance costs	(101,518)	(194,824)
Profit before tax	941,032	(3,707,615)
Income tax expenses	-	(8,500)
Profit before tax	941,032	(3,716,115)
ATTRIBUTABLE TO:		
Equity holders of the parent	941,032	(3,716,115)
Minority interest	-	-
	941,032	(3,716,115)
Cash flow from (used in) discontinued operation		
Net cash used in operating activities	(1,951,463)	1,308,775
Net cash from investing activities	(3,714,927)	26,095
Net cash drom financing activities	7,597,713	(1,212,475)
Net cash flows for the year	1,931,323	122,395

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

34. DISCONTINUED OPERATION (CONT'D)

	2020 RM	2019 RM
Effect of disposal on the financial position of the Group		
Property, plant and equipment	6,589,662	5,504,468
Inventories	1,471,803	898,145
Trade and other receivables	2,604,367	5,402,747
Tax recoverable	-	201,663
Cash and bank balances	4,346,635	145,942
Total assets classified as discontinued operation	15,012,467	12,152,965
Borrowings	1,359,186	2,791,025
Trade and other payables	8,427,713	9,826,144
Total liabilities classified as discontinued operation	9,786,899	12,617,169
Net assets/(liabilities)	5,225,568	(464,204)

On 8 July 2020, the Board of Directors of Annum Berhad has announced that the Company had entered into the sales and purchase agreement (""SPA"") with Zinton Sdn Bhd (""Purchaser"") for the disposal of the Sale Shares, representing its entire equity interest in Poly-Ply Industries Sdn. Bhd for a cash consideration of RM9.1 million subject to the terms and conditions as set out in the SPA. All conditions precedent in respect of the disposal pursuant to the SPA have been met on 4 December 2020. The disposal is deemed completed on 11 December 2020 following the transfer of the Sale Shares to the Purchaser on the said date.

The disposal is deemed as a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (""Bursa Securities"") (""Listing Requirements"") by virtue of Mr. Lin Kai Min being the Director of the Purchaser as well as his interest as a substantial shareholder of the Purchaser. As at the reporting date, Mr. Lin Kai Min is also the Managing Director and a major shareholder of the Group.

35. PRIOR YEAR ADJUSTMENTS

Group	As previously reported RM	Adjustment RM	As restated RM
The Company Statement of profit or loss and other comprehensive income for the year ended 31 December 2019			
Administrative expenses	(5,517,391)	(4,905)	(5,512,486)
Finance cost	(455,460)	3,789	(451,671)
Statement of financial position as of 31 December 2019			
Right of use assets	-	57,726	57,726
Current liability : Lease liability	-	12,228	12,228
Non-Current liability : Lease liability	-	44,382	44,382
Statement of changes in equity			
Accumulated losses	(10,628,710)	1,116	(10,627,594)

Based on the arrangement, a total accumulated losses of RM1,116 leases has been adjusted for retrospectively to reflect the effect in prior year. Similarly, the finance cost recognised in prior year amounting to RM3,789 is adjusted accordingly in the Company's book. The above have now been corrected by way of retrospective adjustments, and accordingly the following accounts in prior year have been restated to reflect the above adjustments.

36. COMPARATIVES

The comparatives figures have been audited by a firm of chartered accountants other than Al Jafree Salihin Kuzaimi PLT.

LIST OF PROPERTIES

	Company owned	Location	Land Area (acres)	Description and Existing Use	Built-up Area (Sq. ft.)	Lease Tenure from/to	Approximate Age of Building	NBV @ 31/12/2020
1	CPSB	TL 077523678 9.1KM, Jalan Batu Sapi 90000 Sandakan Sabah	8.1	Industrial land with plywood factory and ancillary buildings	352,713	Leasehold 99 years (expiring 31.12.2068)	27	1,809,232
2	CPSB	TL 077523687 8.5KM, Jalan Batu Sapi 90000 Sandakan Sabah	2.84	Industrial land with plywood factory and ancillary buildings	123,710	Leasehold 99 years (expiring 31.12.2068)	32	1,449,204
3	ISB	TL 077517081 8.4KM, Jalan Batu Sapi 90000 Sandakan Sabah	5.91	Industrial land with plywood factory and ancillary buildings	257,345	Leasehold 99 years (expiring 31.12.2073)	31	1,145,970
4	ISB	TL 077526599 8.4KM, Jalan Batu Sapi 90000 Sandakan Sabah	4.37	Industrial land with plywood factory and ancillary buildings	190,287	Leasehold 99 years (expiring 31.12.2068)	31	874,066
5	ISB	TL 077528039 8.4KM, Jalan Batu Sapi 90000 Sandakan Sabah	0.73	Industrial land with plywood factory and ancillary buildings	31,787	Leasehold 99 years (expiring 31.12.2068)	31	146,548
6	ISB	TL 077537841 8.4KM, Jalan Batu Sapi 90000 Sandakan Sabah	7.18	Industrial land with log conditioning shed	312,646	Leasehold 55 years (expiring 31.12.2033)	–	197,878

LIST OF PROPERTIES
(cont'd)

	Company owned	Location	Land Area (acres)	Description and Existing Use	Built-up Area (Sq. ft.)	Lease Tenure from/to	Approximate Age of Building	NBV @ 31/12/2020
7	ISB	Lease No.077521183 Lease No.077521192 Lease No.077521209 Lease No.077521218 Lease No.077521281 Lease No.077521290 Lease No.077521361 Lease No.077521370 Lease No.077521389 Lease No.077521398 Lease No.077521405 Lease No.077521414 Lease No.077521423 Lease No.077521432 Lease No.077521441 Lease No.077521450 Lease No.077521469 Lease No.077521478 Lease No.077521487 Lease No.077521496 Lease No.077521503 Lease No.077521512 Lease No.077521763 Lease No.077521772 Lease No.077521781 Lease No.077521790 Lease No.077521807 Lease No.077521816 Lease No.077521825 Lease No.077521834 Lease No.077521843 Lease No.077521852 Lease No.077521861 Lease No.077521870 Lease No.077521889 Lease No.077521898 Lease No.077521905 Lease No.077521914 Lease No.077521923 Lease No.077521932 Lease No.077521941 Lease No.077521950 Lease No.077521969 Lease No.077521978 Lease No.077521987 Lease No.077521996 Lease No.077522000 Lease No.077522019 Lease No.077522028 Lease No.077522037 Lease No.077522046 Lease No.077522055 Lease No.077522064 Lease No.077522073	10.32	Vacant	–	Leasehold 99 years (expiring 24.05.2064)	–	859,411

LIST OF PROPERTIES
(cont'd)

Company owned	Location	Land Area (acres)	Description and Existing Use	Built-up Area (Sq. ft.)	Lease Tenure from/to	Approximate Age of Building	NBV @ 31/12/2020
	Lease No.077522082 Lease No.077522091 Lease No.077522108 Lease No.077522117 Lease No.077522126 Lease No.077522135 Lease No.077522144 Lease No.077522153 Lease No.077522162 Lease No.077522171 Lease No.077522180 Lease No.077522199 Lease No.077522206 Lease No.077522215 Lease No.077522224 Lease No.077522233 Lease No.077522242 Lease No.077522251 Lease No.077522260 Lease No.077522279 Lease No.077522288 Lease No.077522297 Lease No.077522304 Lease No.077522313						

ANALYSIS OF SHAREHOLDINGS
(Based on Register of Depositors as at 24 March 2021)

SHARE CAPITAL

Total Issued Share	:	75,000,000
Types of Shares	:	Ordinary Share
Treasury Shares	:	6,000 Ordinary Shares
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS
(Based on Register of Depositors as at 24 March 2021)

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
Less than 100	78	3,172	0.00
100 to 1,000	936	350,853	0.47
1,001 to 10,000	1,090	4,749,225	6.33
10,001 to 100,000	270	7,058,900	9.41
100,001 to less than 5% of issued holdings	34	42,831,850	57.11
5% and above of issued holdings	4	20,000,000	26.68
Total	**2,412**	**74,994,000**	**100.00**

DIRECTORS' SHAREHOLDINGS
(Based on Register of Directors' Shareholdings as at 24 March 2021)

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Dato' Seri Mohd Shariff Bin Omar	-	-	-	-
2.	David Wong You King	-	-	-	-
3.	Lim Yun Nyen	-	-	-	-
4.	Kenneth Chai Chuan Teong	-	-	-	-
5.	Khor Chin Meng	-	-	-	-
6.	Syed Amir Syakib Arsalan bin Syed Ibrahim	-	-	-	-
7.	Lin, Kai-Min	-	-	-	-

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)
(Based on Register of Depositors as at 24 March 2021)

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Dato' Sri Liew Kok Leong	5,000,000	6.667	5,000,000 (1)	6.667
2.	Dato' Sri Chin Kok Foong	10,000,000	13.334	0	0.00
3.	Ukay One Sdn Bhd	5,000,000	6.667	0	0.00

Notes:

(1) Deemed interested by virtue of his interest in Ukay One Sdn Bhd pursuant to Section 8 of the Companies Act, 2016

ANALYSIS OF SHAREHOLDINGS
(Based on Register of Depositors as at 24 March 2021) (cont'd)

LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS
(Based on Register of Depositors as at 24 March 2021)

No.	Name	No. of Shares Held	Percentage
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (41117-T) PLEDGED SECURITIES ACCOUNT FOR LIEW KOK LEONG	5,000,000	6.67
2.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD (199701025716) PLEDGED SECURITIES ACCOUNT FOR CHIN KOK FOONG (MGN-CKF0007M)	5,000,000	6.67
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (265449-P) CIMB FOR UKAY ONE SDN BHD (PB)	5,000,000	6.67
4.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (41117-T) PLEDGED SECURITIES ACCOUNT FOR CHIN KOK FOONG	5,000,000	6.67
5.	JELAJAH UTARA SDN BHD (1089875-W)	3,600,000	4.80
6.	TA NOMINEES (TEMPATAN) SDN BHD (268290-H) PLEDGED SECURITIES ACCOUNT FOR BIDANG BARAT SDN.BHD.	3,550,000	4.73
7.	TA NOMINEES (TEMPATAN) SDN BHD (268290-H) PLEDGED SECURITIES ACCOUNT FOR ORANGE SOCIAL MEDIA SDN.BHD	3,524,500	4.70
8.	AMSEC NOMINEES (TEMPATAN) SDN BHD (102918-T) PLEDGED SECURITIES ACCOUNT-AMBANK (M) BERHAD FOR ER YAN SHUEN (SMART)	3,297,250	4.40
9.	BUMI MERUJAYA SDN BHD (1245635-H)	3,156,800	4.21
10.	IJ VENTURES SDN BHD (10851590-X)	3,145,700	4.19
11.	AMSEC NOMINEES (TEMPATAN) SDN BHD (102918-T) PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHONG HWA SIONG (SMART)	3,129,500	4.17
12.	TA NOMINEES (TEMPATAN) SDN BHD (268290-H) PLEDGED SECURITIES ACCOUNT FOR INTELLIKONNECT (MALAYSIA) SDN BHD	2,913,700	3.89
13.	AMSEC NOMINEES (TEMPATAN) SDN BHD (102918-T) PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LEE JING YNG (SMART)	2,694,500	3.59
14.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD (284597-P) PLEDGED SECURITIES ACCOUNT FOR TING YUET MAY (REM 825)	2,240,000	2.99
15.	TA NOMINEES (TEMPATAN) SDN BHD (268290-H) PLEDGED SECURITIES ACCOUNT FOR ANDREW LUI MENG SAN	2,058,300	2.74
16.	ADDEEN TRADING SDN BHD (402619-T)	2,000,000	2.67
17.	ZULKIFLI BIN HUSSAIN	1,285,000	1.71
18.	TA NOMINEES (TEMPATAN) SDN BHD (268290-H) PLEDGED SECURITIES ACCOUNT FOR RHR HOLDINGS SDN. BHD.	1,000,000	1.33
19.	SU MING KEAT	610,000	0.81
20.	PSSBJAYA HOLDINGS SDN BHD (1329750-X)	513,500	0.68

ANALYSIS OF SHAREHOLDINGS
(Based on Register of Depositors as at 24 March 2021) (cont'd)

LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS (cont'd)
(Based on Register of Depositors as at 24 March 2021)

No.	Name	No. of Shares Held	Percentage
21.	SEET JOZEN	399,300	0.53
22.	PUBLIC NOMINEES (ASING) SDN BHD (264620-K) PLEDGED SECURITIES ACCOUNT FOR CHEN HUANG, KUEI-LIANG (E-KKU)	351,500	0.47
23.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD (284597-P) PLEDGED SECURITIES ACCOUNT FOR SEET JOYI (REM 825)	340,000	0.45
24.	TOH WAH CHONG	316,400	0.42
25.	CHEONG CHEE HONG	292,100	0.39
26.	TEE KIAM HONG	251,000	0.33
27.	ER YAN SHUEN	238,900	0.32
28.	KENANGA NOMINEES (TEMPATAN) SDN BHD (16778-M) PLEDGED SECURITIES ACCOUNT FOR LAM CHEE MENG	235,000	0.31
29.	TEOH BENG TIANG	231,500	0.31
30.	TOH YAN TAI (K0288527G)	231,000	0.31
	Total	**61,605,450**	**82.13**

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third (23rd) Annual General Meeting ("AGM") of the Company will be held and conducted by way of Virtual Meeting entirely through live streaming via a Remote Participating and Voting ("RPV") facilities from the Broadcast venue at 29-3A, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Tuesday, 18 May 2021 at 10.00 a.m., to transact the following businesses: -

1. To receive the audited financial statements for the financial year 31 December 2020 together with the Directors' and Auditors' Reports thereon.
   Please refer to Note A.

2. To approve the payment of Directors' fees and other benefits payable of up to RM187,200 from 23rd AGM up to Twenty-Fourth AGM of the Company. **Ordinary Resolution 1**

3. To re-elect the following Director who is retiring pursuant to Clause 123 of the Company's Constitution:

   i. Dato' Seri Mohd Shariff Bin Omar **Ordinary Resolution 2**

4. To re-elect the following Director who is retiring pursuant to Clause 128 of the Company's Constitution:

   i. David Wong You King **Ordinary Resolution 3**
   ii. Lim Yun Nyen **Ordinary Resolution 4**
   iii. Kenneth Chai Chuan Teong **Ordinary Resolution 5**
   iv. Khor Chin Meng **Ordinary Resolution 6**
   v. Syed Amir Syakib Arsalan bin Syed Ibrahim **Ordinary Resolution 7**

5. To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

   SPECIAL BUSINESSES:
   To consider and, if thought fit, to pass the following Resolutions:

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016** **Ordinary Resolution 9**

   "THAT subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measures to Listed Corporations for Covid-19, issue by Bursa Securities on 16 April 2020 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate"); AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities;

   AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

7. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 10**

   "THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 23 April 2021 for the purposes of Paragraph 10.09, Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), subject to the following:

   (i) the transactions are necessary for the day to day operations of the Company's subsidiary in the ordinary course of business, at arm's length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING
(cont'd)

(ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until: -

(a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

(iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder's mandate is in force, where: -

(a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or

(b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is the higher;

and amongst other, based on the following information:

(a) the type of the Recurrent Related Party Transactions made; and

(b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with Annum Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. **Proposed Amendments to The Constitution of The Company ("Proposed Amendments")** **Special Resolution 1**

"THAT the proposed amendments to the Constitution of the Company as set out in the Appendix A which has been circulated to the shareholders together with this notice, be approved and adopted AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said Proposed Amendment for and on behalf of the Company."

9. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

Tan Tong Lang (MAICSA 7045482/ SSM PC No.201908002253)
Vimalraj A/L Shanmugam (MAICSA 7068140/ SSM PC No.202008000925)
Company Secretaries

Selangor
23 April 2021

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING
(cont'd)

Notes

1. *Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual meeting using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.app*

2. *A member of the Company entitled to participate and vote at this meeting may appoint up to two (2) proxies to participate and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.*

3. *Where a member appoints up to two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his/her holdings to be represented by each proxy.*

4. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

5. *Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney duly authorised.*

7. *To be valid, the proxy form duly completed must be deposited at the Registered Office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150, Shah Alam, Selangor not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*

8. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 May 2021 (General Meeting Record of Depo*sitors) shall be entitled to participate, speak and vote at this 23rd AGM.

EXPLANATORY NOTES TO ORDINARY BUSINESS:

a) Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2020.

   This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

b) Retirement of Director

   Clause 123 of the Company' Constitution states that one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

   Mr Lin, Kai-Min who is retiring pursuant to Clause 123 of the Company's Constitution, has expressed his intention not to seek re-election at this 23rd AGM of the Company. Hence, he shall cease to be a Director of the Company at the conclusion of the 23rd AGM.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING
(cont'd)

EXPLANATORY NOTES TO SPECIAL BUSINESS:

Ordinary Resolution 9 – Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Act.

The Company had obtained the mandate from the shareholders at the last AGM held on 26 September 2020 ("Previous Mandate"). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and accordingly, no proceeds were raised.

Bursa Securities has via its letter dated 16 April 2020 granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 ("Extended Utilisation Period") and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the forthcoming 23rd AGM of the Company.

The purpose to seek the 20% General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting merely for such purpose. The 20% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding its business plans, future investment project(s), working capital and/or acquisitions.

The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

Ordinary Resolution 10: Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 10, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company.

Special Resolution 1: Proposed Amendments to the Constitution of the Company ("Proposed Amendments")

The Proposed Amendments to the Constitution of the Company is primarily to provide further clarify on certain terms of the Constitution and provide more flexibility for the Company and to ensure the compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Proposed Amendments to be made to the Constitution are listed as per Appendix A, which is circulated to the shareholders together with the Notice of the 23rd AGM dated 23 April 2021.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Annum Berhad (formerly known as Cymao Holdings Berhad) is proposed to be amended in the following manner: -

Clause No.	Existing Clause	Proposed Amendment
15(2)	Unless otherwise allowed under applicable laws and guidelines, no shares or other convertible securities shall be issued to the following persons unless Members in general meeting have approved of the specific allotment to be made such persons: a) A Director, major shareholder or chief executive officer of the Company or the holding company of the Company (hereinafter referred to this Article as "Interested Director", "interested major shareholder" and "interested chief executive officer"); or b) A person connected with the interested Director, interested major shareholder or interested chief executive officer (hereinafter referred to in the Articles as "interested person connected with a Director, major shareholders or chief executive officer"). Notwithstanding any provisions to the contrary in this Article and subject to the Listing Requirements, in a meeting to obtain Members' approval in respect of the allotment referred to above in this Article 15(2): a) The interested director, interested major shareholder, interested chief executive officer or interested person connected with a Director, major shareholder or chief executive officer; or b) Where the allotment is in favour of an interested person connected to a Director, major shareholder and chief executive officer, such Director, major shareholder or chief executive officer. Must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested chief executive officer must ensure that persons connected with him abstain from voting on the resolution approving the said allotment;	Unless otherwise allowed under applicable laws and guidelines, no shares or other convertible securities shall be issued to the following persons unless Members in general meeting have approved of the specific allotment to be made to such persons: (a) A Director, major shareholder or chief executive officer of the Company or the holding company of the Company (hereinafter referred to this Article as "interested Director", "interested major shareholder" and "interested chief executive officer"); or (b) A person connected with the interested Director, interested major shareholder or interested chief executive officer (hereinafter referred to in the Articles as "interested person connected with a Director, major shareholder or chief executive officer") provided that such restriction shall not be applicable to issue of shares or convertible securities: (a) on a pro rata basis to the Members; (b) pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements; or (c) pursuant to a Dividend Reinvestment Scheme undertaken in compliance with the Listing Requirements. Unless expressly permitted by the Listing Requirements or any other applicable law: in a meeting to obtain Members' approval in respect of the allotment referred to above in this Article 15(2): (a) the interested Director, interested major shareholder, interested chief executive officer or interested person connected with a Director, major shareholder or chief executive officer; or (b) where the allotment is in favour of an interested person connected to a Director, major shareholder and chief executive officer, such Director, major shareholder or chief executive officer: must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested chief executive officer must ensure that persons connected with him abstain from voting on the resolution approving the said allotment;

APPENDIX A
(cont'd)

Clause No.	Existing Clause	Proposed Amendment
121A	Not applicable	The Directors may exercise all the powers of the Company to borrow or raise funds upon or by the issuance or sale of bonds, debentures, debenture stocks, loan stock, convertible securities or securities on the terms and conditions (including, but not limited to, time for repayment, interest rate, issue price, conversion rights) as the Board may deem appropriate.
121B	Not applicable	The Company may (via general meeting) grant rights to the holders of bonds, debentures, debenture stocks, loan stock, convertible securities or securities to exchange the same for shares in the Company subject to and on the terms and conditions determined by the Company.

ANNUM BERHAD
SINCE 1997

(Formerly known as Cymao Holdings Berhad)
[Registration No. 199701030432 (445931-U)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No. of Shares Held	

I / We ____
(FULL NAME IN BLOCK LETTERS)

(NRIC No. / Passport No. / Company Registration No. ______________________________)

of ____
(FULL ADDRESS)

Email Address ____________________ Contact No. ____________________
being a member/members of **ANNUM BERHAD (formerly known as Cymao Holdings Berhad)**, hereby appoint

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholdings to be Represented**
Address		
Email Address	**Contact No.**	

and/or failing him/her

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholdings to be Represented**
Address		
Email Address	**Contact No.**	

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Twenty- Third (23rd) Annual General Meeting ("AGM") of the Company to be held and conducted by way of Virtual Meeting entirely through live streaming via a Remote Participating and Voting ("RPV") facilities from the Broadcast venue 29-3A, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Tuesday, 18 May 2021 at 10.00 a.m. and at any adjournment thereof.

RESOLUTIONS		**FOR**	**AGAINST**
1.	To approve the payment of Directors' fees and other benefits payable of up to RM187,200 from 23rd AGM up to Twenty-Fourth AGM of the Company.		
2.	To re-elect Dato' Seri Mohd Shariff Bin Omar who retires pursuant to Clause 123 of the Company's Constitution		
3.	To re-elect Mr David Wong You King who retires pursuant to Clause 128 of the Company's Constitution		
4.	To re-elect Mr Lim Yun Nyen who retires pursuant to Clause 128 of the Company's Constitution		
5.	To re-elect Mr Kenneth Chai Chuan Teong who retires pursuant to Clause 128 of the Company's Constitution		
6.	To re-elect Mr Khor Chin Meng who retires pursuant to Clause 128 of the Company's Constitution		
7.	To re-elect Encik Syed Amir Syakib Arsalan bin Syed Ibrahim who retires pursuant to Clause 128 of the Company's Constitution		
8.	To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company		
9.	Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016		
10.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")		
11.	Proposed Amendments to The Constitution of The Company ("Proposed Amendments")		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this ____________ day of __________________ 2021

Signature(s) of member(s)

NOTES:

1. *Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual meeting using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.app.*
2. *A member of the Company entitled to participate and vote at this meeting may appoint up to two (2) proxies to participate and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.*
3. *Where a member appoints up to two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his/her holdings to be represented by each proxy.*
4. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
5. *Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney duly authorised.*
7. *To be valid the proxy form duly completed must be deposited at the Registered Office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150, Shah Alam, Selangor not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
8. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 May 2021 (General Meeting Record of Depositors) shall be entitled to participate, speak and vote at this 23rd AGM.*

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AFFIX

The Company Secretaries
ANNUM BERHAD (Formerly known as Cymao Holdings Berhad)
[Registration No. 199701030432 (445931-U))
Level 5, Block B
Dataran PHB, Saujana Resort
Section U2
40150, Shah Alam
Selangor

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