

# OLYMPIA INDUSTRIES BERHAD

Registration No.: 198001009242 (63026-U)

ANNUAL REPORT 2021

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar  
*Chairman, Independent Non-Executive Director*

Tan Sri Dato' Yap Yong Seong  
*Group Managing Director*

Dato' Sri Yap Wee Keat  
*Executive Director*

Ng Ju Siong  
*Non-Independent Non-Executive Director*

Izaddeen bin Daud  
*Independent Non-Executive Director*

Dato' Syed Sultan bin Mohd Idris  
*Independent Non-Executive Director*

Wong Siew Si  
*Independent Non-Executive Director*

## COMPANY SECRETARIES

Lim Yoke Si  
(MAICSA 0825971) / SSM PC No. 202008000548

Kwan Wai Sin  
(MAICSA 7035227) / SSM PC No. 201908000481

## REGISTERED OFFICE

Level 23, Menara Olympia,  
No. 8, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: (603) 20700033  
Fax: (603) 20700011  
E-mail : [olympia@oib.com.my](mailto:olympia@oib.com.my)  
Website : [www.oib.com.my](http://www.oib.com.my)

## SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd  
(197101000970 (11324-H))  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel: (603) 27839299  
Fax: (603) 27839222  
E-mail : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)  
Website : [www.tricorglobal.com](http://www.tricorglobal.com)

## AUDITORS

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants  
Level 23A, Menara Milenium,  
Jalan Damanlela, Pusat Bandar Damansara,  
50490 Kuala Lumpur  
Tel: (603) 74958000  
Fax: (603) 20955332  
Website : [www.ey.com](http://www.ey.com)

## PRINCIPAL BANKERS

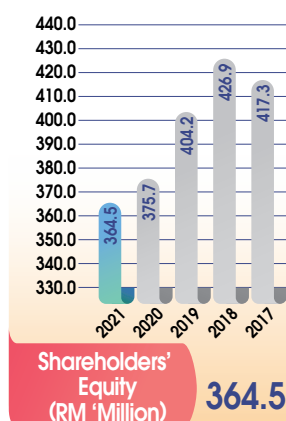
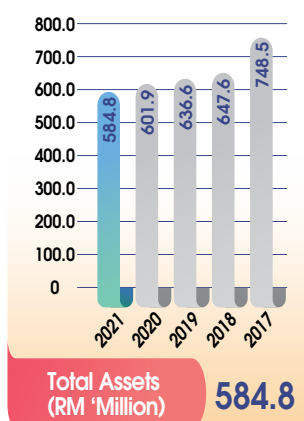
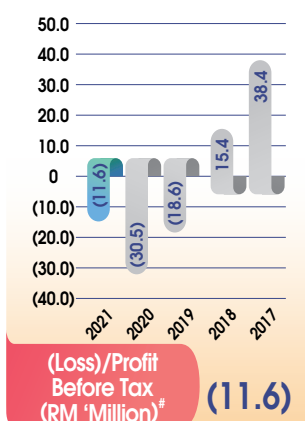
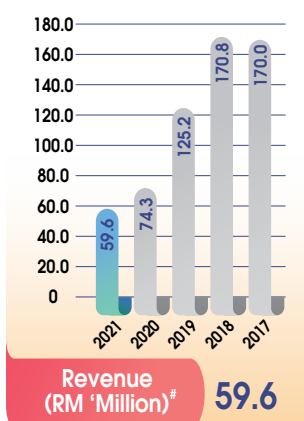
Malayan Banking Berhad  
CIMB Bank Berhad  
United Overseas Bank (Malaysia) Berhad

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Listing Date: 12 March 1992  
Stock Name: Olympia  
Stock Code: 3018

# OPERATIONAL & FINANCIAL HIGHLIGHTS

	Year Ended December 2021	Year Ended December 2020	Year Ended December 2019	Restated Year Ended December 2018	Restated Year Ended December 2017
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>					
Revenue (RM mil) <sup>#</sup>	59.6	74.3	125.2	170.8	170.0
(Loss)/Profit Before Tax (RM mil) <sup>#</sup>	(11.6)	(30.5)	(18.6)	15.4	38.4
(Loss)/Profit attributable to owners of the Company (RM mil) <sup>#</sup>	(11.2)	(28.4)	(22.8)	11.9	30.0
<b>STATEMENTS OF FINANCIAL POSITION</b>					
Share Capital (RM mil)	295.4	295.4	295.4	295.4	295.4
Shareholders' Equity (RM mil)	364.5	375.7	404.2	426.9	417.3
Total Assets (RM mil)	584.8	601.9	636.6	647.6	748.5
<b>FINANCIAL RATIOS</b>					
Return on Average Shareholders' Equity	(3.1%)	(7.6%)	(5.6%)	2.8%	7.2%
Return on Total Assets	(1.9%)	(4.7%)	(3.6%)	1.8%	4.0%
Debt/Equity (times)	0.42	0.41	0.38	0.36	0.41
<b>PER SHARE</b>					
(Loss)/Earnings per share (sen) <sup>*</sup>	(1.1)	(2.8)	(2.2)	1.2	2.9
Net Assets per share (sen)	36	37	39	42	41



\* Based on the weighted average number of shares issued during the year.

# For year 2017, refers to results of continuing operations only.

# CHAIRMAN'S STATEMENT



On behalf of the Board of Directors of Olympia Industries Berhad, I am pleased to present the annual report and the audited financial statements of the Company and its group of companies ("Group") for the financial year ended 31 December 2021 ("FY2021").

Y.A.M. Tunku Naquiyuddin ibni  
Almarhum Tuanku Jaafar  
Chairman

## Financial Performance

For FY2021, the Group's continuing operations registered a total revenue of RM59.6 million against RM74.3 million reported in the prior year ended 31 December 2020 ("FY2020"). The decline of RM14.7 million or 19.7% in revenue at the Group level was impacted significantly by the Covid-19 pandemic with the Government of Malaysia imposing the second and third rounds of Movement Control Orders ("MCO") whereby a total of 68 draws from the Group's gaming division were cancelled (FY2020: 57 draws).

The Group's operations reported a reduction in pre-tax loss of RM18.9 million to RM11.6 million for FY2021 (FY2020: RM30.5 million pre-tax loss), after accounting for the fair value adjustments recorded in FY2020 on investment properties of RM20.9 million for both Menara Olympia and the group's portfolio of completed property units in Kenny Heights.

## Corporate Developments

During the financial year, the Group has secured the extension of the repayment periods for the term loans from its principal financial institutions. The Group has certain unencumbered assets, including certain land held for property development and inventories of the Group, which will be disposed of as part of the management's plan to gradually reduce the level of the borrowings of the group.

The Group will continue to intensify its efforts to strengthen its core businesses, particularly in the leasing of office premises in order to achieve a higher occupancy rate.



# CHAIRMAN'S STATEMENT (cont'd.)



## Future Outlook and Prospects

FY2021 saw successive MCO lockdowns affecting most sectors and businesses. These further lockdowns had negatively impacted the Group's gaming operations, and to a lesser extent its leasing operations, as compared to the previous year.

The Group is cautiously optimistic that for the coming financial year ending 31 December 2022 ("FY2022"), the recovery of the Group operations is expected to be stable and sustainable with the various strategies and mitigating measures being implemented to address the impact of the Covid-19 pandemic.

The country's transition into an endemic phase from 1 April 2022 is expected to give a further boost to the economy. The Board of Directors and management hope and pray that with the Government's and the people's joint efforts, the ill-effects of the COVID-19 pandemic/endemic will be isolated and contained soon, and that all Malaysians will stay safe.

## Acknowledgement

On behalf of the Board, I wish to acknowledge and appreciate the invaluable contributions of Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman who retired at the last Annual General Meeting in June 2021 after having served the Board for more than 11 years. I am pleased to welcome Dato' Syed Sultan bin Mohd Idris and Ms. Wong Siew Si who joined the Board as Independent Non-Executive Directors in December 2021.

We would like extend our gratitude to our shareholders, stakeholders and business associates for your continuing support and confidence in the Group.

My sincere thanks go out to my fellow Board members for their valuable guidance and support throughout the year. Finally, I wish to thank the management and staff for their commitment and dedication to the Group during this challenging time.

**Y.A.M. Tunku Naquiyuddin ibni Almarhum  
Tuanku Jaafar**  
Chairman

21 April 2022

# MANAGEMENT DISCUSSION & ANALYSIS

## **Overview of Olympia Industries Berhad (“Olympia”) and its group of companies (“Group”) :**

The Group has a diversified portfolio in order to provide stable cash flows and potential for sustainable growth in its net assets to enhance shareholders' value. The Group's core operations are summarised as follows :-

- Gaming: Numbers forecast operator (“NFO”) gaming in Sabah;
- Leasing: Office space leasing of Menara Olympia in Kuala Lumpur; and
- Property Development: Property development activities primarily in the Kenny Heights, Kuala Lumpur area.

## **Gaming Division :**

Lotteries Group (“Lotteries”) commenced its Numbers Forecast Operator (“NFO”) gaming since 1988, and was subsequently acquired by Olympia in 1993. Going under the brand name of ‘Sabah 88’, the games currently offered are Sabah 3D, Sabah 4D, Sabah 4D Jackpot, Sabah Lotto 6/45, Sabah Lotto 5 and Sabah Lotto 6. Sabah Lotto 5 and Sabah Lotto 6 are the two new games introduced in late 2021.

The legal NFO operators in Sabah are Berjaya Sports Toto (“BST”), Lotteries and Sandakan Turf Club (“STC”). In comparison, the top largest capitalized legal NFO operators on the Peninsula are BST, Magnum 4D Berhad (“Magnum”) and Pan Malaysian Pools (“PMP”).

Gaming revenue in the year under review (“FY2021”) was RM45.9 million, a reduction of RM9.2 million or 16.7% from RM55.1 million in the previous financial year (“FY2020”). FY2021 spelled another year of business disruptions with the continuing movement control orders under Covid-19 Pandemic. There were two periods of closures during the year with the first starting on 13 January and ending on 12 February, and the second that started from 1 June and ended on 13 September. While the sales were not affected by shorter closure earlier on, the later closure of more than three months has exacerbated the already low sales. Closure of Lotteries' gaming outlet during the period had resulted in a loss of 68 draws including 10 special draws.

The low revenue has meant negative impact on the gaming division's bottom line. A loss of RM2.4 million at pre-tax level was reported, and this compared to the pre-tax loss in FY2020 of RM1.5 million has meant an erosion in the results by 57%.

Amidst a dampened economy, Lotteries introduced two new games towards the end of FY2021 - Lotto 6 on 18 November and Lotto 5 on 27 December. While the games have helped contribute to revenue, admittedly these have performed below expectations for the time being.

With disruption of operations during the Covid-19 pandemic, the gaming industry has been actively lobbying the Ministry of Finance to approve gaming via the internet and mobile phone apps. It has been observed that illegal gaming has been able to conduct business as usual despite the raging pandemic in the last two years. Punters are lured into bet-placing as they are not required to be present physically at the outlets, and speed and convenience are offered.

## **Leasing Division :**

Dairy Maid Resort & Recreation Sdn Bhd (“DMRR”), a wholly-owned subsidiary of Olympia is the owner of the 31-storey Menara Olympia (“MO”) office building and accompanying 6 levels of basement car parks on Jalan Raja Chulan in Kuala Lumpur. In FY2021, occupancy rates trended lower, ranging from 53% to 57% (FY2020: 63% to 65%), while rental rates have remained stable at RM4.22 to RM4.38 per square feet (“psf”) (FY2020: RM3.70 to RM4.40 psf) respectively.

# MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Property market downturn and current office space market glut aside, MO also has to contend with work-from-home and hybrid work trends in these pandemic times which had largely forced most potential tenants to rethink their office space requirements.

Continued downward pressure on occupancy rates is expected for the time being, as well as loss of potential tenants due to over-supply pressures, a highly competitive market as well as these hybrid working new norms. Management expects to adapt to this with various incentives while continuing to ensure a safe working environment. The country's transition into an endemic phase may also signal further relaxation of existing healthcare Standard Operating Procedures ("SOPs") which may translate to reduced inhibitions about leasing office spaces.

To ensure retention of existing tenants and potential new ones, as well as reduce down time on essential building services, management will continue to undertake several measures. It expects to step up promotion strategies, offer attractive rent-free renovation period packages, renewal terms & other incentives. Management had assisted tenants affected by the various MCOs and business slowdown on a case-by-case basis and may do so again should the need arise in order to retain valuable/key tenants.

Management continues to make improvements of amenities by conducting renovations and replacements of machinery/parts for essential services (e.g. lifts, escalators, M&E, etc.). It will also ramp up staff and property agent alertness and response time via revamp of its SOPs, improve tenant communications & increase training to identify potential downtime risks to essential services. On top of these, management also strives to continue complying with the government's various SOPs in relation to the pandemic/endemic to create a safe work environment for all at Menara Olympia.

For FY2022, the division is expected to be able maintain its current occupancy levels and its rental rates for the time being.

## **Property Development Division :**

Apart from residual inventory and land parcels held by several inactive subsidiaries, the division's property development activities are currently centered on a joint-operation ("JO") between Olympia Properties Sdn Bhd ("OPSB"), a wholly-owned Olympia subsidiary, with its sister company KH Estates Sdn Bhd on the Kenny Heights, Kuala Lumpur area. The JO is on a distribution ratio of 42:58 respectively and covers several parcels of land.

The overall property market, although seeing some gradual recovery, is still facing some downward pressure in the form of subdued selling prices for both new launches as well as sale of completed property units, which in our case is made worse due to the negative effects of the pandemic. The industry continues to witness increased development costs on materials, utilities & logistics, which have been further exacerbated by the pandemic, as well as increase in costs of lending/rising interest rates, and tighter financing terms imposed by financiers. A gloomy sentiment across the property market remained during FY2021, coupled with the lack of simple answers to home ownership woes.

However, the Group and its joint-operation partner however are not currently having any plans for project launches in the immediate future and are thus unaffected while waiting for the overall property market to improve, more favourable or easing of conditions by the authorities, and the end of the pandemic/endemic.

Moving forward, management's strategy is to delay launch of new projects and defer sales of completed unit, bidding its time for the turn of the property cycle until the external environment is more conducive for new project launches.



# MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

## **Investment Holding and Others :**

The Group has net assets of RM365.3 million and net current assets of RM14.2 million as at 31 December 2021. The Group and Company incurred a loss after tax of RM11.2 million and profit before tax of RM2.3 million respectively for the financial year ended 31 December 2021.

Apart from the operational divisions above, the Group has already secured the extension of the repayment periods during FY2021 for the term loans from its principal financial institutions. The Group has certain unencumbered assets, including certain land held for property development and inventories of the Group, which will be disposed of as part of the management's plan to gradually reduce the level of borrowings of the Group.

# PROFILE OF DIRECTORS

**Y.A.M. TUNKU NAQUIYUDDIN  
IBNI ALMARHUM TUANKU JAAFAR**  
Chairman, Independent Non-Executive Director  
Aged 75, Male, Malaysian

Y.A.M. Tunku Naquiyuddin Ibni Almarhum Tuanku Jaafar was appointed to the Board of Olympia Industries Berhad on 26 November 2008. He has a Bachelor of Science in Economics (Honours) degree from the University of Wales, Aberystwyth, United Kingdom.

Tunku Naquiyuddin is a keen environmentalist and was a Committee Member of the World Wide Fund for Nature (Malaysia) and a Founding Member of the Business Council for Sustainable Development in Geneva. An active businessman, Tunku Naquiyuddin's interest spanned a broad spectrum uniting the Malaysian public companies through the Federation of Public Listed Companies Bhd which he founded; bridging bilateral boundaries through the Malaysia-France Economic and Trade Association which he headed for 8 years; and forging closer cultural ties through the Alliance Francaise which he headed for 18 years. He was nominated by the Minister of Finance to sit on the Committee of Kuala Lumpur Stock Exchange in 1989 for 5 years. He was the Regent of the State of Negeri Sembilan from 1994 until April 1999.

Tunku Naquiyuddin, a former diplomat, is presently the Chairman of Techna-X Berhad and also sits on the Board of Ann Joo Resources Berhad. He holds directorship in other public companies, namely Orix Leasing Malaysia Berhad and Syarikat Pendidikan Staffield Berhad.

Tunku Naquiyuddin has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction of any offences other than traffic offences (if any) within the past 5 years. He did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

Tunku Naquiyuddin attended all five (5) Board meetings of the Company held in the financial year 2021.

**TAN SRI DATO' YAP YONG SEONG**  
Group Managing Director  
Aged 80, Male, Malaysian

Tan Sri Dato' Yap Yong Seong was appointed to the Board of Olympia Industries Berhad ("Olympia"/"Company") on 18 May 1993.

Tan Sri Dato' Yap first ventured into the property business in the early 1970's under the Duta Group which was a pioneer in embarking on a reclamation project at the fore shore lands in Malacca which now stood the famous business centre known as Melaka Raya.

Tan Sri Dato' Yap also sits on the Board of DutaLand Berhad ("DutaLand") as the Group Managing Director and on the Board of several companies within the Olympia and DutaLand Groups. He is the father of Dato' Sri Yap Wee Keat, the Executive Director of the Company. Both Tan Sri Dato' Yap and his spouse, Puan Sri Datin Leong Li Nar, are major shareholders of the Company.

Tan Sri Dato' Yap is deemed interested in the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Olympia Group.

Tan Sri Dato' Yap has no conviction for any offences other than traffic offences (if any) within the past 5 years and did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

Tan Sri Dato' Yap attended all five (5) Board meetings of the Company held in the financial year 2021.

# PROFILE OF DIRECTORS (cont'd.)

## DATO' SRI YAP WEE KEAT

Executive Director

Aged 53, Male, Malaysian

Dato' Sri Yap Wee Keat was appointed to the Board of Olympia Industries Berhad ("Olympia"/"Company") on 18 May 1993 and has been responsible for the business operations of Olympia Group. He is a member of the Risk Management Committee of the Company.

Dato' Sri Yap is currently a Non-Independent Director of DutaLand Berhad ("DutaLand") and has been instrumental in the property development activities of DutaLand Group. He spearheads the Kenny Heights Project, a development project embarked by DutaLand through the consortium formed with Olympia.

Dato' Sri Yap obtained his LLB (Honours) degree from The London School of Economics And Political Science, United Kingdom in 1989. With the Group's investment in Automobili Lamborghini, he was appointed deputy chairman of Automobili Lamborghini from 1994-1998.

Dato' Sri Yap is also one of the founding trustees for Malaysian Tsunami Aid Foundation, "Force of Nature Aid Foundation", which was established in 2005 where he sits on the Board of Trustees. He was appointed the Deputy President of Taekwondo Malaysia (WTF) in December 2018.

Dato' Sri Yap is the eldest son of Tan Sri Dato' Yap Yong Seong, the Group Managing Director of Olympia and Puan Sri Datin Leong Li Nar, both are major shareholders of the Company. He also serves on the Board of several other private companies within Olympia and DutaLand Groups.

Dato' Sri Yap is an interested Director in the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Olympia Group.

Dato' Sri Yap has no conviction for any offences other than traffic offences (if any) within the past 5 years and did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

Dato' Sri Yap attended all five (5) Board meetings of the Company held in the financial year 2021.

## NG JU SIONG

Non-Independent Non-Executive Director

Aged 54, Male, Malaysian

Mr Ng Ju Siong was appointed to the Board of Olympia Industries Berhad ("Olympia"/"Company") on 3 January 2017. He graduated from University of Kent at Canterbury with Bachelor of Law (Honours) in 1990.

Mr Ng was admitted to the Honourable Society of Gray's Inn as Utter Barrister in 1992. Thereafter, he was admitted to the High Court of Malaya as an Advocate & Solicitor in 1993.

Mr Ng was practising under Messrs Zaitoon Othman & Associates in the areas of family law, banking litigation, bankruptcy, company law until June 1994. In July 1994, he joined Messrs Shahrizat & Tan and ventured into the areas of family law, general conveyancing, banking, drafting of government supplies agreement and etc.

Mr Ng was formerly a Legal Executive in Olympia. He is currently the General Manager of Legal Department in DutaLand Berhad ("DutaLand") overseeing all legal matters for DutaLand group of companies.

Mr Ng also sits on the Board of several companies within the Olympia and DutaLand Groups. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction of any offences other than traffic offences (if any) within the past 5 years. He did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

Mr Ng attended all five (5) Board meetings of the Company held in the financial year 2021.

## PROFILE OF DIRECTORS (cont'd.)

### **IZADDEEN BIN DAUD**

**Independent Non-Executive Director**  
**Aged 53, Male, Malaysian**

Encik Izaddeen bin Daud was appointed to the Board of Olympia Industries Berhad on 15 August 2019. He is the Chairman of the Risk Management Committee and a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Encik Izaddeen graduated from De Montfort University (UK) with Bachelor of Accounting and Law (Honours). He is a Fellow of Institute of Public Accountants, Australia.

Encik Izaddeen started his career at Ernst & Young in 1991 and later built his career in investment banking to become a Senior Manager in Affin Merchant Bank. In 1999, he joined Permodalan Nasional Berhad ("PNB") and his last position held in PNB was Assistant Vice President, Investment Services. In 2007, he was appointed as the Chief Executive Officer of ASM Investment Services Berhad. In 2008, he was appointed as the Managing Director of MARA Incorporated and then relinquished his position in 2009.

Encik Izaddeen has held board appointments in several public listed companies as well as in subsidiaries of Government-link companies. He currently sits on the Boards of Boustead Holdings Berhad, Boustead Heavy Industries Corporation Berhad, Pharmaniaga Berhad and Boustead Plantations Berhad. He also holds directorship in other public company, namely Boustead Properties Berhad.

Encik Izaddeen has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction of any offences other than traffic offences (if any) within the past 5 years. He did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

Encik Izaddeen attended all five (5) Board meetings of the Company held in the financial year 2021.

### **DATO' SYED SULTAN BIN MOHD IDRIS**

**Independent Non-Executive Director**  
**Aged 65, Male, Malaysian**

Dato' Syed Sultan bin Mohd Idris was appointed to the Board of Olympia Industries Berhad on 15 December 2021. He is the Chairman of Nomination Committee and Remuneration Committee. He is a member of the Audit Committee and Risk Management Committee.

Dato' Syed Sultan graduated from University Malaya with Bachelor of Science in Microbiology (Honours) in 1981. He obtained Diploma in Public Management (INTAN) in 1983.

Dato' Syed Sultan joined the Ministry of Foreign Affairs, Malaysia (Wisma Putra) the same year (1983) and had served the Ministry in various capacities till his retirement in December 2016. As a career Diplomat he had served in Japan, UAE, Saudi Arabia and Ambassadors in Finland, Bahrain and Ireland.

Dato' Syed Sultan in the course of his career, had represented Malaysia in several international meetings.

Upon retirement in 2016, Dato Syed Sultan had kept himself busy holding various posts in NGOs as part of his community service responsibility. He presently is the Council Member of KIWF (Khadijah Waqf International Foundation) since 2021. Prior to that, he served as Advisor - International Fundraising KIWF 2017-2021. Since 2020, he has been serving as a Consultant to Dairy Maid Resort & Recreation Sdn Bhd. He is the Deputy Chairman of Putrajaya Lake Club since 2021. Prior to that he was the Board Member of Putrajaya Lake Club from 2018-2020. Dato Syed Sultan also served as the Chairman MC of Puteri Palma Condo, IOI Resort City for the period 2017/2018.

Dato' Syed Sultan has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for any offences other than traffic offences (if any) within the past 5 years and did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

Dato' Syed Sultan did not manage to attend any Board meetings of the Company held in the financial year 2021 as his appointment as a Board member took place on 15 December 2021 where all Board Meetings have already taken place for the said year.

# PROFILE OF DIRECTORS (cont'd.)

## **WONG SIEW SI**

**Independent Non-Executive Director**

**Aged 58, Female, Malaysian**

Miss Wong Siew Si was appointed to the Board of Olympia Industries Berhad on 15 December 2021. She is the Chairperson of the Audit Committee and a member of the Nomination Committee, Remuneration Committee and Risk Management Committee.

Miss Wong graduated from Stamford College, Singapore with a Diploma in Accounting in 1984. She was a Member of the Association of Accounting Technicians, United Kingdom in May 1989.

Miss Wong was selected by 30% Club Malaysia for the 4th Cohort Board Mentoring Programme & completed in November 2019. She has been a Member of Institute of Corporate Directors Malaysia (ICDM) since January 2019.

Miss Wong started her career at Hanafiah Raslan Mohammad / Arthur Andersen & Co in 1984 in Audit & moved on to other areas of Corporate Recovery and Management Services till 1993. She joined Sarawak Securities Sdn Bhd in 1993 as a Credit Control Officer & was appointed Head of Credit Control & Retail Investment from 1996 to 1998.

Miss Wong moved on to Hong Leong Bank Berhad, Kuala Lumpur in February 1998 as a Manager in Remedial Management. In an executive capacity, she was Head of Mortgage Credit Control from August 2000 to June 2011. She was appointed Head of Collections Integration Management Office from July 2011 to March 2014. Her last position in Hong Leong Bank Berhad was Head of Retail Credit Operations till February 2016.

Miss Wong served as a Member in the Audit Committee for Jupiter Securities Sdn Bhd (now known as CGS-CIMB Securities Sdn Bhd) from April 2017 to December 2018. She currently represents CGS-CIMB Securities Sdn Bhd and CGS-CIMB Securities (Singapore) Pte. Ltd. for Private Wealth Investments for Accredited Investors.

Miss Wong has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company and has no conviction for any offences other than traffic offences (if any) within the past 5 years and did not have any sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

Miss Wong did not attend any of the Board meetings of the Company held in the financial year 2021 for which were held before her appointment.



# PROFILE OF KEY SENIOR MANAGEMENT OF THE GROUP

## **TAN SRI DATO' YAP YONG SEONG**

**Group Managing Director**

**Aged 80, Male, Malaysian**

Please refer to the Profile of Directors in this Annual Report.

## **DATO' SRI YAP WEE KEAT**

**Executive Director**

**Aged 53, Male, Malaysian**

Please refer to the Profile of Directors in this Annual Report.

## **LEE CHEE KAI**

**General Manager, Group Finance**

**Aged 64, Male, Malaysian**

Mr Lee Chee Kai was appointed as the General Manager, Group Finance of Olympia Industries Berhad on 1 September 2000. He gained his exposure in audit firms for seven (7) years, including three (3) years with an international accounting firm. Subsequently he joined local conglomerates for more than 7 years as Head of Finance. He joined the Group in April 1994 as General Manager of its stockbroking subsidiary and was transferred to his current role in 2000.

Mr Lee is a member of both the Institute of Chartered Accountants in England & Wales (ICAEW) and the Malaysian Institute of Accountants.

Mr Lee does not hold directorship in any public and public listed companies, has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for any offences, other than traffic offences, within the past five years. He did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

## **JOSEPH LIN KIN CHUNG**

**General Manager, Lotteries Corporation Sdn Bhd**

**Aged 62, Male, Malaysian**

Mr Joseph Lin Kin Chung was appointed as General Manager of Lotteries Corporation Sdn Bhd, a wholly-owned subsidiary of Olympia Industries Berhad ("Olympia"), on 1 January 2005.

Mr Joseph Lin graduated from the University of Ottawa with bachelor's degree in Computer Science (Honours) in 1987. He joined the Group in 1989 as a Management Trainee and was promoted to Assistant Commercial Manager in 1994. It was during this time when he was posted to China Lotteries and later, to Cambodia Lotteries to assist in their operations. In 1995, he was promoted to Engineering Manager before being seconded to The Lotto Ltd, PNG, in 1999, to be its Country Manager.

Mr Joseph Lin does not hold directorship in any public and public listed companies, has no family relationship with any Director and/or major shareholder of Olympia. He has no conflict of interest with Olympia and has no conviction for any offences, other than traffic offences, within the past five years. He did not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2021.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Olympia Industries Berhad ("Board") recognises the importance of upholding good corporate governance throughout the Group and is committed to remain guided by the Principles as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG").

This statement provides an overview of the Group's application of Practices based on the Principles in the MCCG for the financial year ended 31 December 2021 and it is to be read together with Corporate Governance report ("CG Report") which is available on the Company's website at [www.oib.com.my](http://www.oib.com.my)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The Board acknowledges its pivotal role in the stewardship of its direction and operations of the Group toward enhancing shareholders' value and ensuring long term sustainable development and growth of the Group. The Board is responsible for setting strategic directions of the Group, governing and monitoring the performance of the Group and enforces standards of accountability including the processes for financial reporting, risk management, internal controls and compliance.

The Group Managing Director, who is supported by the senior management team in achieving the corporate objectives, remains accountable to the Board for the performance of the Group. In the process of appointing, training and providing for succession, the Group Managing Director together with the Executive Director will ensure that staff appointed to senior management positions are of sufficient calibre.

The Board delegates specific responsibilities to Board Committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, all of which operate within defined terms of reference. All Board Committees do not have executive power but report to the Board on all matters considered and the ultimate responsibility for decision making on recommendations presented by the Board Committees lies with the Board. Each Board Committee shall report on its meeting to the Board and minutes of meetings of all Board Committees will be tabled at Board meetings for notation.

The senior management is responsible for developing and implementing strategies, business plans and budgets, regularly identifying and managing risks that could have a material impact on the businesses and ensuring that sufficient and updated information on the performance, financial condition, operating results and prospect are provided on a timely basis to the Board and the Board Committees to fulfill their governance responsibilities.

For the financial year ended 31 December 2021, the Board had reviewed the performance of the Group's businesses, monitored the impact of the on-going Covid-19 pandemic and actions taken by management to reduce the impact which had affected the operating subsidiaries. The Board also explored options/ strategies to increase revenue of operating subsidiaries and considered divestment proposals on non-core assets. Various risks that were affecting the Group have been identified and appropriate mitigation measures have been put in place.

The Company has a systematic method for regularly assessing the impact of sustainability-related risks and opportunities. Each business area assesses the probability and impact of sustainability-related risks annually, including social, climate-related, and environmental risks.

The Board recognises that the long-term interests of shareholders are advanced by responsibly addressing the concerns of stakeholders. The Board is responsible to exercise business judgement to act in what it reasonably believes to be in the best interests of the Company and its shareholders to build long-term sustainable value. The senior management, guided by the Board, leads the Company's sustainability journey, including setting the Company's strategies, priorities and targets on all material sustainability matters.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

### *Board Charter, Code of Conduct, Whistleblowing Policy and Anti-Bribery & Corruption Policy*

The Board is guided by a Board Charter which amongst others, provides Directors with greater clarity regarding the role and responsibilities of the Board, Board Committees, individual Directors and Senior Independent Director. Matters reserved for the Board are set out in the Board Charter. The Board will periodically review the Board Charter and make changes wherever necessary.

The Code of Conduct of Directors continues to govern the standards of business conduct and to assist the Directors in defining ethical standards in the performance and exercise of their duties and responsibilities for the Company.

The Whistle-Blowing Policy is in place which the aim to encourage reporting by employees in good faith, of any suspected and/or known instances of misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving the resources of the Group and the employees making such reports will be protected from reprisal.

The Anti-Bribery and Corruption Policy is aimed to provide information and guidance to the Directors, employees and business associates on anti-bribery and corruption to which they must adhere to, in discharging their duties. All employees are required to follow the standard operating procedures of their respective business units in the performance of their job responsibilities.

Details of the Board Charter, Code of Conduct of Directors, Whistle-Blowing Policy and Anti-Bribery and Corruption Policy are accessible through the Company's website at [www.oib.com.my](http://www.oib.com.my).

### **Board Composition**

The Board currently consists of seven (7) members with an Independent Non-Executive Chairman, a Group Managing Director, an Executive Director, a Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. Independent Directors made up 57% of the Board composition.

There were changes in Board composition during the financial year following the retirement of a Senior Independent Non-Executive Director at the last Annual General meeting held in June 2021 and the appointment of 2 Independent Non-Executive Directors in December 2021. The Board currently does not have a Senior Independent Non-Executive Director.

The Board has a balanced mix of executive and non-executive members and it brings with it a broad range of business, finance, economic, technical, law and public service background.

With the appointment of the 2 Independent Non-Executive Directors which included a female Director, the Board views that its composition in terms of size, diversity in skills, experience, age, background and gender are well balanced to facilitate effective decision making. This balance enables the Board to provide clear and effective leadership to the Group and bring informed and independent judgement to many aspects of the Group's strategy and performance.

### *Chairman and Group Managing Director*

The position of the Chairman and the Group Managing Director are held by different individuals. Their roles are distinct and separate so as to ensure balance of power and authority.

The Chairman, who is an Independent Non-Executive Director, is responsible for instilling good corporate governance practices and providing leadership in ensuring effectiveness of the Board. He is also responsible for the orderly conduct of meetings and facilitates matters between the Company and its investors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

The Group Managing Director is responsible for the development and implementation of policies/strategies approved by the Board and managing the day-to-day operations of the Group. He is also responsible in ensuring the integrity and effectiveness of the corporate governance process of the Board. The Group Managing Director acts as the official spokesperson of the Group.

The respective duties and responsibilities of the Chairman and the Group Managing Director are specified in the Board charter.

### Board Appointment Process

The Nomination Committee comprises the following three (3) Independent Non-Executive Directors:

1. Dato' Syed Sultan bin Mohd Idris (Chairman)
2. Encik Izaddeen bin Daud (Member)
3. Miss Wong Siew Si (Member)

The Terms of Reference of the Nomination Committee are available on the Company's website at [www.oib.com.my](http://www.oib.com.my).

The Nomination Committee is responsible for proposing and recommending candidates to the Board and for assessing Directors on an on-going basis in accordance with the terms of reference of the Committee.

The Nomination Committee in making recommendations for the appointment of Directors will consider the skills, experience, knowledge, expertise, competency and potential contribution of the candidates and selection is not based on gender. The Nomination Committee is open to referrals from external sources besides recommendations from its existing Board members and major shareholders.

The Company currently does not have a gender diversity policy for the Board and senior management. The Board believes in providing equal opportunity to candidates and adheres to the practice of non-discrimination of any form whether based on age, race or gender throughout the Group.

### *Tenure of Independent Directors / Annual Assessment of Independence*

Under the MCGG, the tenure of an independent director of the company should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years, an independent director may continue to serve on board as a non-independent director. If the board intends to retain an independent director beyond 9 years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar has served as an Independent Non-Executive Director for a cumulative term of more than 13 years.

The Board, through the Nomination Committee, had carried out an annual evaluation and assessment and is satisfied that Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar has fulfilled the criteria under the definition of Independent Director as set out in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). He has always been able to demonstrate his independence and exercise objective judgement during Board deliberations. The length of his service does not in any way impair his objective and independent judgement nor his ability to act in the best interest of the Company. The Board is confident that he will continue to exercise independent and objective judgement in Board meetings regardless of his length of service in the Company.

The Board endorsed the recommendation of the Nomination Committee for Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar to continue in office as an Independent Non-Executive Director and will seek shareholders' approval at the forthcoming 41<sup>st</sup> Annual General Meeting of the Company ("41<sup>st</sup> AGM").

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

Notwithstanding Practice 5.3 of the MCCG to seek shareholders' approval through a two-tier voting process for retention of independent director beyond nine years, the Board recommends that irrespective of the length of service in the Company, the resolution be voted through a single-tier voting process to enable every shareholder to exercise their voting rights on the same level/ platform and to be decided by a simple majority for ordinary resolution as provided in the Companies Act 2016.

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar has abstained from Board deliberation and decision in recommending to shareholders on his continuation in office as an Independent Non-Executive Director.

### *Re-election of Directors*

The Nomination Committee is responsible for making recommendations to the Board on the retirement of Directors by rotation at each annual general meeting. Under the Constitution of the Company, one third (1/3) of the Directors shall retire by rotation at each annual general meeting. All Directors shall retire from office at least once in every three (3) years. The retiring Directors shall be eligible for re-election. A Director appointed during the year shall hold office until the next annual general meeting, and shall then be eligible for re-election.

Dato' Sri Yap Wee Keat and Encik Izaddeen bin Daud are due to retire by rotation at the forthcoming 41<sup>st</sup> AGM and being eligible, have offered themselves for re-election to the Board.

Dato' Syed Sultan bin Mohd Idris and Miss Wong Siew Si who were appointed during the year are also subject to retirement at the 41<sup>st</sup> AGM and being eligible, have offered themselves for re-election to the Board.

All the abovenamed Directors have abstained from Board deliberations and decisions in recommending to shareholders on their re-election to the Board. The Board has accepted the recommendation of the Nomination Committee on the re-election of the said Directors at the forthcoming 41<sup>st</sup> Annual General Meeting of the Company ("41<sup>st</sup> AGM").

The profiles of the Directors seeking re-election to the Board and continuation in office as Independent Non-Executive Director at the 41<sup>st</sup> AGM are disclosed in Profile of Directors of this Annual Report.

### *Annual Evaluation*

The Nomination Committee had carried out annual evaluations through the completion of questionnaires on the effectiveness of the Board as a whole, Board Committees, individual Directors of the Company and assessed the independence of the Independent Directors during the financial year under review.

The Board and Board Committees were evaluated in the areas of composition, quality of information and decision making, boardroom/board committee activities, Board relationship with management as well as sustainability. Individual Directors will be evaluated on fit and proper criteria, contribution and performance, caliber and personality as well as sustainability. On Peer Assessment, the evaluation was based professional experience, industry knowledge, specific competencies, business acumen, strategic vision, integrity, attendance of and preparation for board meetings, teamwork, active participation and general contributions. The Independent Directors were assessed based on criteria defined in the Listing Requirements of Bursa Securities, their ability to exercise independent judgement at all times and contribution to the effective functioning of the Board.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

The findings/outcome from the above evaluations/assessments and recommendations of the Nomination Committee were tabled to the Board for discussions, notation and where appropriate, to recommend to shareholders on the re-election of Directors retiring by rotation or casual vacancy or retaining the Director concerned as an Independent Non-Executive Director

Based on the evaluations conducted, the Board is satisfied with the level of performance and effectiveness of the Board, Board Committees and individual Directors of the Company. The Board is also satisfied with the level of independence demonstrated by all Independent Directors and their ability to act in the best interest of the Company. The Board and Board Committees had generally fulfilled their primary responsibilities and obligations and each Director has the experience, competence, integrity and character in discharging their respective roles as Board members.

The Nomination Committee met twice during the year and below is a summary of the activities undertaken in discharging its duties:

- 1) Reviewed the composition of the Board and Board Committees;
- 2) Reviewed, assessed and recommended suitable candidates for Board appointment;
- 3) Conducted annual evaluation of the Board, Board Committees and individual Directors;
- 4) Conducted annual evaluation of the Audit Committee;
- 5) Assessed the independence of the Independent Non-Executive Directors of the Company;
- 6) Reviewed and recommended to the Board on re-election of Directors at the AGM;
- 7) Reviewed and recommended to the Board on retention of Independent Non-Executive Director at the AGM; and
- 8) Reviewed training programmes attended by all Directors for year 2021.

### *Board meetings / Supply of Information*

A pre-scheduled annual calendar of the Board and Board Committee meetings is circulated to all Board members before the end of the calendar year. Board meetings are usually held five (5) times in a year with additional meetings being convened when necessary.

Five (5) Board meetings were held during the financial year ended 31 December 2021. The attendance of each Director is tabulated below:

Directors	Number of meetings attended
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	5/5
Tan Sri Dato' Yap Yong Seong	5/5
Dato' Sri Yap Wee Keat	5/5
Mr Ng Ju Siong	5/5
Encik Izaddeen bin Daud	5/5
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman (retired on 23 June 2021)	2/3
Dato' Syed Sultan bin Mohd Idris (appointed on 15 December 2021)	n/a *
Miss Wong Siew Si (appointed on 15 December 2021)	n/a*

\* No Board meetings were held from 15 December 2021 to 31 December 2021

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

The Board is confident that the Directors will continue to devote sufficient time commitment towards fulfilling their roles and responsibilities as Directors of the Company.

Meeting materials based on the agenda of the meeting are distributed to the Directors within a reasonable period prior to the meeting to ensure that Directors have sufficient time to evaluate the matters and be prepared for discussion at the meetings.

External consultants or advisors are also invited to attend Board and Board Committee meetings whenever necessary to explain matters within their expertise, knowledge and provide clarity on the agenda being discussed. This process enables the Board and Board Committees to make an informed decision.

The Directors are notified of the restriction in dealing with the securities of the Company prior to the announcement of financial results. All announcements released to Bursa Securities will be circulated to the Directors for reference.

In the intervals between Board meetings, any matters requiring the Board's approval will be sought via circular resolutions which must be supported with the relevant information and explanation therein. Minutes of meetings are circulated and confirmed by the Board and Board Committees at their subsequent respective meetings. The Directors have access to all information within the Company in the discharge of their duties.

Senior management personnel usually attend Board meetings for purposes of briefing the Board on matters submitted for consideration. More details affecting the operation of business units, strategies and performances are usually presented and discussed at the management executive committee meetings held prior to Board meetings.

### *Directors' Training*

With the exception of Dato' Syed Sultan bin Mohd Idris who will be attending the Mandatory Accreditation Programme ("MAP") in April 2022, all other Directors have attended the MAP as prescribed under the Listing Requirements of Bursa Securities.

During the financial year ended 31 December 2021, all Directors have attended and participated in appropriate training programmes to update and enhance their knowledge to enable them to discharge their duties effectively. The training programmes attended by the Directors during the financial year are set out below:

Director	Topics
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	<ul style="list-style-type: none"> <li>• Navigating through Uncertain Times: An investor's guide to making informed decisions</li> <li>• Launch &amp; Discussion of the Book "China in Malaysia"</li> <li>• ESG in the New Normal - A Corporate's Lens</li> <li>• The Way Forward</li> <li>• The Way Forward (continuation)</li> <li>• How does 5G Accelerate Digital Transformation</li> <li>• 3rd Sweden-Southeast Asia Business Reset Summit 2021</li> <li>• Corporate Governance Revisited: The co-existence of Ethics &amp; Law sets you F.R.E.E.</li> <li>• Value Creative Strategies - An Innovative Take On Creating Impactful, Healthy Companies</li> <li>• ESG Reporting Health Check</li> <li>• Business Transformation Post Covid</li> <li>• Audit Oversight Board Conversation with Audit Committees</li> <li>• Malaysia Budget 2022</li> <li>• Transactions and Related Party Transactions Rules</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

Director	Topics
Tan Sri Dato' Yap Yong Seong	<ul style="list-style-type: none"> <li>Transactions and Related Party Transactions Rules</li> </ul>
Dato' Sri Yap Wee Keat	<ul style="list-style-type: none"> <li>Transactions and Related Party Transactions Rules</li> </ul>
Mr Ng Ju Siong	<ul style="list-style-type: none"> <li>Transactions and Related Party Transactions Rules</li> </ul>
Encik Izaddeen bin Daud	<ul style="list-style-type: none"> <li>Audit Committee Conference 2021</li> <li>Dawn Raid-Since Section 17A MACC Act Has Come Into Force, Don't Be Caught Unprepared</li> <li>Related Party Transactions Simplified</li> </ul>
Dato' Syed Sultan bin Mohd Idris	<ul style="list-style-type: none"> <li>Transactions and Related Party Transactions Rules</li> </ul>
Miss Wong Siew Si	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme</li> <li>Transactions and Related Party Transactions Rules</li> </ul>

### Remuneration

The Remuneration Committee consisting of Independent Non-Executive Directors is made up of the following:

1. Dato' Syed Sultan bin Mohd Idris (Chairman)
2. Encik Izaddeen bin Daud (Member)
3. Miss Wong Siew Si (Member)

The Terms of Reference of the Remuneration Committee and Remuneration Policy and Procedures are available on the Company's website at [www.oib.com.my](http://www.oib.com.my).

The Remuneration Committee is responsible for reviewing and where appropriate, recommending to the Board for approval on remuneration, salary revision, bonus and benefits of the Executive Directors or senior management.

The Remuneration Committee also reviews and recommends the payment of Directors' fees and benefits to Non-Executive Directors, which are subject to the approval of the shareholders at the annual general meeting of the Company.

Directors' fees recommended for the Non-Executive Directors are reflective of their responsibilities while the remuneration of the Executive Directors is based on individual performance as well as the performance of the Group.

The Remuneration Committee met once during the financial year to review the remuneration of the Executive Directors and senior management. The Remuneration Committee had also discussed and recommended to the Board on the proposed payment of Directors' fees and benefits to the Non-Executive Directors of the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

Details of the Directors' remuneration comprising remuneration received/receivable from the Company and the Group for the financial year ended 31 December 2021 are as follows:

### COMPANY

	Fee	Salary	Bonus	RM Other Emoluments	<sup>2</sup> Benefits in kind	Total
<b>Executive</b>						
Tan Sri Dato' Yap Yong Seong	-	256,500	-	593	-	257,093
Dato' Sri Yap Wee Keat	-	430,116	-	52,548	32,788	515,452
<b>Non-Executive</b>						
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	48,000	-	-	4,300	35,000	87,300
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman	18,000	-	-	2,400	-	20,400
Ng Ju Siong	24,000	-	-	1,200	-	25,200
Izaddeen bin Daud	36,000	-	-	3,400	-	39,400
Dato' Syed Sultan bin Mohd Idris	1,500	-	-	-	-	1,500
Wong Siew Si	1,500	-	-	-	-	1,500
<b>Total</b>	129,000	686,616	-	64,441	67,788	947,845

### GROUP

	Fee	Salary	Bonus	RM Other Emoluments	<sup>2</sup> Benefits in kind	Total
<b>Executive</b>						
Tan Sri Dato' Yap Yong Seong	-	738,720	-	217,779	763	957,262
Dato' Sri Yap Wee Keat	-	1,141,140	-	140,856	32,788	1,314,784
<b>Non-Executive</b>						
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	48,000	-	-	4,300	35,000	87,300
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman	18,000	-	-	2,400	-	20,400
Ng Ju Siong	24,000	-	-	37,200	-	61,200
Izaddeen bin Daud	36,000	-	-	3,400	-	39,400
Dato' Syed Sultan bin Mohd Idris <sup>3</sup>	1,500	-	-	-	-	1,500
Wong Siew Si	1,500	-	-	-	-	1,500
<b>Total</b>	129,000	1,879,860	-	405,935	68,551	2,483,346

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

Notes:

- 1 Other emoluments include statutory contributions, allowances and attendance fees.
- 2 Benefits in kind paid to certain Directors include company car, company driver, petrol, club membership and leave passage.
- 3 In addition to the above, also received consultancy fee totalling RM55,000 from a subsidiary of the Group during year 2021.

The key senior management whose total remuneration (including benefits in-kind and other emoluments) under each band of RM50,000 is set out below:

Total remuneration in bands of RM50,000	Number of Key Senior Management
RM150,000 – RM200,000	1
RM201,000 – RM250,000	1

The remuneration of the key senior management is on an aggregated basis as the Board is of the view that it would not be in the best interest of the Company to make detailed disclosure of each key senior management personnel in view of the competitiveness in the employment market and the Company's efforts in attracting and retaining executive talents.

### *Company Secretaries*

The Company Secretaries are qualified Chartered Secretaries and support the Board in carrying out their roles and responsibilities as Directors. The Company Secretaries will update the Board on any regulatory changes and developments in corporate governance and the Listing Requirements of Bursa Securities and any other rules and regulations which is relevant to the Company. The Company Secretaries ensure that the Company complies with all applicable statutory and regulatory requirements.

## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **Audit Committee**

The Audit Committee oversees amongst others, the financial reporting process of the Group with the aim in providing an assurance that the financial statements are prepared and drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016.

The Audit Committee consists of the following Independent Non-Executive Directors:

1. Miss Wong Siew Si (Chairperson)
2. Encik Izaddeen bin Daud (Member)
3. Dato' Syed Sultan bin Mohd Idris (Member)

The Board through its Audit Committee has a formal and transparent relationship with the external auditors, Messrs Ernst & Young PLT. The Audit Committee meets with the external auditors to review the scope and adequacy of the audit process, audit findings and the annual audited financial statements.

The Audit Committee also meets with the external auditors prior to Audit Committee meetings to enable the auditors to highlight certain issues/findings in the absence of the management. For this purpose, the Audit Committee and the external auditors met twice for the financial year ended 31 December 2021.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

The Board has in place an Assessment Policy for External Auditors setting out the guidelines and procedures for the Audit Committee to assess, among others, the suitability, objectivity and independence of the external auditors and the cooling period required on proposed appointment of a former key audit partner as a member of the Audit Committee.

The Audit Committee had carried out an annual evaluation on the performance and independence of the external auditors' and the evaluation covered the areas of calibre of the audit firm, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications.

Based on the recommendation of the Audit Committee, the Board is satisfied with the performance and independence of Messrs Ernst & Young PLT and will seek shareholders' approval on their re-appointment as auditors at the 41<sup>st</sup> AGM of the Company.

The Board through the Nomination Committee had carried out an annual evaluation on the effectiveness of the Audit Committee and concluded that it had fulfilled its fundamental responsibilities in overseeing financial reporting, assessing the risks and control environment, evaluating the internal and external audit process and reviewing conflict of interest situations and related party transactions. Details of the Audit Committee and its activities are set out in the Audit Committee Report on pages 30 to 33 of this Annual Report.

### **Risk Management and Internal Control Framework**

The Board maintains a sound risk management framework and system of internal control to safeguard the Group's assets, shareholders' investments as well as the interests of customers, employees and other stakeholders.

The Risk Management Committee has been established to assist the Board in their responsibilities to identify, assess and monitor key business risks of the Group and is made up of the following with a majority of Independent Non-Executive Directors:

1. Encik Izaddeen bin Daud (Chairman)
2. Dato' Sri Yap Wee Keat (Member)
3. Dato' Syed Sultan bin Mohd Idris (Member)
4. Miss Wong Siew Si (Member)

The Risk Management Committee meets on a half-yearly basis to review and evaluate the adequacy of risk management activities, as well as to recommend measures to be adopted to mitigate the business risk exposures. The Risk Management Policy and Procedure is in place to provide guidance for coordinating the application of risk management within the Group.

The Statement on Risk Management and Internal Control is set out on pages 25 to 29 of this Annual Report.

### *Internal Audit Function*

The Board has established an internal audit function within the Company, which is led by Head of Internal Audit Department who reports directly to the Audit Committee.

The Group's Internal Audit department is responsible to conduct review on the systems of internal control, report on the state of the system of internal control and provide recommendations for improvement. All internal audit reports were tabled and reviewed by the Audit Committee in the Audit Committee meetings. Follow-up audit would be performed to ascertain the extent of implementation/rectification of the recommended corrective actions for improvement.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (cont'd.)

The Audit Committee had carried out an evaluation of Internal Audit function for year 2021 and concluded that the internal auditors had performed their functions effectively in meeting its objectives.

Details of the Company's internal audit function are set out in the Audit Committee Report on page 32 of this Annual Report.

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

#### **Communication with stakeholders**

The Board recognises the importance of communication with shareholders and investors on the Group's business and corporate developments. The Board ensures timely release of financial results on a quarterly basis, annual reports, press releases and any announcements to Bursa Securities on material corporate exercises which are the primary mode of disseminating information on the Group's business activities and financial performance.

The Company has established a website [www.oib.com.my](http://www.oib.com.my) for shareholders and the public to assess corporate information and announcements related to the Group. All queries may be directed to the Company through the email address provided on the said website.

The Company may conduct briefings / dialogue with investors on the performance of the Group. The Group Managing Director is available for such arrangement and enquiries on issues relating to the Group may be conveyed to him.

#### **Conduct of General Meetings**

The Annual General Meeting ("AGM") of the Company is the principal forum for dialogue with the shareholders. The Board encourages shareholders to participate in a Question and Answer session on the financial performance and operations of the Group. The Chairman and all other Board members together with senior management as well as the external auditors of the Company are present to respond and provide explanations on matters raised at the meeting.

The Covid-19 pandemic has caused the Company to leverage technology to facilitate virtual AGMs since year 2020 through live streaming and remote online participation by using Remote Participation and Voting Facilities ("RPV"). The Notice of the 40<sup>th</sup> AGM was sent to shareholders 28 days prior to the meeting. The Company will continue to observe the notice period of 28-days for the forthcoming AGM.

Shareholders were able to raise questions at the 40<sup>th</sup> AGM in real time by transmitting question via the Query Box and voted remotely at the AGM via RPV. The Board responded to all relevant questions submitted before and during the 40<sup>th</sup> AGM.

The Company will issue a Notification to its shareholders via electronic mails and by post (for those without email addresses) informing them of the 41<sup>st</sup> AGM and that the Company's Annual Report ("AR"), Corporate Governance Report, Circular to Shareholders ("Circular"), Notice of 41<sup>st</sup> AGM, Form of Proxy, Administrative Guide on 41<sup>st</sup> AGM and request form for AR/Circular are available on the Company's website. The Company will continue to explore ways to leverage on technology to enhance the quality of engagement with its shareholders and further participation by shareholders at general meetings.

This Corporate Governance Overview Statement has been approved by the Board of Directors on 21 April 2022.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control by the Board of Directors ("Board") of Olympia Industries Berhad ("Olympia"/"Company") is made in respect of the financial year ended 31 December 2021 pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities.

## Board's Responsibilities

The Board of Olympia acknowledges its overall responsibility in maintaining a sound system of internal controls and risk management framework of Olympia and its subsidiaries ("Group") and for reviewing the adequacy and integrity of the system periodically to safeguard the interest of the Company's shareholders and the Group's assets.

The risk management and internal control system is designed to manage rather than eliminate the risk of failure in achieving the Group's corporate objectives and can only provide reasonable but not absolute assurance against any material misstatement or loss.

## Risk Management Process

The Board has formally endorsed an ongoing risk management and internal control framework which includes the following key elements:

- the guiding principles of the risk management framework;
- the underlying approach to risk management;
- the roles and responsibilities of the Board and the management;
- the underlying approach in reviewing and monitoring any significant risks; and
- regular review on the effectiveness and efficiency of internal control procedures and processes.

The risk management and internal control framework is applied continuously throughout the financial year to determine, evaluate and manage the significant risks of the Group. This is further assured by the implementation of an internal control and risk management system that has been integrated in the Group's operations and working culture. Therefore, any significant risks arising from factors within the Group and from changes in the business environment can be addressed on a timely basis.

The Risk Management Committee which comprises a majority of independent Directors shall assist the Board to identify, assess and monitor key business risks of the Group to safeguard shareholders' investments and the Group's assets.

The key aspects of the risk management process include the following:

- Risks are identified by each key business unit assessing the likelihood and impacts of the occurrence of risks which are evaluated and rated as 'Low', 'Medium-Low', 'Medium', 'High-Medium' or 'High'. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls or mitigating measures.

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

## Risk Management Process (cont'd.)

- Heads of the respective business units undertake to update their risk profiles on a half yearly basis.
- The risk profiles, control procedures and status of the action plans are reviewed on a regular basis by the respective Heads of business unit.
- Heads of business unit are provided with reports to enable them to review, discuss and monitor the risk profiles and implementation of action plans.
- Risk management report summarising the significant risks and/or the status of action plans of the respective business units is presented to the Risk Management Committee for its review, deliberation and recommendation for the endorsement or approval of the Board.

The significant risks identified during the financial year under review include:

### Leasing Division

- Low occupancy rate of Menara Olympia

Significant downward pressure on occupancy rate potentially due to more incoming supply of office space with competitive rental rates in the market. The occupancy rate further battered by the emergence of the Covid-19 pandemic. The management expects to step up promotion strategies, offer attractive rent-free and renovation-free period packages, providing rental rebate and deferment especially to tenants affected by pandemic, upgrading building facilities and continue monitoring market movement.

Further measures have been put in place to limit the spread of COVID-19 such as temperature screening, visitors' registration, floor markings for social distancing and regular sanitisation of the building.

### Gaming Division

- Illegal gaming activities

Illegal 4D gaming activities are rampant in the State of Sabah. The illegal 4D operators are getting more innovative with the introduction of WIFI printer connected to their mobile phones to facilitate online purchases by punters. The Group has been engaging with the authorities on a regular basis on ways to combat illegal gaming.

- Covid-19 pandemic

Consumer spending on gaming products are affected during times of economic uncertainties since emergence of the Covid-19 pandemic and the enforcement of the various Movement Control Order ("MCO") by the Malaysian Government.

As a result of the MCO and Conditional MCO, all ticketing outlets have been closed for business for several months and have cancelled a numerous number of draws which affected the financial performance of the gaming division.

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

## Risk Management Process (cont'd.)

### Gaming Division (cont'd.)

- Covid-19 pandemic (cont'd.)

However, after several months of closure federal and state government considered to allow operations of the number forecast operators (NFO). Since then, the group observes strictly office's Standard Operating Procedures (SOP) and SOP issued by National Security Council at ticketing outlets. The Group expects a slower pace to recovery as the business environment was significantly impacted by economic closures and new social practices during the Covid-19 pandemic. The Group is optimistically confident that it will continue to remain resilient in the NFO business for the upcoming financial year 2022.

## Internal Audit Function

The Audit Committee evaluates the internal audit function to assess its effectiveness in the discharge of its responsibilities. Observations from these audits, especially on areas where material internal control deficiencies or lapses have been noted, are presented together with management's proposed action plans and implementation timelines, to the Audit Committee for its review. The internal audit function also follows up and reports to the Audit Committee on the status of implementation of the action plans by management. Further details of the activities of the Internal Audit function are set out in the Audit Committee Report included in this Annual Report.

## Internal Control Process

Other key features of the Group's internal control system include the following:

- Board / Board Committees

Board Committees (comprising Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee) have been established to carry out their duties and responsibilities delegated by the Board and are governed by the respective written terms of references.

The Audit Committee regularly reviews and scrutinises the audit reports prepared by the Internal Audit Department ("IA") and conducts annual assessment on the adequacy of the IA's scope of work and resources.

Risk Management Committee meeting is held half-yearly to review and evaluate the adequacy of risk management activities, as well as to recommend measures to be adopted to mitigate the business risk exposures.

The Board and the Audit Committee meet quarterly and have set a schedule of matters which is required to be brought to the attention of the Board and/or the Audit Committee for discussion to ensure full and effective supervision over appropriate controls. In addition, the Group Managing Director provides explanation to the Board on pertinent issues. The Board is kept updated on the Group's activities and its operations on a regular basis.



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

## Internal Control Process (cont'd.)

- Organisation Structure and Authorisation Procedure

An organisation structure with the defined lines of responsibility and appropriate reporting structure including proper approval and authorisation limits for approving the capital expenditure and expenses within the Group.

- Policy and Procedure

Internal policies and procedures are documented through a series of manuals for all major operations of the Group. The authorisation procedures for key processes are stated in the Group's policies and procedures.

- Annual Budget

Strategic planning and annual budgeting are undertaken for the key business units and consolidated at Group level. Senior management closely monitors the key performance indicators and financial and operating results against budget to identify and where appropriate, to address the significant variances.

- Human Resource Policy

Guidelines on human resource management are in place to ensure that the Group is able to operate in an effective and efficient manner. This involves employing and retaining adequate competent employees with necessary knowledge, skill and experience in carrying out their duties and responsibilities.

## Monitoring Process

Given the Group Managing Director and Executive Director are directly involved in daily operations of the Group, they will conduct regular reviews of operational and financial data.

The Audit Committee has full and direct access to the Head of IA and receives reports on all internal audits performed. The IA continues to independently and objectively monitor the compliance with regards to policies and procedures, and the effectiveness of the internal control system. Significant findings and recommendations for improvement are highlighted to the Audit Committee and management, with periodic follow-up of the implementation of action plans. The management is responsible for ensuring that corrective actions are implemented accordingly.

Based on the IA reports for the financial year ended 31 December 2021, some weaknesses in the internal controls were identified and measures have been or are being taken to address these weaknesses. None of these weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

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

## Conclusion

The risk management and internal control system of the Group comprising the respective frameworks, procedures, management processes, monitoring processes described in this statement are considered appropriate. While the Board acknowledges that the risk management and internal control system does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or other unforeseen circumstances that might result in poor judgment, an assurance was received from the Group Managing Director and the General Manager, Group Finance that the risk management and internal control system is operating adequately and effectively.

The Group continues to take measures to enhance and strengthen the risk management and internal controls environment.

## Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. The external auditors' limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control has been approved by the Board of Directors on 21 April 2022.

# AUDIT COMMITTEE REPORT

The Audit Committee of Olympia Industries Berhad ("Olympia" / "Company") was established on 20 June 1994 to assist the Board of Directors of Olympia ("Board") in discharging its duties pertaining to internal controls, financial and accounting records and policies as well as financial reporting practices of the Company and its subsidiaries ("Group"). The Terms of Reference of the Audit Committee are available on the Company's website at [www.oib.com.my](http://www.oib.com.my)

The Board is pleased to present the Audit Committee report for the financial year ended 31 December 2021.

## AUDIT COMMITTEE COMPOSITION AND ATTENDANCE OF MEETINGS

The Audit Committee currently consists of three (3) Independent Non-Executive Directors and among them, Miss Wong Siew Si and Encik Izaddeen bin Daud have fulfilled the qualification requirements under paragraph 15.09(1)(c)(iii) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

During the financial year, there were changes in the composition of the Audit Committee where Miss Wong Siew Si and Dato' Syed Sultan bin Mohd Idris were appointed as Chairperson and member of the Audit Committee respectively. Tan Sri Nik Hashim bin Nik Ab. Rahman has ceased to be the Chairman of the Audit Committee following his retirement as a Senior Independent Non-Executive Director of the Company at the last Annual General Meeting held in June 2021. The resignation of Y.A.M Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar as a member of the Audit Committee was in compliance with the Malaysian Code on Corporate Governance 2021.

Five (5) Audit Committee meetings were held during the financial year ended 31 December 2021 and the attendance of each Audit Committee member is tabulated below:

Composition of Audit Committee	Directorship	Meeting Attendance
Wong Siew Si (Chairperson) (appointed on 15 December 2021)	Independent Non-Executive Director	n/a*
Izaddeen bin Daud (Member)	Independent Non-Executive Director	5/5
Dato' Syed Sultan bin Mohd Idris (Member) (appointed on 15 December 2021)	Independent Non-Executive Director	n/a*
Y.A.M Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar (Member) (resigned on 15 December 2021)	Chairman, Independent Non-Executive Director	5/5
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman (Chairman) (retired on 23 June 2021)	Senior Independent Non-Executive Director	2/3

\* No Audit Committee meetings were held from 15 December 2021 to 31 December 2021

The Head of Finance and the Head of Internal Audit attend the Audit Committee meetings to brief on the financial results, internal audit reports and related matters as well as to provide further clarifications/explanations thereat. The external auditors also attended certain Audit Committee meetings to brief on audit process, audit findings and the annual audited financial statements.

The Audit Committee had two (2) sessions with the external auditors during the financial year without the presence of management to discuss certain key audit issues/ findings.

# AUDIT COMMITTEE REPORT (cont'd.)

## SUMMARY OF WORKS PERFORMED BY THE OF AUDIT COMMITTEE

During the financial year ended 31 December 2021, the Audit Committee had performed the following works in the discharge of its functions and duties:

### Financial Reporting

- Reviewed and recommended the quarterly financial results and annual audited financial statements of the Company and the Group to the Board for approval. The focus was particularly on the changes in or implementation of major accounting policy, significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed; and compliance with accounting standards and other legal requirements.

### External Audit

- Reviewed and deliberated with the external auditors on the results of the annual audited financial statements of the Company and the Group and the Auditors' report thereon;
- Discussed and reviewed the external auditors' annual audit plan including their services, independence, area of audit emphasis, audit timeline, terms of engagement for the statutory audit, proposed audit fees, and updates on the Financial Reporting Developments in Malaysia;
- Carried out an evaluation on the performance and independence of the external auditors prior to their re-appointment.

### Internal Audit

- Reviewed and approved the risk-based annual Internal Audit plan presented by the Head of Internal Audit;
- Reviewed internal audit reports which highlighted the audit findings, audit recommendations and management's response to the recommendations;
- Reviewed the Reports on the status of Internal Audit and Manpower Analysis;
- Monitored the corrective actions taken on the outstanding audit issues to ensure all key risks and control lapses have been addressed; and
- Assessed the performance of Internal Audit Function including that of the Head of Internal Audit and reviewed its effectiveness of the audit process and assessed the overall performance of the Internal Audit department.

### Related Party Transactions

- Reviewed related party transactions and recurrent related party transactions of the Company and the Group;

### Others

- All Audit Committee members had attended various training programmes during the financial year under review and the details of which are set in the Corporate Governance Overview Statement in this Annual Report.

# AUDIT COMMITTEE REPORT (cont'd.)

## INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the Internal Audit department in discharging its duties and responsibilities. The Internal Audit department reports directly to the Audit Committee and conducts independent assessments of the Group's internal controls, risk management and governance processes.

The objective, authority and responsibility of the Internal Audit department as well as the nature of consultancy activities provided by the function are set out in the Internal Audit Charter, endorsed by the Audit Committee and approved by the Board. The Internal Audit Charter ensures the appropriate structure, scope of activities, access and reporting arrangements are in place as well as an independent and objective assurance on internal controls and governance procedures within the Company and the Group.

The Internal Audit team functions independently of the activities it audits and carries out its work according to the standards set by professional bodies, primarily consistent with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The Internal Audit department adopts a risk-based auditing approach, focussing on risk areas and past audit findings of audit assignments. The prime objective of the internal audit function is to ensure a sound internal control system is in place and functioning adequately. This is achieved through regular and systematic reviews of internal control systems and management information systems to ensure the reliability and integrity of information in complying with applicable policies, plans, procedures and regulations.

The Audit Committee reviews and approves the annual audit plan and manpower requirements, prior to the commencement of audits, at the first Audit Committee meeting of the financial year. The audit approach is to focus on high risk business processes and to assess the effectiveness of internal controls thereof.

The Internal Audit scope of coverage for the financial year under review encompassed the audit of key processes and operations of all active subsidiaries as identified in the annual audit plan. Audit activities are aimed to ensure the risk management procedures are in adherence with and principal risks are identified by the management as well as appropriate controls are in place to manage these risks.

The Internal Audit will conduct periodical risk assessments for corruption to identify, assess and mitigate any corruption risks that the Group may expose to. A corruption risk assessment forms the basis of the Company's anti-corruption effort in protecting the Company from relevant threats arising from the weakness in the internal control system.

The Internal Audit department receives appropriate support, trainings and resources. This has benefited the audits and audit coverage and increased leverage through knowledge and best practices. All auditors have an audit background. The Internal Audit department incurred costs of RM238,488 during the financial year ended 31 December 2021 (2020: RM277,539).

## SUMMARY OF WORKS OF INTERNAL AUDIT

A summary of the work of the Internal Audit department carried out during the financial year under review encompasses the following:

- (i) Completed the audit assignments covering the Gaming, Investment Holding and Financial Services divisions.
- (ii) Played an active advisory role in the review and improvement of the existing system of internal controls of the Group initiating an effort to provide value added services.

# AUDIT COMMITTEE REPORT (cont'd.)

## SUMMARY OF WORKS OF INTERNAL AUDIT (cont'd.)

- (iii) Audits covered mainly on the review of the following:
- accuracy of financial reporting;
  - effectiveness and efficiency of operations;
  - adequacy of internal control systems;
  - compliance with internal policies, procedures, rules and regulation; and
  - effectiveness of risk management processes and implementation of controls by management to mitigate significant risks.

- (iv) Ad hoc consulting and reviews.

The Internal Audit department also reported on the audit findings, implementation of control plans to mitigate risks identified and recommended corrective actions as discussed with senior management. The relevant timeline is set for implementation of action plans which were agreed upon to ensure strict adherence and a sound internal control system is in place and functioning adequately. All the corresponding audit reports with action plans and implementation status were presented to the Audit Committee for its review.

- (v) Conducted a review on the adequacy of the policy in relation to the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and advised on the gaps that needed to be put in place.

This Audit Committee Report has been approved by the Board of Directors on 21 April 2022.



# ADDITIONAL COMPLIANCE INFORMATION

## a) Utilisation of Proceeds

The Company did not carry out any corporate exercise to raise funds during the financial year.

## b) Audit Fees and Non-Audit Fees

The audit fees and non-audit fees paid or payable to the external auditors for the financial year ended 31 December 2021 are as follows:

Type	Company (RM)	Group (RM)
Audit Fees	168,000	454,000
Non-Audit Fees	10,000	10,000

## c) Share Options Scheme (ESOS)

The Company does not have any ESOS.

## d) Material Contracts

Save as disclosed below, there were no material contracts entered into between the Company or Olympia and its subsidiaries involving the Directors and major shareholders' interests still subsisting at the end of the financial year ended 31 December 2021 :-

- (i) Consortium agreement dated 14 February 2003 entered into between Olympia Properties Sdn Bhd ("OPSB"), a wholly-owned subsidiary of the Company and KH Estates Sdn Bhd ("KHE"), a wholly-owned subsidiary of DutaLand Berhad ("DutaLand") for the proposed development of four (4) parcels and six (6) parcels of land measuring approximately 32.3 and 41.14 acres in Mukim Batu, District of Kuala Lumpur, State of Wilayah Persekutuan acquired by the Company and DutaLand respectively from Kenny Height Developments Sdn Bhd ("KHD").

The common interested Directors in both Olympia and DutaLand are Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat and the common interested major shareholders in the said companies are Tan Sri Dato' Yap Yong Seong, Dato' Sri Yap Wee Keat, Puan Sri Datin Leong Li Nar and Datuk Yap Wee Chun.

KHD is a major shareholder of both Olympia and DutaLand. Tan Sri Dato' Yap Yong Seong and Puan Sri Datin Leong Li Nar are major shareholders of KHD.

## ADDITIONAL COMPLIANCE INFORMATION

(cont'd.)

- e) **Recurrent Related Party Transactions of a Revenue or Trading Nature conducted pursuant to the Shareholders' Mandate approved at the 40<sup>th</sup> Annual General Meeting held on 23 June 2021.**

Related Parties involved with Olympia Industries Berhad and/or its subsidiaries	Nature of Transaction	Relationship	Aggregate Value for financial year ended 31 December 2021 (RM'000)
DutaLand Berhad ("DutaLand") and its subsidiaries ("DutaLand Group")	Letting of office premises inclusive of parking space at basement parking in Menara Olympia	Tan Sri Dato' Yap Yong Seong ("TSDYYS") and Dato' Sri Yap Wee Keat ("DSYWK") are directors and major shareholders of the Company and DutaLand	786
Sri Aman Development Sdn Bhd ("Sri Aman")	Letting of office premises inclusive of parking space at basement parking in Menara Olympia	TSDYYS has 75% indirect interest in Sri Aman	109

# SUSTAINABILITY STATEMENT

Olympia Industries Berhad ("Olympia" or "Company") recognises its responsibility to all stakeholders and is committed to reporting its environmental, social and governance ("ESG") performance regularly and transparently.

This statement provides our stakeholders with a balanced and fair view of the value we created across the ESG spectrum. It also steers us towards ingraining best practices in all operational aspects to ensure the sustainability of the business, our stakeholders and the environment. We aspire to do better and make meaningful progress in our industry.

This statement covers the ESG journey of Olympia and its subsidiaries for FY2021, which is from 1 January to 31 December 2021. This statement presents the sustainability performance for Olympia's two main revenue streams:

- 1) Gaming Division, a wholly-owned subsidiary company operated by Lotteries Corporation Sdn Bhd ("LCSB"), with 40 outlets at 13 districts in Sabah; and
- 2) Leasing Division, operated by a wholly-owned subsidiary, Dairy Maid Resort & Recreation Sdn Bhd ("DMRR"), covering office premises and car parks within Menara Olympia.

The business operations of the Property Development Division have been omitted from this statement as there is no significant development activity, and thus, its impact is minimal at this time.

The Global Reporting Initiative (GRI), an internationally recognised standard for sustainability reporting and the Bursa Malaysia's Sustainable Reporting Guide are the principal frameworks in developing this statement. Olympia has aligned the content of this statement with the principles and practices listed in the Malaysian Code on Corporate Governance ("MCCG"). Olympia has also considered other sustainability guidelines such as the:

- International Organization for Standardization (ISO) 26000:2010 Guidance on Social Responsibility; and
- United Nations Sustainable Development Goals (UNSDGs).

The principle of materiality helped prioritise the reporting topics. The Sustainability Working Group has reviewed this statement and presented it to the Board for approval to ensure the reliability of information disclosed.

Our transparency efforts are not limited to this statement. We have reported other material issues such as detailed Corporate Governance and data related to our internal operations and business activities in different sections of this Annual Report.

We will continue to identify areas for improvement in our sustainability reporting and performance. Olympia is fully committed to listening to stakeholders and welcomes feedback on its progress and performance. Please direct any enquiries or comments to [olympia@oib.com.my](mailto:olympia@oib.com.my).

# SUSTAINABILITY STATEMENT (cont'd.)

## SUSTAINABILITY IS A JOURNEY

Sustainability has been at the core of our businesses for many years, and we are constantly improving our approach.

Olympia's sustainability strategy commits us to high standards, often going beyond legal requirements, on the material sustainability issues to our business, our people, the communities that host us, and the customers that come to us. We aim to achieve consistent social and environmental performance across all operations. We have also made an effort to understand, engage and partner with our key stakeholders more effectively to create sustained, mutual value.

Our commitments, policies, management, goals, and initiatives drive sustainability against a strategic framework centred on our world, people and approach across several pillars.

### Our World

- **Environment:** We are focused on significantly reducing greenhouse gas emissions across our footprint in alignment with the Net Zero pledge. Taking a circular economy approach, we are charting a path toward zero waste to recycle and repurpose materials throughout the operations life cycle. We remain committed to responsible resource use through reduced consumption and resource-protective practices.
- **Community:** We are committed to improving the quality of life across the communities we serve. As a catalyst for positive change, we make strategic investments in supporting local communities, natural disaster relief, human rights, philanthropy programmes and more.

### Our People

- **Health and Safety:** We prioritise health and safety and invest in processes to make our outlets, offices and buildings as safe as possible. We promote a 'zero injuries' culture and regularly track, monitor and report our health and safety performance.
- **Inclusion and Diversity:** With people at the heart of our operations, we foster a culture of inclusion, belonging and mutual respect to enhance employees' experiences and opportunities.
- **Labour practices:** We treat our colleagues with utmost respect, dignity and care, promote human rights and hold ourselves to the highest standard.

### Our Approach

- **Customers:** We practise sustainable operations which prioritise our customers, reduces waste, improves efficiency and embed responsible management practices throughout our operations.
- **Suppliers:** We lead with integrity across the value chain and require our supply chain partners to have strong management systems.
- **Ethics:** We drive a responsible business through risk mitigation and accountability while maintaining a strong culture of integrity.
- **Governance:** We apply strong governance standards, policies and practices and continually enhancing oversight processes and procedures.

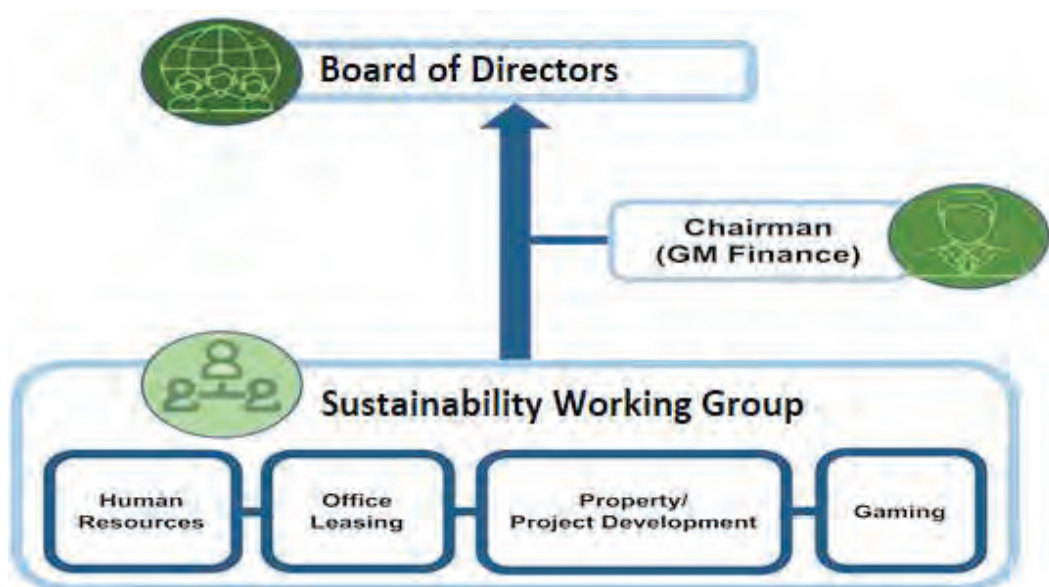
# SUSTAINABILITY STATEMENT (cont'd.)

## SUSTAINABILITY GOVERNANCE

The Board of Directors ("Board"), together with management, oversees Olympia's sustainability strategy and takes responsibility for sustainability governance, including setting its sustainability priorities and targets. Olympia includes sustainability in the Board agenda; the Board decides its sustainability position and direction. Led by the General Manager of Group Finance ("GM Finance"), the Sustainability Working Group comprises representatives from critical functions including Group Human Resources, Office Leasing, Project Development and Gaming.

All business and operational units collaborate to implement Olympia's multifaceted sustainability strategies and initiatives. The Board and Senior management personnel are the main drivers in their fields of expertise, individually and jointly responsible for the strategy and implementing their respective sustainability measures. The Sustainability Working Group guides the business to maintain consistency in:

- Implementing and managing sustainability strategies, goals, targets, reporting processes;
- Strengthening relations with internal and external stakeholders;
- Ensuring the overall accountability; and
- Overseeing the progress during the implementation of Board-approved initiatives and strategies.



As we forge ahead, we will ensure each unit implements the approved sustainability initiatives and are held accountable for meeting their respective targets.

# SUSTAINABILITY STATEMENT (cont'd.)

## ENGAGING STAKEHOLDERS

Ongoing and consistent engagement with our diverse stakeholders is crucial for creating a clear and positive mutual understanding and building effective long-term relationships. Stakeholders' views, priorities and expectations help us identify risks and opportunities, balance interests and make informed decisions. We also proactively communicate with our internal and external stakeholders on the Company's sustainability strategies, priorities, targets and performance, gaining valuable feedback on our initiatives.

Stakeholders are entities or individuals:

- Substantially related to our principal activities along our value chain;
- At locations where we operate; and
- Whose actions may significantly affect Olympia's ability to achieve its objectives.

We group stakeholders into ten main categories to ensure a systematic approach to our engagements. Each stakeholder is engaged through various means to help us identify possible emerging risks and opportunities for business operations. We provide details of our engagement channels, stakeholders' interests and our responses in the Stakeholder Engagement Table below.

A good reputation with all stakeholders is essential for building trusted and strong relationships.

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
Employees	• Fair remuneration	• A culture of respect, trust and mutual understanding fostered through open and positive relationships.	Performance appraisal	Annually
	• Career development and progression opportunities	• Learning and career development opportunities.	Training programmes	Ad-hoc training when needed or changes to regulatory frameworks, standards and laws.
	• Work-life balance	• Remuneration structures that provide fair rewards for contributions made.	Announcements of safety measures such as fire drills.	Ad-hoc safety announcements
	• Safe and conducive workplace	• Recognition for excellence in individual and team performance.	Round-the-clock building security team and CCTV systems.	24 hours daily
		• A safe, healthy and productive work environment.		



## SUSTAINABILITY STATEMENT (cont'd.)

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
<b>Senior management and Board of Directors</b>	<ul style="list-style-type: none"> <li>Stable and sustainable income distribution</li> <li>Solid financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Balanced and fair senior management and board composition.</li> <li>Guided by the principles set out in the Malaysian Code on Corporate Governance ("MCCG").</li> </ul>	EXCO & BOD meetings	The Board meets at least four times each year. The Board met five times in FY2021.
			Meetings of Board Committees	The number of meetings of the respective Board Committees convened in FY2021 was between one and five times.
			Internal department meetings	Ad-hoc
<b>Customers</b>	<ul style="list-style-type: none"> <li>Safety and security of premises</li> <li>Transparency</li> </ul>	<ul style="list-style-type: none"> <li>Prioritising interests of customers across operations.</li> </ul>	Round-the-clock building security team & CCTV systems as well as clean and brightly lit outlets, walkways and hallways, clear of obstructions.	24 hours daily
<b>Government and Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Keeping abreast with policy and regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with all relevant laws and regulations.</li> <li>Contributing to the advancement of the industry and nation.</li> </ul>	Direct dialogue to understand and address issues and changes to regulations and requirements.	Ad-hoc
			Policy briefings	As and when necessary
			Consultation sessions and conferences.	As and when necessary: Directors and senior management attended at least one briefing by Bursa Securities. Some individually attended events by regulatory or professional bodies.

## SUSTAINABILITY STATEMENT (cont'd.)

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
<b>Insurers</b>	<ul style="list-style-type: none"> <li>• Solid financial performance</li> <li>• Being updated on any changes to the circumstances of insured parties or assets</li> <li>• Timely payment of insurance premiums</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of transparent financial standing and outlook information.</li> <li>• A solid financial performance that guarantees the timely payment of insurance premiums.</li> </ul>	Annual report	Annually
			Renewal process	Upon insurance renewal
			Direct dialogue (claims, additions and exclusions)	Ad-hoc
<b>Creditors, contractors and suppliers</b>	<ul style="list-style-type: none"> <li>• Fair treatment</li> <li>• Transparent procurement processes</li> <li>• Prompt payment</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term, mutually beneficial relationships.</li> <li>• Impartial business decisions free from conflicts of interest.</li> <li>• Transfer of experience and knowledge for mutual benefit.</li> </ul>	Review meetings	Periodically
			Direct dialogue	Ad-hoc
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Stable and sustainable income distribution</li> <li>• Solid financial performance</li> <li>• Timely and transparent reporting</li> <li>• Prudent risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous effort to maintain long-term stability and growth in shareholder value and return on investment.</li> <li>• Build and preserve the value of our capabilities and relationships.</li> <li>• Responsible management of investment and business risks.</li> </ul>	Annual general meetings ("AGM")	Annually
			Extraordinary general meetings ("EGM") where applicable.	The frequency of EGMs varies depending on Olympia's corporate exercises. No EGMs were held in FY2021.

## SUSTAINABILITY STATEMENT (cont'd.)

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
<b>Communities and Public</b>	<ul style="list-style-type: none"> <li>• Creating a positive impact on the surrounding community</li> <li>• Responsible corporate citizen giving back to the community</li> </ul>	<ul style="list-style-type: none"> <li>• Support the long-term development of served communities.</li> <li>• Active engagement in community activities.</li> <li>• Contribution to the development of social, economic and environmental community needs where operations are based.</li> </ul>	CSR Programme	Once or twice a year
<b>Lenders and Financiers</b>	<ul style="list-style-type: none"> <li>• Solid financial performance</li> <li>• Compliance with loan covenants</li> <li>• Timely loan principal and interest repayments as agreed</li> </ul>	Sustainable financial position to maintain trust in the financial sector.	Annual report submission	Annually
			Periodic bank covenant review process.	Periodically
			Direct dialogue to address any concerns.	Ad-hoc

### MATERIALITY MATTERS








We review our materiality matrix annually to understand the social, economic and environmental issues that matter most to stakeholders and long-term business success. Conducting a materiality study defines and verifies key sustainability management and reporting topics. Each year, we improve our previous materiality approach and update our analysis to disclose more relevant stakeholders and impact factors to reflect the current situation. Our materiality analysis also includes ways in which our operations and value chain impact sustainable development. Senior management drives the strategic direction of material sustainability matters at Olympia.

The pandemic has been a wake-up call to address the need for more sustainable practice as businesses reflect on their purpose and impact measurement. While the existential threat of climate change has dominated the agenda in recent years, the pandemic has renewed its focus on social and governance issues. Topics previously considered immaterial have become material in a short period. Our reevaluated assessment highlights the relevance of dynamic materiality, which improves the fluidity of Olympia.

# SUSTAINABILITY STATEMENT (cont'd.)

FY2021, the updated materiality matrix is presented below with 11 prioritised issues. It forms the basis of agreed sustainability focus areas that address stakeholders' expectations in the current climate.

## Material Sustainability Topics

Material Topic	Description	Corresponding UNSDGs
<b>Economic</b>		
Economic performance	Delivering sustainable economic growth by implementing strategic initiatives that generate long-term value.	
Compliance & risk	Preventing anti-competitive and anti-corruption behaviour and complying with all other economic, environmental and social legislation.	 
Sustainable supply	Ensuring the sustainability of products, materials sustainability and supplier practices.	
Business sustainability	Ensuring smooth business operations throughout the Covid-19 pandemic.	
<b>Environment</b>		
Environmental resources management	Managing energy, water and other resources effectively and reducing them whenever possible.	   
<b>Social</b>		
Career advancement	Improving hiring, recruitment and retention through training and other career advancement programmes.	    

# SUSTAINABILITY STATEMENT (cont'd.)

## Diversity & inclusion

Promoting diversity and inclusion and eliminating all forms of discrimination in the workplace.



## Occupational safety and health

Keeping all workers safe and protecting their physical and mental well-being.



## Responsible operations

Conducting responsible operations through compliance and addressing stakeholders' needs.



## Public safety & health

Keeping all stakeholders safe and preventing all infectious diseases.



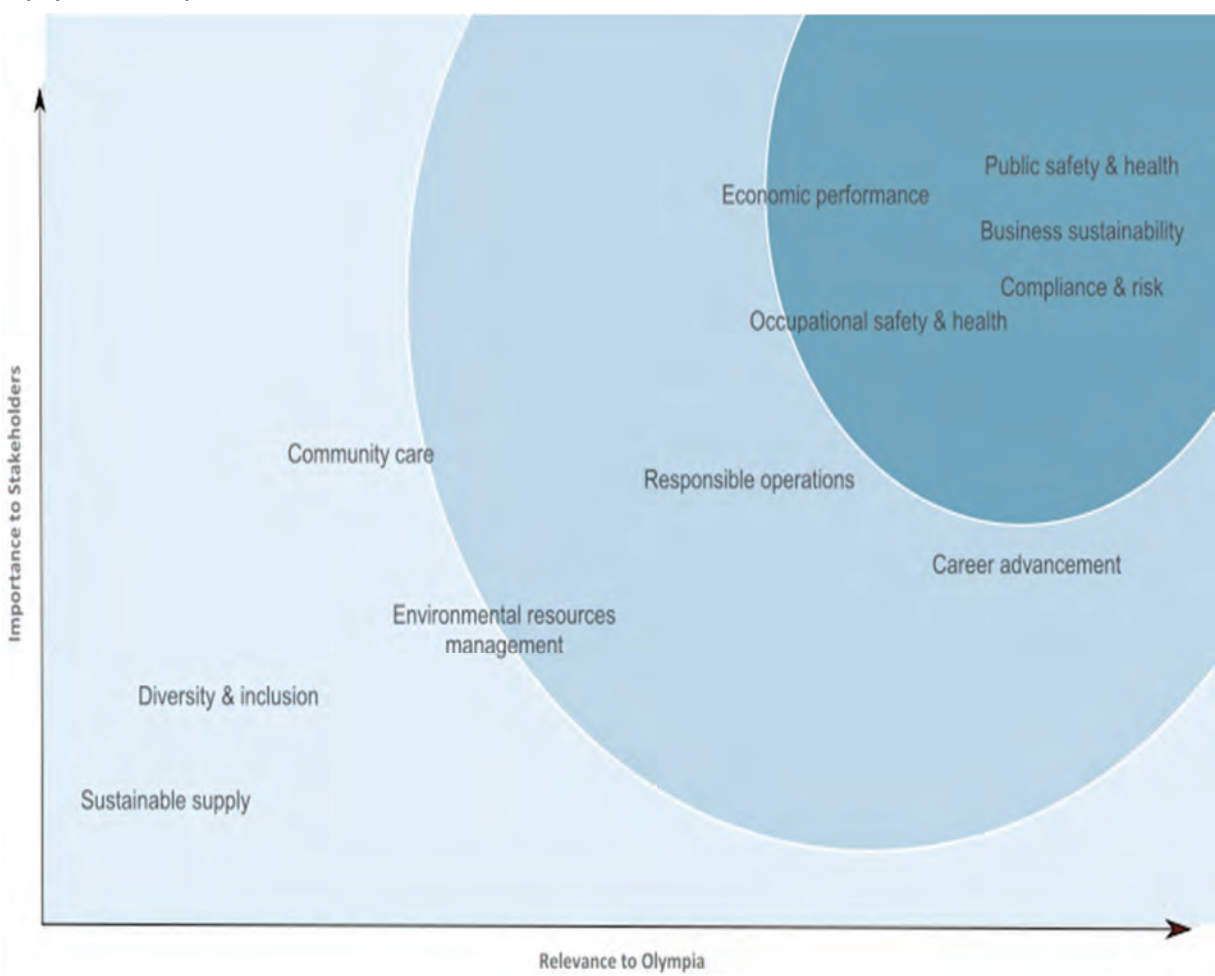
## Community care

Supporting all local communities that are economically, socially or environmentally impacted by operations.



# SUSTAINABILITY STATEMENT (cont'd.)

Olympia Materiality Matrix 2021



## OUR PRIORITY AREAS

A successful business stems from future-proofing economic, social, and environmentally sustainable operations by making continual improvements and taking responsibility for our operations. We set a high standard for our sustainability work, including five priority areas, long-term ambitions and bold commitments.

- Maintaining Integrity
- Creating Value by Adding Value
- Running a Compliant Business
- Contributing to Our Communities
- Operating Responsibly



# SUSTAINABILITY STATEMENT (cont'd.)

## ECONOMIC

Covid-19 has upended societies, disrupted businesses and left millions unemployed. It is a wake-up call to the magnitude of disruptions we could face if we remain idle to sustainability issues. We must rethink our Environmental, Social and Governance (ESG) commitments and how they affect our economic opportunities to emerge stronger from Covid-19.

Property and leasing are essential economic industries. The affordability of real estate, rental prices and changes in those prices directly impact the wealth of property owners and tenants and their consumer spending. Our gaming industry contributes to the nation's economic growth through tax contributions and providing local jobs. Recently, our contributions have declined due to various national lockdown restrictions.

### Impact on the Group's Business Operations

#### Leasing division

• Rental rebates and deferments have been given to office and retail unit tenants on a case-by-case basis to assist and retain tenants during this difficult time. Some tenants have voluntarily remained closed and have initiated work-from-home arrangements. Overall, despite the office premises closure during lockdown periods, the office leasing operations at Menara Olympia remained somewhat unaffected, with only the Covid-19 SOPs becoming the "new normal" for both tenants and visitors. The leasing segment losses were mainly due to the softer office leasing market and the continued trend of remote / hybrid working practices in these times, and Menara Olympia was no exception. Monthly occupancy and rental rates trended lower, ranging between 53.0% to 56.7% (2020: 62.7% to 64.7%) and between RM4.22 to RM4.38 per sq ft (2020: RM3.70 to RM4.40 per sq ft) respectively. New areas of growth can be expected in terms of our country's move towards the endemic phase with relaxed SOPs, the ramping up of digitalisation and moving towards a greener economy.

#### Gaming division

• The revenue of our gaming division has been impacted by the temporary closure of the gaming operations during stages of national lockdowns. During the year, the business was not in operation for 136 days (2020: 122 days) following the Government's SOPs on Covid-19 restriction. These closures resulted in 68 draws (2020: 57 draws) being lost, out of the scheduled 178 draws for the year. Moving forward, we are confident that business will recover especially with the launching of two new games this year - Lotto 6 and Lotto 5.

## RESPONSIBLE SUPPLY CHAIN

Olympia is committed to conducting all business operations sustainably by applying the highest ethical standards. Suppliers play an important role as enablers of our sustainable growth and overall success. The Group's Supplier Code of Ethics on Business Integrity guides our supply chain practices at our leasing and gaming businesses. Suppliers must explicitly acknowledge and adhere to the Code's principles and ensure compliance by all sub-contractors. Sustainability is incorporated into the supply chain by:

- Managing environmental, social and economic impacts; and
- Encouraging good governance practices throughout our operations.

# SUSTAINABILITY STATEMENT (cont'd.)

Our Leasing division only leases office premises to legitimate business owners registered with the Companies Commission of Malaysia ("SSM"). We engage with tenants regularly as their feedback is paramount.

Olympia is also committed to honouring the ten principles of the UN Global Compact in its supply chain, which:

- Prohibit all types of discrimination or the use of child or forced labour; and
- Require the upholding of freedom of association and the right to collective bargaining.

The UN Global Compact principles are referenced in various policies and procedures, covering relationships with external service providers under human rights, labour conditions, environmental impacts and anti-corruption.

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## SUPPORTING LOCAL

Local procurement creates value for local communities. Olympia places great emphasis on building the capacity of its suppliers and expects their respective vendors to do the same. We place a high priority on purchasing goods and services locally. We are committed to allowing local contractors and suppliers to participate in projects and operating requirements, generally through a competitive bidding process. We also seek opportunities for developing local suppliers and promoting local hiring to meet business needs.

Prioritising local procurement has been the general practice at Olympia unless goods and services are unavailable such as technical services and IT components. In 2021, the leasing and property development divisions spent 100% of their expenditure locally; our headquarters also spent 100% on local vendors.

The Gaming division channelled only less than 1% of its expenditure to foreign suppliers. We directed this money to a gaming developer in Australia responsible for maintaining the gaming system. This developer also examines all software-related modifications, enhancements and other value-added solutions. We actively develop diverse and small local businesses through our supplier diversity initiative.

# SUSTAINABILITY STATEMENT (cont'd.)

## ENVIRONMENTAL

Climate change, resource scarcity and the improper management of waste and effluents are pressing global environmental issues that can pose regulatory, physical and reputational risks to any company's operations.

The following principles guide Olympia's approach to environmental activities:

- Setting and regularly assessing goals for improving environmental performance;
- Following operating guidelines that protect the environment, health and safety;
- Complying with current regulations and applicable authorisation requirements at all levels;
- Applying principles for ongoing improvement of pollution prevention; and
- Reducing the environmental impact of our operations in an economically effective way.

## ENERGY MANAGEMENT

Increasingly, businesses and communities are facing risks and opportunities from climate change. Olympia optimises its energy performance and reduces carbon emissions through various energy-saving measures. Olympia improves these procedures and practices and reviews the effectiveness of these initiatives. The Board takes appropriate steps to ensure that they stay abreast on all material sustainability risks including climate-related risks.

Buildings, particularly older structures, are significant energy consumers. Olympia takes a holistic approach to maximise cost savings, minimise energy consumption and improve the environmental sustainability of its property portfolio by:

- Assessing the maturity of the building's management systems and processes; and
- Combining detailed quantitative analysis with insights from interviews with tenants and users to, directly and indirectly, influence property use and the associated energy and emissions.

Energy efficiency activities include lighting upgrades, enhancing compressed air systems at our leasing properties and gaming outlets, optimising heating, ventilation and cooking systems, investments in more efficient equipment and behavioural change programmes.

Total energy consumption in 2021 was 4,106.9 MWh, which is 11.9% less than 4,657.9 MWh in the previous year. This data includes our gaming operations.

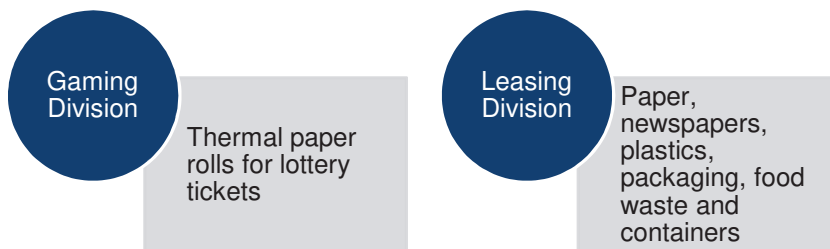
However, Olympia's electricity consumption reduction is not necessarily due to efficiency gains. Various movement control orders, restrictions enforced throughout the year and other factors contributed to this significant reduction in energy usage. Future upticks in energy usage are to be expected in the coming year as the country continues to ease health restrictions in its move towards the endemic phase, and more workers return to their respective offices in greater numbers.

# SUSTAINABILITY STATEMENT (cont'd.)

## WASTE MANAGEMENT

Olympia engages with its tenants to segregate all their recyclables, going beyond regulatory in cultivating a recycling culture in our operations.

### Types of Waste Generated by Our Gaming and Leasing Divisions



Olympia remains steadfast in managing its waste efficiently and seeks to reduce, reuse, and recycle it whenever feasible. Tenants generate the bulk of rubbish at our leasing operations. However, throughout its waste management, Olympia promotes the 3R (Reduce, Reuse and Recycle). Waste disposal, including e-waste, is outsourced to a licensed third-party contractor. Lighting systems, which are still in good condition, are donated to charitable organisations.

Our Gaming division faces challenges posed by using thermal paper as lottery tickets. Thermal paper printing uses heat instead of ink, similar to many receipts, printing lottery tickets almost instantly. However, recycling this type of paper with regular paper is not currently possible. Thermal paper consumption in 2021 has dropped by approximately 21.3% to 58,208 m<sup>2</sup> (2020: 73,948 m<sup>2</sup>) due to operations closure during the second and third Movement Control Orders.

We will continue to seek solutions that are economical and environmentally friendly.

## WATER MANAGEMENT

We expect water demand to increase globally, driven by rising populations and economic development. Rain patterns are also changing due to extreme weather events. The stability of water suppliers will likely become a more pressing social concern each year.

Olympia carefully manages its water use and discharges, designing properties, buildings, outlets and offices to minimise freshwater use. Water-efficient fixtures include dual-flush toilets, low-flow showerheads, low-flush urinals, flushless urinals, low-flow faucets and flow restrictors. The total water consumed in 2021 was 45,419 m<sup>3</sup> (2020: 57,167 m<sup>3</sup>), a decrease of 20.6%.

# SUSTAINABILITY STATEMENT (cont'd.)

## MINIMISING ENVIRONMENTAL IMPACT, EDUCATION AND COMPLIANCE

Building efficiency is vital as improving the performance of a complex system provides occupants with a comfortable and safe work environment. Developing an eco-conscious organisation begins at the ground level with our workforce. Employees must believe in our vision and practise environmentally-friendly habits to make our sustainability mission meaningful. Examples of cost-effective measures taken to reduce our environmental footprint and impact include:

- Practising recycling;
- Conserving energy within the office by turning off lights and electronic equipment that are not in use;
- Promoting a paperless office through digital and cloud computing solutions;
- Supporting green vendors by opting to do business with green-friendly companies; and
- Encouraging sustainable transportation such as walking and carpooling.

The natural environment and climate change are interlinked topics that have gained significant momentum over the past decade. Particularly in the wake of Covid-19, we have seen evidence of our impact on the natural world and how a change in our actions can positively affect the environment. For example, air pollution levels dropped significantly in major cities during lockdown periods. Lockdowns are not an appropriate way to manage environmental impacts, but if ever there was a wake-up call to change our actions, perhaps this is it. Workplace awareness programmes are one way to achieve this. We continue to roll out various environmental education throughout operations through email blasts, posters, training and other engagement methods.

Olympia fully complies with all environmental legislation and has not received any fines or penalties for environmental non-compliance.

# SUSTAINABILITY STATEMENT (cont'd.)

## FOSTERING A SUSTAINABLE WORKPLACE

Olympia's success begins with its people, whether employees or members of the local communities where operations are based. Employees are the Company's greatest asset. Olympia is committed to providing them with a healthy workplace that supports their physical and mental well-being.

## AN INCLUSIVE CULTURE

Olympia recognises the benefits of creating an inclusive environment by increasing workplace diversity.

Diversity and inclusion are essential as these issues are of concern to employees. Everyone wants to feel that work is a place where they can thrive.

Olympia is committed to building a culture that is entirely inclusive of different people, approaches and ideas by balancing gender, culture and working patterns. Delivering the best outcomes for stakeholders requires careful and different thinking, and our diverse workforce fully supports this vision.

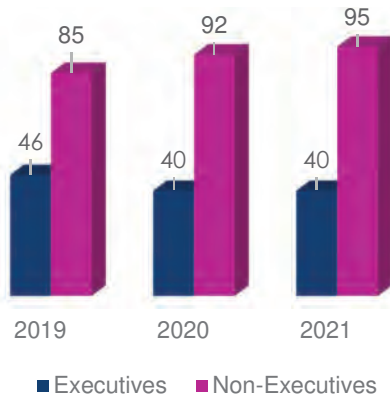
We also develop local teams to transform into a leading force for local business development. All employees are Malaysian (100%), as hiring local employees boosts local employment and economic growth.

All employees enjoy equal opportunities to work, learn and develop, regardless of their gender, race, ethnicity or religious beliefs. Olympia prohibits discrimination based on gender, race, ethnicity, religion, or disability as an equal opportunity employer. Business success depends on our ability to attract a diverse pool of talented and engaged employees with the experience and passion for achieving business goals.

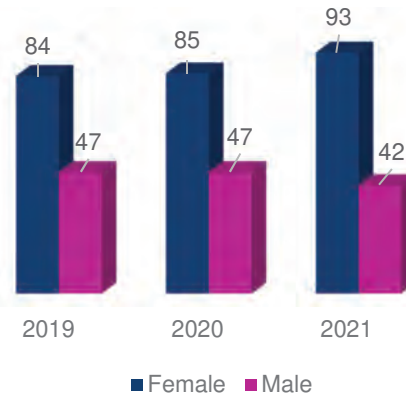


## SUSTAINABILITY STATEMENT (cont'd.)

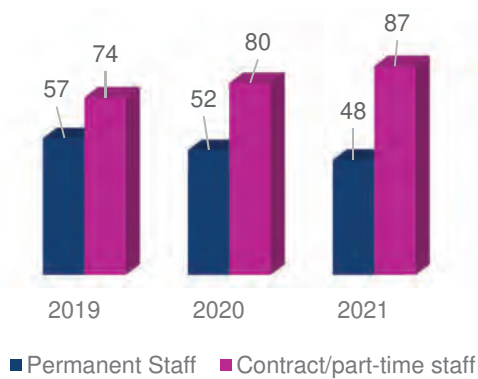
**Workforce Breakdown by Type**



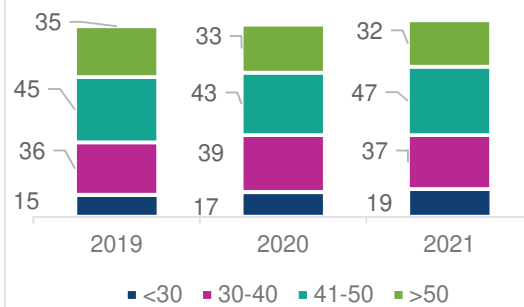
**Workforce Breakdown by Gender**



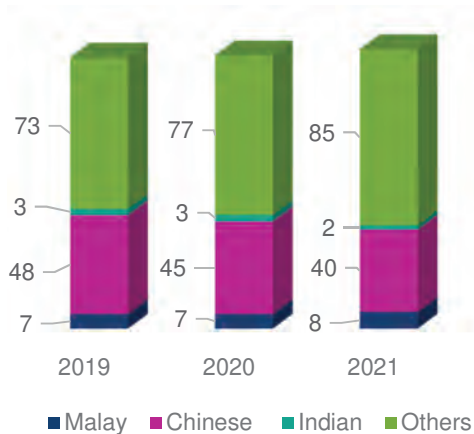
**Workforce Breakdown by Contract**



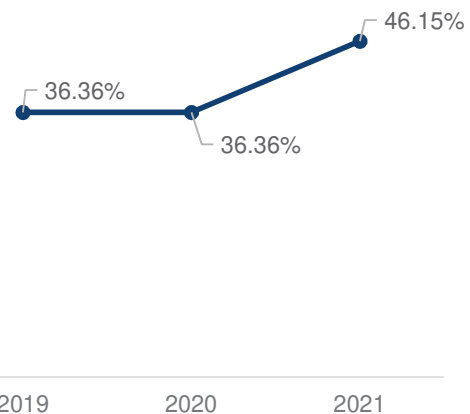
**Workforce Breakdown by Age Group**



**Workforce Breakdown by Ethnicity**



**Female Representation in Management (%)**



# SUSTAINABILITY STATEMENT (cont'd.)



## CAREER OPPORTUNITIES

Developing employees' capabilities enable them to deliver Olympia's business strategy and improve performance. Employees' professional development enhances their passion and potential to perform optimally, both for themselves and the business.

Many training programmes were still delivered online in 2021 due to the pandemic. Our online platform trains employees anytime, anywhere. It keeps them abreast with the latest practical skills required for their work and professional development. Employees receive a training subsidy to encourage and support those wishing to boost their professional knowledge and skills. Olympia also invites professionals regularly to share the latest industry insights and developments.

### Training Performance at A Glance

Training	Unit	2019	2020	2021
<i>Average training hours per year per employee</i>	Hours	3.69	3.95	3.26
<i>Total investment in training</i>	RM	5,870	3,797	1,250

### Training Hours by Division

Training	2019	2020	2021
<b>Non-executive</b>	0	0	0
<b>Executive</b>	2.5	14	15.5
<b>Management</b>	74	84.5	54
<b>Senior Management</b>	38	48	38

# SUSTAINABILITY STATEMENT (cont'd.)

## EMPLOYEE ENGAGEMENT AND SATISFACTION

The last two years have brought unprecedented, fundamental and long-term changes to the workplace and workforce. Remote working has affected workers' motivation and well-being. Olympia must adapt to these challenges to remain resilient and retain talent. Our long-standing commitment to employee engagement and satisfaction stands strong.

The pandemic forced new ways of working that were daunting to many. Olympia engaged with its employees by providing timely updates on work processes. The management also ensured that employees stayed connected despite social restrictions. Regular online activities and 'catch up' sessions ensured that employees remained as connected and motivated as possible. Olympia trains managers and supervisors to support employees as they deal with these personal challenges through stress management programmes, counselling and flexible working arrangements.

## MAINTAINING WORKPLACE SAFETY AND HEALTH

Olympia recognises the importance of protecting the health and safety of all stakeholders. We take effective and practical steps to minimise the adverse impact on health and safety from business activities. We abide by the Occupational Safety and Health Ordinance and other relevant legislation in our buildings and outlets.

Olympia's Health and Safety Policy documents our expectations and formalises our commitment to a safe and healthy workplace. Strict incident-reporting protocols require that we escalate incidents to the relevant departments, which take timely corrective action to prevent recurrences.

During the past two years, operations slowed down due to the pandemic restrictions. Olympia conducted asset investment initiatives and performed maintenance works to improve the overall quality of its properties, such as refurbishment, upgrading works and compliance checks. Stringent safety and quality controls ensure all certification and licenses, such as the Certificate for Occupation, DBKL Building Inspection Certification, Certificate from BOMBA, Genset licenses, escalators and lifts, are up to date.

We are also responsible for providing a productive environment for tenants, customers, visitors and contractors. Contractors working at any of our properties, offices and outlets are responsible for the safety of their workers. Building occupants and the public must not be exposed to any health, safety and security risks when performing any work. Every Permit to Work (PTW) stipulates that the contractor must comply with all relevant laws and regulations, including the Occupational Safety and Health Act 1994, Factories and Machinery Act 1967 and other related government agency regulations.

Managing health and safety risks is critical for nurturing a positive safety culture. Adequate training and resources ensure that managers and individuals are accountable for their actions or inaction. Ongoing monitoring and improvement activities help improve the Group's safety performance.

# SUSTAINABILITY STATEMENT (cont'd.)

## OUR SAFETY PERFORMANCE

Safety Indicator	2019	2020	2021
Fatality Cases	0	0	0
Lost Workday Cases ("LWC")	0	0	0
First Aid Cases	3	0	0
Dangerous Occurrence Cases	0	0	0
Fire Cases	0	0	0
Property Damage Cases	3	0	0

## COVID-19 CONTROL AND PREVENTION

Unprecedented events, such as Covid-19, reinforce the importance of effective board governance and oversight. The management team held meetings from the onset to assess the impact of the pandemic on the business and review action plans for the overall interest of stakeholders.

We considered a broad range of issues when assessing various scenarios' current and future business impacts. This exercise helped us formulate appropriate crisis-response and backup plans and understand their adequacy.

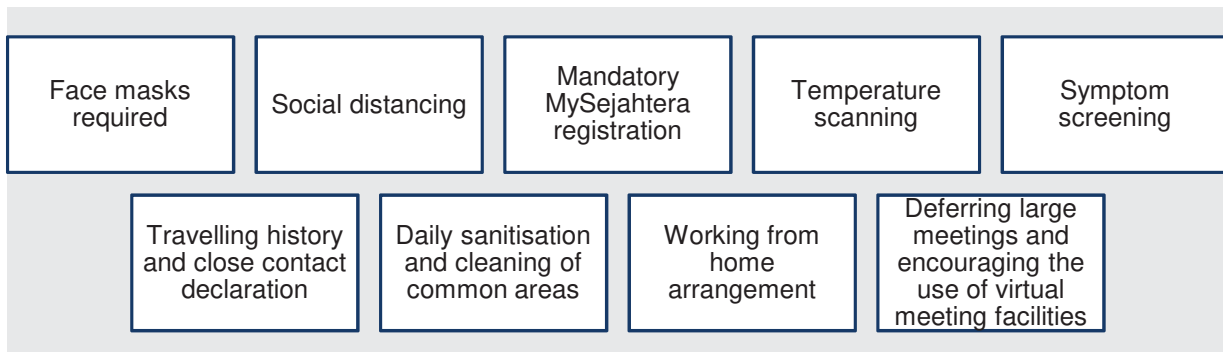
### General Engagement During COVID-19

Communicating safe distancing messages	Providing up-to-date information on Covid-19 across our outlets and properties	Engaging with tenants and customers regularly to understand their concerns and provide relevant support
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We have implemented standard operating procedures (SOPs), in line with government recommendations, to manage the impacts of the Covid-19 pandemic. We purchased hand sanitiser, infrared thermometers, face masks and sanitising cleaners for our properties and outlets. We will continue to comply fully with any future SOP directives and amendments as and when the relevant authorities announce them as the country transitions into various stages of economic recovery.

# SUSTAINABILITY STATEMENT (cont'd.)

## Examples of Implemented SOPs



## A CARING SOCIETY

Olympia strives to enrich and strengthen local communities through various programmes, sponsorships and donations. Engaging in a broad spectrum of community involvement and employee engagement initiatives provide opportunities for people in varying socio-economic environments.

Charitable giving and community engagement are core to Olympia's culture. Through our subsidiary, Lotteries Corporation Sdn Bhd, we made several monetary and in-kind donations to homes for children, the disabled and community care centres. We provided humanitarian aid for floods, natural disasters and other humanitarian crises.

## OPERATING RESPONSIBLY

The global Covid-19 pandemic added complexity when the world is faced with several complex challenges ranging from addressing ongoing climate crises to social issues. The sheer scale of its impacts, including dramatic loss of life and economic uncertainty, has been unprecedented.

During the year, our sustainability priority was supporting stakeholders, including customers, suppliers, tenants and players, throughout the Covid-19 crisis, guaranteeing health and safety and maintaining business continuity across our business and investments.

Our investment teams worked intensively to provide support and direction in navigating the evolving pandemic, ensuring their business continuity plans adequately protected employees from the virus. However, despite shifting some of our immediate priorities, we remained steadfast in our commitment to responsible investment and sustainability. A key pillar of our purpose as a Company is to create a lasting, positive impact.

Olympia invests in different sectors and operates in various lines of business as an investment holding company. Active investment strategies and diversification have helped optimise our share value.

# SUSTAINABILITY STATEMENT (cont'd.)

## Four Main Operating Sectors

Property development	•Development of residential and commercial properties
Gaming	•Organising, managing and sales of numbers forecast pools and public lotteries
Leasing	•Office space leasing
Investment holding and others	•Investment holding and other business units include trading, retailing, food and beverage business

Our business strategy adapts to changing market conditions and responds rapidly to market trends. Our focus extends beyond operational and financial profitability to generate permanent value for all stakeholders. We benefit from effective risk and market analysis mechanisms and use the competitive first-move advantage to assess the future growth potential of the industries in which we operate. Olympia has introduced several quality management systems to realise the benefit of utilising multiple systems in a more simple and effective manner.

## COMING BACK STRONGER

The pandemic has made us more robust. The journey reshaped and reimagined our business model to concentrate on four strategic areas: recovering revenue, rebuilding operations, rethinking the business and accelerating the adoption of digital solutions.

All divisions have sufficient working capital and will continue to:

- Fulfil our financial obligations;
- Meet our operating expenditure; and
- Sustain business operations in the foreseeable future.

Dramatic shifts in industry structure, customer expectations and demand patterns have created a need for equally dramatic changes in operational strategies to create competitive advantage and new customer value propositions. We reinvented operations' role, including customer-experience innovation, customised services, more interconnected and improved sustainability. Suggestion boxes are placed at every outlet as we rely heavily on our customers' voices.

Our sales and marketing team are increasingly willing to embrace agile methods, driven by urgency. We introduced a new operating model built around our customers, supported by the right processes and governance. Minimising the business impact of the pandemic on our tenants and customers, we continued to offer tenant retention support via rental rebates and deferment for affected tenants.

It is already a cliché: the Covid-19 crisis has accelerated the shift to digital. We enhanced and expanded our digital channels during this period to make better and faster decisions and be more connected to customers.



# SUSTAINABILITY STATEMENT (cont'd.)

Our recovery strategies included cost-cutting measures, freezing planned capital expenditures and evaluations, and formulating plans to reduce borrowings.

## ADAPTING TO CUSTOMERS' EXPECTATIONS

A customer's interaction with a company can trigger an immediate and lingering effect on their sense of trust and loyalty. People need extra information and support to guide their investment and purchasing decisions. Digital marketing is critical for the leasing and gaming industries; these industries should recover in the next financial year due to technological advancement and the increasing use of digital platforms. The rapid migration to digital technologies will continue throughout the recovery. We will accelerate our digital capabilities to keep abreast with these changes.

## BUILDING RELIABLE CYBERSECURITY SOLUTIONS

Within the lottery and gaming industry, we are exploring ways to connect the physical retail and digital experience for customers, keeping customers engaged and, at times, rewarding along the way.

Combating, preventing and reducing the impact of cybercrime and online fraud is paramount. Given the severe consequences of a security breach, building infrastructure on reliable and proven cryptographic cybersecurity solutions is critical for our lottery and gaming business.

Proven IT mechanisms and security measures significantly reduce the likelihood of hacking or information manipulation. Olympia has also implemented several security mechanisms and controls to randomly allocate winnings to tickets and prevent any 'localisation' of winning tickets. There were no complaints concerning the security and reliability of games during this reporting period.

## RESPONSIBLE GAMING


Strong integrity, close attention to customer needs and a proactive approach to providing best-in-class customer service year after year has made Olympia the trusted gaming operator. Working in highly regulated markets, Olympia is fully aware of the risks and the responsibilities associated with the gaming industry.

Despite the industry's inherent complexities, as part of its corporate commitment, Olympia works relentlessly to ensure that procedures are embedded throughout all business segments to protect people and processes. Olympia's responsibility is not limited to compliance protocols. We place the highest importance on establishing and nurturing trust within the business and among our customers and players.

All stakeholders in the gaming industry must take a proactive approach to problem and underage gambling. Olympia has steadily increased its efforts to prevent gambling behaviour that may adversely affect a player. Olympia raises customers' awareness of responsible gaming, keeping players well-informed and protecting vulnerable groups. Olympia is also responsible for designing, developing, implementing and monitoring responsible gaming activities for customers.

# SUSTAINABILITY STATEMENT (cont'd.)

Olympia educates players, their relatives and broader society about the rationale of participating in games of chance and the adverse consequences of irresponsible gaming. Olympia complies with all legal labelling requirements.

- All games include: 

Clear labelling that indicates the age restrictions of customers; Information on the applicable regulatory authority; Informational material and guides; and Clear and visible information on game odds.

## FIGHT AGAINST ILLEGAL BETTING AND SPORTS

Gambling Regulations in Malaysia	Licensed Number Forecast Operators (NFO)
<ul style="list-style-type: none"><li>•The Lotteries Act 1952</li><li>•The Common Gaming Houses Act 1953</li><li>•The Betting Act 1953</li><li>•The Pool Betting Act 1967</li></ul>	<ul style="list-style-type: none"><li>•Magnum (Peninsular Malaysia)</li><li>•Sports Toto (Malaysia)</li><li>•Damacai (Peninsular Malaysia)</li><li>•Cashsweep (East Malaysia)</li><li>•Sabah88 (East Malaysia)</li><li>•Sandakan4D (East Malaysia)</li></ul>

The activities of illegal 4D operations have grown more extensive and sophisticated over the last decade, eating up market share by the day. These criminal 4D syndicates offer higher cash prizes than legitimate licensed Number Forecast Operators (NFO), extended credit and allow online buying via WhatsApp on draw days. Revenue from illegal 4D operations can be 1.5 to two times larger than the legitimate NFOs' business, losing the government up to RM3 billion annually.

Olympia works with regulators to combat illegal gaming and actively participates in industry discussions that address illegal gaming issues. The Ministry of Finance ("MoF") hosts these discussions with NGOs, from the Attorney General representatives, Malaysian Police Force and other relevant government bodies once or twice yearly. In November 2021, we welcomed the Enforcement Unit of the Gaming Division of the Federal Ministry of Finance. We discussed current trends in illegal betting on sports and other gambling and the most viable strategy to curb it.

## ENSURING SATISFACTION

Customers are the main stakeholders that can affect our value proposition. We must build solid and trusting relationships with them, consider their needs, and serve them effectively in terms of our offer, quality and reliability of our services, approach to the environment, health and safety, and social responsibility.

Quality and continuous dialogue are critical enablers of Olympia's customer satisfaction.

# SUSTAINABILITY STATEMENT (cont'd.)

## Driving satisfaction through quality

- Olympia aspires to be tenants' and customers' most valued and trusted partner through excellent quality, reliability and responsiveness. We aim to achieve this through customer focus, results-driven improvement programmes and A sustainable culture of quality excellence.

## Maintaining a continuous customer dialogue

- Olympia maintains a continuous, wide-ranging dialogue with customers and tenants at all levels. We provide many support channels that disseminate information about our leasing or answer questions about our gaming operations.

Delivering high-quality customer service to tenants adds significant value to Olympia's real estate portfolios. Our leasing division manages the entire property rental process, from tenant screening and lease creation to maintenance and rental collections. Engaging regularly with tenants improves their experience and helps us understand their needs more clearly. Strong tenant relationships and detailed tenant service programmes that contain coordinated communications, scheduled maintenance and service activities improve service delivery and satisfaction. Olympia also monitors its tenant relationships and seeks ways to enhance its value.

Frontline gaming staff also play a crucial role as the face of the brand representing corporate values. As they are the first port of call for our customers, we ensure that these frontline workers are engaged and enthusiastic at work.

## ADDRESSING THE CHALLENGE OF PRIVACY AND SECURITY IN A MODERN WORLD

In this heavily-loaded information era, people deal with a large amount of information in their daily lives. Protecting personal information requires understanding potential financial, regulatory and reputational risks while gaining deep knowledge of technologies used and the types of processed data. A robust data and technology governance model that follows the principles of security and privacy by design is one of the top priorities, especially in our gaming operations.

# SUSTAINABILITY STATEMENT (cont'd.)

## Transparency

We will always tell you what data we are collecting about you and how we use it.

## Security

We are committed to following industry best practices to ensure your data is stored safely and securely. We protect the confidentiality, accuracy and availability of the information we collect about you.

## Control

We will always give you control over the marketing you receive from us. You can choose the type of messages you receive and whether you want to stop receiving marketing communications.

Our Gaming Division does not retain winners' personal information unless they claim them by cheque. However, Bank Negara Malaysia regulations require us to report big, repeated or recurring wins. Lottery winners' information is kept confidential at the company's headquarters.

## RESHAPING THE POST-PANDEMIC FUTURE

Olympia is implementing long-term sustainability strategies to capture opportunities and shape our post-pandemic futures to thrive in a post-Covid-19 environment. We are looking for a 'new normal' on leasing and gaming operations. We will continue collaborating with our stakeholders to understand their increased expectations during the transition. Embedding sustainability into a long-term recovery and growth plan is becoming crucial.

As we enter the "endemic" stage of Covid-19, there is optimism for all industries amid recognition that the world is on the path towards long-term sustainable recovery. Hopefully, governments will become more adept at containing the virus and controlling its effects once better treatments are discovered for the symptoms. We foresee a new normal where pre-pandemic activities will be allowed to resume throughout 2022, albeit with restrictions and temporary measures during outbreaks.

This Sustainability Statement has been approved by the Board of Directors on 21 April 2022.

# DIRECTORS' RESPONSIBILITY STATEMENT

## For preparing Annual Audited Financial Statements

The Directors are required under the Companies Act, 2016 ("Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company and the Group and of their financial performance and cash flows for the financial year then ended. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards and the provisions of the Act in Malaysia.

The Directors consider that, in preparing the financial statements for the year ended 31 December 2021, the Group and the Company have used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also ensure that all applicable approved accounting standards have been followed.

The Directors are responsible and have ensured that proper accounting records are kept under the Act, that disclose with reasonable accuracy, the financial positions and results of the Company and the Group. The Directors are also responsible for taking necessary and reasonable steps to safeguard the assets of the Company and the Group as well as to prevent and detect fraud and other irregularities.

# Directors' Report and Audited Financial Statements

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# DIRECTORS' REPORT

## Directors' report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

## Principal activities

The principal activities of the Company are investment holding and the provision of management services to the subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 38 to the financial statements.

## Results

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss for the year	(11,185)	2,260
Attributable to:		
- equity holders of the Company	(11,182)	2,260
- non-controlling interests	(3)	-
	(11,185)	2,260

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

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

## Dividend

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

## Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar  
Tan Sri Dato' Yap Yong Seong \*  
Dato' Sri Yap Wee Keat \*  
Ng Ju Siong \*  
Izaddeen bin Daud  
Dato' Syed Sultan bin Mohd Idris (appointed on 15 December 2021)  
Wong Siew Si (appointed on 15 December 2021)  
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman (retired on 23 June 2021)

\* These directors are also the directors of the Company's subsidiaries.

# DIRECTORS' REPORT (cont'd.)

## Directors (cont'd.)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (excluding those directors listed above) are:

Datuk Yap Wee Chun  
Yap Wee Sean  
Lee Chee Kai  
Cho Kah Hing  
Yap Cheng Moot  
Ainuddin bin Tun Abdul Hamid

## Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the directors have substantial financial interest.

	<b>Group RM'000</b>	<b>Company RM'000</b>
Salaries and other emoluments	2,382	699
Fees	129	129
Defined contribution plan	165	52
Benefits-in-kind	83	68
	<b>2,759</b>	<b>948</b>

No indemnity was given to or insurance premium paid for any directors of the Company during or since the end of the financial year.

# DIRECTORS' REPORT (cont'd.)

## Directors' interests

The interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1.1.2021	Acquired	Disposed	31.12.2021
<b>The Company</b>				
<b>Direct interest:</b>				
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	20,000	-	-	20,000
Tan Sri Dato' Yap Yong Seong	55,668	-	-	55,668
Dato' Sri Yap Wee Keat	44,500	-	-	44,500
<b>Indirect interest:</b>				
Tan Sri Dato' Yap Yong Seong *	335,947,183	1,581,900	-	337,529,083
Dato' Sri Yap Wee Keat *	335,947,183	1,581,900	-	337,529,083
<b>Subsidiaries of the Company</b>				
<b>Olympia Leisure Sdn. Bhd.</b>				
<b>Direct interest:</b>				
Dato' Sri Yap Wee Keat	60,000	-	-	60,000
<b>JetFM Sdn. Bhd.</b>				
<b>Indirect interest:</b>				
Dato' Sri Yap Wee Keat **	188,784	-	-	188,784

\* Deemed interest held through Kenny Height Developments Sdn. Bhd. and Duta Equities Sdn. Bhd.

\*\* Deemed interest held through Ample Paramount Sdn. Bhd.

Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat by virtue of their interests in the Company are also deemed to have interests in all of the subsidiaries to the extent the Company has an interest.

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

## Significant event

Details of the significant event is disclosed in Note 39 to the financial statements.

# DIRECTORS' REPORT (cont'd.)

## Other statutory information

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values 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.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors, save as disclosed in Note 2.1 to the financial statements:
  - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

# DIRECTORS' REPORT (cont'd.)

## Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Details of auditors' remuneration are disclosed in Note 9 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 April 2022.

**Ng Ju Siong**

**Tan Sri Dato' Yap Yong Seong**

# STATEMENT BY DIRECTORS

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

We, Ng Ju Siong and Tan Sri Dato' Yap Yong Seong, being two of the directors of Olympia Industries Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 75 to 144 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 April 2022.

**Ng Ju Siong**

**Tan Sri Dato' Yap Yong Seong**

# STATUTORY DECLARATION

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

I, Lee Chee Kai, being the officer primarily responsible for the financial management of Olympia Industries Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 75 to 144 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 Lee Chee Kai  
at Kuala Lumpur in Federal Territory  
on 25 April 2022

**Lee Chee Kai**  
MIA CA 3429

Before me,

Amir bin Ismail  
No. W800  
Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT

to the members of Olympia Industries Berhad  
(Incorporated in Malaysia)

## Report on the audit of the financial statements

### **Opinion**

We have audited the financial statements of Olympia Industries Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 75 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### **Basis for opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. 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 audit opinion.

### **Material uncertainty related to going concern**

We draw attention to Note 2.1 to the financial statements, which discloses the following:

- As at 31 December 2021, the Group has net assets of RM365,292,000 and net current assets of RM14,194,000. However, the Group incurred a loss after tax of RM11,185,000 and negative net operating cash flows of RM7,703,000 for the financial year ended 31 December 2021. The operations, results and financial position of the Group are also expected to be adversely impacted by the effects of the Covid-19 pandemic, as disclosed in Note 39.
- The Group has a secured term loan of RM120 million which is included in non-current liabilities and is due for partial repayments commencing from August 2023 and full repayment in August 2026. The Group has been granted temporary indulgence from the remediation of certain security maintenance margin and interest service coverage ratio requirements until 31 December 2022. In the event that further indulgence is not granted, the ability of the Group to comply with these term loan covenants subsequent to 31 December 2022 are dependent on amongst others, the improvement in the market conditions for the leasing of office space and the management's efforts to improve the tenancy rates of the investment property which includes obtaining MSC-status for the investment property to achieve profitable operations.
- The Group has certain unencumbered assets including certain land held for development and inventories of the Group, which will be disposed of as part of the management's plans to gradually reduce the level of the borrowings of the Group. However, due to the uncertain outlook for the property market, the Group may not be able to liquidate these assets to realise their full values within a short period should the need arise.
- The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. Thus, the ability of the Group and Company to continue as going concerns is dependent amongst others, the ability of the subsidiaries of the Group to achieve profitable operations.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns.

# INDEPENDENT AUDITORS' REPORT (cont'd.)

## to the members of Olympia Industries Berhad (Incorporated in Malaysia)

### **Material uncertainty related to going concern (cont'd.)**

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis. The ability of the Group and of the Company to continue as going concerns is dependent on the successful implementation of the management's plans as disclosed in Note 2.1 to the financial statements.

Our opinion is not modified in respect of this matter.

### **Independence and other ethical responsibilities**

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. In addition to the matter described in the Material Uncertainty Related to Going Concern section, the key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

### **Valuation of investment property**

As disclosed in Note 15 to the financial statements, the carrying amount of the Group's investment property amounted to RM280 million, representing approximately 48% of the Group's assets as at 31 December 2021. The Group adopts the fair value model for its investment property. When estimating the fair value of a property, the objective is to estimate the price that would be received from the sale of the investment property in an orderly transaction between market participants at the reporting date under current market conditions. In addition, the fair value should reflect, amongst others, rental income from current leases and other assumptions that market participants would use when pricing the investment property under the current market conditions, which are highly judgmental. Accordingly, we consider this to be an area of audit focus.

# INDEPENDENT AUDITORS' REPORT (cont'd.)

## to the members of Olympia Industries Berhad (Incorporated in Malaysia)

### **Key audit matters (cont'd)**

#### **Valuation of investment property (cont'd)**

Our audit procedures focused on the valuation performed by the independent valuer, included, amongst others, the following procedures:

- We considered the competence, capabilities and objectivity of the independent valuer;
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of investment property and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuer to obtain an understanding of the property related data used as input to the valuation model;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged the revisionary rental rate, capitalisation and void rate by comparing them with available industry data, taking into consideration comparability and market factors;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
- We assessed the adequacy of the disclosures on those assumptions to which the outcome of the valuation is most sensitive. The Group's disclosures on the valuation sensitivity and significant assumptions used are included in Note 15 to the financial statements.

#### **Information other than the financial statements and auditors' report thereon**

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

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

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

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

#### **Responsibilities of the directors for the financial statements**

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

# INDEPENDENT AUDITORS' REPORT (cont'd.)

## to the members of Olympia Industries Berhad (Incorporated in Malaysia)

### ***Responsibilities of the directors for the financial statements (cont'd.)***

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

### ***Auditors' responsibilities for the audit of the financial statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITORS' REPORT (cont'd.)

## to the members of Olympia Industries Berhad (Incorporated in Malaysia)

### ***Auditors' responsibilities for the audit of the financial statements (cont'd.)***

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

### **Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 38 to the financial statements.

### **Other matters**

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

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Chuan Yee Yang  
03489/03/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
25 April 2022

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Revenue	4	59,628	74,300
Other income	5	2,650	3,366
Raw materials, consumables and other direct expenses		(8,557)	(11,636)
Gaming prizes, commissions and related tax and duties		(37,261)	(45,224)
Employee benefits expenses	6	(10,872)	(11,079)
Other expenses		(8,781)	(31,349)
<b>Operating loss</b>		(3,193)	(21,622)
Finance costs	8	(8,379)	(8,902)
<b>Loss before tax</b>	9	(11,572)	(30,524)
Income tax credit	10	387	2,077
<b>Loss for the year, representing total comprehensive loss for the year</b>		(11,185)	(28,447)
<b>Attributable to:</b>			
- equity holders of the Company		(11,182)	(28,442)
- non-controlling interests		(3)	(5)
		(11,185)	(28,447)
<b>Loss per share attributable to equity holders of the Company (sen)</b>			
Basic/Diluted	11	(1.1)	(2.8)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.



# STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Revenue	4	3,500	3,500
Other income	5	6,505	2,000
Employee benefits expenses	6	(2,815)	(3,235)
Other expenses		(2,073)	(2,871)
<b>Operating profit/(loss)</b>		5,117	(606)
Finance cost	8	(2,857)	(2,813)
<b>Profit/(Loss) before tax</b>	9	2,260	(3,419)
Income tax expense	10	-	-
<b>Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year</b>		2,260	(3,419)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 RM'000	2020 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	12	2,618	3,145
Right-of-use assets	13	3,784	4,214
Land held for property development	14(a)	218,813	218,813
Investment properties	15	280,000	295,700
Investments in associates	17	-	-
		505,215	521,872
<b>Current assets</b>			
Inventories	14(b)	13,652	13,693
Trade and other receivables	18	4,615	4,421
Amounts due from affiliated companies	20	145	75
Tax recoverable		2,752	2,464
Investment securities	21	28,044	29,390
Cash and bank balances	22	30,426	30,005
		79,634	80,048
<b>Total assets</b>		584,849	601,920
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	23	295,384	295,384
Merger deficit	24	(233,884)	(233,884)
Retained earnings	25	303,029	314,211
		364,529	375,711
<b>Non-controlling interests</b>		763	766
<b>Total equity</b>		365,292	376,477
<b>Non-current liabilities</b>			
Borrowings	26	150,000	150,000
Lease liabilities	27	2,439	2,724
Other payables	28	100	1,301
Deferred tax liabilities	29	1,578	1,812
Derivative financial liability	30	-	1,623
		154,117	157,460

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021 (cont'd.)

	Note	2021 RM'000	2020 RM'000
<b>Equity and liabilities (cont'd.)</b>			
<b>Current liabilities</b>			
Trade and other payables	28	24,880	29,892
Amounts due to affiliated companies	20	39,359	36,353
Borrowing	26	-	300
Lease liabilities	27	845	993
Tax payable		356	445
		65,440	67,983
<b>Total liabilities</b>		219,557	225,443
<b>Total equity and liabilities</b>		584,849	601,920

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 RM'000	2020 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	12	55	58
Right-of-use assets	13	700	-
Investments in subsidiaries	16	242,897	243,215
Amount due from a subsidiary	19	134,683	134,683
		378,335	377,956
<b>Current assets</b>			
Trade and other receivables	18	444	444
Amounts due from subsidiaries	19	13,970	9,629
Amounts due from affiliated companies	20	32	32
Investment securities	21	29	30
Cash and bank balances	22	2,596	971
		17,071	11,106
<b>Total assets</b>		395,406	389,062
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	23	295,384	295,384
Retained earnings	25	50,795	48,535
<b>Total equity</b>		346,179	343,919
<b>Non-current liabilities</b>			
Borrowing	26	30,000	30,000
Other payables	28	100	1,301
Lease liabilities	27	377	-
		30,477	31,301
<b>Current liabilities</b>			
Amounts due to subsidiaries	19	15,889	11,617
Other payables	28	2,504	2,217
Lease liabilities	27	349	-
Tax payable		8	8
		18,750	13,842
<b>Total liabilities</b>		49,227	45,143
<b>Total equity and liabilities</b>		395,406	389,062

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	—— Attributable to equity holders of the Company ——					
	—— Non-distributable ——			Distributable		
	Share capital RM'000 (Note 23)	Merger deficit RM'000 (Note 24)	Retained earnings RM'000 (Note 25)	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>At 1 January 2021</b>	295,384	(233,884)	314,211	375,711	766	376,477
Total comprehensive loss	-	-	(11,182)	(11,182)	(3)	(11,185)
<b>At 31 December 2021</b>	295,384	(233,884)	303,029	364,529	763	365,292
<b>At 1 January 2020</b>	295,384	(233,884)	342,653	404,153	771	404,924
Total comprehensive loss	-	-	(28,442)	(28,442)	(5)	(28,447)
<b>At 31 December 2020</b>	295,384	(233,884)	314,211	375,711	766	376,477

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital RM'000 (Note 23)	Distributable Retained earnings RM'000 (Note 25)	Total equity RM'000
<b>At 1 January 2021</b>	295,384	48,535	343,919
Total comprehensive income	-	2,260	2,260
<b>At 31 December 2021</b>	295,384	50,795	346,179
<b>At 1 January 2020</b>	295,384	51,954	347,338
Total comprehensive loss	-	(3,419)	(3,419)
<b>At 31 December 2020</b>	295,384	48,535	343,919

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
<b>Cash flows from operating activities</b>			
Loss before tax		(11,572)	(30,524)
Adjustments for:			
Government grant income		(618)	(535)
Depreciation of plant and equipment	12	751	1,074
Depreciation of right-of-use assets	13	1,002	1,096
Inventory written down	9	-	300
Bad debts written off	9	14	1
Gain on disposal of plant and equipment		-	(6)
Fair value (gain)/loss on:			
- investment properties	9	-	20,600
- investment securities	9	200	32
- derivative financial liability	30	(181)	636
Unrealised (gain)/loss on foreign exchange	9	(78)	76
Reversal of impairment loss on:-			
- trade receivables	5	(101)	(6)
- other receivables	5	-	(35)
Dividend income	5	(582)	(807)
Interest income on fixed deposits	5	(731)	(666)
Finance costs	8	8,379	8,902
Operating (loss)/profit before working capital changes		(3,517)	138
Changes in receivables		(100)	(223)
Changes in inventories		41	2,700
Changes in affiliated companies		2,935	3,210
Changes in payables		(7,651)	(6,934)
Cash flows used in operating activities		(8,292)	(1,109)
Net tax paid		(29)	(1,204)
Government grant received		618	535
Net cash flows used in operating activities		(7,703)	(1,778)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021 (cont'd.)

	2021 RM'000	2020 RM'000
<b>Cash flows from investing activities</b>		
Dividend received	582	807
Proceeds from disposal of investment properties	15,700	-
Proceeds from disposal of plant and equipment	-	6
Disposal of investment securities	1,190	5,801
Purchase of plant and equipment	(224)	(311)
Interest received	731	666
Net cash flows generated from investing activities	17,979	6,969
<b>Cash flows from financing activities</b>		
Proceeds from drawdown of borrowings	-	300
Upliftment of interest reserve deposits	458	509
(Placement)/Withdrawal of fixed deposits placed with licensed banks	(986)	989
Transaction cost on borrowings	-	(1,200)
Repayments of borrowings	(300)	-
Repayments of lease liabilities	(1,176)	(1,147)
Interest paid on:-		
- borrowings	(8,208)	(6,789)
- lease liabilities	(171)	(197)
Net cash flows used in financing activities	(10,383)	(7,535)
<b>Net changes in cash and cash equivalents</b>	(107)	(2,344)
<b>Cash and cash equivalents at beginning of year</b>	12,557	14,901
<b>Cash and cash equivalents at end of year (Note 22)</b>	12,450	12,557

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
<b>Cash flows from operating activities</b>			
Profit/(Loss) before tax		2,260	(3,419)
Adjustments for:			
Government grant income		-	(28)
Dividend income	5	(1)	(1)
Depreciation of plant and equipment	12	11	12
Depreciation of right-of-use assets	13	350	363
Impairment loss on:-			
- amounts due from subsidiaries	9	89	784
- investments in subsidiaries	9	318	163
Fair value loss on investment securities	9	-	7
Reversal of impairment loss on amounts due from subsidiaries	5	(6,500)	(1,998)
Finance costs	8	2,857	2,813
Operating loss before working capital changes		(616)	(1,304)
Changes in receivables		-	24
Changes in payables		(1,081)	(785)
Changes in subsidiaries		6,343	4,486
Cash flows generated from operating activities		4,646	2,421
Government grant received		-	28
Net cash flows generated from operating activities		4,646	2,449
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(8)	(8)
Dividend received		1	1
Net cash flows used in investing activities		(7)	(7)
<b>Cash flows from financing activities</b>			
Repayments of lease liabilities		(393)	(393)
Interest paid		(2,621)	(2,797)
Net cash flows used in financing activities		(3,014)	(3,190)
<b>Net changes in cash and cash equivalents</b>		1,625	(748)
<b>Cash and cash equivalents at beginning of year</b>		241	989
<b>Cash and cash equivalents at end of year (Note 22)</b>		1,866	241

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

## 1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 23, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur. The principal place of business of the Company is located at Level 24, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of management services to the subsidiaries. The principal activities of the subsidiaries are disclosed in Note 38.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 April 2022.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

As at 31 December 2021, the Group has net assets of RM365,292,000 and net current assets of RM14,194,000. However, the Group incurred a loss after tax of RM11,185,000 and negative net operating cash flows of RM7,703,000 for the financial year ended 31 December 2021. The operations, results and financial position of the Group are also expected to be adversely impacted by the effects of the Covid-19 pandemic, as disclosed in Note 39.

The Group has a secured term loan of RM120 million which is included in non-current liabilities and is due for partial repayments commencing from August 2023 and full repayment in August 2026. The Group has been granted temporary indulgence from the remediation of certain security maintenance margin and interest service coverage ratio requirements until 31 December 2022. In the event that further indulgence is not granted, the ability of the Group to comply with these term loan covenants subsequent to 31 December 2022 are dependent on amongst others, the improvement in the market conditions for the leasing of office space and the management's efforts to improve the tenancy rates of the investment property which includes obtaining MSC-status for the investment property to achieve profitable operations.

The Group has certain unencumbered assets including certain land held for development and inventories of the Group, which will be disposed of as part of the management's plans to gradually reduce the level of the borrowings of the Group. However, due to the uncertain outlook for the property market, the Group may not be able to liquidate these assets to realise their full values within a short period should the need arise.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. Thus, the ability of the Group and Company to continue as going concerns is dependent amongst others, the ability of the subsidiaries of the Group to achieve profitable operations.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.1 Basis of preparation (cont'd.)

These conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and of the Company to continue as a going concern.

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis. The ability of the Group and of the Company to continue as going concerns is dependent on, amongst others, the ability of its subsidiaries to achieve profitable operations, which are dependent on the positive effects of the resumption of the gaming operations, improvement in the market conditions for the leasing of office space and the management's efforts to improve the tenancy rates of the investment property which includes obtaining MSC-status for the investment property. The details of the Group's capital commitments for the planned completion of the upgrading of the infrastructure of investment property for its application for MSC-status are disclosed in Note 40.

After considering all pertinent information, including the forecasted cash flow requirements of the Group and the availability and value of assets of the Group which may be liquidated or used as additional collateral if required, the Directors have concluded the going concern assumption remains appropriate for the Group and the Company.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows.

On 1 January 2021, the Group and the Company adopted the following amended standards which are mandatory for annual periods beginning on or after 1 January 2021:

		Effective for annual periods beginning on or after
Description		
Amendments to MFRS 16	COVID-19 Related Rent Concessions	1 June 2020

On 1 January 2021, the Group and the Company adopted the following amended standards which are mandatory for annual periods beginning on or after 1 January 2021:

		Effective for annual periods beginning on or after
Description		
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021

The adoption of the amended standards did not have any material impact on the financial statements of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.3 Standards and interpretations issued but not yet effective

The standard and amended standards that are issued but not yet effective up to the date of issuance of the 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
Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020 Cycle	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018 - 2020 Cycle	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
MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standard and amended standards are not expected to have a material impact to the financial statements of the Group and of the Company in the period of initial application.

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively the "Group") at the reporting date. Control is achieved when the Company 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.4 Basis of consolidation (cont'd.)

The Company controls an investee if, and only if, the Company has all of the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) 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 rights or similar rights of an investee, the Group considers all facts and circumstances in assessing whether the Group's voting rights in the investee are sufficient to give it power over the investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

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 other comprehensive income ("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 into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets and liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### 2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value during the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in profit or loss as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.5 Business combinations and goodwill (cont'd.)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either in profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value during the acquisition date and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### 2.6 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the differences between the net disposal proceeds and their carrying amounts are included in the profit or loss.

### 2.7 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

An associate is equity accounted for from the date on which the investee becomes an associate.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.7 Associates (cont'd.)

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects the Group's share of the result of operations of the associate. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there is a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the investment in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate. The Group determines at each reporting date whether there is any objective evidence that investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Impairment loss is recognised in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in an associate is stated at cost less impairment loss. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

### 2.8 Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as joint operator recognises in relation to their interests in joint operations:

- (i) their assets, including their shares of any assets held jointly;
- (ii) their liabilities, including their shares of any liabilities incurred jointly;
- (iii) their revenue from the sale of their shares of the output arising from the joint operations;
- (iv) their shares of the revenue from the sale of the output by the joint operations; and
- (v) their expenses, including their shares of any expenses incurred jointly.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.8 Joint operation (cont'd.)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in joint operations in accordance with applicable MFRSs.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

### 2.9 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Plant, machinery and equipment	10% - 40%
Computer equipment	10% - 20%
Other assets	10% - 20%

Other assets consist of office equipment, furniture, fixtures, fittings, motor vehicles and renovation.

The carrying amount of plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

### 2.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying the valuation models recommended by the International Valuation Standards Committee.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.10 Investment properties (cont'd.)

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

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements of MFRS 15 for determining the transaction price.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under plant and equipment up to the date of change in use.

### 2.11 Inventories

Inventories are stated at the lower of cost or net realisable value.

#### (a) Land held for property development

Land held for property development (classified within non-current assets) comprise land banks which are in the process of being prepared for development but have not been launched, or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

#### (b) Completed properties

Costs comprise costs of acquisition of land including all related costs incurred to prepare the land for its intended use, related development costs to projects and direct building costs.

#### (c) Consumables

Ticket stocks are determined on weighted average basis. Cost includes actual cost of materials and incidental costs in bringing stocks into store.

Net realisable value represents 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.12 Impairment of non-financial assets

The Group assesses 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 makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to its 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 units 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 the asset is measured at its revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

### 2.13 Financial assets

#### Initial recognition and measurement

Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and financial assets at amortised cost.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.13 Financial assets (cont'd.)

#### Initial recognition and measurement (cont'd.)

##### (a) Financial assets at amortised cost

The Group measures 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 measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process.

Financial assets at amortised cost are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

##### (b) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition or financial assets mandatorily required to be amortised at fair value. Financial assets held for trading are financial assets acquired principally for the purpose of selling in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be represented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.13 Financial assets (cont'd.)

#### 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 (such as removed from the consolidated statement of financial position) when:

- (a) the rights to receive cash flows from the asset have expired;
- (b) The Group has 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:
  - (i) the Group has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has 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 asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has 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 would be required to repay.

### 2.14 Impairment of financial assets at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.14 Impairment of financial assets at amortised cost (cont'd.)

The carrying amount of the financial asset is reduced by the impairment loss except for receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

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 compare 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.

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

### 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and demand deposits with a maturity of three months or less, that are readily convertible to known amount of cash which are subject to insignificant risk of changes in value.

### 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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 economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

### 2.17 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 are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.17 Financial liabilities (cont'd.)

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 between the derecognition of the original liability and the recognition of a new liability is recognised in profit or loss.

### 2.18 Borrowing 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 and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use.

All other borrowing 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.

### 2.19 Employee benefits

#### (a) Short term benefits

Salaries, bonuses and social security contributions are recognised as an expense in the 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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### (b) Defined contribution plans

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

### 2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.20 Leases (cont'd.)

#### *Rights-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentive received.

Right-of use assets are depreciated on a straight-line basis over the shorter of lease term and the estimated useful lives of the assets are as follows:

Shop lots and office spaces	3 to 8 years
Motor vehicles	8 years
Machinery	10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The carrying amount of right-of-use is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, or a change in the lease term, or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### *Short-term leases and leases of low value assets*

The Group applies the short-term leases recognition exemption to its short term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. The Group recognises the lease payments associated with these short-term leases and leases of low-value assets as expenses on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.20 Leases (cont'd.)

#### Group as a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognised on a straight-line basis over the lease term of the relevant lease and is included in profit or loss. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for leasing income is set out in Note 2.21(c).

### 2.21 Revenue recognition

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax.

If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Company estimate the amount of consideration that it expects to be entitled based on the expected value method or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future.

Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

#### (a) Sale of completed properties

The Group recognises the revenue for the sale of completed properties, at point in time, when the controls of the properties have been transferred to the customers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the consideration it is entitled to.

#### (b) Sale of lottery tickets

Revenue from organising and managing the sales of numbers forecast pools and public lotteries is recognised, at point in time, upon ticket sales in respect of draw days within the financial year, and is stated net of state sales tax.

#### (c) Rental income

Rental income is recognised over time on a straight-line basis based on the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.21 Revenue recognition (cont'd.)

#### (d) Dividend income

Dividend income is recognised at point in time when the Group's right to receive payment is established.

#### (e) Interest income

Interest income is recognised over time on an accrual basis using the effective interest method.

#### (f) Management fees

Management fees are recognised over time when services are rendered.

### 2.22 Income tax

#### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.22 Income tax (cont'd.)

#### (b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.23 Share capital and share issuance expenses

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

### 2.24 Affiliated companies

The Group treats the DutaLand Berhad ("DutaLand") and its subsidiaries as affiliated companies. DutaLand is a corporation in which certain directors of the Company are also directors of DutaLand and have interest in.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.25 Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.26 Fair value measurement

The Group measures financial instruments, such as, derivative financial instruments and financial assets carried at fair value through profit or loss, and non-financial assets such as investment properties, at fair value at each reporting date.

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 transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) 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 to by the Group.

The fair value of an asset or a 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.

A 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 of unobservable inputs.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.26 Fair value measurement (cont'd.)

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:

- (a) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (b) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- (c) 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 and the Company determine 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.

The Group's and the Company's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and financial assets at fair value through profit or loss.

External valuers are involved for valuation of properties. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.27 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates and documents certain derivatives as hedging instruments against the variability of future cash flows from highly probable forecast transactions. The effectiveness of such hedge is assessed at the inception and verified at regular intervals to ensure that the hedge has remained and is expected to remain highly effective.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.28 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

#### (a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (such as translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### (b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 2. Summary of significant accounting policies (cont'd.)

### 2.29 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

## 3. Significant accounting judgments and estimates

The preparation of the Group's and Company's financial statements require management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates result in outcomes that could require a material adjustment to the carrying amount of the asset and liability affected in the future.

### Key sources of estimation uncertainty

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

### Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value recognised in profit or loss. Significant judgement is required in determining the fair value which may be derived based on different valuation methods. In making the judgement, the Group engaged its independent valuation specialist to assess the fair value of investment property at the reporting date.

The key assumptions used to determine the fair value of the investment property are further explained in Note 15.

## 4. Revenue

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sale of lottery tickets	45,903	55,052	-	-
Rental income from investment properties (Note 15)	13,725	16,148	-	-
Sale of completed property	-	3,100	-	-
Management fees	-	-	3,500	3,500
	59,628	74,300	3,500	3,500
<b>Timing of revenue recognition:</b>				
At a point in time	45,903	58,152	-	-
Over time	13,725	16,148	3,500	3,500
	59,628	74,300	3,500	3,500

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 5. Other income

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Dividend income	582	807	1	1
Interest income	731	666	-	-
Reversal of impairment on:				
- amounts due from subsidiaries	-	-	6,500	1,998
- trade receivables	101	6	-	-
- other receivables	-	35	-	-
Gain on disposal of plant and equipment	-	6	-	-
Fair value gain on derivative financial liability	181	-	-	-
Miscellaneous income	1,055	1,846	4	1
	2,650	3,366	6,505	2,000

## 6. Employee benefits expenses

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, wages and allowances	5,980	6,387	1,417	1,632
Executive directors' remuneration (Note 7)	2,548	2,579	773	781
Defined contribution plan	636	638	137	159
Benefits-in-kind	35	35	35	35
Other benefits	1,673	1,440	453	628
	10,872	11,079	2,815	3,235

## 7. Directors' remuneration

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Executive directors</b>				
Salaries and other emoluments	2,335	2,337	688	688
Defined contribution plan	165	162	52	51
Benefits-in-kind	48	80	33	42
	2,548	2,579	773	781
<b>Non-executive directors</b>				
Fees	129	144	129	144
Other emoluments	47	48	11	12
Benefits-in-kind	35	35	35	35
	211	227	175	191
<b>Total directors' remuneration</b>	<b>2,759</b>	<b>2,806</b>	<b>948</b>	<b>972</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 7. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is analysed below:

	Number of Directors	
	2021	2020
<b>Executive directors:</b>		
RM950,001 - RM1,000,000	1	1
RM1,000,001 - RM1,500,000	1	1
<b>Non-executive directors:</b>		
Below RM50,000	4	2
RM50,001 - RM100,000	2	2

## 8. Finance costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expenses on:				
- borrowings	8,208	8,705	2,788	2,797
- lease liabilities	171	197	69	16
	8,379	8,902	2,857	2,813

## 9. (Loss)/Profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration:				
- auditors of the Company:				
- statutory audit	410	405	168	168
- other services	10	309	10	309
- other auditors:				
- statutory audit	44	21	-	-
Depreciation of plant and equipment	751	1,074	11	12
Depreciation of right-of-use assets	1,002	1,096	350	363
Non-executive directors' remuneration (Note 7)	211	227	175	191
Impairment loss on:				
- amounts due from subsidiaries	-	-	89	784
- investments in subsidiaries	-	-	318	163
Fair value loss/(gain) on:				
- investment securities	200	32	-	7
- derivative financial liability	(181)	636	-	-
- investment properties	-	20,600	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 9. (Loss)/Profit before tax (cont'd.)

The following items have been included in arriving at (loss)/profit before tax: (cont'd.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Inventory written down	-	300	-	-
Unrealised (gain)/loss on foreign exchange	(78)	76	-	-
Short-term leases and leases of low-value assets	142	164	-	-
Government grant income (Wages subsidies)	(618)	(535)	-	(28)
Direct operating expenses attributable to income generating investment properties (Note 15)	7,239	7,214	-	-
Bad debts written off	14	1	-	-

## 10. Income tax credit

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian income tax:				
- current income tax	34	258	-	-
- over provision in prior years	(187)	(33)	-	-
	(153)	225	-	-
Deferred tax: (Note 29)				
- relating to reversal of temporary differences	(78)	(2,069)	-	-
- over provision in prior years	(156)	(233)	-	-
	(234)	(2,302)	-	-
Income tax credit recognised in profit or loss	(387)	(2,077)	-	-

The reconciliations of income tax credit applicable to (loss)/profit before tax at the statutory income tax rate to income tax credit at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(Loss)/Profit before tax	(11,572)	(30,524)	2,260	(3,419)
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(2,777)	(7,326)	542	(821)
Differential tax rate on Real Property Gains Tax	-	2,800	-	-
Non-deductible expenses	2,408	2,859	891	1,136
Non-taxable income	(49)	(744)	(1,561)	(457)
Deferred tax assets not recognised	417	605	128	142
Utilisation of previously unrecognised deferred tax assets	(43)	(5)	-	-
Over provision of income tax in prior years	(187)	(33)	-	-
Over provision of deferred tax in prior years	(156)	(233)	-	-
Income tax credit recognised in profit or loss	(387)	(2,077)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 10. Income tax credit (cont'd.)

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unused tax losses	179,300	177,757	19,229	18,739
Unabsorbed capital allowances	1,562	1,579	13	-
Others	50,294	50,263	5,114	5,083
	231,156	229,599	24,356	23,822

Effective from Year of Assessment 2019, unutilised tax losses is allowed to be carried forward for a maximum period of seven years. Pursuant to Finance Act 2021, the time limit to utilise business losses has been extended to a maximum of 10 consecutive years, which is deemed to have effect from the year of assessment 2019.

The utilisation period of deferred tax assets not recognised of the Group that are available for offsetting against future taxable profit of the Group are as follows:

	RM'000	RM'000	RM'000	RM'000
Utilisation period:				
Indefinite	51,856	51,842	5,127	5,083
Within 6 years from recognition	-	176,508	-	18,739
Within 7 years from recognition	-	1,249	-	-
Within 8 years from recognition	176,368	-	18,739	-
Within 9 years from recognition	1,249	-	-	-
Within 10 years from recognition	1,683	-	490	-
	231,156	229,599	24,356	23,822

## 11. Earnings per share

### (a) Basic

Basic loss per share is calculated by dividing the Group's loss for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 11. Earnings per share (cont'd.)

### (a) Basic (cont'd.)

	Group	
	2021 RM'000	2020 RM'000
Loss for the year, net of tax, attributable to equity holders of the Company	(11,182)	(28,442)
	'000	'000
Weighted average number of ordinary shares	1,023,432	1,023,432
	Sen	Sen
Basic loss per share	(1.1)	(2.8)

### (b) Diluted

The Group does not have any potential dilutive ordinary shares at the reporting date.

There have been no other transactions involving ordinary shares or potential dilutive ordinary shares between the reporting date and the date of authorisation of these financial statements.

## 12. Plant and equipment

	Plant, machinery and equipment RM'000	Computer equipment RM'000	Other assets RM'000	Total RM'000
<b>Group</b>				
<b>31 December 2021</b>				
<b>Cost</b>				
At 1 January 2021	1,671	1,704	29,007	32,382
Additions	5	25	194	224
At 31 December 2021	1,676	1,729	29,201	32,606
<b>Accumulated depreciation</b>				
At 1 January 2021	1,615	1,643	25,979	29,237
Charge for the year	12	13	726	751
At 31 December 2021	1,627	1,656	26,705	29,988
<b>Net carrying amount</b>				
At 31 December 2021	49	73	2,496	2,618



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 12. Plant and equipment (cont'd.)

	Plant, machinery and equipment RM'000	Computer equipment RM'000	Other assets RM'000	Total RM'000
<b>Group (cont'd.)</b>				
<b>31 December 2020</b>				
<b>Cost</b>				
At 1 January 2020	1,666	1,688	28,795	32,149
Additions	5	16	290	311
Disposal	-	-	(78)	(78)
At 31 December 2020	1,671	1,704	29,007	32,382
<b>Accumulated depreciation</b>				
At 1 January 2020	1,601	1,624	25,016	28,241
Charge for the year	14	19	1,041	1,074
Disposal	-	-	(78)	(78)
At 31 December 2020	1,615	1,643	25,979	29,237
<b>Net carrying amount</b>				
At 31 December 2020	56	61	3,028	3,145

### Company

#### 31 December 2021

##### Cost

At 1 January 2021  
Additions

At 31 December 2021

##### Accumulated depreciation

At 1 January 2021  
Charge for the year

At 31 December 2021

##### Net carrying amount

At 31 December 2021

Computer equipment RM'000	Other assets RM'000	Total RM'000
1,192	555	1,747
5	3	8
1,197	558	1,755
1,147	542	1,689
9	2	11
1,156	544	1,700
41	14	55

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 12. Plant and equipment (cont'd.)

	Computer equipment RM'000	Other assets RM'000	Total RM'000
<b>Company (cont'd.)</b>			
<b>31 December 2020</b>			
<b>Cost</b>			
At 1 January 2020	1,187	552	1,739
Additions	5	3	8
At 31 December 2020	1,192	555	1,747
<b>Accumulated depreciation</b>			
At 1 January 2020	1,137	540	1,677
Charge for the year	10	2	12
At 31 December 2020	1,147	542	1,689
<b>Net carrying amount</b>			
At 31 December 2020	45	13	58

## 13. Right-of-use assets

The Group and the Company have lease contracts for shop lots, office spaces, machinery and motor vehicles with contract terms ranging from 3 to 8 years (2020: 3 to 9 years) and do not contain variable lease payments.

The carrying amounts of right-of-use assets and the movements during the year are as follows:

	Shop lots and office spaces RM'000	Motor vehicles RM'000	Machinery RM'000	Total RM'000
<b>Group</b>				
<b>31 December 2021</b>				
At 1 January 2021	3,153	161	900	4,214
Addition	572	-	-	572
Charge for the year	(805)	(77)	(120)	(1,002)
At 31 December 2021	2,920	84	780	3,784

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 13. Right-of-use assets (cont'd.)

Group (cont'd.)	Shop lots and office spaces RM'000	Motor vehicles RM'000	Machinery RM'000	Total RM'000
<b>31 December 2020</b>				
At 1 January 2020	3,073	484	1,020	4,577
Addition	733	-	-	733
Charge for the year	(653)	(323)	(120)	(1,096)
At 31 December 2020	3,153	161	900	4,214

Company	Office spaces	
	2021 RM'000	2020 RM'000
At 1 January	-	363
Addition	1,050	-
Charge for the year	(350)	(363)
At 31 December	700	-

## 14. Inventories

### (a) Land held for property development

Group	Development costs RM'000	Leasehold land RM'000	Freehold land RM'000	Total RM'000
<b>31 December 2021</b>				
At cost:				
At 1 January/31 December 2021	22,197	56,251	140,365	218,813
<b>31 December 2020</b>				
At cost:				
At 1 January/31 December 2020	22,197	56,251	140,365	218,813

Included in the net carrying amount of land held for property development is a parcel of freehold land which has been pledged to financial institutions as security for term loan as disclosed in Note 26(a).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 14. Inventories (cont'd.)

### (b) Completed properties and consumable

	Group	
	2021 RM'000	2020 RM'000
At cost:		
Completed condominiums	8,970	8,970
On-line betting supplies and consumable stores	682	723
	9,652	9,693
At net realisable value:		
Completed condominiums	4,000	4,000
	13,652	13,693

During the financial year, the amount of inventories recognised as an expense by the Group is RM181,891 (2020: RM2,771,000).

## 15. Investment properties

	Residential units RM'000	Office building on long term leasehold land RM'000	Total RM'000
<b>Group</b>			
At 1 January 2021	15,700	280,000	295,700
Disposal	(15,700)	-	(15,700)
At 31 December 2021	-	280,000	280,000
At 1 January 2020	16,300	300,000	316,300
Recognised in profit or loss (Note 9)	(600)	(20,000)	(20,600)
At 31 December 2020	15,700	280,000	295,700

The carrying amount of investment property that has been pledged as security for term loan, as disclosed in Note 26(b), is as follows:

	2021 RM'000	2020 RM'000
Office building on long term leasehold land	280,000	280,000

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 15. Investment properties (cont'd.)

Investment property is stated at fair value, which has been determined based on the valuation performed by accredited independent valuer at the reporting date. The fair value of the investment property has been determined based on the comparison method or investment method depending on the nature of the investment property.

The following have been recognised in profit or loss in respect of the investment property:

	2021 RM'000	2020 RM'000
Rental income (Note 4)	13,725	16,148
Direct operating expenses attributable to income generating investment properties (Note 9)	(7,239)	(7,214)
Profit arising from investment properties	6,486	8,934
Direct operating expenses that did not generate rental income	(35)	(216)

Other than as disclosed under Note 40, the Group has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosure for the investment property is disclosed in Note 34.

Description of valuation techniques used and key inputs to valuation on investment property are as follows:-

Investment property	Valuation method	Significant unobservable inputs	Range (weighted average)
Residential units	Comparison method*	Recent transactions and asking prices of similar property	RM Nil per square foot ("sq. ft.") (2020: RM657 per sq. ft.)
Office building on long term leasehold land	Investment method**	Estimated rental value per sq. ft. per month	Term: RM4.12 per sq. ft. (2020: RM4.23 per sq. ft.)  Reversion: RM5.01 per sq. ft. (2020: RM5.01 per sq. ft.)
		Void rate	5.00% - 10.00% (2020: 5.00% - 10.00%)
		Capitalisation rate	6.00% - 6.50% (2020: 6.00% - 6.50%)

\* The comparison method entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in time, size and location.

\*\* The investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 15. Investment properties (cont'd.)

The following table demonstrates the sensitivity of the fair value measurement to changes in capitalisation rate and void rate and its corresponding sensitivity result in a higher or lower fair value measurement:

	Fair value Increase/(Decrease)	
	2021 RM'000	2020 RM'000
<b>Capitalisation rate</b>		
- 1%	46,798	47,782
+ 1%	(36,447)	(35,905)
<b>Void rate</b>		
- 1%	4,050	4,546
+ 1%	(4,727)	(4,092)

## 16. Investments in subsidiaries

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	1,014,229	1,014,229
Less: Accumulated impairment loss	(771,332)	(771,014)
	242,897	243,215

The details of the subsidiaries are disclosed in Note 38.

Movement in accumulated impairment loss is as follows:

	Company	
	2021 RM'000	2020 RM'000
At beginning of the year	771,014	770,851
Recognised in profit or loss (Note 9)	318	163
At end of the year	771,332	771,014

Summarised financial information for non-controlling interests have not been disclosed as the carrying amount of these non-controlling interests in the consolidated statement of financial position is not material to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 17. Investments in associates

	Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	7,223	7,223
Share of post-acquisition profits	287	287
	7,510	7,510
Less: Accumulated impairment losses	(7,510)	(7,510)
	-	-

The Group has not recognised losses relating to all of the associates, where, the share of their losses exceed the Group's interests in those associates. The Group's cumulative share of unrecognised losses, at the reporting date, was RM146,000 (2020: RM145,000). The Group has no obligation in respect of these losses.

Details of the associates, which are not material to the Group, are as follows:

Name	Country of incorporation	Proportion of ownership		Principal activities
		2021 %	2020 %	
Suff Marine (Malaysia) Sdn. Bhd. *	Malaysia	49	49	Ceased operations
International Lottery Corporation Ltd #	Cambodia	49	49	Dormant
Kenny Heights Central Sdn. Bhd. #	Malaysia	42	42	Dormant

\* Audited by firms of auditors other than Ernst & Young PLT.

# Unaudited.

At the reporting date, the associates had no contingent liabilities or capital commitments.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 18. Trade and other receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Trade receivables</b> (Note a)				
Third parties	19,719	19,966	-	-
Less: Allowance for impairment	(17,949)	(18,050)	-	-
	1,770	1,916	-	-
<b>Other receivables</b>				
Sundry receivables	7,085	6,847	5,120	5,120
Deposits	1,494	1,379	312	312
Prepayments	618	631	84	84
Amount due from CPSB (Note b)	48	48	48	48
	9,245	8,905	5,564	5,564
Less: Allowance for impairment	(6,400)	(6,400)	(5,120)	(5,120)
	2,845	2,505	444	444
<b>Total trade and other receivables</b>	<b>4,615</b>	<b>4,421</b>	<b>444</b>	<b>444</b>

### (a) Trade receivables

The Group's normal trade credit terms are ranging from 1 to 30 days (2020: 1 to 30 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 value on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors. Further details on related party transactions are disclosed in Note 31.

### Ageing analysis of trade receivables

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

	Group	
	2021 RM'000	2020 RM'000
Neither past due nor impaired	1,171	1,183
1 to 90 days past due not impaired	166	172
More than 91 days past due not impaired	433	561
	1,770	1,916
Impaired	17,949	18,050
	19,719	19,966

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 18. Trade and other receivables (cont'd.)

### (a) Trade receivables (cont'd.)

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

#### Receivables that are past due but not impaired

The trade receivables that are past due but not impaired are unsecured. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

#### Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
At beginning of year	18,050	18,056
Reversal during the year (Note 5)	(101)	(6)
At end of year	17,949	18,050

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

- (b) The amount due from City Properties Sdn. Bhd. ("CP&B"), a company of which Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat, the directors of the Company have interest is unsecured, non-interest bearing and repayable on demand.

#### Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
At beginning of year	6,400	6,435	5,120	5,120
Reversal during the year (Note 5)	-	(35)	-	-
At end of year	6,400	6,400	5,120	5,120

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 19. Amounts due from/(to) subsidiaries

	Company	
	2021 RM'000	2020 RM'000
<b>Non-current asset</b>		
Amount due from a subsidiary (Note a)	134,683	134,683
<b>Current asset</b>		
Amounts due from subsidiaries (Note b)	13,970	9,629
<b>Current liability</b>		
Amounts due to subsidiaries (Note b)	(15,889)	(11,617)

- (a) The amount due from a subsidiary, Olympia Properties Sdn. Bhd. ("OPSB"), is non-trade in nature, unsecured, non-interest bearing and is repayable on demand. However, the Company has no intention to recall the advance from OPSB within the next 12 months.
- (b) The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing and are repayable on demand.

## 20. Amounts due from/(to) affiliated companies

The amounts due from/(to) affiliated companies are non-trade in nature, unsecured, non-interest bearing and are repayable on demand.

## 21. Investment securities

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Financial assets at fair value through profit or loss:</b>				
<b>Group</b>				
Quoted shares in Malaysia	125	130	29	30
Unit trust in Malaysia	25,703	26,951	-	-
Quoted shares outside Malaysia	1,195	1,292	-	-
Malaysian Government Securities ("MGS") and Government Investment Issues ("GII")	1,021	1,017	-	-
	28,044	29,390	29	30

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 21. Investment securities (cont'd.)

MGS and GII relate to investment in government securities by a wholly owned subsidiary, Dirivan Corporation Sdn Bhd. The subsidiary has granted a Power of Attorney to the Ministry of Finance to realise these securities for payment of prize monies in dispute or amounts due to prize winners in conformity with paragraph 5 of the conditions contained in the License granted under Section 5 of the Pools Betting Act, 1967 dated 31 December 2016.

## 22. Cash and bank balances

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash at banks and on hand	12,050	12,158	1,866	241
Housing development accounts	400	399	-	-
Deposits with licensed banks	14,546	13,560	-	-
Interest reserve deposits	3,430	3,888	730	730
Cash and bank balances	30,426	30,005	2,596	971
Less: Deposits with licensed banks with maturity periods of more than 3 months	(14,546)	(13,560)	-	-
Less: Interest reserve deposits	(3,430)	(3,888)	(730)	(730)
Cash and cash equivalents	12,450	12,557	1,866	241

The housing development accounts are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

Deposits held under Interest Reserve Deposits Accounts are for term loans as disclosed in Note 26.

The range of effective interest rate and maturity of deposits with licensed banks at the reporting date are as follows:

	Group	
	2021	2020
Effective interest rate (%)	1.95 to 4.10	2.00 to 4.15
Maturity (days)	120 - 365	120 - 365

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 23. Share capital

	Number of shares		Amount	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
<b>Issued and fully paid up:</b>				
At beginning/end of year	1,023,432	1,023,432	295,384	295,384

The holder of ordinary 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.

## 24. Merger deficit

Merger deficit arose from the acquisition of a subsidiary in prior year. Merger deficit represents the difference between the nominal value of the shares issued by the Company as consideration and the nominal value of shares of the subsidiary acquired.

## 25. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2021 and 31 December 2020 under the single-tier system.

## 26. Borrowings

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current</b>				
Secured:				
Term loan 1 (Note a)	30,000	30,000	30,000	30,000
Term loan 2 (Note b)	120,000	120,000	-	-
	150,000	150,000	30,000	30,000
<b>Current</b>				
Secured:				
Term loan 3 (Note c)	-	300	-	-
Total borrowings	150,000	150,300	30,000	30,000

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 26. Borrowings (cont'd.)

The remaining maturities of borrowings as at 31 December 2021 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Due within one year	-	300	-	-
More than 1 year and less than 2 years	35,000	-	30,000	-
More than 2 years and less than 5 years	115,000	45,000	-	30,000
More than 5 years	-	105,000	-	-
	150,000	150,300	30,000	30,000

### (a) Term loan 1

In previous financial year, the Group and the Company have renegotiated the maturity of term loan 1 from 2 April 2021 to 3 April 2023. Term loan 1 bears an effective interest rate of 9.25% (2020: 9.25%) per annum. The total loan is repayable in full on the maturity date.

Term loan 1 is secured by a parcel of freehold land held for property development as disclosed in Note 14(a), and personal guarantee by a director of the Company, Tan Sri Dato' Yap Yong Seong.

### (b) Term loan 2

In previous financial year, the Group has renegotiated the maturity of term loan 2 from August 2021 to August 2026. Term loan 2 bears an effective interest rate of 4.48% (2020: 4.44%) per annum. Term loan 2 is repayable via three instalments amounted to RM5 million each year, commencing from 30 August 2023, 30 August 2024 and 29 August 2025 respectively. The final instalment of RM105 million shall be paid on 28 August 2026.

During the year, the Group obtained further indulgence from the compliance of security maintenance margin and interest service coverage ratio requirements until 31 December 2022.

Term loan 2 is secured by the office building on long term leasehold land held under the investment property of the Group as disclosed in Note 15, and a personal guarantee by a director of the Company, Tan Sri Dato' Yap Yong Seong.

### (c) Term loan 3

In previous financial year, the term loan 3 bore an effective interest rate of 13.2% per annum. The total loan was repaid in full during the financial year.

In previous financial year, term loan 3 was secured by a residential unit held under the investment properties of the Group as disclosed in Note 15.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 26. Borrowings (cont'd.)

### Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes are as follows:

Group	At beginning of the year RM'000	Additions RM'000	Repayments RM'000	Others RM'000	At end of the year RM'000
<b>31 December 2021</b>					
Term loan 1	30,000	-	-	-	30,000
Term loan 2	120,000	-	-	-	120,000
Term loan 3	300	-	(300)	-	-
Lease liabilities (Note 27)	3,717	572	(1,176)	171	3,284
	154,017	572	(1,476)	171	153,284
<b>31 December 2020</b>					
Term loan 1	30,048	-	-	(48)	30,000
Term loan 2	120,000	-	-	-	120,000
Term loan 3	-	300	-	-	300
Lease liabilities (Note 27)	4,455	212	(1,147)	197	3,717
	154,503	512	(1,147)	149	154,017
<b>Company</b>					
<b>31 December 2021</b>					
Term loan 1	30,000	-	-	-	30,000
Lease liabilities (Note 27)	-	1,050	(393)	69	726
	30,000	1,050	(393)	69	30,726
<b>31 December 2020</b>					
Term loan 1	30,048	-	-	(48)	30,000
Lease liabilities (Note 27)	377	-	(393)	16	-
	30,425	-	(393)	(32)	30,000



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 27. Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	3,717	4,455	-	377
Addition (Note 26)	572	212	1,050	-
Interest expense	171	197	69	16
Payments made during the year	(1,176)	(1,147)	(393)	(393)
At 31 December	3,284	3,717	726	-

Lease liabilities are analysed as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current	845	993	349	-
Non-current	2,439	2,724	377	-
	3,284	3,717	726	-

The remaining maturities of the lease liabilities as at 31 December 2021 is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Less than 1 year	845	993	349	-
More than 1 year and less than 2 years	689	764	377	-
More than 2 years and less than 5 years	1,436	1,664	-	-
More than 5 years	314	296	-	-
	3,284	3,717	726	-

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 28. Trade and other payables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Sundry payables	100	1,301	100	1,301
<b>Current</b>				
<b>Trade payables</b>				
Third parties (Note a)	2,864	3,458	-	-
Retention sum	63	63	-	-
	2,927	3,521	-	-
<b>Other payables</b>				
Sundry payables	8,492	16,425	1,524	1,488
Deposits received (Note b)	5,755	4,413	-	-
Accruals	7,706	5,533	980	729
	21,953	26,371	2,504	2,217
	24,880	29,892	2,504	2,217
<b>Total trade and other payables</b>	<b>24,980</b>	<b>31,193</b>	<b>2,604</b>	<b>3,518</b>

### (a) Trade payables

The normal trade credit terms granted to the Group range from 30 days to 90 days (2020: 30 days to 90 days).

### (b) Deposits received

Deposits received are in respect of refundable deposits received from tenants for tenancy agreements, which are unsecured, interest free and are repayable upon the termination/expiry of the tenancy agreement.

## 29. Deferred tax liabilities

	Group	
	2021 RM'000	2020 RM'000
At beginning of year	1,812	4,114
Recognised in profit or loss (Note 10)	(234)	(2,302)
At end of year	1,578	1,812

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 29. Deferred tax liabilities (cont'd.)

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

	Group		
	Investment properties RM'000	Others RM'000	Total RM'000
At 1 January 2021	1,463	349	1,812
Recognised in profit or loss (Note 10)	-	(234)	(234)
At 31 December 2021	1,463	115	1,578
At 1 January 2020	3,463	651	4,114
Recognised in profit or loss (Note 10)	(2,000)	(302)	(2,302)
At 31 December 2020	1,463	349	1,812

## 30. Derivative financial liability

The Group has an interest rate swap ("IRS") contract with a licensed bank to manage its exposure to interest rate risks for term loan amounting to RM120,000,000 as disclosed in Note 26(b). As a result, the Group paid a fixed interest rate of 3.75% p.a.. Changes in fair value during the financial year are recognised in other comprehensive income unless it does not meet the conditions for applying hedge accounting, failing which the changes to the fair value of the derivative is recognised in profit or loss. The IRS contract has matured during the financial year.

The notional amount, fair value and maturity tenure of the outstanding IRS contract as at 31 December 2021 are disclosed as follows:

	Total notional amount RM'000	Non-current liabilities RM'000	Fair value (gain)/loss (Note 9) RM'000
IRS contract remaining: - matured			
As at 31 December 2021	120,000	-	(181)
As at 31 December 2020	120,000	1,623	636

Since its inception, there has been no change to the type of derivative financial contracts entered into, the cash requirements of the derivative, the risks associated with the derivative; and the risk management objectives and policies to mitigate these risks.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 31. Significant related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals including close members of the individuals, or corporate entities.

In addition to the transactions and outstanding balances disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

The directors are of the opinion that the following arrangements and transactions have been entered into in the normal course of business and have been established under negotiated terms and conditions.

### (a) Joint operation

On 14 February 2003, a wholly owned subsidiary of the Company, Olympia Properties Sdn. Bhd. ("OPSB"), entered into a Consortium Agreement ("the Consortium Agreement") with KH Estates Sdn. Bhd. ("KHE"), a wholly owned subsidiary of Dutaland Berhad ("Dutaland") to form a joint operation to jointly develop a piece of land ("Project Land") into a proposed township called Bandar Sri Duta ("the Project"). Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat, the directors of the Company, have interest in KHE and Dutaland, respectively. The joint operation between OPSB and KHE is on a ratio of 42% and 58% respectively.

The salient terms of the Consortium Agreement are as follows:

- (i) The Project Land will be transferred to a trustee who in turn shall hold the beneficial interest in favour of OPSB and KHE respectively;
- (ii) The trustee shall make the necessary application to the relevant authorities for the purposes of amalgamation and sub-division of the Project Land;
- (iii) OPSB and KHE have agreed to appoint KH Land Sdn. Bhd., ("KHL"), a wholly owned subsidiary of KHE as the developer of the Project;
- (iv) The respective share of assets, liabilities, income and expenses, contribution to working funds and disbursements and liabilities and all obligation whatsoever in connection with the execution of the Consortium Agreement shall be 42% and 58% for OPSB and KHE respectively ("the Distribution"); and
- (v) OPSB and KHE have mutually agreed that any proceeds derived from the Project shall first be utilised and applied towards redemption of the existing charges created on the Project Land.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 31. Significant related party transactions (cont'd.)

### (a) Joint operation (cont'd.)

The Group's share in amounts of assets, liabilities and profit or loss of the joint operation are as follows:

#### Assets and liabilities:

	Group	
	2021 RM'000	2020 RM'000
Current assets	9,682	9,923
Non-current assets	161,810	161,858
<b>Total assets</b>	<b>171,492</b>	<b>171,781</b>
Current liabilities	39,062	36,290
Non-current liabilities	135,308	134,783
<b>Total liabilities</b>	<b>174,370</b>	<b>171,073</b>
<b>Income and expenses:</b>		
Income	403	116
Expenses	(3,297)	(1,958)

### (b) Other significant related party transactions

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Transactions with affiliated companies</b>				
Rental income	786	786	-	-
Sale of inventory	-	3,100	-	-
Sale of investment properties	15,700	-	-	-
<b>Transactions with a related party</b>				
Rental income	109	101	-	-
<b>Transactions with subsidiaries</b>				
Rental expense	-	-	(393)	(393)
Management fees	-	-	3,500	2,100
Loan received on behalf of subsidiary	-	-	-	300
Loan settled on behalf of subsidiary	-	-	(300)	-

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 31. Significant related party transactions (cont'd.)

### (c) Compensation of key management personnel

The Company defined the directors of the Company and its subsidiaries as key management personnel. The remunerations of key management personnel are disclosed in Note 7.

## 32. Operating lease arrangement

### The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. These leases have remaining non-cancellable lease terms of between 1 to 4 years.

The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2021 RM'000	2020 RM'000
Future minimum rental receivables:		
Not later than 1 year	6,990	11,815
Later than 1 year and not later than 5 years	3,855	7,962
	10,845	19,777

Rental income earned from these investment properties during the financial year is disclosed in Note 4.

## 33. Classification of financial instruments

Financial assets and liabilities are measured at amortised cost or fair value through profit or loss. The following table analysed the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

Group	Note	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
<b>31 December 2021</b>				
<b>Assets</b>				
Trade and other receivables (exclude prepayments)	18	-	3,997	3,997
Amounts due from affiliated companies	20	-	145	145
Investment securities	21	28,044	-	28,044
Cash and bank balances	22	-	30,426	30,426
<b>Total financial assets</b>		<b>28,044</b>	<b>34,568</b>	<b>62,612</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 33. Classification of financial instruments (cont'd.)

Group (cont'd.)	Note	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
<b>31 December 2021 (cont'd.)</b>				
<b>Liabilities</b>				
Amounts due to affiliated companies	20	-	39,359	39,359
Borrowing	26	-	150,000	150,000
Lease liabilities	27	-	3,284	3,284
Trade and other payables	28	-	24,980	24,980
<b>Total financial liabilities</b>		-	217,623	217,623
<b>31 December 2020</b>				
<b>Assets</b>				
Trade and other receivables (exclude prepayments)	18	-	3,790	3,790
Amounts due from affiliated companies	20	-	75	75
Investment securities	21	29,390	-	29,390
Cash and bank balances	22	-	30,005	30,005
<b>Total financial assets</b>		29,390	33,870	63,260
<b>Liabilities</b>				
Amounts due to affiliated companies	20	-	36,353	36,353
Borrowing	26	-	150,300	150,300
Lease liabilities	27	-	3,717	3,717
Trade and other payables	28	-	31,193	31,193
Derivative financial liability	30	1,623	-	1,623
<b>Total financial liabilities</b>		1,623	221,563	223,186
<b>Company</b>				
<b>31 December 2021</b>				
<b>Assets</b>				
Trade and other receivables (exclude prepayments)	18	-	360	360
Amounts due from subsidiaries	19	-	148,653	148,653
Amounts due from affiliated companies	20	-	32	32
Investment securities	21	29	-	29
Cash and bank balances	22	-	2,596	2,596
<b>Total financial assets</b>		29	151,641	151,670



# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2021 (cont'd.)

### 33. Classification of financial instruments (cont'd.)

Company (cont'd.)	Note	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
<b>31 December 2021 (cont'd.)</b>				
<b>Liabilities</b>				
Amounts due to subsidiaries	19	-	15,889	15,889
Lease liabilities	27	-	726	726
Borrowings	26	-	30,000	30,000
Other payables	28	-	2,604	2,604
<b>Total financial liabilities</b>		-	49,219	49,219
<b>31 December 2020</b>				
<b>Assets</b>				
Trade and other receivables (exclude prepayments)	18	-	360	360
Amounts due from subsidiaries	19	-	144,312	144,312
Amounts due from affiliated companies	20	-	32	32
Investment securities	21	30	-	30
Cash and bank balances	22	-	971	971
<b>Total financial assets</b>		30	145,675	145,705
<b>Liabilities</b>				
Amounts due to subsidiaries	19	-	11,617	11,617
Borrowing	26	-	30,000	30,000
Other payables	28	-	3,518	3,518
<b>Total financial liabilities</b>		-	45,135	45,135

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 34. Fair value of financial instruments

### Determination of fair value

#### Financial instruments that are not carried at fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	18
Amounts due from/(to) subsidiaries	19
Amounts due from/(to) affiliated companies	20
Cash and bank balances	22
Borrowings	26
Lease liabilities	27
Trade and other payables	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending and borrowings at the reporting date.

#### Investment securities

Fair value is determined directly by reference to their published market bid price at the reporting date.

#### Fair value hierarchy

The analysis of assets and liabilities carried at fair value at the end of the reporting date by valuation method. The levels of the fair value hierarchy are disclosed in Note 2.26.

At the reporting date, the Group and the Company held the following assets and liabilities carried at fair values on the statements of financial position:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>Group</b>			
<b>2021</b>			
Investment properties	-	-	280,000
Investment securities	1,320	26,724	-
<b>2020</b>			
Investment properties	-	-	295,700
Investment securities	1,422	27,968	-

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 34. Fair value of financial instruments (cont'd.)

At the reporting date, the Group and the Company held the following assets and liabilities carried at fair values on the statements of financial position: (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>Company</b>			
<b>2021</b>			
Investment securities	29	-	-
<b>2020</b>			
Investment securities	30	-	-

There were no transfer between Level 1, Level 2 and Level 3 during the financial year.

## 35. Financial risk management objectives and policies

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 interest rate risk, liquidity risk and credit risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current financial year and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from its borrowings. The Group's and Company's manage its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in competitive interest rate environment.

During the financial year, if interest rates had been 10% lower/higher, with all other variables held constant, the Group's profit for the year would have been RM15,187,000 (2020: RM15,046,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

### (b) 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 35. Financial risk management objectives and policies (cont'd.)

### (b) Liquidity risk (cont'd.)

The Group's and the Company's liquidity risk management policy is by maintaining sufficient level of cash and banking facilities such as working capital lines deemed to be adequate by the management to ensure it will have sufficient liquidity to meet its working capital requirement.

#### Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on the contractual undiscounted repayment obligations.

Group	Due within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
<b>31 December 2021</b>				
<b>Financial liabilities:</b>				
Trade and other payables	24,880	100	-	24,980
Borrowings	-	33,482	143,712	177,194
Lease liabilities	960	2,342	326	3,628
Amounts due to affiliated companies	39,359	-	-	39,359
<b>Total undiscounted financial liabilities</b>	<b>65,199</b>	<b>35,924</b>	<b>144,038</b>	<b>245,161</b>
<b>31 December 2020</b>				
<b>Financial liabilities:</b>				
Trade and other payables	29,892	1,301	-	31,193
Borrowings	-	36,257	150,158	186,415
Lease liabilities	1,287	2,986	253	4,526
Amounts due to affiliated companies	36,353	-	-	36,353
Derivative financial liability	-	1,623	-	1,623
<b>Total undiscounted financial liabilities</b>	<b>67,532</b>	<b>42,167</b>	<b>150,411</b>	<b>260,110</b>
<b>Company</b>				
<b>31 December 2021</b>				
<b>Financial liabilities:</b>				
Trade and other payables	2,504	100	-	2,604
Borrowings	-	33,482	-	33,482
Lease liabilities	393	393	-	786
Amounts due to subsidiaries	15,889	-	-	15,889
<b>Total undiscounted financial liabilities</b>	<b>18,786</b>	<b>33,975</b>	<b>-</b>	<b>52,761</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 35. Financial risk management objectives and policies (cont'd.)

### (b) Liquidity risk (cont'd.)

#### Analysis of financial liabilities by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on the contractual undiscounted repayment obligations. (cont'd.)

Company (cont'd.)	Due within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
<b>31 December 2020</b>				
<b>Financial liabilities:</b>				
Trade and other payable	2,217	1,301	-	3,518
Borrowings	-	36,257	-	36,257
Amounts due to subsidiaries	11,617	-	-	11,617
<b>Total undiscounted financial liabilities</b>	<b>13,834</b>	<b>37,558</b>	<b>-</b>	<b>51,392</b>

### (c) 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 exposure to credit risk arises primarily from trade and other receivables and intercompany balances. For other financial assets (including investment securities, cash and bank balances and derivatives), 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.

#### Exposure to credit risk

At the reporting date, the Group'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.

#### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the industry sector profile of its trade receivables, other receivables, amount due from associates and amount due from affiliates on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

Group	2021		2020	
	RM'000	% of total	RM'000	% of total
- Property development	1,933	10%	2,032	10%
- Leasing	3,429	17%	3,577	18%
- Investment holding and others	14,357	73%	14,357	72%
	<b>19,719</b>	<b>100%</b>	<b>19,966</b>	<b>100%</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 36. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value. The Group and the Company manage its capital structure by ensuring financial commitments are met as they fall due, and through the divestment of non-core assets.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital. Net debt includes borrowings, trade and other payables less cash and bank balances. Capital is the equity attributable to the equity holders of the Company.

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade and other payables	28	24,980	31,193	2,604	3,518
Borrowings	26	150,000	150,300	30,000	30,000
Less: Cash and bank balances	22	(30,426)	(30,005)	(2,596)	(971)
Net debt		144,554	151,488	30,008	32,547
Equity attributable to equity holders of the Company		364,529	375,711	346,179	343,919
Total capital and net debt		509,083	527,199	376,187	376,466
Gearing ratio		40%	40%	9%	9%

## 37. Segment information

### (a) Business segments:

The Group and the Company are organised into business units based on their products and services. The Group's reportable segments are as follows:

- (i) Leasing - Rental of office and retail spaces and other related activities;
- (ii) Property development - Development of residential and commercial properties;
- (iii) Gaming - Organising, managing and sales of numbers forecast pools and public lotteries; and
- (iv) Investment holding and dormant - Investment holding and other business units include trading and retailing business.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses. The directors are of the opinion that all inter-segment transactions have been entered into a normal course of business. Segment revenue, expenses and results include transactions between business segments. These transactions are eliminated on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 37. Segment information (cont'd.)

### (a) Business segments: (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Property development RM'000	Gaming RM'000	Leasing RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
<b>31 December 2021</b>						
<b>Revenue</b>						
Revenue as reported	57	45,959	13,612	-	-	59,628
Inter-segment sales	-	1,836	5,291	3,500	(10,627)	-
Total revenue	57	47,795	18,903	3,500	(10,627)	59,628
<b>Results</b>						
Interest income	252	438	41	-	-	731
Interest expenses:						
- lease liabilities	(9)	(154)	(284)	(69)	345	(171)
- others	(13)	-	(5,421)	(2,788)	14	(8,208)
Depreciation of:						
- plant and equipment	(7)	(288)	(446)	(10)	-	(751)
- right-of-use assets	(78)	(805)	(197)	(350)	428	(1,002)
Fair value loss on investment securities	-	(81)	-	(119)	-	(200)
Reversal of impairment loss on:						
- trade receivables	-	-	101	-	-	101
- other receivables	-	-	-	6,504	(6,504)	-
Income tax credit/(expense)	22	278	87	-	-	387
Other significant non-cash items	(32)	-	(171)	(42)	-	(245)
Segment (loss)/profit	(3,977)	(2,087)	(1,664)	1,350	(4,807)	(11,185)
<b>Assets</b>						
Segment assets	262,172	57,220	311,904	403,046	(449,493)	584,849
<b>Liabilities</b>						
Segment liabilities	201,818	63,616	154,265	159,597	(359,739)	219,557



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 37. Segment information (cont'd.)

### (a) Business segments: (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (cont'd.)

	Property development RM'000	Gaming RM'000	Leasing RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
<b>31 December 2020</b>						
<b>Revenue</b>						
Revenue as reported	3,223	55,180	15,897	-	-	74,300
Inter-segment sales	-	2,202	5,743	3,500	(11,445)	-
Total revenue	3,223	57,382	21,640	3,500	(11,445)	74,300
<b>Results</b>						
Interest income	3	589	74	-	-	666
Interest expenses:						
- lease liabilities	-	(154)	(685)	(15)	658	(196)
- others	(26)	-	(5,898)	(2,797)	15	(8,706)
Depreciation of:						
- plant and equipment	(3)	(291)	(768)	(12)	-	(1,074)
- right-of-use assets	(52)	(726)	(370)	(363)	415	(1,096)
Fair value gain/(loss) on:						
- investment securities	-	74	-	(106)	-	(32)
- investment properties	(20)	(580)	(20,000)	-	-	(20,600)
Inventories written down	(300)	-	-	-	-	(300)
Reversal of impairment loss on:						
- trade receivables	-	-	4	2	-	6
- other receivables	35	-	-	-	-	35
Income tax (expense)/credit	(20)	94	2,003	-	-	2,077
Other significant non-cash expenses	84	-	636	53	-	773
Segment loss	(2,629)	(1,411)	(20,029)	(1,214)	(3,164)	(28,447)
<b>Assets</b>						
Segment assets	263,262	69,591	318,783	396,804	(446,520)	601,920
<b>Liabilities</b>						
Segment liabilities	198,930	73,900	159,480	155,654	(362,521)	225,443

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 37. Segment information (cont'd.)

### (a) Business segments (cont'd.):

- (i) Other significant non-cash expenses consist of the following:

	Note	2021 RM'000	2020 RM'000
Unrealised (gain)/loss on foreign exchange	9	(78)	76
Bad debts written off	9	14	1
Fair value (gain)/loss on derivative financial liability	30	(181)	636
Others		-	60
		(245)	773

- (ii) Additions to non-current assets consist of:

	Note	2021 RM'000	2020 RM'000
Plant and equipment	12	224	311

- (iii) The following item is added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Tax recoverable	2,752	2,464

- (iv) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Note	2021 RM'000	2020 RM'000
Deferred tax liabilities	29	1,578	1,812
Tax payable		356	445
		1,934	2,257

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 37. Segment information (cont'd.)

### (b) Geographical information

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segment:

	Revenue		Segment assets		Capital expenditure	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sabah	45,959	55,180	57,220	69,591	175	251
Kuala Lumpur	13,669	19,120	454,103	458,803	49	60
Negeri Sembilan	-	-	73,526	73,526	-	-
Malaysia	59,628	74,300	584,849	601,920	224	311

### (c) Information about major customers

No information on major customers is presented as there are no single/groups of significant major customers contributing to the Group's revenue.

## 38. Subsidiaries

The details of the subsidiaries are as follows:

Name of subsidiary	Proportion of ownership		Principal activities
	2021 %	2020 %	
Subsidiaries of the Company			
Lotteries Corporation Sdn. Bhd.	100	100	Organising, managing numbers forecast pools and public lotteries
United Malaysian Properties Sdn. Bhd.	100	100	Dormant
Diriwan Corporation Sdn. Bhd.	100	100	Sale of numbers forecast pools and public lotteries
City Land Sdn. Bhd. *	100	100	Property development
Regal Unity Sdn. Bhd.	100	100	Trading, retailing, food and beverage business
Jupiter Options and Financial Futures Sdn. Bhd.	70	70	Other financial and commodity futures brokers and dealers

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 38. Subsidiaries (cont'd.)

The details of the subsidiaries are as follows: (cont'd.)

Name of subsidiary	Proportion of ownership		Principal activities
	2021 %	2020 %	
Subsidiaries of the Company (cont'd.)			
Jupiter Asset Management Sdn. Bhd. *	70	70	Ceased operations
Dairy Maid Resort & Recreation Sdn. Bhd.	100	100	Property investment and letting of properties
Olympia Ventures Sdn. Bhd.	100	100	Investment holding
Jupiter Capital Sdn. Bhd. *	100	100	Ceased operations
Sierra Aspects Sdn. Bhd. *	100	100	Ceased operations
JetFM Sdn. Bhd. *	51	51	Ceased operations
Olympia Engineering Sdn. Bhd.	100	100	Investment holding
Olympia Properties Sdn. Bhd.	100	100	Property development
Olympia Leisure Sdn. Bhd. *	60	60	Ceased operations
Avenia Leisure Sdn. Bhd. *	100	100	Ceased operations
Citrus Cafe Sdn. Bhd. *	100	100	Ceased operations
KL Landmark Estate Services Sdn. Bhd. *	100	100	Ceased operations
KL Landmark Sdn. Bhd.	100	100	Property development
MA Realty Sdn. Bhd.	100	100	Property investment holding
Naturelle Sdn. Bhd.	100	100	Property development
Subsidiary of Lotteries Corporation Sdn. Bhd.			
LC (BVI) Ltd. ^#	100	100	Ceased operations

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 38. Subsidiaries (cont'd.)

The details of the subsidiaries are as follows: (cont'd.)

Name of subsidiary	Proportion of ownership		Principal activities
	2021 %	2020 %	
Subsidiary of United Malaysian Properties Sdn. Bhd.			
UMP Management Sdn. Bhd.	100	100	Building maintenance
Subsidiary of Dirivan Corporation Sdn. Bhd.			
Dirivan Management Sdn. Bhd.	100	100	Provision of management services
Subsidiary of Dairy Maid Resort & Recreation Sdn. Bhd.			
Dairy Maid Resort & Recreation Property Services Sdn. Bhd.	100	100	Property management services
Subsidiaries of Olympia Ventures Sdn. Bhd.			
Scalini's Asia Sdn. Bhd. *	100	100	Ceased operations
Miles & Miles Asia Ltd. ^#	100	100	Dormant
Subsidiary of Olympia Engineering Sdn. Bhd.			
Suff Marine International Sdn. Bhd. *	70	70	Dormant
Subsidiary of JetFM Sdn. Bhd.			
JetMobile Sdn. Bhd. *	100	100	Ceased operations

\* Audited by firms of auditors other than Ernst & Young PLT.

# This subsidiary, Miles & Miles Asia Ltd. is incorporated in Hong Kong.

# This subsidiary, LC (BVI) Ltd. is incorporated in British Virgin Islands.

^ Unaudited.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (cont'd.)

## 39. Significant event

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as global health pandemic. In response to this pandemic, the Malaysian Government implemented Movement Control Order ("MCO") commencing on 18 March 2020 as well as the subsequent restrictions during the various phases of the Conditional MCO ("CMCO"), Recovery MCO ("RMCO") and the National Recovery Program ("NRP") which were implemented during the year.

The Group has considered the effects of the Covid-19 pandemic during its preparation of its financial statements for the year ended 31 December 2021. However, the Covid-19 pandemic, if prolonged, may adversely impact the market outlook and operating conditions of the various business segments of the Group.

In addition to the unpredictable nature of the pandemic which has resulted in the disruption of the gaming operations of the Group, the results and financial position of the Group during the financial year as well as subsequent to year end are expected to continue to be impacted by various factors, including the following:

- The softening demand and outlook of the property development and property investment segments which may impact the revenue from the sale of completed property and the rental income for the investment property of the Group; and
- The re-assessment of the carrying amounts of certain assets of the Group, including the investment property. The fair value of the investment property is derived based on certain key assumptions of the market conditions prevailing as at 31 December 2021. The details of the impairment of investment property are disclosed in Notes 9 and 15.

The Group is taking the necessary steps to mitigate the risks arising from the Covid-19 pandemic, including the prudent management of its cashflows from its operating, investing and financing activities as disclosed in Note 2.1.

## 40. Capital commitments

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure approved and contracted for:		
Upgrading works	486	1,152

As at 31 December 2021, the Group had capital commitments of RM486,000 (2020: RM1,152,000) relating to the completion of the upgrading works for application of MSC-status for an office building on long term leasehold land as disclosed under Note 15.

# PROPERTIES HELD BY THE GROUP

As at 31 December 2021

Properties	Description/ existing use	Tenure	Land Area (acres)	Built-up area (sq-ft)	Carrying Value 31.12.2021 (RM'000)	Date of revaluation
<b>DAIRY MAID RESORT &amp; RECREATION SDN. BHD.</b>						
Menara Olympia No 8, Jalan Raja Chulan 50200 Kuala Lumpur	31 storey commercial building	Leasehold for 99 years expiring on 1/3/2088 (27 years old)	1.16	690,553	280,000	31/12/2021
<b>NATURELLE SDN. BHD</b>						
PT 632, 642, 646 to 888, 891, 893 to 907, 909 to 914, 918 to 924, 983 to 1022, 1027 to 1030, 1639 & 1640 Mukim of Kenaboi District of Jelevu Negeri Sembilan Darul Khusus	Mixed development land	Leasehold for 99 years expiring on 26/6/2091	1,371	-	57,205*	31/12/2021

\*MFRS102: Inventories are carried at lower of cost and net realisable value.

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022

Total number of Issued Shares	1,023,431,958 shares
Class of shares	Ordinary shares
Voting rights	One (1) vote per ordinary share
Number of shareholders	24,690

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	1,468	5.95	43,069	0.01
100 to 1,000	16,337	66.17	4,997,090	0.49
1,001 to 10,000	3,677	14.89	16,188,079	1.58
10,001 to 100,000	2,578	10.44	99,895,728	9.76
100,001 to less than 5% of issued shares	627	2.54	436,937,514	42.69
5% and above of issued shares	3	0.01	465,370,478	45.47
<b>TOTAL</b>	<b>24,690</b>	<b>100.00</b>	<b>1,023,431,958</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Kenny Height Developments Sdn Bhd	180,000,000	17.59	-	-
2. Duta Equities Sdn Bhd	157,529,083	15.39	-	-
3. Seni Kasuari Sdn Bhd	127,841,395	12.49	-	-
4. Tan Sri Dato' Yap Yong Seong	55,668	0.005	337,529,083	* 32.98
5. Dato' Sri Yap Wee Keat	44,500	0.004	337,529,083	* 32.98
6. Datuk Yap Wee Chun	-	-	337,529,083	* 32.98
7. Puan Sri Datin Leong Li Nar	-	-	337,529,083	* 32.98

\* Deemed interest through shares held by Kenny Height Developments Sdn Bhd and Duta Equities Sdn Bhd.



# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022 (cont'd.)

## DIRECTORS' INTERESTS IN SHARES IN THE COMPANY AND RELATED COMPANIES

Olympia Industries Berhad		Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Y.A.M Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	20,000	0.001	-	-
2.	Tan Sri Dato' Yap Yong Seong	55,668	0.005	337,529,083	* 32.98
3.	Dato' Sri Yap Wee Keat	44,500	0.004	337,529,083	* 32.98
4.	Ng Ju Siong	-	-	-	-
5.	Izaddeen bin Daud	-	-	-	-
6.	Dato' Syed Sultan bin Mohd Idris	-	-	-	-
7.	Wong Siew Si	-	-	-	-

Related Companies		Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
<b>Olympia Leisure Sdn Bhd</b>					
	Dato' Sri Yap Wee Keat	60,000	40.00	90,000^	60.00
<b>JetFM Sdn Bhd</b>					
	Dato' Sri Yap Wee Keat	-	-	188,784**	38.00

\* Deemed interest through shares held by Kenny Height Developments Sdn Bhd and Duta Equities Sdn Bhd.

^ By virtue of his interest through Olympia Industries Berhad in accordance with Section 8 of the Companies Act, 2016.

\*\* Deemed interest through Ample Paramount Sdn Bhd which owns 37.76% equity interest in JetFM Sdn Bhd

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022 (cont'd.)

## TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Kenny Height Developments Sdn Bhd	180,000,000	17.59
2.	Duta Equities Sdn Bhd	157,529,083	15.39
3.	Seni Kasuari Sdn Bhd	127,841,395	12.49
4.	MP Factors Sdn Bhd	34,603,560	3.38
5.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Azizan bin Abd Rahman (PB)	29,395,270	2.87
6.	British Image Sdn Bhd	24,653,600	2.41
7.	British Image Sdn Bhd	20,426,900	2.00
8.	Pacific Element Sdn Bhd	17,395,300	1.70
9.	Ng Eng Siong	8,970,000	0.88
10.	Ng Soo Yong	7,460,000	0.73
11.	Teo Kwee Hock	7,219,400	0.71
12.	Lim Pay Kaon	7,000,000	0.68
13.	Lim Pei Tiam @ Liam Ahat Kiat	5,500,000	0.54
14.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teng Siew Kean (MG0090-199)	5,470,900	0.53
15.	Chin Kian Fong	4,996,000	0.49
16.	Tye Yong Pou	4,000,000	0.39
17.	Lee Tai Fatt	3,364,900	0.33
18.	Wong Hon Yee	3,196,821	0.31
19.	Ng Eng Siong	3,090,000	0.30
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Tiam Ming (008)	3,086,400	0.30
21.	Pacific Element Sdn Bhd	3,070,500	0.30

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022 (cont'd.)

## TOP 30 SECURITIES ACCOUNT HOLDERS (cont'd.)

No.	Name of Shareholders	No. of Shares	%
22.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Kam Fut	3,000,000	0.29
23.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for J.V. Avenue Sdn Bhd	2,881,500	0.28
24.	Low Ngok Ming	2,865,000	0.28
25.	Chin Sin Lin	2,838,100	0.28
26.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	2,816,163	0.28
27.	Public Nominees (Asing) Sdn Bhd Pledged Securities Account for Veronica Bong (E-SPG)	2,595,000	0.25
28.	Tan Yee Ming	2,563,700	0.25
29.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ang Eng Tiong	2,550,000	0.25
30.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	2,500,000	0.24
<b>Total</b>		<b>682,879,492</b>	<b>66.72</b>

# NOTICE OF 41<sup>ST</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-First Annual General Meeting ("41<sup>st</sup> AGM") of Olympia Industries Berhad ("the Company") will be conducted fully virtual through the online meeting platform at <https://tiih.online> (registered with MYNIC Berhad in the domain name <https://tiih.com.my> under the registration number D1A282781) on Monday, 30 May 2022 at 3.00 p.m. to transact the following businesses:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon (Please refer to Explanatory Note)
2. To approve the payment of Directors' fees of RM129,000 for the financial year ended 31 December 2021 (Ordinary Resolution 1)
3. To approve the payment of Directors' benefits to Non-Executive Directors up to an amount of RM65,000 from the 41<sup>st</sup> AGM until the next Annual General Meeting of the Company (Ordinary Resolution 2)
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 91 of the Company's Constitution, and being eligible, offer themselves for re-election:
  - (i) Dato' Sri Yap Wee Keat (Ordinary Resolution 3)
  - (ii) Encik Izaddeen bin Daud (Ordinary Resolution 4)
5. To re-elect the following Directors who are retiring in accordance with Clause 98 of the Company's Constitution, and being eligible, offer themselves for re-election:
  - (i) Dato' Syed Sultan bin Mohd Idris (Ordinary Resolution 5)
  - (ii) Miss Wong Siew Si (Ordinary Resolution 6)
6. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration (Ordinary Resolution 7)

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolutions:

7. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

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"THAT approval be and is hereby given for Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar to continue to act as an Independent Non-Executive Director of the Company." (Ordinary Resolution 8)

# NOTICE OF 41<sup>ST</sup> ANNUAL GENERAL MEETING

(cont'd.)

8. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

(Ordinary Resolution 9)

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approval of the relevant authorities, the Directors of the Company be and are hereby authorised to allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

(Ordinary Resolution 10)

“THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries (“Olympia Group”) to enter into and give effect to the categories of recurrent related party transactions with the related parties as specified in Section 2.3.1 of the Circular to Shareholders dated 29 April 2022, which are necessary for the Olympia Group’s day-to-day operations in the ordinary course of business made on an arm’s length basis and on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as “the Mandate”) and the Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the Mandate will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“the Act”) (but must 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 general meeting,

whichever is earlier.

AND THAT the Directors of the Company and/or its subsidiaries be and are hereby authorised to complete and do all such acts and things including executing all such documents as they may consider necessary or expedient to give effect to the Mandate.”

10. To transact any other business of which due notice shall have been given.

# NOTICE OF 41<sup>ST</sup> ANNUAL GENERAL MEETING

## (cont'd.)

### BY ORDER OF THE BOARD

**Lim Yoke Si (MAICSA 0825971) / SSM PC No. 202008000548**  
**Kwan Wai Sin (MAICSA 7035227) / SSM PC No. 201908000481**

Company Secretaries

Kuala Lumpur  
29 April 2022

### Notes

1. The 41<sup>st</sup> AGM of the Company will be conducted in line with the revised Guidance Notes issued by the Securities Commission Malaysia and pursuant to Section 327(2) of the Companies Act 2016.
2. Shareholders or proxies/corporate representatives/attorneys appointed/authorised are advised to follow the procedures provided in the Administrative Guide on 41<sup>st</sup> AGM in order to register, participate and vote remotely.
3. Shareholders are to attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely in the 41<sup>st</sup> AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide on 41<sup>st</sup> AGM.
4. A member shall not be entitled to appoint more than two (2) proxies to participate in the 41<sup>st</sup> AGM via RPV.
5. Where a member is an authorised nominee, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. 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.
7. Where a member or authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
8. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.
9. The appointment of a proxy may be made in a hard copy form or by electronic means as follows:

#### (a) In hard copy form

The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the 41<sup>st</sup> AGM or no later than 3.00 p.m. on 28 May 2022.

#### (b) By Tricor Online System (TIIH Online)

The Form of Proxy can be electronically submitted to Tricor via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide on 41<sup>st</sup> AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

10. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2022 shall be entitled to participate in the 41<sup>st</sup> AGM via RPV.
11. In compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions as set herein will be put to vote by way of poll.

# NOTICE OF 41<sup>ST</sup> ANNUAL GENERAL MEETING

## (cont'd.)

### PERSONAL DATA PROTECTION STATEMENT

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend and to vote at the Annual General Meeting ("AGM") of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

### EXPLANATORY NOTES:-

#### Item 1 of the Agenda

Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon

This item is for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require approval from shareholders of the Company. Hence, it is not put forward for voting.

#### Ordinary Resolutions 1 & 2

The proposed payment of Directors' fees of RM129,000 is for the Non-Executive Directors of the Company who have served during the financial year. The Directors' benefits for Non-Executive Directors comprise meeting allowances of RM30,000 and leave passage of RM35,000. Meeting allowances are calculated based on the number of scheduled Board, Board Committee and general meetings from the 41<sup>st</sup> AGM until the next Annual General Meeting of the Company. The Board endorsed the recommendations of the Remuneration Committee on the proposed payment of Directors' fees and benefits to Non-Executive Directors of the Company.

#### Ordinary Resolutions 3 & 4

Clause 91 of the Company's Constitution states that at each Annual General Meeting ("AGM") of the Company, one-third (1/3rd) of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. All Directors shall retire from office at least once in three (3) years and shall be eligible for re-election.

Dato' Sri Yap Wee Keat and Encik Izaddeen bin Daud are due to retire by rotation at the 41<sup>st</sup> AGM and being eligible, have offered themselves for re-election.

The Board through the Nomination Committee had assessed the retiring Directors and is satisfied that they have the experience, competence, integrity and character in their respective roles as Board members. The Board recommends the re-election of Dato' Sri Yap Wee Keat and Encik Izaddeen bin Daud as Directors at the 41<sup>st</sup> AGM.

#### Ordinary Resolutions 5 & 6

Clause 98 of the Company's Constitution summarises that any person appointed as a Director, either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting, and shall then be eligible for re-election.

Dato' Syed Sultan bin Mohd Idris and Ms Wong Siew Si who were appointed on 15 December 2021, are due to retire at the 41<sup>st</sup> AGM and being eligible, have offered themselves for re-election. The Board is confident that they will further strengthen the Board composition and dynamics. The Board recommends the re-election of Dato' Syed Sultan bin Mohd Idris and Ms Wong Siew Si as Directors at the 41<sup>st</sup> AGM.

#### Ordinary Resolution 7

Based on the annual evaluation carried out on the external auditors, the Board endorsed the recommendation of the Audit Committee to re-appoint Messrs Ernst & Young PLT as Auditors of the Company at the 41<sup>st</sup> AGM.

# NOTICE OF 41<sup>ST</sup> ANNUAL GENERAL MEETING

## (cont'd.)

### **Ordinary Resolution 8**

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar has served the Company as an Independent Non-Executive Director for a cumulative term of more than 13 years.

The Board, through the Nomination Committee, had carried out annual evaluation and assessment on the performance and independence of Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar and is satisfied that he has fulfilled the criteria under the definition of Independent Director as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has been able to demonstrate his independence and exercise objective judgement during Board deliberations. The length of his service does not in any way impair his objective and independent judgement nor his ability to act in the best interest of the Company. The Board is confident that he will continue to exercise independent and objective judgement in Board meetings regardless of his length of service in the Company.

Notwithstanding Practice 5.3 of the Malaysian Code on Corporate Governance to seek shareholders' approval through a two-tier voting process for retention of independent director beyond nine years, the Board recommends that irrespective of the length of service in the Company, the proposed resolution be voted through a single-tier voting process to enable every shareholder to exercise their voting rights on the same level/ platform and to be decided by a simple majority for ordinary resolution as provided in the Companies Act 2016.

Ordinary Resolution 8 if passed, will enable Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar, to hold office as an Independent Non-Executive Director until the conclusion of the next Annual General Meeting of the Company.

### **Ordinary Resolution 9**

The Ordinary Resolution proposed under item 8 is for the purpose of seeking a renewal of the general mandate to authorise the Directors of the Company to allot ordinary shares up to 10% of the total number of issued shares of the Company, for such purposes as the Directors consider to be in the interest of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting ("AGM") of the Company.

The mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to placement of shares, funding future investment(s) and/or working capital.

The mandate obtained at the 40<sup>th</sup> AGM held on 23 June 2021 was not utilised and accordingly, there was no allotment of shares as at the date of the Notice.

### **Ordinary Resolution 10**

The Ordinary Resolution proposed under item 9, if passed, will allow 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 with related parties. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting ("AGM"), or the expiration of the period within which the next AGM is required by law to be held, or revoked or varied by a resolution passed by the shareholders of the Company in general meeting, whichever is earlier. Shareholders are advised to refer to the Circular to Shareholders dated 29 April 2022 for more information.



# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”))

## **1. Details of individual who is standing for election as Director**

No individual is seeking election as a Director at the Forty-First Annual General Meeting (“41<sup>st</sup> AGM”) of the Company.

## **2. General mandate for issue of securities**

There is a renewal of general mandate for the issuance of shares to be sought in accordance with Paragraph 6.03(3) of the MMLR of Bursa Securities at the 41<sup>st</sup> AGM of the Company.

No proceeds was raised from the previous mandate as the Company did not issue any new shares pursuant to Sections 75 and 76 of the Companies Act, 2016 under the general mandate which was approved at the 40<sup>th</sup> AGM of the Company held on 23 June 2021.

The purpose for seeking a general mandate to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 is to provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to placement of shares, funding future investment(s) and/or working capital.

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# OLYMPIA INDUSTRIES BERHAD

[198001009242 (63026-U)]

## Form of Proxy

CDS Account No.	No. of Shares held

\* I/We \_\_\_\_\_

\* NRIC/Passport/Company No. \_\_\_\_\_ Mobile Phone No.: \_\_\_\_\_

Address : \_\_\_\_\_

being a member of **OLYMPIA INDUSTRIES BERHAD** ("the Company"), hereby appoint :-

1. Name of proxy	NRIC/ Passport No.	Proportion of shareholdings and % represented by proxy	
		No. of Shares	%
Address			

and

2. Name of proxy	NRIC/ Passport No.	Proportion of shareholdings and % represented by proxy	
		No. of Shares	%
Address			

or failing \*him/her, the Chairman of the meeting as \*my/our proxy to vote for \*my/our behalf at the 41<sup>st</sup> Annual General Meeting of the Company which will be conducted fully virtual through the online meeting platform at <https://tjih.online> (registered with MYNIC Berhad in the domain name <https://tjih.com.my> under the registration number D1A282781) on Monday, 30 May 2022 at 3.00 p.m., or at any adjournment thereof.

Ordinary Resolutions	Ordinary Business	For	Against
1	Approval of Directors' fees to Non-Executive Directors		
2	Approval of Directors' benefits to Non-Executive Directors		
3	Re-election of Dato' Sri Yap Wee Keat as Director		
4	Re-election of Encik Izaddeen bin Daud as Director		
5	Re-election of Dato' Syed Sultan bin Mohd Idris as Director		
6	Re-election of Miss Wong Siew Si as Director		
7	Re-appointment of Messrs Ernst & Young PLT as Auditors and authority to the Directors to fix the Auditors' remuneration		
	<b>Special Business</b>		
8	Continuing in Office of Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar as Independent Non-Executive Director		
9	Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
10	Proposed renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature		

(Please indicate the manner in which you wish your vote to be cast with an "X" in the appropriate space above. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\* Delete where inapplicable

Signature / Common Seal of Shareholder

### Notes

- The Forty-First Annual General Meeting of the Company ("41<sup>st</sup> AGM") will be conducted in line with the revised Guidance Notes issued by the Securities Commission Malaysia and pursuant to Section 327(2) of the Companies Act 2016.
- Shareholders or proxies / corporate representatives / attorneys appointed/authorised are advised to follow the procedures provided in the Administrative Guide on 41<sup>st</sup> AGM in order to register, participate and vote remotely.
- Shareholders are to attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely in the 41<sup>st</sup> AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIH Online website at <https://tjih.online>. Please follow the procedures for RPV in the Administrative Guide on 41<sup>st</sup> AGM.
- A member shall not be entitled to appoint more than two (2) proxies to participate in the 41<sup>st</sup> AGM via RPV.
- Where a member is an authorised nominee, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.
- The appointment of a proxy may be made in a hard copy form or by electronic means as follows:
  - In hard copy form**  
The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the 41<sup>st</sup> AGM or no later than 3.00 p.m. on 28 May 2022.
  - By Tricor Online System (TIH Online)**  
The Form of Proxy can be electronically submitted to Tricor via TIH Online at <https://tjih.online>. Kindly refer to the Administrative Guide on 41<sup>st</sup> AGM on the procedures for electronic lodgement of proxy form via TIH Online.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2022 shall be entitled to participate in the 41<sup>st</sup> AGM via RPV.
- In compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions as set herein will be put to vote by way of poll.

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THE REGISTRAR OF  
OLYMPIA INDUSTRIES BERHAD  
[198001009242 (63026-U)]



The Share Registrar  
**Tricor Investor & Issuing House Services Sdn Bhd**  
(197101000970 (11324-H))  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

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## **OLYMPIA INDUSTRIES BERHAD**

Registration No.: 198001009242 (63026-U)

Level 23, Menara Olympia  
No 8, Jalan Raja Chulan  
50200 Kuala Lumpur

**T** +603 2070 0033

**F** +603 2070 0011

**E** [olympia@oib.com.my](mailto:olympia@oib.com.my)

**[www.oib.com.my](http://www.oib.com.my)**