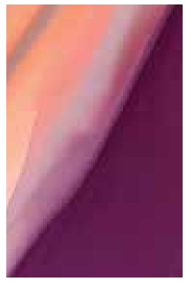
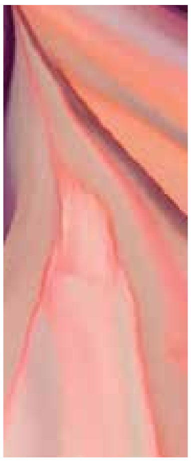


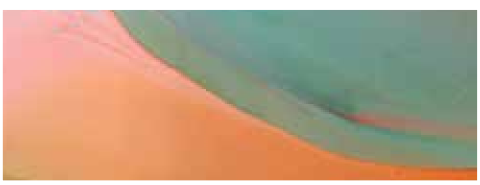
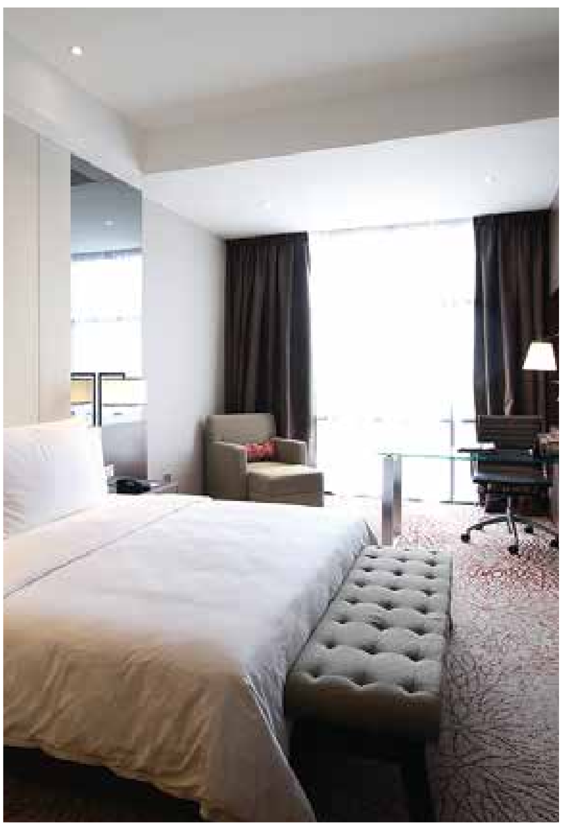





impiana
Hotels Berhad

IMPIANA HOTELS BERHAD
Registration No. 200601021085
(740838-A)

2022
ANNUAL REPORT

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CORPORATE INFORMATION

Board of Directors

Dato' Seri Ismail @ Farouk Bin Abdullah
Executive Chairman

Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif
Independent Non-Executive Director

Datuk Supperamaniam a/l Manickam
Independent Non-Executive Director

Dyana Sofya binti Mohd Daud
Non-Independent Non-Executive Director

Dato' Hong Khay Kuan
Independent Non-Executive Director

Dato' Hoo Voon Him
Non-Independent Non-Executive Director
(App : 10.01.2023)
Redesignated as Executive Director (19.01.2023)
Interim Chief Executive Officer
(App : 27.02.2023)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif

Members
Datuk Supperamaniam a/l Manickam
Dyana Sofya binti Mohd Daud

NOMINATION COMMITTEE

Chairman
Datuk Supperamaniam a/l Manickam

Members
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif
Dyana Sofya binti Mohd Daud
(Appointed on 26.08.2022)

REMUNERATION COMMITTEE

Chairman
Datuk Supperamaniam a/l Manickam

Member
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif
Dato' Hong Khay Kuan
(Appointed on 26.08.22)

COMPANY SECRETARY

Lim Shook Nyee
SSM No. 201908003593
(MAICSA7007640)

Tee Siew Lee
SSM No. 202008001875
(LS00009570)

REGISTERED OFFICE

21st Floor Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan,
Malaysia
Tel : +603 2141 6233
Fax : +603 2142 2295

AUDITOR

Moore Stephens Associate PLT
(LLP0000963-LCA & AF2096)
Unit 3.3A, 3rd Floor, Surian Tower
No.1 Jalan PJU 7/3
Mutiara Damansara
Bangsar South City
47810 Petaling Jaya, Selangor
Malaysia
Tel : +603 7728 1800
Fax : +603 7728 9800

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
(199601006647 (378993-D))
11th Floor Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim,
Seksyen 13
46200 Petaling Jaya, Selangor
Malaysia
Tel : +603 7890 4700
Fax : +603 7890 4670

PRINCIPAL BANKERS

CIMB Bank Berhad
RHB Bank Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad
Stock Code : 7243

WEBSITE

www.impianaberhad.com
www.impiana.com

impiana

IMPIANA PRIVATE VILLAS CEMAGI

Once in a Lifetime Moment

GROUP STRUCTURE

Impiana Hotels Berhad
Registration No. 200601021085 (740838-A)

100% **Impiana Hotels & Resorts Management Sdn Bhd**
199101013081 (223393-A)
Provision of management and operations services to hotels and resorts

100% **Impiana Pangkor Sdn Bhd**
199101017935 (228246-W)
Dormant

100% **Impiana Ipoh Sdn Bhd**
201401002976 (1079050-P)
Joint developer of "Impiana Resort & Residences Cherating" and owner of Impiana Hotel Ipoh

100% **Impiana Cherating Sdn Bhd**
198501013346 (145802-H)
Developer and owner of "Impiana Resort & Residences Cherating"

100% **Impiana Tioman Villas & Residences Sdn Bhd**
202001040673 (1396994-X)
Owner of Tioman Land

- 75% **Impiana Selo Tioman Resorts Sdn Bhd**
  202101005152 (1405451-T)
  Joint venture for Tioman Resorts development

100% **Astaka Mekar Sdn Bhd**
200901011731 (854761-P)
Investment holding

- 20% **Heritage Lane Sdn Bhd**
  199901002104 (477004-U)
  Owner of Impiana KLCC Hotel

5-YEARS
FINANCIAL HIGHLIGHTS

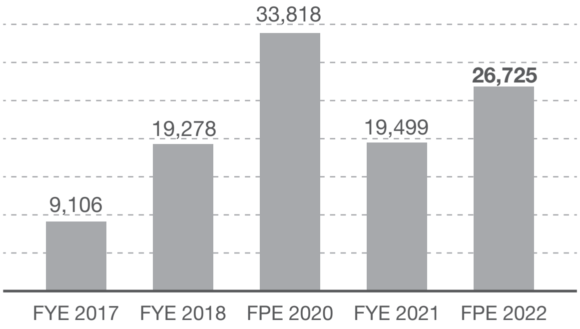
The highlights of Impiana Hotels Berhad financial information for the past 5 financial years are as follows:

	FYE 30 Jun '17 (1) (RM '000)	FYE 31 Dec '18 (2) (RM '000)	18-mth FPE 30 Jun '20 (2) (RM '000)	FYE 30 Jun '21 (2) (RM '000)	18-mth FPE 31 Dec '22 (2) (RM '000)
Revenue	9,106	19,278	33,818	19,499	**26,725**
Finance costs	-	(5,372)	(6,198)	(8,132)	**(11,726)**
(Loss) before taxation	(9,842)	(1,940)	(63,940)	(10,467)	**(13,826)**
(Loss) after tax	(11,072)	(1,350)	(62,374)	(10,730)	**(14,307)**
Net assets	35,032	43,794	38,039	41,596	**65,685**
Total assets	45,950	166,871	194,724	203,929	**221,815**
Borrowings	-	69,885	70,363	72,599	**71,817**
Liabilities/Equity (times)	0.31	3.81	4.12	3.90	**2.38**
No. of shares ('000)	795,363	795,363	835,736	1,216,205	**288,868**
(Loss)/per share (sen)	(1.39)	(0.17)	(7.46)	(0.88)	**(4.95)**
NA per share (sen)	4.40	5.51	4.55	3.42	**22.74**
Dividend per share (RM)	-	-	-	-	**-**

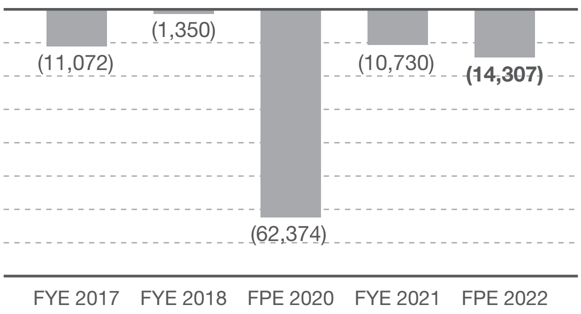
Note:

(1) The Group numbers are accounted for using direct acquisition method
(2) The Group numbers are accounted for using the reverse acquisition method

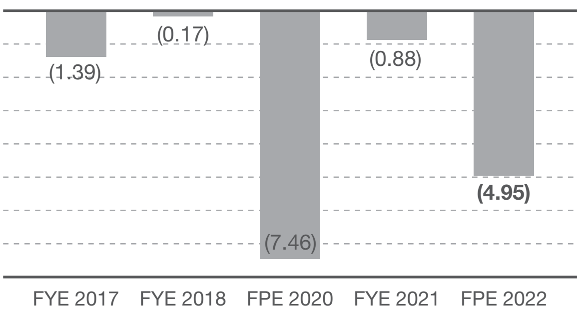
REVENUE
(RM'000)



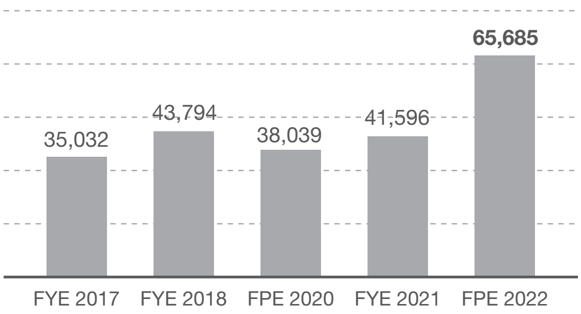
LOSS AFTER TAX
(RM'000)



LOSS PER SHARE
(RM'000)



NET ASSETS
(RM'000)



PROFILE OF BOARD OF DIRECTORS
& SENIOR MANAGEMENT

DATO' SERI ISMAIL @ FAROUK BIN ABDULLAH

Malaysian / aged 77 / Male

Executive Chairman

Dato' Seri Farouk was appointed to the Board on 18 April 2019. He holds a degree in Hotel Management from L'Ecole Hoteliere, Lausanne, Switzerland and has more than 50 years experience in the hospitality industry both in Europe and Asia. In 1994, he founded the Impiana Group, which is involved in the development and management of hotels and resorts, travel and leisure, property development and education.

Dato' Seri Farouk is a major shareholder of the Company through his direct and indirect shareholdings in the Company.

Dato' Seri Farouk attended all ten (10) Board Meetings during the financial period ended 31 December 2022. He has abstained from deliberating and voting in respect to any transactions between the Company and related parties involving himself. He does not hold any directorship in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted of any offences within the past 5 years.

PROF. DR MOHD AMY AZHAR BIN HAJI MOHD HARIF

Malaysian / aged 50 / Male

Independent Non-Executive Director
Chairman of Audit and Risk Management Committee
Member of Remuneration Committee
Member of Nomination Committee

Prof. Dr Amy was appointed to the Board on 18 August 2011 as representative of Perbadanan Nasional Berhad (PNS), a former substantial shareholder of the Company. He was re-designated as Independent Non-Executive Director on 12 March 2014 upon PNS's cessation as a substantial shareholder of the Company.

He holds a Ph.D in Franchising and Financial Planning from the University of Southern Queensland, Australia. He is also a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA), as well as a member of the Malaysian Institute of Management (MIM). He is currently a professor at the School of Economics, Finance and Banking, Universiti Utara Malaysia (UUM). He is highly regarded as a franchise and small medium enterprise (SME) industry expert. His extensive exposure in franchise and SME industry involved research, consultation and presentation of papers relating to franchise, SME, finance and entrepreneur locally and abroad.

Prof. Dr Amy attended all ten (10) Board Meetings held during the financial period ended 31 December 2022 He has no family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years.

PROFILE OF BOARD OF DIRECTORS
& SENIOR MANAGEMENT
(cont'd)

DATUK SUPPERAMANIAM A/L MANICKAM

Malaysian / aged 78 / Male

Independent Non-Executive Director
Member of Audit and Risk Management Committee
Chairman of Remuneration Committee
Chairman of Nomination Committee

Datuk Supperamaniam was appointed to the Board on 15 May 2019. He graduated from the University of Malaya in 1970 with a Bachelor of Arts (Honours) in Economics. He subsequently joined the Malaysian Administrative and Diplomatic Service in October 1970 and was posted to the Ministry of Trade and Industry as Assistant Director where he served for 33 years in various capacities including Director, International Trade, Senior Trade Commissioner to Hong Kong / People Republic of China and Deputy Secretary-General of Ministry of International Trade and Industry. He was also the Ambassador/Permanent Representative of Malaysia to the World Trade Organisation in Geneva, Switzerland.

Since his official retirement from Government service, he has assumed role as a speaker/resource person/consultant to meetings, workshops and conferences organised by United Nations Agencies, regional and international organisations and foreign governments. He is also a Distinguished Fellow of Institute of Strategic and International Studies (ISIS) Malaysia. Besides the aforesaid, he also serves as an Adjunct Professor to the International Islamic University of Malaysia, and Advisor to Asia-Pacific Research Trade Network (Artnet) Coordinated by UNESCAP based in Bangkok, Thailand and Asean-China Research Institute of Guangxi University, China, Steering Committee Member Asia WTO Research Network based in Tokyo and member of the International Advisory Panel, Belt and Road Research Institute based in Hong Kong. He is currently an Exco member of the Economic Club of Kuala Lumpur. Datuk Supperamaniam is presently a director of BATA Malaysia Sdn Bhd.

Datuk Supperamaniam attended all ten(10) Board Meetings held during the financial period ended 31 December 2022. He has no family relationship with any other director and/or any other major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years.

DYANA SOFYA MOHD DAUD

Malaysian / aged 35 / Female

Non-Independent Non-Executive Director
Member of Audit and Risk Management Committee
Member of Nomination Committee (Appointed on 26.08.2022)

Puan Dyana was appointed to the Board on 30 May 2018. In 2010, Puan Dyana graduated with a Bachelor of Law with Honours from Universiti Teknologi MARA, Malaysia. She was then admitted as an advocate & solicitor of the High Court of Malaya in 2011. She subsequently obtained a Master of Arts in International Studies and Diplomacy from School of Oriental and African Studies, University of London, UK in 2016.

Upon her graduation, she began her pupillage in Messrs Azmi & Associates and commenced her practice in Messrs Nizamuddin Hamid & Co in 2012 as a partner dealing with corporate matters until the end of 2013. She also served as political secretary to the Democratic Action Party Parliamentary Leader from 2013 to 2015.

Puan Dyana is presently a partner of a legal firm, Messrs Ayub Dyana Zainal & Zakaria where her responsibilities include managing and advising clients on legal matters, focusing on the corporate field as well as managing client relationships and public relations of the firm. She also currently serves as an Independent Non-Executive Director in MTAG Group Berhad.

Puan Dyana attended all ten (10) Board Meetings held during the financial period ended 31 December 2022. She does not hold any directorship in any other public listed companies. She does not have any family relationship with any director and/or major shareholder of the Company and she does not have any conflict of interest with the Company. She has not been convicted of any offences within the past 5 years.

PROFILE OF BOARD OF DIRECTORS
& SENIOR MANAGEMENT
(cont'd)

DATO' HONG KHAY KUAN

Malaysian, aged 42, Male

Independent Non-Executive Director
Member of Remuneration Committee (Appointed on 26.08.2022)

Dato' Hong was appointed to the Board on 28 September 2021. He holds a Diploma in Marketing from HELP University, Kuala Lumpur and has over 17 years of experience in the fields of Telecommunication, Fintech, Corporate Advisory and F&B Industries.

He started his career in a telecommunication company which serves multiple multinational companies (MNCs) and government agencies, building his experience over the years in telecommunication technologies and acquiring insights into future technology strategies on a national level.

Dato' Hong subsequently ventured into the financial industry gaining further experience in companies which provided him exposure to areas in financial technology (Fintech), corporate advisory and the food & beverage industry.

Thereafter, Dato' Hong established a corporate advisory presence where he gained extensive knowledge in the field of corporate finance, with exposure to debt restructuring, the debt capital markets and equity capital markets. Dato' Hong participated and completed several corporate and corporate banking transactions involving initial public offerings (IPOs), bond issuances, debt fund raising and private placement exercises.

Currently, Dato' Hong is running his own boutique advisory firm providing advisory services to clients both local and international, in areas such as business structures, takeover and mergers and remained active in seeking for opportunities to expand his firm's presence and services and tap into the overseas market by partnering with overseas firms with the view of broadening its current services to both existing and new clients.

Dato' Hong attended all nine (9) Board Meetings held during the financial period ended 31 December 2022 after his appointment. He does not hold any directorship in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted of any offences within the past 5 years.

DATO' HOO VOON HIM ("DATO' VICTOR")

Malaysian, aged 41, Male

Executive Director/ Interim Chief Executive Officer

Dato' Victor was appointed to the Board as Non-Independent Non-Executive Director of the Company on 10 January 2023, and was redesignated as Executive Director of the Company on 19 January 2023. On 27 February 2023, Dato' Victor was appointed as the Interim Chief Executive Officer of the Company.

Dato' Victor is a dynamic, result-oriented leader with a strong track record of performance in turnaround and high-paced organizations. As the Executive Chairman and Chief Executive Officer of VCI Global Limited, a multi-disciplinary business and technology consulting firm, Dato' Victor has actively involved in a myriad of capital market and technology-improvement-related deals, and has advised areas including real estate, human capital management, hospitality, education, cleantech, fintech and robotic companies; managing a portfolio encompassing over 30 Malaysian public listed companies with an estimated combined market capitalization of US$12.6 billion.

Dato' Victor has served as the Executive Chairman and Managing Director of Treasure Global Inc, a company listed on the Nasdaq Capital Market that offers an innovative Malaysian e-commerce platform. Dato' Victor is also an expert in blockchain technology, co-founding FINX Capital, where he utilized his technology knowledge to develop blockchain innovations to revamp existing financial industry. With span of over 18 years of experience in managing diversified investments as well as international trade, Dato' Victor is a commercially astute and multi-faceted individual excelled in analysing and resolving complex issues, capable of promoting best practices to drive organizational improvements.

He does not hold any directorship in any other public listed Companies in Malaysia. He does not have any family relationship with any director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted of any offences within the past 5 years.

PROFILE OF BOARD OF DIRECTORS
& SENIOR MANAGEMENT
(cont'd)

AZRIN MIRZHAN BIN KAMALUDDIN

Malaysian, aged 51, Male

Chief Operating Officer

Encik Azrin was appointed as Chief Operating Officer on 24 July 2022. He graduated with a Bachelor of Laws LL.B (Honours) from London School of Economics and Political Science, University of London, United Kingdom in 1995. He has 27 years of top level management experience with an impeccable record under his stewardship. His earlier years were in the manufacturing industry followed by a stint in the Securities Commission of Malaysia. He subsequently spent a total of 10 years with a Malaysian diversified conglomerate, with the last three years as Country Head of its Indonesian luxury property arm. Azrin also served Impiana Sdn Bhd as its Chief Operating Officer from 2015 until 2020 and was Impiana Hotels Berhad's Executive Director of Impiana Hotels Berhad from 24 October 2017 until 31 December 2020.

En Azrin does not hold any directorship in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted of any offences within the past 5 years.

EXECUTIVE
CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am once again pleased to share with you the Annual Report of Impiana Hotels Berhad ("Impiana"). This report provides an overview of the Group during the last 18 months and touches on the prospect that lies ahead of us. During the FPE 2022, Impiana, through its investment holding company involved in the management, operations, ownership and development of hotels and resorts subsidiaries, has since I last presented our annual report to you back in Dec2021 managed to position itself ready for things to come on the aftermath of the Covid 19 pandemic. This was done largely to the efforts of consolidating our resources, exploring multitudes of avenues to give ourselves a bit more time for the dust to settle with global tourism finding its footing throughout this period and giving ourselves the time to take stock of our next step coming into 2023.

FINANCIAL PERFORMANCE

For the last period of 18 months upon the world at a painstakingly slow pace pushing itself to a somewhat new normal and industry players trying to find on how to position itself in this new environment, IHB has done the same. The methods and modes of the past although invaluable lessons to be learned, had to be re-analysed, tweaked and some had to be replaced with other means and ways to that would make sense to the market at large and also to our stakeholders. Our engagement means we not only present ideas but to also listen to bankers, lenders and investors about what needs to be done. In the wake of the aftermath of 2021, the 2nd half of that year was just to re-align the businesses and also to, at some instances create new approaches whilst always putting our ears to the ground, listening intently to the rumblings of the market. Admittedly some moves came faster than others, and some had to be flexible enough so as to allow us to maneuver ourselves should there be a sudden challenge that would appear in the midst of our efforts. And to that I would like to thank the Board that has been steadfast with us along the way, giving us the additional advise and view when it mattered most.

For most of the FPE 2022, we were excited but still remain cautious of the prospects, knowing full well as this industry depended upon so many variables and various policies across nations and governments. We moved with the intention of solidifying the business through the assessment of our assets and also in identifying ways and possibilities of lightening the load of debt that we carried and at the same time scouring through various products for us to raise new monies for the purpose of our progression. We knew that the fear factor would ultimately disappear as trade and commerce had no other way but to resume and flourish; it was just a matter of time and we have to prepare ourselves for that. Engagement with the Financial Institutions has remained on a "phone call away" basis and we are keenly aware that it will just be a matter of time before we have to resume servicing our debt.

Our initial efforts were to place out the requisite allowance of 10% of our share capital of which we had gotten investors to come in and participate and we felt that this was a short-term but welcomed relief for us in order for the Group to maintain operational effectiveness. Whilst being given a breather by the placement exercise and also the moratorium given by our bankers, we were always looking for ways to tackle the issues we have and moving the phase from a short-term to a more medium to a long-term solution. Unfortunately during this period, our industry is not the most debt-friendly business and new money isn't freely available to us compared to others. We had to take a deep dive into what we had to do, trying to give our operations some buffer before we can turn to them to resume normally.

Facing with this we had to take a position whereby there would be a mix of hybrid equity borrowings and also a possible strategic partnership that could pave the way into 2023. With this we were given the opportunity to study the full aspects of the activities I mentioned above and we are pleased to report that there will be some of the exercises that will be undertaken in order for us to have that financial platform to move with a higher level of comfort. We do this with the operational requirements and also the position of our exposure in mind, at the same time keeping a keen eye on prospects that would add more visual and value to our Brand and Balance Sheet.

EXECUTIVE CHAIRMAN'S STATEMENT
(cont'd)

OUTLOOK

Dear shareholders

I would like to impress upon the fact that as we have managed to ride out the storm that had befallen not only us but the world somewhat battled, bruised but wiser, we hope that the action plan that we have taken in quarter 4 of 2022 would bear fruit in addressing few main items such as the possibility of paring our debt, supporting our operating income until it can strengthen itself and also to not pass any opportunities that may come our way to give the Group a better outlook and an expansionary chance to enhance the value of IHB in the near future.

With that, I once again would like to thank our Board, the management and staff for their efforts and hard work in managing a challenging climate. Also, I would like to give our utmost thanks and appreciation to our stakeholders and the financial institutions that have been giving us their full co-operation and indulgence.

Dato' Seri Ismail @ Farouk bin Abdullah
Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

1. FINANCIAL REVIEW

Review of Statement of Comprehensive Income

The summary of the Statement of Comprehensive Income is as follows:

(RM '000)	FPE 2022 (18 Months)	FYE 2021	Variance FPE 2022 vs. FYE 2021
Revenue	26,725	19,499	37.1%
Gross Profit ("GP")	15,153	6,193	>100.0%
Gross Profit Margin ("GPM")	56.7%	31.8%	
Administrative Expenses	(13,051)	(6,723)	(94.1%)
Other Cost	(15,928)	(9,938)	(60.3%)
(Loss) Before Tax ("LBT")	(13,826)	(10,467)	(32.1%)
(Loss) After Tax from Continued Operations (1) ("LAT")	(14,307)	(10,730)	(33.3%)

Note:
(1) *Attributable to owner of the Company*

For the FPE 2022, the Group recorded a total revenue of RM26.72 million, higher compared to FYE 2021 total revenue of RM19.50 million which represents an increase of RM7.23 million or 37.1%. The increase was substantially contributed by all segments under IHB Group comprising of Hotel Operation, Hotel Management and Property Sales. During FPE 2022 (18 months), the financial year end was changed from 30th June to 31st December. Therefore the audited financial statement is for a period of eighteen (18) months from 1st July 2021 to 31st December 2022.

The GP for the FPE 2022 was RM15.15 million, higher compared to RM6.19 million recorded in FYE 2021. The increase in the GP was recognised in line with the change of financial year end from June 2022 to Dec 2022 (18 months).

The Group recognised a LBT of RM13.83 million for FPE 2022 compared to a LBT of RM10.47 million for FYE 2021. The increased losses were mainly attributable to higher administrative expenses in line with increase of 6 months of the financial period.

The Group operates primarily in the hospitality industry whereby its source of income is mainly from the provision of management and operations services to hotel & resorts and hotel businesses. The Covid-19 pandemic has hit the industry that we are in severely and as a result, we were not able to maintain profitability from our business operations and this has resulted in an operating loss from our operating activities of RM14.31 million. In FPE 2022, the Group's finance cost was RM11.73 million compared to RM8.13 million in FYE 2021.

MANAGEMENT DISCUSSION
& ANALYSIS
(cont'd)

Review of Statement of Financial Position

The summary of the Statement of Financial Position is as follows:

(RM '000)	As at 31 Dec 2022	As at 30 June 2021	Variance 31.12.2022 vs. 30.06.2021
Property, Plant and Equipment	110,682	71,308	55.2%
Intangible Assets	5,314	6,376	(16.7%)
Total Trade Receivables	20,962	2,775	>100.0%
Contract Assets	12,138	54,736	(77.8%)
Total Assets	221,815	203,929	8.8%
Total Trade, Other Payables & Accruals	58,035	63,713	(8.9%)
Contract Liabilities	458	1,028	(55.4%)
Total Liabilities	156,130	162,334	(3.8%)
Shareholders' Equity	65,685	41,596	57.9%
NA per share (sen) (1)	22.74	3.42	>100.0%

Note:
(1) *Based on weighted average number of shares*

For FPE 2022, the Group's total asset base increased by 8.8% to RM221.82 million from RM203.93 million in FYE 2021. The increase was primarily due to revaluation of property, plant and equipment of RM37.94 million. The intangible assets are mainly on the hotel management rights which a subsidiary of the Company has the rights over the management of hotels under our Impiana brand name.

On the receivables front, total trade receivables saw an increase from RM2.78 million in FYE 2021 to RM20.96 million in FPE 2022 mainly due to the construction progress billed to date. The contract assets which arose fromthe IRC project refers to the Group's right to consideration for work completed on property development and completed billings as at the reporting date. The Management is not aware of any possible non-collection from these trade receivables and contract assets.

Total liabilities witnessed a decrease of 3.8% from RM162.33 million recorded in FYE 2021 to RM156.13 million in FPE 2022.

Shareholders' Equity saw an overall increase of 57.9% from RM41.58 million in FYE 2021 to RM65.69 million in FPE 2022. The increase in Shareholders' Equity is primarily attributed to in the revaluation exercise in FPE 2022.

Review of Statement of Cash Flows

The summary of the Statement of Cash Flows is as follows:

(RM '000)	FPE 2022 (18 months)	FYE 2021	Variance FPE2022 vs. FYE2021
Net cash flow used in operating activities	(3,546)	(2,086)	(70.0%)
Net cash flow used in investing activities	(2,362)	(1,600)	(47.6%)
Net cash flow generated from financing activities	8,650	9,118	(5.1%)
Net increase/(decrease) in cash and cash equivalents	2,742	5,432	(49.5%)
Cash and cash equivalents at the beginning of the financial period/ year	(3,861)	(9,293)	58.5%
Cash and cash equivalents at the end of the financial period/ year	(1,032)	(3,861)	73.3%

The Group experienced a net increase in cash and cash equivalents during FPE 2022 of RM2.74 million as compared to FYE 2021, a decrease of 49.5%.

MANAGEMENT DISCUSSION
& ANALYSIS
(cont'd)

2. BUSINESS OPERATIONS REVIEW

The Group's revenue for the FYE 2022 was derived from the hospitality and the property development businesses. The hospitality revenue came from the Hotel Operation segment represented by Impiana Ipoh Sdn. Bhd. ("IISB"), whereas the Hotel Management segment comprised of revenue from Impiana Hotels & Resorts Management Sdn. Bhd. ("IHRM"). The Property Sales segment comprised of revenue from Impiana Cherating. Please refer to the Outlook in the 'Executive Chairman's Statement' section in this Annual Report.

3. BUSINESS RISKS OVERVIEW

The performances of the Company and its subsidiaries in the hospitality business are dependent on the following key risk areas:

(a) Changes in Economic Environment and Natural Disasters

Spending on travel and tourism is discretionary and price sensitive, being affected by factors such as the supply and demand for modes of transportation and accommodation, the rate of growth of economic growth, interest rates, inflation and economic developments affecting travel and tourism activities. In addition, the hospitality business is vulnerable to natural disasters such as earthquakes and major floods depending on the location of the Group's assets and most recently public health disasters such as the global COVID-19 pandemic.

However, the Group manages the above risks by constantly monitoring movements in the economy to pre-identify risks to ensure that action plans are devised at an earlier stage to mitigate risk.

FPE 2022 saw the reopening of economies and borders after the destruction brought on by the COVID-19 pandemic which not only resulted in human toll but also wreaked havoc to the global economy. This long awaited re-opening has brought much relief to the Group and can be seen by the significant improvement in the Hotel Operation and Hotel Management segments in FPE 2022. Nevertheless, the risk of another pandemic is always present.

The COVID-19 pandemic has made the risk of epidemic or pandemic a key risk. The Group manages this risk by identifying and implementing the best "clean and safe" procedures as this is now paramount in the decision making process of guests. Strict internationally accepted Standard Operating Procedures ("SOP") and best practices have been adopted and are practiced in our owned and managed hotels. These properties are also applying for internationally recognized certifications to provide assurance to guests that our properties are independently certified as "clean and safe". The Group is also better prepared on the steps to take both financially and on-the-ground in the event of another epidemic or pandemic, having learned from COVID-19.

(b) Foreign Exchange Risk

The Group has business transactions in foreign currencies in the normal course of its business under its hotel management agreements which are predominantly denominated in currencies of the countries these hotels are operating in. Any significant increase in operating country currency may have an adverse effect on its operations.

The foreign exchange risk is partly mitigated as the Group's operating costs incurred are also predominantly paid in the operating country's currency. Nevertheless, the Group constantly monitors movements of the foreign currencies applicable to the business to ensure correct responses are implemented in response to currency rate movements.

MANAGEMENT DISCUSSION
& ANALYSIS
(cont'd)

(c) Development Risks

Impiana Cherating is in the midst of developing the Impiana Resorts & Residences Cherating which will consist of service residences to be sold and then leased back to be operated under the Impiana brand.

The development is subject to the inherent risks in the property development industry, such as completion risk, adverse changes to the demand for investment hospitality properties, purchaser defaults, risk of increasing labour and raw material costs as well as taxation, legal and environmental framework affecting the property development industry.

(d) Risks of redevelopment, renovation works and, repair and maintenance of assets

The assets of the Group are required to be up-to-date and in good working condition to ensure smooth running operations. This means that the Group's assets may incur further costs as it may be subject to redevelopments, renovation works and ad hoc maintenance and repairs. These costs usually increase over time.

Due to the inherent nature of these costs, the cashflow and profitability of the Group's business is highly dependent on the ability of the management in determining and managing these costs.

The Group has an experienced finance team with expertise in financial planning to forecast the future costs that may be incurred in maintaining the Group assets and provide for such costs in financial projections and budgets. This will enable the Group to mitigate the risk from unplanned escalation of costs for future redevelopments, renovation works, and repair and maintenance of assets.

(e) Competition Risk

Location, quality, attractive pricing and niche marketing are crucial factors towards remaining relevant and maintaining a competitive edge in the hospitality industry. The emergence of alternative tourism accommodation such as AirBnB has provided travellers with new alternatives for accommodation and raises the level of competition for traditional hotel operators like the Impiana group.

Nevertheless, the Group has been aggressively promoting its products and services through marketing partners such as wholesalers, travel agents, online travel agents and other collaborative partners. This will enable the Group to maintain its competitiveness both domestically and globally. Most importantly, the Group will endeavour to continue to provide a superior product offering which allows guests and customers to experience a different dimension, differentiating between the Impiana brand from mere accommodation.

(f) Dependency on key personnel

The Group believes that its continual success will depend on the abilities, skills, experience, competency and continuous efforts of its existing directors and management team. The Group's hospitality business is positioned for continued strength under the stewardship of the Executive Chairman, Dato' Seri Ismail Farouk Abdullah, who has half a century of hotel experience under his belt, supported by other highly experienced management personnel of the Group.

Efforts are being made by the Group to develop younger talents of the management team to gradually assume greater responsibilities of the business and operations in preparation for long-term expansion. This also ensures succession planning for the Group's future business continuity.

(g) Renewal of Licences

The Group is required to obtain certain licences such as, operating, health and safety and equipment licences for its hospitality business. These licenses are subjected to periodic renewal/assessment by the relevant authorities and the terms and conditions for renewal may change from time to time.

While these factors are beyond the Group's control, the Group mitigates such risk by ensuring compliance with the relevant laws and regulations and conditions that are enforced and that the relevant licenses are obtained and renewed on a timely basis.

impiana

IMPIANA KLCC HOTEL

POOL WITH KLCC VIEW

SUSTAINABILITY REPORT

BOARD STATEMENT

Impiana Hotels Berhad's Board of Directors affirms that it provides strategic direction to the Group and specifically considers sustainability issues as part of its strategic formulation. The Board also acknowledges its responsibility for the Group's sustainability reporting and believes that the following reports provides a reasonable and transparent presentation of Group's strategy and economic, environmental, social (EES) impacts of our activities and initiatives.

REPORTING FRAMEWORK

The Sustainability Report provides a summary of Impiana Hotels Berhad's approaches, initiatives and strategies relating to its sustainable and responsible business practices. It discusses the development and progress of our sustainability journey in FPE 2022.

REPORTING STANDARDS AND GUIDELINES

We are reporting in accordance with the Global Reporting Initiative ("GRI") Standards for sustainability reporting and mapping out our route forward to embed sustainability throughout our business operations. Throughout this statement, we demonstrate our initiatives in integrating sustainability practices and preparing this statement pursuant to Main Market Listing Requirements ("Listing Requirements") and Sustainability Reporting Guide 2022 issued by Bursa Malaysia Securities Berhad ("Bursa Securities").

STATEMENT OF ASSURANCE

We rely on our internal process to verify the accuracy of the Environmental, Social and Governance (ESG) performance data and information presented in this Report. At the moment, we do not engage the services of an independent assessor to appraise the contents of this Report, but may consider in the future.

REPORTING SCOPE, PERIOD AND BOUNDARIES

This report focuses on the sustainable development of Impiana Hotels Berhad and its subsidiary companies.

This statement refers to the period from 1st July 2021 to 31st December 2022 ("FPE 2022"). The report covers all our entities and operations in Malaysia. Our other business operations outside Malaysia are not included in this report.

Impiana Hotels Berhad's sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. The Board is accountable for overall management of our sustainability strategy.

The Group's Sustainability Committee includes senior management executives. It is tasked to develop the sustainability strategy, review its material impacts, consider stakeholder priorities, set goals and targets, as well as collect, verify, monitor and report performance data for this Sustainability Report.

ABOUT IMPIANA HOTELS BERHAD

Vision

We aspire to be acknowledged regionally and accepted globally as one of the most efficiently managed hospitality groups wherein our staff at both managerial and service levels consistently strives to deliver the highest of service standards at all times and under all circumstances.

Mission

We are unswervingly committed in providing and delivering outstanding services and experiences to new and returning guests by exceeding their expectations of what we can offer, by recognizing and acknowledging our employees' contributions and involvement, by ensuring fair and reasonable returns to our shareholders, and by being responsible, conscientious, trustworthy, and dependable corporate citizens.

SUSTAINABILITY REPORT
(cont'd)

Our Business Model

Our Group's business model focus on hotel operations, consultancy services (Hotel Management and Technical service consultancy) and property development where the revenues are recognised from the following:

(1) Under Impiana Ipoh Sdn Bhd ("Impiana Ipoh"), the operations of "Impiana Hotel Ipoh";

(2) Under Impiana Hotels & Resorts Management Sdn Bhd. ("Impiana Management"), Impiana KLCC Hotel, Impiana Hotel Ipoh, Impiana Hotel Senai, Impiana Resort & Residences Cherating, Impiana Resort Patong (Phuket, Thailand), Impiana Private Villas Kata Noi (Phuket, Thailand), Impiana Resort Chaweng Noi (Koh Samui, Thailand), Impiana Private Villas Seminyak (Bali, Indonesia), Impiana Private Villas Cemagi (Bali, Indonesia), Impiana Private Villas Ubud (Bali, Indonesia) and Petronas Leadership Centre (Malaysia);

(3) Development and property sales under Impiana Cherating Sdn. Bhd. ("Impiana Cherating") and thereafter the operations of "Impiana Resort & Residences Cherating"; and

(4) Under Impiana Pangkor Sdn. Bhd. ("Impiana Pangkor"), the development and thereafter operations of "Impiana Resort Pangkor";

(5) Under Impiana Tioman Villas & Residences Sdn. Bhd. ("Impiana Tioman"), the development and thereafter operations of the "Samaja Selo Tioman Resort".

Our Group's market focus strategy is to excel in hotel operations and management segments as well as property development that will provide us with a sustainable business that maximises our profits.

Our Core Values

The Group's "*Code of Ethics & Conduct for Directors*" govern the standards of conduct and behaviour expected. The Board commits itself and its Directors towards ethical, business like and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

WHO WE ARE

The Company was incorporated in Malaysia on 13 July 2006 under the Companies Act as a private limited company under the name of Bio Osmo Sdn Bhd and its principal activity is investment holding. The Company was subsequently converted into a public limited company on 24 January 2007. The Company was renamed Impiana Hotels Berhad on 12 April 2019.

The Group is primarily involved in the ownership and operations of hotels in Malaysia. In addition, the Group also provides hotel management services to hotels in Malaysia, Thailand and Indonesia. The third revenue segment of the Group is property sales through its subsidiaries Impiana Cherating and Impiana Tioman.

The Group takes pride in its efforts to nurture an integrated range of in-house expertise and capabilities including all critical positions. This structure enables the Group to effectively control the construction process, thus ensuring cost control and efficient use of resources.

WHAT WE DO

The Companies under the Group are:

(i) Impiana Management

Currently, Impiana Management is the "hotel manager" of Impiana KLCC Hotel, Impiana Hotel Ipoh, Impiana Resort & Residences Cherating, Impiana Hotel Senai and Petronas Leadership Centre in Malaysia; Impiana Resort Patong (Phuket, Thailand), Impiana Private Villas Kata Noi (Phuket, Thailand), Impiana Resort Chaweng Noi (Koh Samui, Thailand), Impiana Private Villas Seminyak (Bali, Indonesia), Impiana Private Villas Cemagi (Bali, Indonesia) and Impiana Private Villas Ubud (Bali, Indonesia). This subsidiary is anticipated to enlarge the existing hotel management operations of the Group.

SUSTAINABILITY REPORT
(cont'd)

(ii) Impiana Pangkor

Impiana Pangkor holds 2 parcels of land situated along the western coast line of Pangkor Island. The total land area is approximately 28.98 acres and was valued at RM36 million in December 2022 by a professional valuer. It is the Group 's intention to develop these lands into "Impiana Pangkor Resort" in the future.

(iii) Astaka Mekar Sdn Bhd

Astaka Mekar Sdn Bhd is an investment holding company which owns 20% equity interest in Heritage Lane Sdn Bhd, the asset owner of Impiana KLCC Hotel which is situated within the Kuala Lumpur City Centre and is strategically positioned within the vicinity of the Petronas Twin Towers.

(iv) Impiana Cherating

Impiana Cherating currently holds 6 parcels of lands situated in Cherating, Pahang along the eastern coastline of Peninsular Malaysia with an aggregate land area of 30.34 acres. The said lands are in the midst of being redeveloped into "Impiana Resort & Residences Cherating" which comprises service residences and villas together with other world- class resort facilities. The company adopts a sale and leaseback model for all the serviced residence, which allows the company to generate revenue from both the sale of the units as well as the management and operations of the units upon completion.

(v) Impiana Ipoh

Impiana Ipoh owns the Impiana Hotel Ipoh and the parcel of land on which the hotel sits,situated in Ipoh, Perak. The total land area is approximately 2.4 acres.

(vi) Samaja Selo, Tioman

Samaja Selo, Tioman Island is a collaboration between the Selo Group and the Impiana Group together with Impiana Management where Impiana Tioman owns the parcel of land on which a modern resort style private residential retreat will be built on Tioman Island. The total area is approximately 12.58 acres.

The Group's headquarters and registered office is located at 21st Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur.

OUR SUSTAINABILITY APPROACH

Our approach to sustainability is based on our core values of excellence, integrity, humility and building relationships, supported by policies and procedures. We consistently embed sustainability into the core of our business. The following value-added sustainability framework forms the basis of the Group's steps to strengthen our approach to sustainability

SUSTAINABILITY STRATEGY

1. As a public Listed Company

- As a public listed company, we are pre-emptive of the sustainability matters focusing on economic value creation for the shareholders and the stakeholders;
- We plan to elevate sustainability in company governance, through engaging in direct board oversight and accountability over environmental and social issues, more diversity and special expertise on Board and linking executive and other employees' compensation to sustainability goals;
- We plan to have regular dialogues with key stakeholders on sustainability challenges, including employees, investors, suppliers and consumers;
- We are in the process of open reporting on sustainability strategies, goals and accomplishments;
- We are in the process of developing systematic performance improvements to achieve environmental neutrality and other sustainability goals across the entire value chain, including operations, supply chains and products.

SUSTAINABILITY REPORT
(cont'd)

2. As a Hospitality Asset Owner, Hospitality Management Company and a Property Developer

- We plan to provide quality and reliable products and services to all our clients as they are part of our valued stakeholders as a means to increase repeat business and loyalty;
- We aim to source for staffing within the local communities in which we operate in order to provide employment opportunities and enhance ties with the local community;
- We aim to use locally sourced materials and products wherever possible to provide business for local suppliers and to minimise logistics requirements, thereby reducing our carbon footprint;
- We aim to use environmentally friendly and recyclable materials, products and packaging wherever possible to minimise the impact to the environment;
- We aim to utilise energy and water efficient solutions and practices wherever possible to prevent unnecessary usage of scarce resources and minimise the impact on the environment.

AVAILABILITY

A PDF version of the Annual Report, which encloses the full Sustainability Report is available for download at our website – www.impianaberhad.com

GOVERNANCE OF SUSTAINABILITY

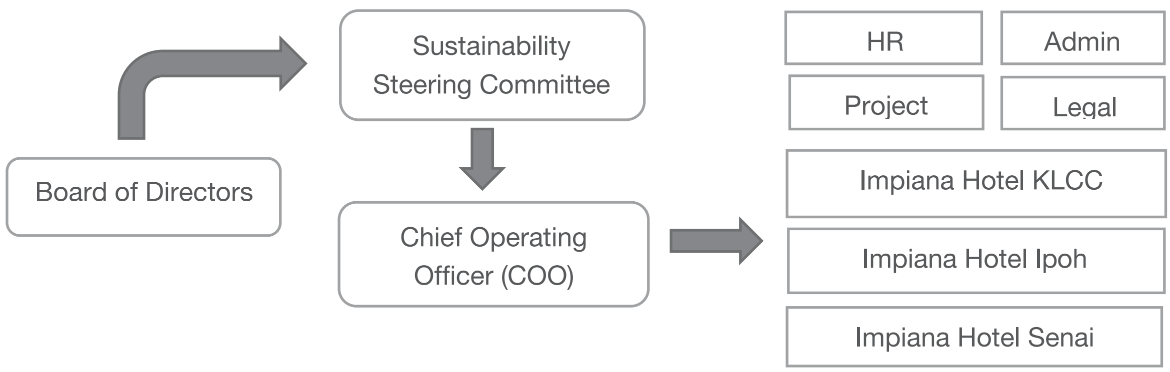
The Group complies with high standards of corporate governance ("CG") practices and is being closely monitored under the leadership of our Board, as guided by the Malaysian Code on Corporate Governance ("MCCG") 2017 and MCCG 2021.

In line with sustainability, the Board has the ultimate responsibility to ensure sustainability efforts are embedded in the strategic direction of the Group. The Group established a Sustainability Steering Committee ("SSC") to oversee, review and monitor the implementation and effective management of the environmental, social and governance risks, and makes certain that systems and internal control procedures are in place to safeguard compliance, integrity, business ethics, fair operating practices and transparency.

The SSC supported by various working groups is responsible for implementing initiatives within the organisation. The Management will provide the Board with regular updates relating to all key EES risks and opportunities. Good governance structures also ensure that the Group is consistently aligned to our principles and standards. Demonstrating its commitment from the top, the Group's sustainability agenda is governed by the Board and supported by the SSC.

ORGANISATION STRUCTURE FOR SUSTAINABILITY

The Group's sustainability strategy is led by the Board, and will be implemented and monitored by the following governance structure:



SUSTAINABILITY REPORT
(cont'd)

ROLES AND RESPONSIBILITIES

Sustainability Structure	Roles and Responsibilities
Board of Directors	The Board provides oversight to the Sustainability Steering Committee (SSC) twice a year.
Sustainability Steering Committee (SSC)	The SSC is be chaired by the Chief Operating Officer (COO) to formulate sustainability policies and drive sustainability efforts and initiatives while ensuring consistency with the Group's sustainability and business strategy
Sustainability Working Groups	Sustainability Working Groups are the sub-working groups of SSC established to undertake the following: • Set sustainability priorities and goals • Develop & implement sustainability programmes • Advise on sustainability opportunities and innovations • Track, monitor and analyse sustainability metrics and measures • Address and manage challenges and constraints to the sustainability initiatives • Work on quality, health, safety and environmental issues of the Group

IMPIANA HOTEL BERHAD'S SUSTAINABILITY POLICY

Impiana Hotels Berhad as a hospitality group places much emphasis on executing a sustainable business strategy with profitability and shareholder value as foremost priorities. As responsible corporate citizen operating in Kuala Lumpur, Ipoh, Cherating, Tioman Island and Senai, the Group adheres to the following principles:

1. **Code of Conduct and Business Ethics**

   Our Code of Conduct and Business Ethics lays out the principles that apply to all of the Group's employees. This Code covers, among other things, areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest. We have also established a whistle-blowing mechanism to aid in the reporting of corporate misconduct. Impiana Hotels Berhad maintains a steadfast commitment to ethical business practices and governance standards. The Group's desire is for all colleagues to maintain integrity and adhere to ethical values in day -to-day business dealings. The code emphasized in employees' appointment letters.

2. **Safety and Health**

   Management of health, safety and the environment are high on our list of priorities. We continuously seek to minimise the impact of our activities through water and energy conservation, as well as having a robust workplace safety management programme. Please refer to the section on Training & Development for Safety & Health training on Page 30 of our FPE 2022 Sustainability Report.

3. **Employees Engagement**

   We believe in engaging and developing our staff to their fullest by providing opportunities for development and growth, also to boost their morale and motivation. Please refer to the Employee Wellbeing & Motivation on Pages 31 – 33 of our FPE 2022 Sustainability Report.

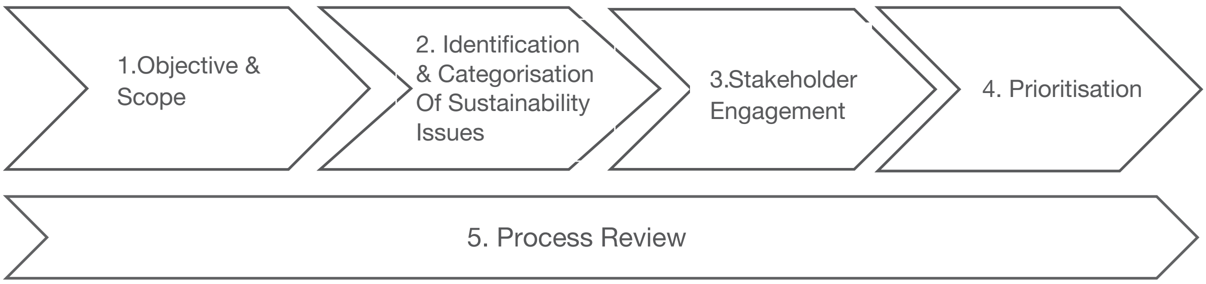
SUSTAINABILITY
REPORT
(cont'd)

4. Community

We believe in giving back to the society through supporting various charitable initiatives and community projects. Please refer to the section on Corporate Social Responsibility (CSR) on Page 28 – 30 of our FPE 2022 Sustainability Report.

STRATEGIES AND DIRECTIONS

Despites many challenges due to Covid-19, the Group continues to practice prudence and remains focused in managing its operations and finances. The Group is fully committed to uphold responsible financing which is reflected in its prudent infrastructure transformation as well as sustainability in its supply chain.



1. Objectives & Scope

The Group undertook a materiality study within top and middle management to determine the objectives and scope of sustainability reporting. Our scope and boundaries cover all our entities and operations in Malaysia.

2. Identification & Categorisation of Sustainability Issues

In identifying the list of sustainability issues relevant to the Group and its stakeholders, the Group assesses the operating environment and emerging trends affecting our sector and conducted a study across a broad range of references to identify the relevant sustainability issues. The references include the Sustainability Reporting Guide 2022 and international standards such as the GRI Standards.

Moving forward, we plan to undertake a review of both current and future risks and opportunities facing our markets, as well as to gather stakeholder perspectives and ensure we are responding to their needs. As we update our material factors, we will continue to evolve our management approach to ensure that we are addressing issues in a holistic and integrated manner. This may involve developing new policies and procedures, implementing various initiatives, measures and action plans, setting indicators as well as to establish a proper mechanism to capture, analyse and report sustainability data and information.

Our Material Factors

As we monitor, manage and report on a wide variety of issues, the key to our approach is focusing our resources on material sustainability risks and opportunities that are associated with each material factor. Understanding our key priorities allows us to set our time, resources and investment to the best use.

Our material factors are based on the organisation's priorities.

SUSTAINABILITY REPORT
(cont'd)

Very Important

✓ Optimisation/Resources
✓ Market Conditions
✓ Compliance
✓ Safety
✓ Quality
✓ Customer Satisfaction
✓ Reputation
✓ Procurement
✓ Corporate Governance
✓ Customer Privacy
✓ Business Model
✓ Networking with Stakeholders
✓ Business Ethics/ Code
✓ Social Media

Important

✓ Local Environment Impact
✓ Business Mix

Material Factors	Description	What Are The Risk	What Are The Opportunities
Competition	The Group is exposed to competition within the industry	Lesser chance to secure occupancy, sales and contracts will impact the Group's business and performance. • Lower occupancy • Lower room rate • Lower management fees • Lower revenue	• Innovative products, eco-friendly and safe & hygienic systems could be offered to the customers so as to improve on our core value. • Responsible sales and marketing campaigns reflecting the areas of customer needs • Regional partnership and collaborations
Market Stability	A well-facilitated business, supported together with an effective and balanced regulatory framework that provides adequate levels of customer protection while facilitating business efficiency and innovation are Imperative for the continued growth and development of our business	• Any event – such as breaches in regulation, lack of effective CG practices – that undermines integrity or stability will influence stakeholder confidence and possibly participation in the market • Endemic /Pandemic diseases such as Covid-19 that results in country lockdowns and global travelling restrictions – affect tourism, hotel industry and revenue.	• Having a robust approach to ensure the integrity and stability of the market serves to engender trust and confidence, which in turn encourages participation and growth. • Fostering a strong corporate governance and sustainability culture will also drive long-term value, both in the market and within Bursa Securities.

SUSTAINABILITY
REPORT
(cont'd)

3. Stakeholder Engagement

STAKEHOLDERS	IHB'S COMMITMENT	ENGAGEMENT METHOD	FREQUENCY	KEY FEEDBACK/CONCERN
INVESTORS	Maximise shareholder value through our corporate strategies and business fundamentals.	✓ Annual General Meeting ✓ Emails	Annually/ Throughout the year	✓ Sustainable profits and shareholder value ✓ Long-term growth ✓ High standards of corporate governance
CUSTOMERS	Maximise customer satisfaction through delivering quality service and products	✓ Ongoing operations ✓ Collaterals ✓ Guest feedback ✓ Website	Ongoing	✓ Comfort of environment ✓ Quality service ✓ Timely response to feedback and complaints
EMPLOYEES	Maximise the full potential of our people resources through continual employee development and training	✓ Staff training and development ✓ Regular emails and meeting ✓ Employee feedback ✓ Appraisals	Throughout the year	✓ Safe working environment ✓ Good benefits ✓ Training and development opportunities
PARTNERS	Build strong partnerships with regulatory and non-governmental organisations in pursuit of the best in safety and health standards in our operations	✓ Regular meetings, including policies and practices ✓ Forum	Throughout the year	✓ Timely payments to supplier and service provider ✓ Fair procurement practices
COMMUNITY	Minimise environmental impact and contribute to the communities where we operate in	✓ Outreach programmes ✓ Sponsorship events	Annually/ Throughout the year	✓ Support from businesses in the area ✓ Responsible and ethical business practices

4. Prioritisation of Material Sustainability Matters

The Group has undertaken a stakeholder prioritisation and engagement process to engage with its stakeholders. This includes on-going efforts to engage with stakeholders in the usual course of business through the day-to-day operations as well as specific engagement carried out to seek stakeholders feedback. The outcome of these engagements was considered in the course of the Group's materiality assessment.

As part of the process in conducting the materiality assessment of sustainability matters, Group conducted the specific engagement process as follows;

- To determine the key stakeholders with whom the Group should engage, the Group carried out assessment to identify stakeholders based on each stakeholder's influence and dependence.

- To gain insights into these key stakeholders' concerns, interests and expectation, the Group conducted discussions including on-going sessions throughout the year to gauge stakeholders' concerns pertaining to the list of sustainability matters identified.

5. **Process review**

The material process is undertaken as a key component of the Group's journey towards identifying the material sustainability matters. The SSC will review and approve the processes and outcome of the materiality process including the Group's materiality which guides the Management in addressing and managing its material sustainability matters in its business operations.

The following section aims to provide insights on the Group's sustainability commitments and practices across 3 key areas – economic, environmental and social undertaken by our key business divisions.

ECONOMIC

Financial Sustainability

Our commitment towards the business is predicated on strong corporate governance and prudent financial management despite the prolonged effects of the Covid-19 pandemic. We strive to achieve the following financial goals:

- Optimise turnover and achieve positive cashflow
- Increase operational and cost efficiencies without compromising on standards
- Diversify income generating streams

Whistleblowing Policy

The Group has in place a whistle-blowing policy, that allows for staff and other person to report any matters that may be suspicious or concerns regarding business matters, from accounting, financial reporting, auditing, internal controls to business operations.

The policy provides procedures and practices to ensure concerns are investigated independently and followed up with an appropriate response.

The information is communicated to employees via internal memorandum. All employees may report any irregularities anonymously or otherwise with confidence that they shall face no reprisal.

Anti Bribery and Corruption Policy

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero- tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery. We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate.

Code of Ethics & Conduct

Our values as a company are the foundation of our high standards of ethical conduct. We respect human rights, embrace diversity and inclusion and stand firm against corruption. This is core to who we are as business owner as a business, and essential to our sustainable growth, ensuring that we gain and keep the trust of our stakeholders. Our Code of Conduct clearly outlines expectations on staff conduct, particularly on anti-bribery, fair competition, equal opportunity, customer data privacy and anti-discrimination and environmental responsibility.

Corporate Governance & Regulatory Compliance

The Group continues to be highly committed to the best practices of corporate governance which ensures a company's long-term sustainability, by adhering and guided by the MCCG 2017 and MCCG 2021 throughout its operations. The Group has established standard operating policies and procedures, discretionary authority levels and guidelines for recruitment and human capital development. These policies, procedures and guidelines will be reviewed from time to time, and is communicated to all staff levels.

SUSTAINABILITY REPORT
(cont'd)

Risk Management

Hotel risk management entails identifying, evaluating, prioritizing, and controlling risks to enterprises in the hotel industry. Hotel management faces several types of risk: Operational risk to day-to day operations and project risk, encountered when building or expanding a hotel. As an integral part of good corporate governance, a comprehensive risk management framework enables than Group to identify and manage risks in a systematic and consistent manner. Fraud, corruption and economic value-added risks have been identified as material to ensure business sustainability.

Our Supply Chain

We now live in a time of unprecedented global business and trade, not to mention continual technology innovation and rapidly changing customer expectations. Today's best supply chain strategies call for a demand-driven operating model that can successfully bring people, processes, and technology together around integrated capabilities to deliver goods and services with extraordinary speed and accuracy.

Commitment to Quality

The Management of the Group conducts periodic assessments to ensure that established policies, procedures and best practices are being adhered. The results of these assessments are reviewed for improvement to processes and quality control. It is with the objective of ensuring consistency and maintaining relevance to ever changing demands of stakeholders and expectation of quality.

Customer Satisfaction

The ability to retain existing customers, while attracting new ones, is vital to the Group's business sustainability. Measurement of customer feedback, review and reputation management is part of each business unit's performance goals and is aligned to the Group's overall positioning and mission.

Business Conduct

Consistent adherence to the Group's code of ethics and conduct, anti-bribery and corruption policy fosters fair and just practices by the officers and employees of the Group with its various stakeholders. The Management encourages equal opportunity, open communication and is continuously sensitive to its social and environmental responsibility.

Occupational Health & Safety

Management of occupational health and safety is high on our list of priorities. We regard the health and safety of our guests and employees as paramount. Our safety and health policies and procedures now goes beyond the requirement of the Occupational Safety and Health Act 1994 to include the containment and management of communicable disease.

The safety of the work environment is of utmost priority for the Group. At each of our hotels, there are workplace safety and health (WSH) committees that recommend, monitor and review safety procedures, as well as identify areas or work processes that pose potential risks. Ensuring that our practices are in line with the best practices of the industry, each of these committees has put in place reporting procedures for all accidents and injuries at the workplace.

ENVIRONMENT MANAGEMENT

Towards a Greater Planet

As a responsible corporate citizen, the Group continues and regularly reviews its effort to promote a cleaner and healthier environment.

We are mindful of the environmental impact as a result of our activities and maintain compliance with all the environmental regulations and take full responsibility to manage our environmental impacts. The Group will continue to develop effective environment initiatives to protect the environment.

SUSTAINABILITY REPORT
(cont'd)

The efforts include;

Water Management & Consumption

We promote the water saving practices among employees and adopt water efficient technologies and equipment wherever possible. We have taken small steps to control the water usage to be in line with the sustainability efforts, which includes:

- Seeking out any water leakages
- Conducting checks and fixing leaks immediately, where possible

	2020 (18 months)	2021 (12 months)	2022 (18 months)
Total Water Consumption – Office & Hotels	**256,698**	**127,737**	**224,696**

The table above shows a total water consumption in our corporate office and hotels. However, tis table may not be a clear comparison due to the difference in financial period i.e. 12months vs 18months.

Energy Management

We understand that energy management is essential for combating climate change and lowering an organisation's overall environmental footprint. We aim to minimise the energy usage in our chain of hotels and operating offices by implementing the following efforts, which includes:

- A lighting schedule across key areas in our head office to switch off lights during certain hours of least use and switching off the air-conditioning at 6pm daily.
- Use of electronic door key sensors in guest rooms to minimise energy usage when guests are not in their rooms.
- Air-conditioning temperature management
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency.
- Installation of heat pump powered cold and hot water systems at Impiana Hotel Ipoh to reduce electricity usage. Diesel is no longer used to power the boiler systems thus eliminating diesel usage.

The table below shows a total electricity consumption in corporate office and hotels. However, tis table may not be a clear comparison due to the difference in financial period i.e. 12months vs 18months.

	2020 (18 months)	2021 (12 months)	2022 (18 months)
Total Electricity Consumption – Office & Hotels	**12,148,041**	**6,986,247**	**11,944,604**

Waste Management

The Company acknowledges the environmental impact arising from paper and plastics usage is significant. The Company's approach is to avoid unnecessary paper consumption and waste generation, where possible. The Company is always mindful of reducing usage of paper to further reduce waste. Generally, the Company practices the following on the paper management initiatives:

- Reducing paper- avoid unnecessary printing and photocopying, encourage paperless and electronic modes of usage.
- Use both sides of paper to cut consumption in half.
- Recycling paper.
- Take paperless notes to avoid unnecessary paper usage.
- Redesign forms to use less paper. One page will often suffice.
- Get into the habit of proofing documents on screen before printing.
- Use paper that has been printed on one side as scrap paper.

SUSTAINABILITY REPORT
(cont'd)

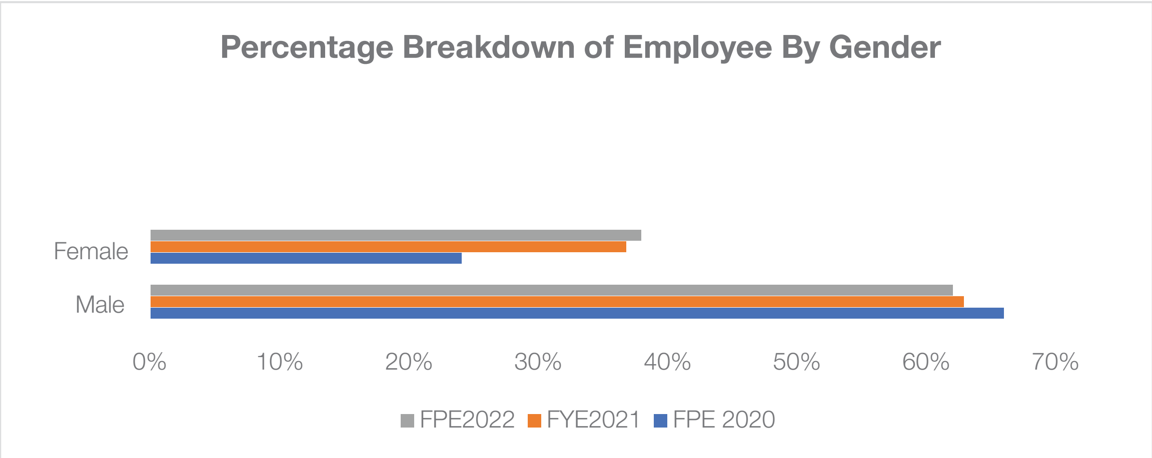
SOCIAL

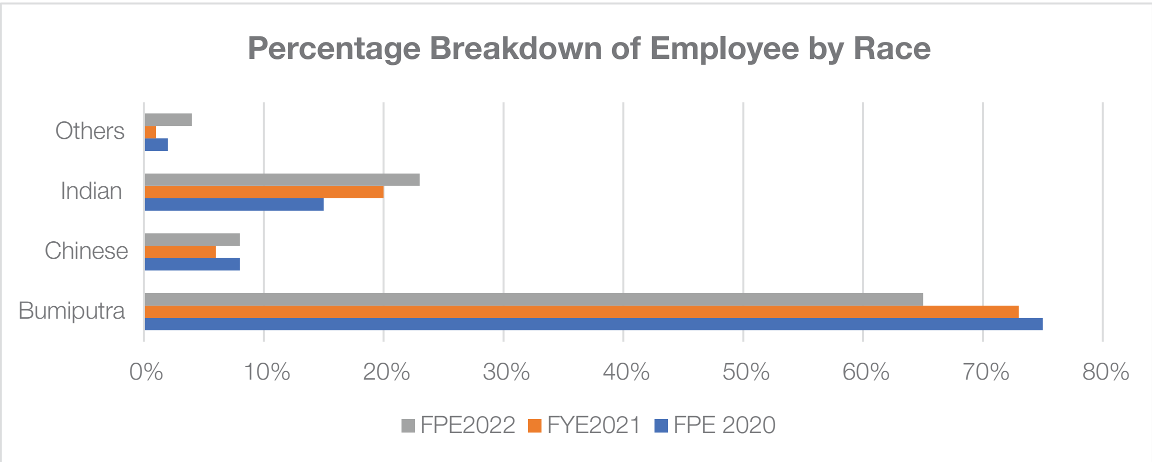
Human Capital Development

Employees are a vital component of the Company's business. Their performance, commitment and loyalty to the job are critical not only in achieving the Company's goals and objectives but most importantly for its long-term survival and sustainability. In this respect, the Company continues to build and upgrade its employees with the following efforts to ensure they can realise their full potential:

In year 2022, due to the changes to business operations as a result of the pandemic Covid-19, we were unable to conduct training or send our staff for training. However, employees were encourage to participate in online training, seminars and webinars to ensure they remain updated with the latest developments in both technical and soft-skill aspects.

Our Employee Segment





SUSTAINABILITY REPORT
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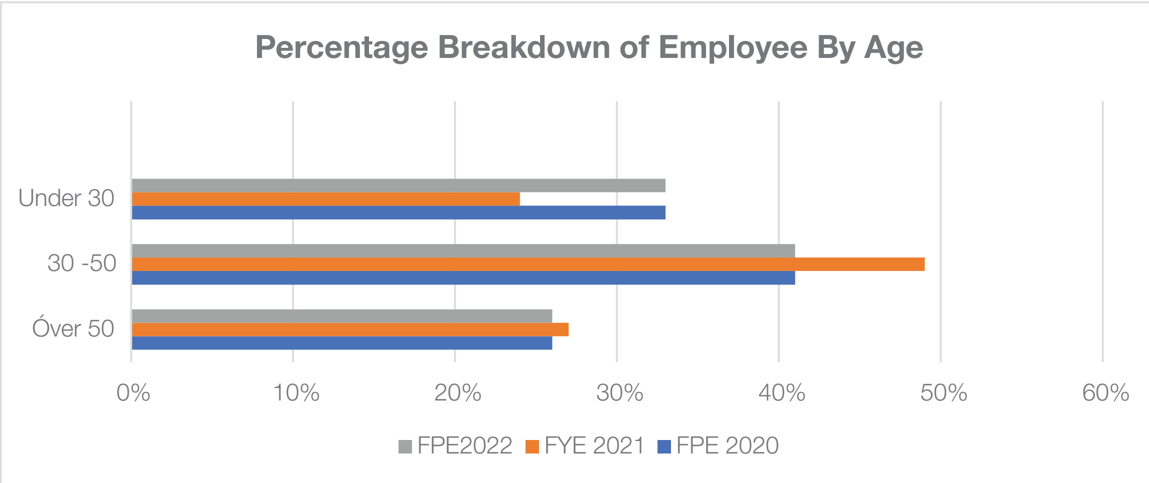
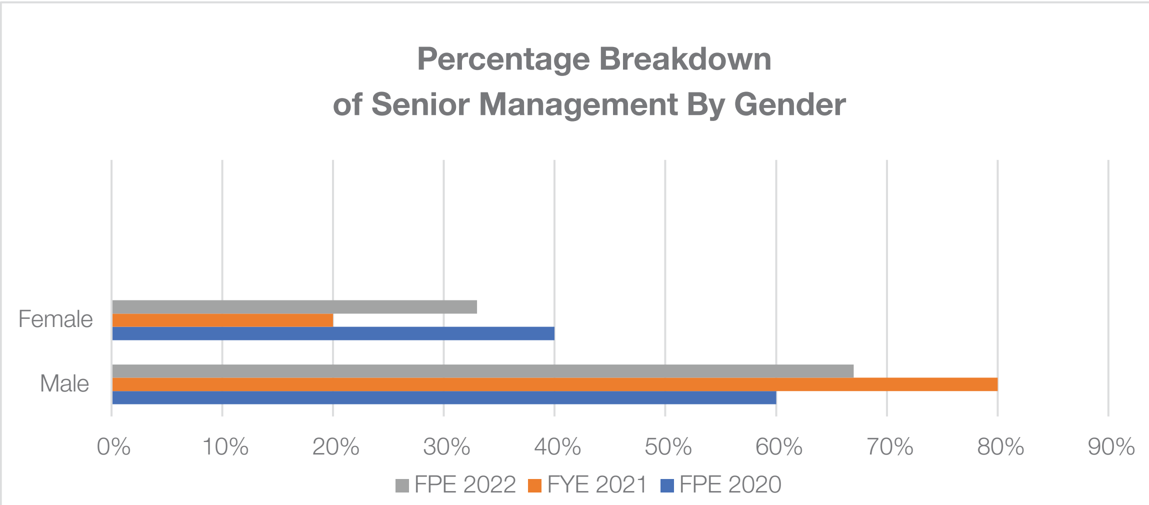
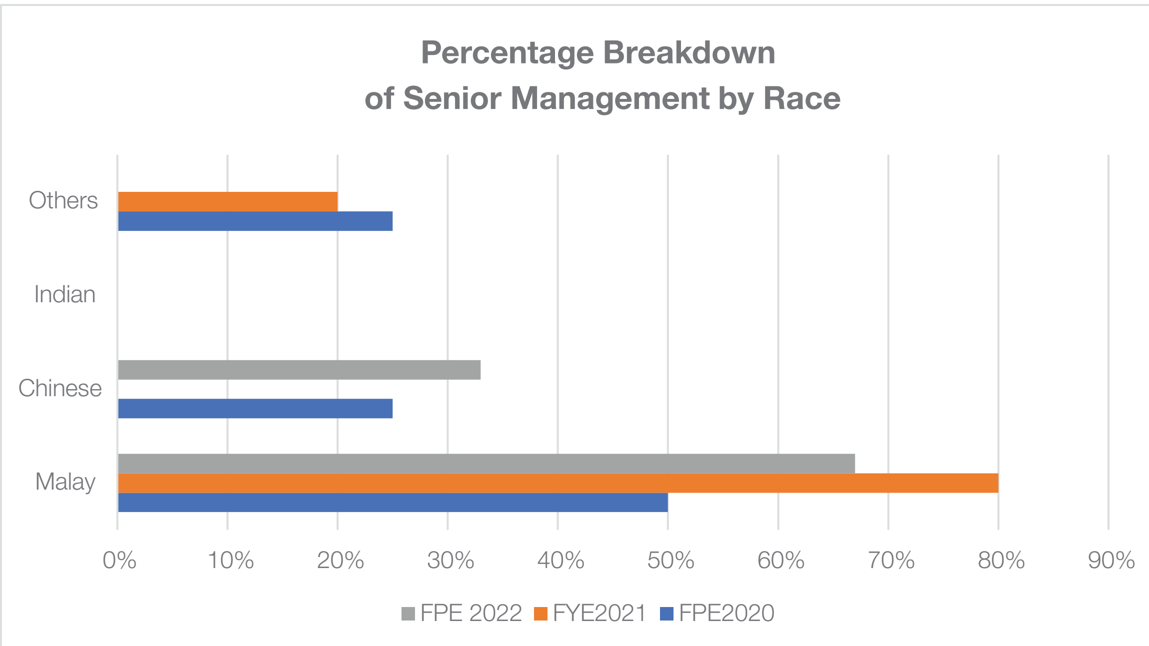
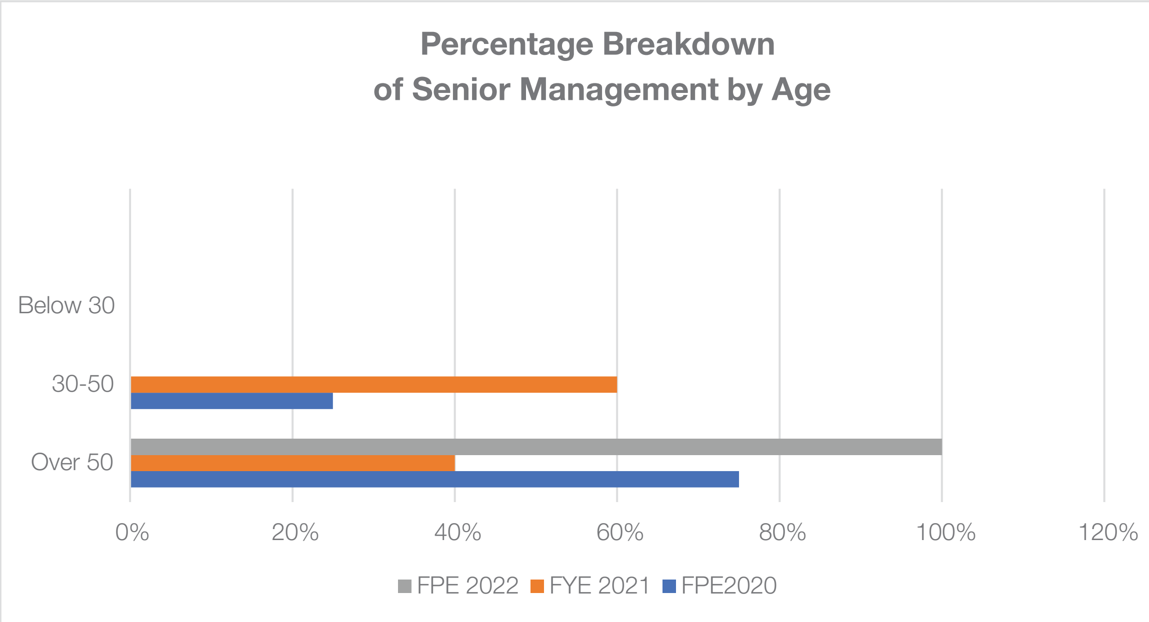






SUSTAINABILITY
REPORT
(cont'd)



Corporate Social Responsibility (CSR)

As part of its CSR initiatives, the Group's hotels are committed to their responsibilities to serve the community. We believe in giving back to the society through supporting various charitable initiatives and community projects.

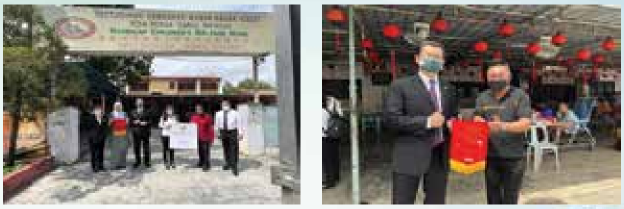
Our Impiana Hotel Senai presented donations on 15th February 2022 to several charities i.e. Persatuan Penjagaan Kanak-kanak Terencat Akal Johor Bahru, Grace Covenant Community Care, Yushan JB Disabled Wellfare Centre, Pusat Jagaan Warga Istimewa Kempas, Pusat Jagaan Anak Yatim Amitabha Centre & Caring Shelter Putuo Village.

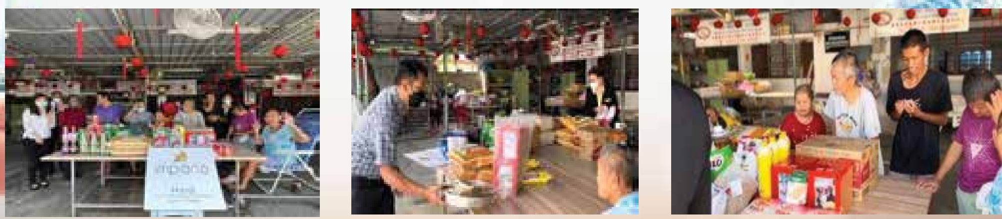
SUSTAINABILITY REPORT
(cont'd)

Our Impiana Hotel Ipoh CSR activities are as follows:

Sumbangan Bantuan Pertubuhan Kebajikan Anak-Anak Cacat Ipoh Sempena Raya Cina 2021

Date of event : 31th March 2021

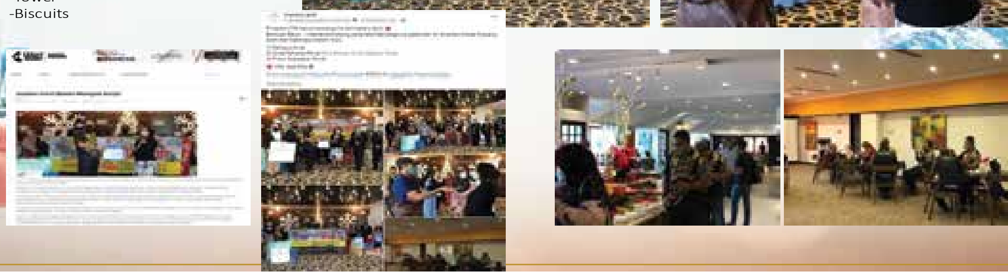




Misi Bantuan Mangsa Banjir

Date of event : 29th December 2021

Donated Items :
-Pillow
-Rice Cooker
-Blanket
-Towel
-Biscuits



Sumbangan Ikhlas Bubur Lambuk! (Drive-thru)

Date of event : 04th April 2022

SUSTAINABILITY
REPORT
(cont'd)

Our Impiana KLCC Hotel's CSR activities in FPE 2022 are as follows:

i) Donations during Deepavali to Shelter Home Petaling Jaya

iii) Token to Jabatan Bomba & Penyelamat Malaysia and Klinik Kesihatan Lembah Pandai as our gratitude & appreciation to healthcare workers & frontliners.

Training & Development

Building employee capability is a focus for our business. Our training curriculum is guided by our policies on employee development, and we regularly review existing training to check that it aligns with our business requirements. We also evaluate the effectiveness of training using internal feedback survey and metrics. Each of our hotels contribute to Human Resource Development Fund (HRDF) 1% of its payroll costs to learning and development initiatives.

SUSTAINABILITY
REPORT
(cont'd)

We run wide range of service and functional skills training activities for all grades of employees, including training programmes to develop and improve the management and leadership skills of top talent and high potential employees. All new employees are required to undertake induction training to become fully acquainted with our corporate values and standards of conduct.

Leadership development programmes are also offered at various levels, assisting staff to achieve their full potential and to continue to grow within the organisation.

BOMBA ERT TRAINING on 30th March – 1st April 2022

FIRST AID TRAINING on 9th Oct 2021

EMPLOYEE WELLBEING & MOTIVATION

Despite the pandemic and changes in working arrangements, the Group continues to pay attention to its employees' wellbeing. Employee stress is a significant issue in the hospitality industry, and it is costly for employers and employees alike. Although addressing and reducing stress is both a noble goal and is capable of resulting in expense reductions for employers, Impiana Hotels Berhad prioritises the health, safety and wellbeing of our workforce. This is a commitment we have proudly upheld in the face of additional challenges after the Covid-19 pandemic. We developed our team synergy through having team gatherings and celebrations to boost team spirit and to show staff appreciation.

SUSTAINABILITY REPORT
(cont'd)

Staff Appreciation Certificate Presentation for Team Spirit Award




SUSTAINABILITY REPORT
(cont'd)

Year 2022 Staff Birthday Gathering & Farewell

2022 Hari Raya Gathering

MOVING FORWARD

Although we have made some progress towards formalizing sustainability within our business, we recognize that we still have room for enhancement, both in terms of initiatives undertaken and our reporting structure. As we continue on our sustainability journey, our ultimate goal is to build a sustainable business for generations to come. To achieve this, we will continually keep abreast of developments in our industry, actively and regularly engage our stakeholders, build upon our existing sustainability framework, and seek to further embed sustainable practices within our businesses so as to improve our overall sustainability performance. We are proud of our work with customers to promote sustainable economic growth in our market.

Moving forward, we shall enhance the material factors & metrics, stakeholder targets and indicators, stakeholder responses and integrating sustainability to measure issues that are material to our business and move towards benchmarking our progress against international standards of reporting.

As we look to the future, it is our hope that we will continue to introduce new and exciting quality for our customers, enrich our local communities, create value for our stakeholders, and be an organisation that people will be proud to associate with.

This statement has been reviewed and approved by the Board of Directors on 28 April 2023.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Company's Board of Directors ("the Board") recognises the importance of adopting high corporate governance standards in its efforts to enhance shareholder value, besides safeguarding stakeholders' interest. The Board believes that good corporate governance practices enable the Company and its subsidiaries ("the Group") to operate more efficiently and facilitate better oversight of the business, management and operations of the Group.

This Corporate Governance Overview Statement ("CG Statement") provides a summary of the corporate governance practices of the Company during the financial period from 1 July 2021 to 31 December 2022 ("FPE 31 December 2022"). The CG Statement is prepared in compliance with the Malaysian Code on Corporate Governance ("MCCG") and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is to be read together with the Company's Corporate Governance Report for FPE 31 December 2022 ("CG Report"), which provides details on the application of each Practice as set out in the MCCG and is available on the Company's website at *www.impianaberhad.com*.

The Company's CG Statement is guided by the three (3) key Principles of good corporate practices as set out in the MCCG as follows:-

i. Principle A : Board Leadership and Effectiveness;
ii. Principle B : Effective Audit and Risk Management; and
iii. Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

The Board assumes overall responsibility for the leadership, oversight and the long-term success of the Group and is responsible for the strategic direction, corporate governance, business conduct and risk management of the Group.

The specific duties of the Board and a formal schedule of matters reserved for the Board and those delegated to the Management are spelt out in the Board Charter. It is the practice of the Board to deliberate on significant matters that concern the overall Group's business strategy, acquisition or divestment, major capital expenditure and significant financial matters as well as review of the financial and operating performance of the Group.

The Board assumes the following roles and responsibilities in discharging its function and duties effectively:

i. Ensuring that the Group's goals are clearly established and that strategies are in place for achieving them;
ii. Establishing policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology and the development of its business capital;
iii. Monitoring the performance of the Management;
iv. Deciding on whatever steps are necessary to protect the Group's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
v. Ensuring that the financial statements of the Group and the Company are true and fair and conform with the law;
vi. Ensuring that the Group adheres to high standards of ethics and corporate behaviour; and
vii. Ensuring that the Group has appropriate risk management/regulatory compliance policies in place.

The Board reviews the Board Charter from time to time to ensure that it remains consistent with the Board's objectives and is in line with current laws, regulations and practices. The Board also reviews new policies to be adopted by the Group and the Management to meet the requirements and changes in law which affects the Group, and ensures the Group carry through in its implementation in compliance with the law.

In ensuring the effective discharge of the Board's functions and responsibilities, the Board delegates specific responsibilities and functions to the various Board committees namely, the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee (collectively, "the Committees"), to examine specific issues within their respective terms of reference, as approved by the Board and to report to the Board with their recommendations. The ultimate responsibility for decision making however lies with the Board. The Board reviews the Committees' authority and terms of reference from time to time to ensure its relevance and enhance its efficacy.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Composition and Balance

The Group is helmed by an experienced Board comprising individuals of caliber and credibility from a diverse professional background with a wealth of experience, skills and expertise.

During the FPE 31December 2022, the Board consists of five (5) members, comprising one (1) Executive Chairman, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. On 10 January 2023, one (1) new Non-Independent Non-Executive Director was appointed and subsequently re-designated as Executive Director and Interim Chief Executive Officer on 19 January 2023 and 27 February 2023 respectively. The profiles of the Directors are set out in the '*Profile of Board of Directors & Key Management Staff*' section of this Annual Report.

The Executive Chairman

Dato' Seri Farouk is the Executive Chairman of the Board and is responsible for ensuring the integrity and effectiveness of the governance processes of the Board and oversees and facilitates the effective functioning of the Board in areas involving the members of the Board and the Committee's evaluation reviews on matters tabled in meetings.

Having more than 50 years' experience in the hospitality industry, Dato' Seri Farouk has considerable experience in the Group's businesses and provides leadership for the Board in considering and setting the overall strategies and objectives of the Group. The Board is of the view that it is in the interest of the Group to maintain the above arrangement for the time being so that the Board could have the benefit of a Chairman who is knowledgeable about the businesses of the Group, sets the overall strategies, conceptualizes plans and leads the execution of all major development projects and investments, capable of guiding discussions at Board meetings and able to brief the Board on key issues and developments that may directly or indirectly affect any of the businesses of the Group. The Executive Chairman, together with the support of senior management reviews the Group's medium and long-term strategic plans on an annual basis, so as to align the Group's business directions and goals with the prevailing economic and market conditions.

Qualified and Competent Company Secretary

The Board is advised and supported by two (2) suitably qualified and competent company secretaries. The Company Secretaries provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices as prescribed in the MCCG.

Aside from discharging their duties in maintaining the statutory books of the Company, the Company Secretaries are also responsible to advise the Board on issues pertaining to compliance with the Listing Requirements, laws, rules, procedure and regulations affecting the Group as well as principles of best corporate governance practices. The Company Secretaries also reminds the Directors of their obligations and adherence to matters pertaining to disclosure of any conflict of interest in transactions involving the Group, as well as to alert the Directors on dealings in securities and restrictions on disclosure of price-sensitive information.

The Company Secretaries attend all Board and Committee meetings, and ensure that proceedings of the Board and Committee meetings and decisions deliberated and made are accurately and sufficiently recorded. The records are properly kept for purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements and other regulatory requirements.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Reinforce Independence

The Nomination Committee ("NC") is responsible for assessing the independence of Independent Non-Executive Directors ("INEDs") annually. This assessment is based on the independent and constructive views, deliberations and contributions put forward by the INED during the Board meetings. This process is conducted through the Assessment of Independence of INED as part of the annual Board Evaluation. The criteria for assessing independence as developed by the NC are applied upon admission, annually and when any new interest or relationship develops.

The NC and the Board have, upon their assessment, concluded that the INEDs continue to demonstrate conduct and behaviour that are essential indicators of independence and their ability to act in the best interests of the Company. It has determined that they continue to fulfil the definition of independence as set out in the Listing Requirements.

Supply and Access to Information

The Board meets at least four (4) times during the financial year with additional or special Board meetings convened as and when necessary to consider and deliberate on any urgent proposals or matters that require the Board's review or consideration. The agenda for the Board meetings are circulated in advance to the Directors. The Directors are also supplied with the detailed reports and relevant supporting documents pertaining to the financial performance, investments and strategic direction of the Group to assist them in making well-informed decisions. All rationale of proposals, issues discussed and decisions made at the Board meetings are properly recorded to provide clear historical records and references.

In addition to the Board papers, the Board is notified of any corporate announcements released to Bursa Securities and is also kept informed of the requirements and updates issued by the regulatory authorities.

The Board members are given unrestricted access to all information to assist them in discharging their duties. Should it be deemed necessary, the Board members shall engage independent professionals at the Company's expense on specific issues in order to equip the Board members with adequate knowledge on matters being deliberated.

Board Charter

The Board established its Board Charter as a point of reference for the Board activities. The Board Charter sets forth the roles, duties and responsibilities of the Board, the Committees and the Management. It provides a structured guidance regarding the various responsibilities of the Directors in carrying out their leadership and supervisory role, as well as in discharging their duties towards the Company as well as boardroom activities. The Board Charter is published on the Company's website, *www.impianaberhad.com*.

Code of Ethics & Conduct

The Board has in place a Code of Ethics and Conduct for Directors ("COEC"). The COEC is intended to codify a standard of conduct by which all Directors are expected to abide; protect the business interests of the Group; maintain the Group's reputation for integrity; and foster compliance with applicable legal and regulatory obligations. The COEC is published on the Company's website, *www.impianaberhad.com*.

Whistleblowing Policy

The Board established a Whistleblowing Policy for the Board, the senior management and employees of the Group to provide a formal and confidential channel to enable employees and any external party to report in good faith, serious concerns of any improper conduct and/or wrongdoing committed by an employee of the Group to the Chairman of the Audit and Risk Management Committee ("ARC") including and without limitation to the following matters:

- Fraud;
- Corruption, bribery or blackmail;
- Criminal offences;
- Miscarriage of justice;
- Endangerment of health and safety;
- Concealment of any, or combination, of the above.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Whistleblowing Policy *cont'd*

The Whistleblowing Policy aims to enhance corporate governance by helping to foster an environment where integrity and ethical behaviour is maintained. The Policy also acts as an early warning system and enable the Group to remedy any wrongdoings before serious damage is caused to the Group.

The Whistleblowing Policy is published on the Company's website, www.impianaberhad.com and any reports or complaints can be directed to the Chairman of the ARC, whose contact information is disclosed on the Company's website.

Anti-Bribery and Corruption Policy

The Board reviewed the Group's policies and procedures on anti-bribery and anti-corruption policy in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Board shall ensure the Management implements and practices the policies and procedures in its businesses throughout the Group as part of good corporate governance practice in support with the Malaysian Government's initiatives in tackling corruption in the public and private sectors. The Policy is published on the Company's website, *www.impianaberhad.com*.

Board Diversity

The Directors, with their diverse background and qualification, collectively provide an effective blend of entrepreneurship, business and professional expertise in general management, finance, legal and technical areas of the industries the Group is involved in.

The Company recognises that a diverse and talented workforce is a competitive advantage. The Board is cognisant of the recommendation of MCCG to ensure the Board has in place a policy for the Board and senior management on gender diversity and ensuring at least 2 women directors or 30% women board representation.

The Board shall keep in mind to implement the practices as recommended in MCCG on the composition of the Board when making new appointments in future.

As at FPE 31 December 2022, the Board's diversity breakdown is depicted in the following matrix:

Gender	• Male • Female	• 80.00% • 20.00%
Age	• 31 – 40 • 41 – 50 • 51 – 60 • 61 – 70 • 71 - 80	• 20% • 40% • 0% • 0% • 40%
Ethnicity	• Chinese • Malay • Indian • Others	• 20% • 60% • 20% • 0%

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Meetings

The Board met a total of ten (10) times during the FPE 31 December 2022. The attendance of each Board member against the number of Board meetings and Committees' meetings held are shown below:

		No. of meetings attended		
Directors	**Board**	**ARC[a]**	**NC[c]**	**RC[d]**
Dato' Seri Ismail @ Farouk bin Abdullah *(Executive Chairman)*	10/10	-	-	
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif *(Independent Non-Executive Director)*	10/10	7/7	4/4	2/2-
Datuk Supperamaniam a/l Manickam *(Independent Non-Executive Director)*	10/10	7/7	4/4	2/2
Pn Dyana Sofya binti Mohd Daud [b] *(Non-Independent Non-Executive Director)*	10/10	7/7	-	-
Dato' Hong Khay Kuan *(Independent Non-Executive Director)* *Appointed on 28 September 2021*	9/9	-	-	-
Dato' Hoo Voon Him *(Executive Director, Interim CEO)* *Appointed on 10 January 2023*	-	-	-	-

Note:
[a] *Total of seven (7) ARC meetings (including Special Meetings) held during the FPE 31 December 2022*
[b] *Total of four (4) Nomination Committee meetings held during the FPE 31 December 2022*
[c] *Total two (2) Remuneration Committee meetings held during the FPE 31 December 2022*

The Board is satisfied with the level of commitment given by the Directors towards fulfilment of their respective roles and responsibilities. This, amongst others, is evidenced by the attendance record of the Directors at Board meetings. All Directors have complied with the minimum 50% attendance requirement as stipulated in the Listing Requirements.

Each Board member holds not more than five (5) directorships in public listed companies in compliance with the Listing Requirements. While holding office, a Director is at liberty to accept other board appointments so long as the appointment is not in conflict with the business and does not affect his/her performance as a director. Any acceptance of new directorships must be notified to the Company Secretaries immediately.

Directors Training

The Board members acknowledge the importance of being updated on the latest regulatory requirements as well as accounting standards to enable them to keep abreast with new statutory and regulatory requirements. The Board members are encouraged to enroll in suitable and relevant training sessions, on their own accord or through in-house training organized by the Group. The Company Secretary keeps the Directors informed of any training provided by the regulatory authorities as well as relevant external training programmes. All the Directors, have attended and successfully completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Directors Training *cont'd*

During the financial period under review, the Directors attended the following training programmes and seminars:

Training programmes/ Seminars

Director	Programme/Seminars	Date
Dato' Seri Ismail @ Farouk bin Abdullah		
Dyana Sofya binti Mohd Daud	Webinar on SC Guidelines On The Conduct Of Directors Of Listed Corporations And Their Subsidiaries by Malaysian Institute of Corporate Governance	25 January 2022
Datuk Supperamaniam a/l Manickam	Scope & Materiality in Sustainability Reporting by SHEMSI Sdn Bhd	26 July 2021
	Webinar on The Updated Malaysian Code on Corporate Governance 2021 by Malaysian Institute of Corporate Governance	20 January 2022
	Unpacking The Roles Of The Committee & Honing Its Effectiveness In Discharging Its Responsibilities Holistically by Malaysian Institute of Corporate Governance	27 June 2022
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif	World Finance Conference	03-06 August 2021
	Bengkel Semakan Pelan Strategik UUM 2022 (Teras 4 & 6)	21 February 2022
	Kursus Penjawat Utama 2022	29 March 2022
	Bengkel Pemantapan Program UUM COB (Bil 1)	31 March 2022
	Bengkel Semakan Wajaran Penilaian Pretasi Staf Akademik (Bil 2/2022)	23 March 2022
	Bengkel Pelan Strategik SBU	07 August 2022
	Bengkel Semakan Prestasi Pelan Strategik 2022	08-09 August 2022
	Bengkel Pemantapan Pelan Strategik Dan Semakan Bajet 2023	29 September 2022 - 01 October 2022
	Bengkel Semakan Penilaian Prestasi Staf Akademik Siri Ke-2	01 November 2022
Dato' Hong Khay Kuan	MAP	12-14 April 2022

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

The Committees

To ensure the effective discharge of its fiduciary duties and responsibilities more effectively, the Board delegates specific responsibilities to the Committees established by the Board.

All Committees function within and in accordance with clearly defined terms of reference which the Board approved from the onset. These Committees have unrestricted authority to examine issues and submit reports of their findings to the Board. As the Committees have no authority to make decisions on matters reserved for the Board, the recommendations would then be deliberated by the Board as a whole for decision making.

(I) Nomination Committee

The NC was established to consider candidates for directorship and Committee membership, and to review the effectiveness of the Board, through performance assessment of individual Directors of the Board and the Committees. The present composition of the NC comprises two (2) Independent Directors and one (1) Non-Independent Director as at the date of issuance of this Annual Report. They are:

Datuk Supperamaniam a/l Manickam *(Chairman)*
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif *(Member)*
Dyana Sofya binti Mohd Daud *(Member)*

The NC operates within defined terms of reference that have been drawn up in accordance with the best practices prescribed by the MCCG. The NC's terms of reference is published on the Company's website, *www.impianaberhad.com*.

The NC is tasked to conduct an annual appraisal of each Director as well as the Board as a whole, and to review the effectiveness of the independence of its directors and contribution of each Board member and the entire Board. The NC was guided by the "*Corporate Governance Guide –Towards Boardroom Excellence*", and conducted an annual assessment of the Board, Committees and individual Directors by taking into consideration the following key aspects for assessment:

- appropriate size, composition, independence, mix of skills and experience within the Board and the Committees;
- clear definition of the Board and the Committees' roles and responsibilities;
- functioning of the Board and the Committees in a productive, objective, timely, effective and efficient manner;
- open communication of information and active participation within Board and the Committees; and
- proper discharge of responsibilities and leadership by the Chairman of the Board and the Committees.

Based on the review of the NC, the Board is satisfied with the level of independence demonstrated by the INEDs of the Board and their ability to act in the best interest of the Group and each Board member has performed satisfactorily, and that the composition of the Board is effective.

During FPE 31 December 2022, four (4) NC meetings were held. The NC carried out the following activities:

- Assessed the size, composition and effectiveness of the Board Committees and each of its members;
- Reviewed the overall composition of the Board in terms of appropriate size, required mix of skills, experience, core competencies and effectiveness, as well as adequacy of balance between Executive Directors and INEDs;
- Evaluated each Director's performance and ensured no conflict of interest;
- Assessed and confirmed the independence of the INEDs;
- Reviewed the term of office and performance of the ARMC and each of its members;
- Reviewed and made recommendations to the Board with regard to Directors seeking re-election at the Company's 13th Annual General Meeting (AGM);
- Evaluated the training needs of the Board; and
- Discussed the nomination and appointment of new candidate(s) as Director(s) of the Company.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Process for selection and appointment of new directors

The NC has in place a formal process for the selection of new directors to increase transparency of the nomination process in identifying and evaluating nominees for directors. The NC leads the process as follows:

- The NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and the key attributes that an incoming director should possess.
- The NC taps on the resources of the Directors' personal contacts and recommendation of potential candidates and goes through a short-listing process. Where candidates identified from this process are found unsuitable, recruitment agencies will be appointed in the search process.
- The NC meets with the shortlisted candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
- The NC recommends the most suitable candidate to the Board for appointment as director.

Re-appointment / re-election of directors

All Directors submit themselves for re-election at regular intervals of at least once every three (3) years. Article 28.1 of the Company's Constitution provides that one-third of the directors (or if their number is not a multiple of three, the number nearest to one-third) shall retire from office by rotation and be subject to re-election at the Company's Annual General Meeting ("AGM").

In recommending the re-election of directors, the NC shall take into account the following as consideration:

- character, knowledge, expertise, professionalism, integrity and time availability;
- the results of the assessment on each individual Director; and
- in the case of the INEDs, the ability of a Director to discharge their responsibilities and functions as expected of someone holding the position of an independent director.

The NC carries out and reports to the Board the following key activities:

i. review the required mix of skills, experience and other qualities of the Board;
ii. assess the effectiveness of the Board as a whole, the Committees and the contribution of each individual Director including his time, commitment, character, experience and integrity;
iii. assess the effectiveness and performance of the Executive Director;
iv. assess the independence of the Independent Directors, particularly in relation to the nine (9) years limit on the tenure of Independent Director;
v. recommend the re-election of a Director who is retiring and seeking re-election at the forthcoming AGM of the Company;
vi. recommend the continuance of an Independent Director which exceeds the nine (9) years tenure limit; and
vii. recommend relevant training programs for Directors in accordance with their training needs.

Proposed appointments of member(s) to the Board to fill vacancies and proposals for re-election of Directors seeking re-election at the AGM are recommended by the NC to the Board for approval or tabling at the AGM for shareholders' approval, as the case may be.

The Company Secretaries are tasked to ensure that all appointments are properly made and that all necessary information is obtained from the newly appointed Director for the Company's records and for the purposes of meeting statutory obligations as well as obligations arising from the Listing Requirements.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

(II) Remuneration Committee

The Remuneration Committee ("RC") was established to assist the Board to assess and propose fair remuneration practices to attract, retain and motivate the Directors and Senior Management; and make relevant recommendations to the Board. The present composition of the RC comprises the following three (3) Independent Directors as at the date of issuance of this Annual Report:

Datuk Supperamaniam a/l Manickam *(Chairman)*
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif *(Member)*
Dato' Hong Khay Kuan *(Member)*

The RC operates within defined terms of reference that have been drawn up in accordance with the best practices prescribed by the MCCG. The RC's terms of reference is published on the Company's website, www.impianaberhad.com.

During FPE 31 December 2022, two (2) RC meetings were held. The RC, in discharging its functions and duties, carried out the following activities:

- Reviewed and recommended the payment of Directors' Fees and benefits for the period from 11 December 2021 until the next AGM of the Company; and
- Reviewed and recommended remuneration package of the Executive Director and Key Senior Management

Remuneration

The principal objective of the Company's framework for Directors' and Senior Management remuneration is to attract, retain and motivate Directors and Managers of the calibre needed to successfully manage the Group's business. The remuneration of Directors and Senior Management takes into account the demands, complexities and performance of the Company and the Group as well as skills and experience required.

The RC reviews, assesses and recommends to the Board the remuneration package of the Executive Director. The Executive Director's remuneration consists of basic salary, contributions to the national pension fund and benefits-in-kind whilst the Non-Executive Directors' remuneration primarily consists of director fees and benefits in the form of meeting allowances for meetings attended during the financial year. A particular Director shall abstain in deliberation and voting on decisions in respect of his/her individual remuneration.

The aggregate remuneration paid or payable to all Directors of the Company for the FPE 31 December 2022 is as follows:

Directors	Fees (RM)	Allowance (RM)	Salaries (RM)	Statutory Contribution (RM)	BIK [(a)] (RM)	Total (RM)
Dato' Seri Ismail @ Farouk bin Abdullah	46,000	13,000	-	-	-	59,000
Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif	46,000	17,500	-	-	-	63,500
Datuk Supperamaniam a/l Manickam	46,000	20,500	-	-	-	66,500
Pn Dyana Sofya binti Mohd Daud	45,000	17,500	-	-	-	62,500
Dato' Hong Khay Kuan	37,500	11,000	-	-	-	48,500
Dato' Hoo Voon Him *(Appointed on 10.1.2023)*	-	-	-	-	-	-
Total	**220,500**	**78,500**	**-**	**-**	**-**	**299,000**

Note:
[(a)] *BIK denotes as "Benefits-in-Kind"*

The Board had approved for the Executive Chairman and the Executive Director to receive directors' allowance and meeting allowances for their service contribution to the Board.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

It is the Board's commitment to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's results to Bursa Securities and the financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards (MFRSs) and applicable requirements of the Companies Act 2016. The Board is satisfied that appropriate accounting policies have been consistently applied and supported by reasonable judgements and estimates.

Audit and Risk Management Committee

The Board has established, through the Audit and Risk Management Committee's ("ARC"), a close and transparent relationship with its external auditor, Messrs Moore Stephens Associates PLT ("External Auditor") in seeking professional advice and ensuring compliance with relevant accounting standards. The External Auditor has confirmed to the ARC that they have been independent throughout the conduct of audit engagements in accordance with the terms of relevant professional and regulatory requirements. The ARC's evaluation and consideration on the External Auditor is premised on cost-effectiveness of the audit process, its work performance and assurances and effective discussion with the Management; and the ARC concluded that the External Auditor demonstrated appropriate qualifications and expertise.

The shareholders had approved the appointment of the External Auditor at the Company's AGM held on 10 December 2021. The audit fees incurred for audit services rendered to the Group for the FPE 31 December 2022 is RM588,000.00. The re-appointment of the External Auditor will be tabled at the forthcoming AGM on the recommendation of the Board.

The ARC is satisfied with the competence and independence of the External Auditor for the financial year under review.

(A) Relationship with the Auditors

The Company has established a transparent arrangement with the auditors to meet their professional requirements. From time to time, the auditors will highlight to the ARC and the Board on matters that require the Board's attention. The ARC engages in discussions with the External Auditor without the presence of the Executive Chairman, Executive Director and Management during ARC meetings on certain matters relating to the Group and its audit activities.

(B) Assessment of the External Auditor

In assessing the independence of the External Auditor, the ARC reviewed and considered a written assurance from the External Auditor, confirming that they are, and have been, independent throughout the conduct of their audit engagement with the Company in accordance with the independence criteria of International Standards on Auditing and By-Laws issued by the Malaysian Institute of Accountants (MIA).

Risk Management and Internal Control

The Board regards risk management and internal controls as an integral part of the overall management processes. The Board as a whole is ultimately responsible for identifying the principal risks of the Group's business and ensuring the implementation of appropriate systems to manage those risks.

The Board has established internal control procedures and policies for its operations, and monitors through the Internal Auditor, to ensure that such internal control system is implemented and carried out effectively by the Management. The internal audit function is carried out by the Internal Audit Department, led by the Internal Audit Manager ("Internal Auditor"). The audit work carried out by the Internal Auditor is carried out based on the audit plan, reviewed and approved by the Audit Committee. The internal audit plan is developed based on the key risk areas of each major operating unit within the Group. Each year, the Board and the Management discuss at length the scope of audit works to be undertaken by the Internal Auditor. The Internal Auditor conducts audits based on the agreed scope of work.

The "*Statement on Risk Management and Internal Control*", which provides an overview of the state of internal control and risk management within the Group, is included in this Annual Report.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

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

Communication with Stakeholders

The Group recognises the value of transparent and effective communications with the investment community and aims to build long-term relationships with its shareholders and investors through appropriate channels for disclosure of information.

The Group communicates with its shareholders, stakeholders and the public through press releases, press conferences, timely announcements and disclosures made to Bursa Securities.

Information disseminated is clear, relevant and comprehensive, provided on a timely basis and is readily accessible by all stakeholders. The Group endeavours to provide investors with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions.

The Annual Report, which includes the audited financial statements together with the auditors' and directors' report, is a key communication channel between the Company and its shareholders and investors, and is issued to the shareholders within four (4) months from the close of the financial year. The "*Management Discussion & Analysis*" section in this Annual Report provides an insightful interpretation of the Group's performance, operations, prospects and other matters affecting the Group's business and shareholders' interests.

Conduct of General Meetings

The Company's AGM is the principal forum for dialogue and interaction with individual shareholders and investors where they seek clarification on the Group's businesses, performance and prospects. In compliance with the Listing Requirements and the Companies Act 2016, the Annual Report and the notice of AGM are sent to shareholders within the prescribed timeframe. The notice of AGM is also published in a national newspaper and released through Bursa Securities for public dissemination. Members of the Board are present at the meeting to answer questions raised. All suggestions and comments put forth by shareholders will be noted by the Board for consideration. The Company also welcomes electronic communications from its shareholders via its email address at *info@impiana.com*.

Voting

In line with the Listing Requirements, all resolutions as set out in the notice of all general meetings of the Company will be voted by way of poll.

For the FPE 31 December 2022 up to the date of this Annual Report, the Company has complied substantially with the principles and recommendations of the MCCG so far as applicable and described herein.

This Statement has been reviewed and approved by the Board on 28 April 2023.

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AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee's ("ARC") function is to oversee and advise the Company's Board of Directors ("the Board") in the areas of financial reporting, external and internal audit, risk management, review of related party transactions as well as conflict of interest situations of the Company.

COMPOSITION AND MEMBERSHIP

The present composition of the ARC consists of three (3) Non-Executive Directors with two (2) of whom are Independent Directors. They are:

Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif
Chairman / Independent Non-Executive Director

Datuk Supperamaniam a/l Manickam
Member / Independent Non-Executive Director

Pn Dyana Sofya binti Mohd Daud
Member / Non-Independent Non-Executive Director

The composition of the ARC fulfilled the requirements under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

The ARC members are financially literate and well equipped with the relevant knowledge and experience to effectively discharge their duties and responsibilities. In particular, the Chairman of ARC, Prof. Dr Mohd Amy Azhar is a member of the Malaysian Institute of Accountants (MIA) as required under Paragraph 15.09(1)(c)(i), Part C of Chapter 15 of the Listing Requirements.

The particulars of the ARC members are set out in the '*Profile of Board of Directors & Key Management Staff*' section in this Annual Report.

TERMS OF REFERENCE

The ARC's terms of reference is published on the Company's website, *www.impianaberhad.com*

MEETINGS

During the FPE 31 December 2022, the ARC convened a total of seven (7) meetings and the attendance of the members were observed as follows:

Members	No. of meetings attended
Prof Dr Mohd Amy Azhar bin Haji Mohd Harif	7/7
Datuk Supperamaniam a/l Manickam	7/7
Pn Dyana Sofya binti Mohd Daud	7/7

The Notice of Meeting, minutes of meetings, reports and relevant documents were distributed to the ARC in advance prior to the respective meetings in order to allow the members sufficient time to peruse these documents for effective discussion and notation thereon.

The Executive Directors, Senior Management and Key Executives of the Company were invited to attend the ARC meetings for the purpose of briefing the ARC members on the activities involving their areas of responsibilities and to report on the overall operations of the Group.

The External Auditor and Internal Auditor were also invited to attend these meetings as and when necessary.

The Chairman of ARC would brief the Board on the proceedings of each meeting. Minutes of the meeting are tabled for confirmation at the next ARC meeting and then tabled to the Board for notation.

AUDIT AND RISK
MANAGEMENT COMMITTEE REPORT
(cont'd)

FUNCTIONS AND ACTIVITIES

Below is a summary of activities carried out by the ARC during the FPE 31 December 2022:

Financial Reporting

- Reviewed and discussed all quarterly unaudited financial results and audited financial statements prior to submission to the Board for their consideration and approval.
- Ensured the Group's compliance on issues pertaining to:
  - Accounting standards and relevant regulatory requirements;
  - Implementation and changes (if any) of accounting policies; and
  - Significant and unusual events or transactions.

Internal Audit

- Adequacy of scope, functions and resources of the internal audit function and that it has the necessary authority and unrestricted access to relevant records and information to carry out its tasks;

- The internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

- The key findings of internal audit or investigations undertaken and Management's responses, and ensure that appropriate and prompt actions are taken on the recommendations of the internal audit function;

- Its effectiveness and independence; and

- Review and approve any appointment, termination or resignation of the Internal Auditor.

External Audit

- Reviewed and discussed the contents of the External Auditor's reports in relation to audit and accounting issues arising from audit, and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board (MASB);

- Reviewed the results of the audit of the financial statements, significant findings, audit reports, and the responses from the Management with the External Auditor;

- Reviewed the Audit Planning Memorandum, scope of work and proposed audit fees prior to the commencement of the audit for the financial year under review;

- Reviewed the performance and independence of the External Auditor, and propose recommendations to the Board on their re-appointment; and

- Held discussions with the External Auditor, in the absence of the Management, on areas of concern arising from their interim and final audit.

Compliance with Bursa Securities

- Reviewed the Company's compliance with the Listing Requirements and other relevant rules and regulations on an on-going basis; and

- Seek advice and guidance from the Company Secretary on matters relating to the Listing Requirements.

Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")

- Reviewed the transaction limits of the related party transactions entered into by the Group with related parties on a quarterly basis to ensure compliance to the mandate approved by the shareholders; and

- Reviewed the information, procedures and processes contained in the Circular to Shareholders on RRPTs prior to tabling the same for the Board's approval.

AUDIT AND RISK
MANAGEMENT COMMITTEE REPORT
(cont'd)

Other Functions

- Reviewed the '*Audit and Risk Management Committee Report*' and '*Statement on Risk Management and Internal Control*' and other relevant statements and information for inclusion into the Annual Report prior to tabling the same for the Board's approval.

During the financial year, the ARC reviewed the Group's Anti-Bribery and Anti-Corruption policy ("ABC Policy"). The ABC Policy has been duly approved by the Board and adopted across the Group. The ABC Policy adopted is in line with the enforcement of the new provision of the Malaysian Government on Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") on 1 June 2020, which imposes liability on a commercial organisation for corruption committed by persons associated with the commercial organisation. This policy seeks to provide guidance to the parties on the procedures in line with the applicable laws and regulations in Malaysia to prevent bribery and corruption from occurring in all activities that may arise during the course of doing business.

The policy can be accessible at the Company's website at *www.impianaberhad.com* Continuous effort is on-going to monitor and to improve the effectiveness of the policy.

REVIEW OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARC's terms of reference have been reviewed and updated to be in line with the requirements of the Listing Requirements and the MCCG 2021. The ARC's terms of reference will be further improved on to include the ARC's additional role in assessing the risk management practices of the Group's business processes and operations.

The ARC members were assessed based on the quality, skill sets and competencies of each member as well as the conduct of the members in carrying out its duties in accordance to the ARC's terms of reference, during the meetings.

The Board, together with the Nomination Committee are satisfied that the ARC members have discharged their duties and responsibilities in accordance with the ARC's terms of reference during the FPE 31 December 2022.

INTERNAL AUDIT AND RISK MANAGEMENT FUNCTIONS

Functionally, the Internal Auditor reports directly to the ARC. The primary function is to ensure a regular review of the adequacy and integrity of the Group's system of internal controls, risk management process and compliance with the Group's established policies and procedures to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group. The Internal Auditor undertakes the internal audit function based on the audit plan that is reviewed and approved by the ARC.

The Internal Auditor has conducted risk-based audits on selected business units within the Group as included in the approved internal audit plan for the FPE 31 December 2022.

The reports containing findings and recommendations together with the Management's responses thereto were reviewed by the ARC members and discussed at ARC meetings. Areas of improvement identified and timelines for the outstanding matters to be resolved were communicated to the Management for their further action. Follow up reviews would subsequently be carried out by the Internal Auditor to ascertain the extent of implementation of the recommended corrective actions for improvement.

Apart from the aforesaid internal audit mandate, the Internal Auditor is also responsible for facilitating and assisting the Management in maintaining a structured risk management framework to identify, evaluate and manage material risks facing the Group. The Internal Auditor also monitors the effectiveness of the Group's risk management processes and reports to the ARC on the risk management activities of the Group.

The cost incurred for the internal audit function inclusive of risk management review in respect of the FPE 31 December 2022 was RM182,700 (FPE 30 June 2022 was RM92,310).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Company's Board of Directors ("the Board") acknowledges the importance of maintaining a sound system of internal controls and effective risk management as part of its on-going efforts to practise good corporate governance. The Board is committed to practicing good standards of corporate governance and observing best practices, and will continue to improve on current practices.

The Board is pleased to highlight to the shareholders the state of risk management and internal control of the Group pursuant to **Paragraph 15.26, Part E of Chapter 15 of the Listing Requirements, Part II of Principle B of the Malaysian Code on Corporate Governance 2021 (MCCG2021)**, and as guided by the **'Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers'** ("the Guidelines"), which outlines the nature and scope of risk management and internal controls of the Group during the FPE 31 December 2022.

RESPONSIBILITY OF THE BOARD

The Board is ultimately responsible for the internal controls of the Group. The Board is also accountable for reviewing its effectiveness, adequacy and integrity, including financial and operational controls, compliance with relevant laws and regulations, and risk management in order to safeguard the Group's assets, and ultimately the shareholders' investments.

The Board recognises that the system of internal controls is designed to manage, rather than eliminate the risk of failure to achieve business objectives. Hence, the Board shall only provide reasonable and not absolute assurance against misstatement or loss. Nonetheless, the Board shall evaluate appropriate initiatives, on a continuous basis, to strengthen the transparency and efficiency of its operations, taking into account the requirements for sound and appropriate internal controls and management information systems within the Group.

CONTROL ENVIRONMENT

The Board and Senior Management consistently endeavour to maintain an adequate system of internal controls designed to manage risks rather than to eliminate them. The Group has in place an organisation structure that is aligned to its business requirements. The internal control mechanism is embedded in the various work processes at appropriate levels in the Group. As such, it is recognised that the system of internal controls can only provide reasonable assurance and not absolute assurance against the occurrence of any material misstatement or loss.

The Board is accountable for ensuring the existence and effectiveness of internal controls. It provides leadership and direction to Senior Management on the manner the Group controls its businesses, the state of internal control and its activities. In developing the internal control systems, consideration is given to the overall control environment of the Group, assessment of financial and operational risks and an effective monitoring mechanism.

The Board has also established an Anti-Bribery and Anti-Corruption policy ("the ABC Policy") for the Group, guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). It is designed to provide a framework governing the general principles and processes on the giving and receipt of gratification. The primary aim of the ABC Policy is to promote and maintain good governance, integrity and accountability within the Group and to govern the Group's interaction with its stakeholders.

INTERNAL AUDIT

The Internal Auditor reviewed the Group's internal control systems to identify and address related internal control weaknesses. The Internal Auditor independently reviewed and assessed the risk identification procedures and control processes implemented by the Management. Any significant weaknesses identified during the audit reviews along with the Internal Auditor's recommended measures to improve and strengthen the internal controls of the Group were reported to the Audit and Risk Management Committee ("the Committee"). The Internal Auditor also tested the effectiveness of the internal controls based on an internal audit strategy, and a detailed annual internal audit plan was presented to the Committee for approval. It should be highlighted that the internal audit process adopted a sampling methodology based on samples selection and did not engage any strategy to detect fraud during the performance of the audit.

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

In order to ensure impartiality and independence to the Internal Audit function, the Internal Auditor reports directly to the Committee on the activities performed and key strategic and control issues observed on the operations and processes of the Group. The Committee reviews and approves audit plan and human resources requirements to ensure the function maintains an adequate number of internal audit team with sufficient knowledge, skills and experience.

PRACTICES & FRAMEWORK

Using this framework, all internal control Assessments performed by the Internal Auditor is based on the internal control elements Scope and Coverage.

The Internal Auditor continue to adopt the risk-based audit plan to ensure the programmes carried out are prioritised based on the Group's key risks and core/priority areas. Input from various sources inclusive of the Enterprise Risk Management Framework ("ERM Framework"), Business Plan, past audit issues, External Auditors, the Management and the Board are gathered, assessed and prioritised to derive the annual audit plan.

Through the Internal Auditor, the effectiveness and efficiency of the Group's risk management and system of internal controls were examined and evaluated in an independent capacity. The Internal Auditor has assessed the Group's compliance with policies and procedures as well as relevant law and regulations. The Internal Auditor then provided reports on issues relating to internal controls and the associated risk together with recommendations for appropriate actions to the Committee.

For the FPE 31 December 2022, the Internal Auditor had:

- Carried out activities in accordance with the scope of work;
- Presented findings to the Committee and recommend corrective actions for the Management; and
- Conducted follow-up review to ensure compliance.

INFORMATION AND COMMUNICATIONS

While the Management has full responsibility in ensuring the effectiveness of internal controls which it establishes, the Board has the authority to assess the state of internal controls as it deems necessary. In doing so, the Board has the right to request for information and clarification from the Management as well as to seek inputs from the Committee, External Auditors, the Internal Auditor and other experts at the expense of the Company.

RISK MANAGEMENT

The Group has an on-going process for identifying, evaluating and managing the significant risks faced by the Company and its subsidiaries throughout the financial year under review. This is to ensure that all high risks are adequately addressed at various levels within the Group. Risk management is embedded in the Group's management system and is every employee's responsibility. The Group believes that risk management is critical for the Group's continued profitability and the enhancement of shareholders' value.

The Board regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the Committee. The Group's enterprise risk management ("ERM") framework was approved by the Board on 27 August 2020. The Committee, supported by the Internal Auditor, provides an independent assessment of the effectiveness of the Group's ERM framework and reports to the Board. The Group's ERM is consistent with the ERM Framework and involves systematically identifying, analysing, measuring, monitoring and reporting on the risks that may affect the achievement of its business objectives. This framework helps to reduce the uncertainties surrounding the Group's internal and external environment,

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

The ERM process is based on the following principles:

- Consider and manage risks enterprise-wide;
- Integrate risk management into business activities;
- Manage risk in accordance with the Risk Management framework;
- Tailor responses to business circumstances; and
- Communicate risks and responses to the Management.

All identified risks are displayed on a risk matrix based on their risk ranking to assist the Management in prioritising their efforts and appropriately managing the different classes of risks. There is no dedicated ERM department, however, the Management work closely with the respective operational managers to continuously strengthen the risk management initiatives within the Group so that the Management could respond timely and effectively to the constantly changing business environment and is thus able to protect and enhance shareholders value.

The Board recognises the importance of effective ERM in enhancing shareholders value while upholding a high standard of corporate governance. Combining a strong and sustained commitment from the Board and Senior Management with a clear direction and oversight from all levels of leadership, the Group embraces a holistic risk management approach to achieve its business targets with minimal surprises.

MONITORING ACTIVITIES

In the financial year under review, the Board through the Committee has reviewed the risk management updates as well as the progress of compliance status of the internal control and risk management system.

ASSURANCE FROM THE MANAGEMENT

The Board has also received assurance from the Executive Director and Senior Management that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the ERM framework adopted by the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

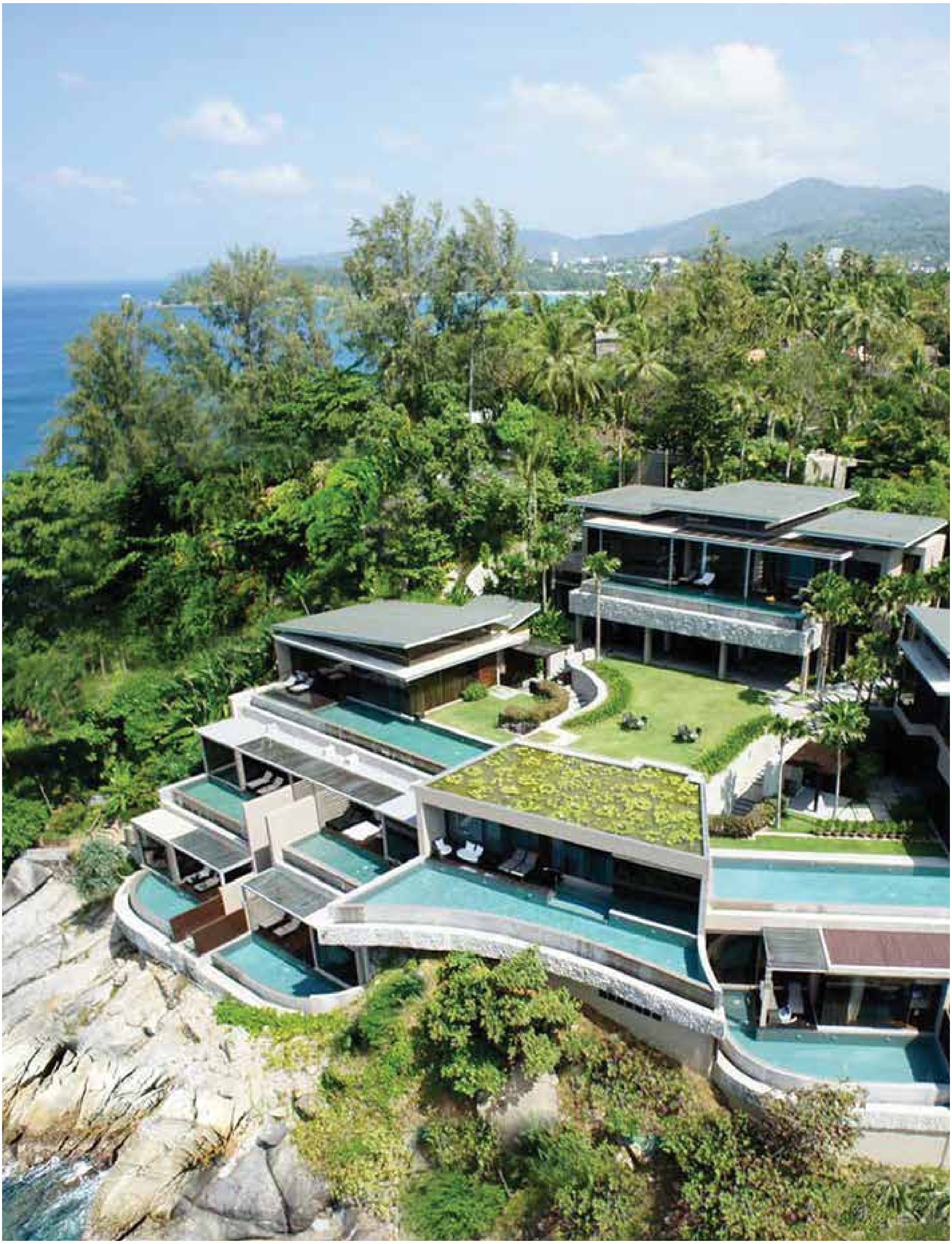
Pursuant to Paragraph 15.23, Part D of Chapter 15 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their limited assurance review was performed in accordance with the Audit Assurance Practice 3 (AAPG 3) (formerly known as 'Recommended Practice Guide 5 (Revised 2015)') issued by the Malaysian Institute of Accountants.

Based on the External Auditors' review, nothing has come to their attention that caused them to believe that the statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines to be set out, nor is the statement factually inaccurate.

CONCLUSION

The Board is pleased to report that there were no major internal control weaknesses identified during the financial year under review, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Company's Annual Report. The Board is of the view that the existing system of internal controls is adequate. The Board will ensure that the internal controls framework be continuously reviewed, improved and enhanced to ensure its effectiveness, adequacy and relevance. Nevertheless, the Management continues to take measures to strengthen the control environment of the Group and its subsidiaries.

This Statement has been reviewed and approved by the Board of Directors on 28 April 2023.



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STATEMENT OF DIRECTORS' RESPONSIBILITIES
In Respect of the Audited Financial Statements

The Directors are responsible to ensure that the financial statements of the Group and the Company are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 in Malaysia ("the Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

(i) adopted appropriate accounting policies and applied them consistently;
(ii) made judgements and estimates that are reasonable and prudent; and
(iii) adhered to all applicable approved accounting standards in Malaysia

The Statement by the Directors pursuant to Section 251 (2) of the CA 2016 is set out in the section headed "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated Annual Audited Financial Statements for the FPE 31 December 2022.

This Statement has been reviewed and approved by the Board of Directors on 28 April 2023.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial period.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Group and of the Company was changed from 30 June to 31 December. Accordingly, comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable.

RESULTS

	Group RM	Company RM
Net loss for the financial period	(14,307,338)	(97,899,924)
Attributable to:		
Owners of the Company	(14,305,964)	(97,899,924)
Non-controlling interest	(1,374)	-
	(14,307,338)	(97,899,924)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Company is not in a position to pay or declare dividends for the current financial period.

RESERVES AND PROVISIONS

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

ISSUANCE OF SHARES AND DEBENTURES

Ordinary shares

On 5 July 2021, the Company increased its issued ordinary shares from RM456,230,339 to RM456,834,339 through private placement by the issuance and allotment of 10,000,000 new ordinary shares at an issue price of RM0.0604 per share for working capital purpose. On the same day, a total of 10,037,235 Irredeemable Convertible Preference Share-B ("ICPS-B") were converted into 10,037,235 ordinary shares at the conversion ratio of 1 ICPS-B for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM456,834,339 to RM457,737,690.

On 28 July 2021, the Company increased its issued ordinary shares from RM457,737,690 to RM458,289,690 through private placement by the issuance and allotment of 10,000,000 new ordinary shares at an issue price of RM0.0552 per share for working capital purpose. On the same day, a total of 10,037,000 ICPS-B were converted into 10,037,000 ordinary shares at the conversion ratio of 1 ICPS-B for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM458,289,690 to RM459,193,020.

DIRECTORS' REPORT
(cont'd)

ISSUANCE OF SHARES AND DEBENTURES *cont'd*

Ordinary shares *cont'd*

On 25 August 2021, a total of 19,060,000 of ICPS-B were converted into 19,060,000 ordinary shares at the conversion ratio of 1 ICPS-B for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM459,193,020 to RM460,908,420.

On 26 August 2021, 21 September 2021 and 11 October 2021, the Company increased its issued ordinary shares from RM460,908,420 to RM464,175,320 through private placement by the issuance and allotment of 19,000,000, 20,000,000 and 10,000,000 new ordinary shares at an issue price of RM0.0571, RM0.0694 and RM0.0794 respectively per share for working capital purpose.

On 13 October 2021, a total of 200,000,000 ICPS-A and 19,000,000 ICPS-B were converted into a total of 39,000,000 ordinary shares at the conversion ratio of 10 ICPS-A for 1 new ordinary share and 1 ICPS-B for 1 ordinary share respectively, hence the paid-up ordinary shares have increased from RM464,175,320 to RM475,885,320.

On 25 October 2021, 15 November 2021, 8 December 2021 and 10 December 2021, the Company increased its issued ordinary shares from RM475,885,320 to RM481,724,820 through private placement by the issuance and allotment of 20,000,000, 11,000,000, 25,000,000 and 25,000,000 new ordinary shares at an issue price of RM0.0756, RM0.07, RM0.0715 and RM0.0708 respectively per share for working capital purpose.

On 8 December 2022, the Company completed the Share Consolidation exercise for every 5 existing ordinary shares in the Company into 1 Consolidated Share totaling 288,867,803 Consolidated Shares.

The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

The Company has not issued any debentures during the financial period.

ICPS

On 5 July 2021, 28 July 2021 and 25 August 2021, the total ICPS of the Company decreased from RM26,345,408 to RM22,823,327 by way of conversion of 39,134,235 ICPS-B to 39,134,235 new ordinary shares at the ratio of 1 ICPS-B for 1 new ordinary share.

On 13 October 2021, the total ICPS of the Company decreased from RM22,823,327 to RM11,113,327 by way of conversion of 200,000,000 ICPS-A and 19,000,000 ICPS-B to a total of 39,000,000 new ordinary shares at the ratio of 10 ICPS-A for 1 new ordinary share and 1 ICPS-B for 1 new ordinary share respectively.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial period to the date of this report are: -

Dyana Sofya Binti Mohd Daud
Prof. Dr. Mohd Amy Azhar Bin Haji Mohd Harif*
Dato' Seri Ismail @ Farouk Bin Abdullah*
Datuk Supperamaniam A/L Manickam
Dato' Hong Khay Kuan
Dato' Hoo Voon Him (Appointed on 10 January 2023)

** Being a Director of one or more subsidiaries*

DIRECTORS' REPORT
(cont'd)

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries since the beginning of the financial period to the date of this report report excluding those who are already the Directors of the Company are as follows:-

Datin Afrizah Binti Abu Bakar
Raja Dato' Seri Eleena Binti Sultan Azlan Shah
Eng Kim Lan
Mohd Shukri Bin Haji Mohd Jai
Norizah Binti Mohd Mokhtar

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial period in shares of the Company and its related corporations during the financial period were as follows:-

	Number of ordinary shares						
	At 01.07.2021	**Bought**	**Conversion**	**Sold**	**Consolidated**	**Sold**	**At 31.12.2022**
	Unit	**Unit**	**Unit**	**Unit**	**Unit**	**unit**	**Unit**
Director of the Company							
Ordinary shares in the Company							
Direct interest:							
- Dato' Seri Ismail @ Farouk Bin Abdullah	264,886,562	-	29,097,000	(240,000)	(234,994,850)	**-**	**58,748,712**
Indirect interest:							
- Dato' Seri Ismail @ Farouk Bin Abdullah *	344,324,831	-	10,037,235	(7,525,400)	(277,469,333)	**(1,004,300)**	**68,363,033**

	Number of ICPS-A			
	At 01.07.2021	**Bought**	**Conversion**	**At 31.12.2022**
	Unit	**Unit**	**Unit**	**Unit**
Director of the Company				
ICPS-A in the Company				
Indirect interest:				
- Dato' Seri Ismail @ Farouk Bin Abdullah *	203,271,040	-	(200,000,000)	**3,271,040**

DIRECTORS' REPORT
(cont'd)

DIRECTORS' INTERESTS *cont'd*

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial period in shares of the Company and its related corporations during the financial period were as follows:- *cont'd*

	Number of ICPS-B			
	At 01.07.2021 Unit	**Bought Unit**	**Conversion Unit**	**At 31.12.2022 Unit**
Director of the Company				
ICPS-B in the Company				
Direct interest:				
- Dato' Seri Ismail @ Farouk Bin Abdullah	42,817,000	-	(41,625,662)	**1,191,338**
Indirect interest:				
- Dato' Seri Ismail @ Farouk Bin Abdullah *	65,000,000	-	(16,508,573)	**48,491,427**

	Number of ordinary shares						
	At 01.07.2021 Unit	**Bought Unit**	**Conversion Unit**	**Sold Unit**	**Consolidated Unit**	**Sold unit**	**At 31.12.2022 Unit**
Directors of subsidiaries							
Ordinary shares in the Company							
Direct interest:							
- Datin Afrizah Binti Abu Bakar	530	-	-	-	(424)	-	**106**
Indirect interest:							
- Raja Dato' Seri Eleena Binti Sultan Azlan Shah *^	609,211,393	-	39,134,235	(7,765,400)	(512,464,183)	(1,004,300)	**127,111,745**

DIRECTORS' INTERESTS *cont'd*

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial period in shares of the Company and its related corporations during the financial period were as follows:- *cont'd*

	Number of ICPS-A			
	At 01.07.2021	**Bought**	**Conversion**	**At 31.12.2022**
	Unit	**Unit**	**Unit**	**Unit**
Directors of subsidiaries				
ICPS-A in the Company				
Direct interest:				
- Datin Afrizah Binti Abu Bakar	10,953,520	-	-	**10,953,520**
- Eng Kim Lan	9,300,000	-	-	**9,300,000**
Indirect interest:				
- Raja Dato' Seri Eleena Binti Sultan Azlan Shah*^	203,271,040	-	(200,000,000)	**3,271,040**

* *Indirect interest pursuant to Section 8(4) of the Companies Act 2016 via Impiana Sdn. Bhd.*
^ *Indirect interest via her spouse's shareholding*

Dato' Seri Ismail @ Farouk Bin Abdullah is deemed to have interest in the shares held by the Company in its subsidiaries by virtue of his substantial interest in shares via Impiana Sdn. Bhd.

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

DIRECTORS' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company	**Subsidiary**
	RM	**RM**
Fees	220,500	-
Salaries and other emoluments	78,500	36,000
Total fees and other benefits	299,000	36,000

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those as disclosed in Note 30 to the financial statements.

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

DIRECTORS' REPORT
(cont'd)

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position 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 be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

(i) which would render the amount written off for bad debts or the amount of provision for doubtful debts inadequate to any substantial extent;

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

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

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

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

(d) In the opinion of the Directors:

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

(ii) the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature; and

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

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial period from the Company and its subsidiaries is disclosed in Note 6 to the financial statements.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company.

SIGNIFICANT EVENT

Details of significant event are disclosed in Note 37 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent event are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2023

DATO' SERI ISMAIL @ FAROUK BIN ABDULLAH

PROF. DR MOHD AMY AZHAR BIN HAJI MOHD HARIF

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 66 to 153 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 2022 and of their financial performance and cash flows for the financial period then ended.

Approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 April 2023.

DATO' SERI ISMAIL @ FAROUK BIN ABDULLAH

PROF. DR MOHD AMY AZHAR BIN HAJI MOHD HARIF

STATUTORY DECLARATION

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

I, HOO WING SUM, being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 66 to 153 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed
at Kuala Lumpur in the Federal Territory
on 28 April 2023

HOO WING SUM

Before me,

INDEPENDENT
AUDITORS' REPORT

To the Members of Impiana Hotel Berhad
Registration No.: 200601021085 (740838-A) (incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Impiana Hotels Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 153.

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 2022, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(e) in the financial statements, which indicates that the Group and the Company incurred a net loss of RM14,307,338 and RM97,899,924 during the financial period ended 31 December 2022 and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM8,714,992 and RM18,599,887. These events or conditions, along with the matters as set forth in Note 2(e), indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT

To the Members of Impiana Hotel Berhad
Registration No.: 200601021085 (740838-A) (incorporated in Malaysia)
(cont'd)

Key Audit Matters *cont'd*

Impairment Review of Property, Plant and Equipment ("PPE"), Intangible Assets ("IA") and Investments in Subsidiaries

PPE and IA

As at 31 December 2022, as shown in Notes 9 and 10 to the financial statements, the carrying amounts of the Group's PPE and IA amounted to RM110,682,027 and RM5,313,745 respectively, representing approximately 50% and 2% of the Group's total assets.

The main operating subsidiary of the Group with significant PPE at carrying amount of RM45,601,691 was affected by COVID-19 pandemic which in turn recorded a loss for the financial period and accumulated losses position. These resulted in multiple indications that the carrying amounts of PPE may be impaired. Accordingly, the Group estimated the recoverable amount of the PPE based on value-in-use ("VIU") calculations using cash flow projections derived from the most recent financial forecast approved by the Directors covering a ten-year period.

A subsidiary of the Group has intangible asset pertaining to hotel management agreements ("HMAs") with carrying amount of RM5,313,745 as at 31 December 2022 and there was indication of impairment as the participating hotels have yet to commence their hotel operations and the subsidiary's revenue which is dependent upon percentage of revenue to be generated by the participating hotels was impacted by the COVID-19 pandemic. The recoverability of the carrying amount of the HMAs is dependent upon the recoverable value determined based on VIU calculations using cash flows projections derived from the most recent financial projections approved by the Directors covering a remaining period of six years which was based on the expected commencement operating period of the participating hotels up to the end of the HMAs agreed period.

Investments in subsidiaries

As at 31 December 2022, as shown in Note 13 to the financial statements, the carrying amount of the Company's investments in subsidiaries amounted to RM119,185,892.

A recent history of losses and significant accumulated losses recorded by certain subsidiaries have resulted in multiple indications that the carrying amount of investments in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of the investments in subsidiaries either based on higher of VIU calculations using cash flows projections derived from the most recent financial projections approved by the Directors covering five and ten years period or fair value less costs of disposal (as the case may be).

During the financial period, the Company has recognised an impairment loss of RM85,407,101 for its investments in subsidiaries.

We have identified the impairment review of PPE, IA and investments in subsidiaries as key audit matters as the impairment test involves significant management judgement in estimating the underlying assumptions to be applied in the discounted cash flows projections of the VIU calculations. The recoverable amounts of the Group's PPE and IA and the Company's investments in subsidiaries are subject to key assumptions applied in respect of future revenue growth rate, gross margin, the long-term growth rate and the pre-tax discount rate used in the cash flows projections. A small change in these key assumptions can have a significant impact on the estimation of the recoverable amount.

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to evaluate management's basis and assumptions used in the VIU:-

- Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors;
- Evaluated management's budgeting process by comparing actual results to historical cash flows projections;
- Compared the key assumptions including forecast revenue, gross margin, occupancy rate, average daily rate and discount rate against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available;
- Assessed the adjusted net assets of the subsidiaries in deriving the recoverable amounts (i.e. fair value) of the cost of investments in subsidiaries; and
- Performed a sensitivity analysis by changing certain key assumptions used in the VIU calculations and assessed the impact of the recoverable amounts of the PPE, IA and investments in subsidiaries.

INDEPENDENT AUDITORS' REPORT

To the Members of Impiana Hotel Berhad
Registration No.: 200601021085 (740838-A) (incorporated in Malaysia)
(cont'd)

Key Audit Matters *cont'd*

Revenue and cost recognition

Revenue and cost from property development activity recognised during the financial period as disclosed in Notes 4 and 5 to the financial statements amounted to RM8,022,667 and RM5,883,840 respectively.

Property development revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the project).

Judgement is required in determining the progress of property development towards the complete satisfaction of the performance obligation, which include relying on past experience and continuous monitoring of the budgeting process. The management's estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the period.

We focused on this area because of the magnitude of the revenue and the costs recognised by the Group from these activities, which are based on significant estimates and judgements.

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to assess the revenue recognition:-

- Agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion;
- Verified the costs incurred against underlying supporting documents such as the sub-contractors' claim certificates and invoices from vendors;
- Checked reasonableness of the stage of completion based on actual costs incurred to date over the estimated total property development costs with architect certificates;
- Performed re-computation of the percentage of completion and percentage of sales; and
- Examined material non-standard journal entries and other adjustments posted to revenue and cost of sales accounts.

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 the other information, we are required to report the 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

To the Members of Impiana Hotel Berhad
Registration No.: 200601021085 (740838-A) (incorporated in Malaysia)
(cont'd)

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 also 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:

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

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

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

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

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

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

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

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

INDEPENDENT
AUDITORS' REPORT

To the Members of Impiana Hotel Berhad
Registration No.: 200601021085 (740838-A) (incorporated in Malaysia)
(cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current period 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 subsidiary of which we have not acted as auditors, is disclosed in Note 13 to the financial statements.

Other Matter

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

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

LO KUAN CHE
03016/11/2024 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 28 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Period Ended 31 December 2022

	Note	Group		Company	
		Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
		RM	RM	RM	RM
Revenue	4	**26,725,477**	19,498,886	**-**	-
Cost of sales	5	**(11,572,611)**	(13,305,484)	**-**	-
Gross profit		**15,152,866**	6,193,402	**-**	-
Other income		**927,672**	3,489,966	**-**	-
Selling and distribution costs		**(112,999)**	(18,100)	**-**	-
Administrative expenses		**(13,050,880)**	(6,722,687)	**(3,903,347)**	(2,444,980)
Other expenses		**(5,008,690)**	(3,682,860)	**(93,943,166)**	(19,910,964)
Loss from operations		**(2,092,031)**	(740,279)	**(97,846,513)**	(22,355,944)
Finance costs		**(11,726,527)**	(8,132,370)	**(53,411)**	-
Share of result in an associate	14	**(7,546)**	(1,594,386)	**-**	-
Loss before tax	6	**(13,826,104)**	(10,467,035)	**(97,899,924)**	(22,355,944)
Income tax expense	7	**(481,234)**	(263,454)	**-**	-
Loss for the financial period/year, net of tax		**(14,307,338)**	(10,730,489)	**(97,899,924)**	(22,355,944)
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Asset revaluation surplus, net of deferred tax		**28,134,477**	-	**-**	-
Total comprehensive income for the financial period/year		**13,827,139**	(10,730,489)	**(97,899,924)**	(22,355,944)
Loss for the financial period/year attributable to:					
Owners of the Company		**(14,305,964)**	(10,730,218)	**(97,899,924)**	(22,355,944)
Non-controlling interest		**(1,374)**	(271)	**-**	-
		(14,307,338)	(10,730,489)	**(97,899,924)**	(22,355,944)
Total comprehensive income attributable to:					
Owners of the Company		**13,828,513**	(10,730,218)	**(97,899,924)**	(22,355,944)
Non-controlling interest		**(1,374)**	(271)	**-**	-
		13,827,139	(10,730,489)	**(97,899,924)**	(22,355,944)
Loss per ordinary share attributable to Owners of the Company (sen):					
- Basic	8	**(5.72)**	(5.39)		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2022

		Group		Company	
		31.12.2022	**30.06.2021**	**31.12.2022**	**30.06.2021**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
Non-current assets					
Property, plant and equipment	9	**110,682,027**	71,308,024	**2,276**	3,216
Intangible assets	10	**5,313,745**	6,376,262	**-**	-
Right-of-use assets	11	**-**	16,289	**-**	-
Goodwill	12	**-**	-	**-**	-
Investments in subsidiaries	13	**-**	-	**119,185,892**	204,592,993
Investment in an associate	14	**39,398,162**	38,825,708	**-**	-
Inventories	15	**-**	3,359,456	**-**	-
		155,393,934	119,885,739	**119,188,168**	204,596,209
Current assets					
Inventories	15	**27,185,692**	25,389,288	**-**	-
Trade receivables	16	**20,962,411**	2,774,905	**-**	-
Other receivables	17	**2,830,631**	292,377	**10,100**	20,100
Amounts due from subsidiaries	18	**-**	-	**4,864,091**	2,627,473
Amount due from an associate	29	**174,600**	-	**-**	-
Contract assets	19	**12,138,045**	54,735,559	**-**	-
Fixed deposits with a licensed bank	20	**691,478**	670,116	**-**	-
Cash and bank balances		**2,438,649**	181,251	**11,549**	1,055
		66,421,506	84,043,496	**4,885,740**	2,648,628
TOTAL ASSETS		**221,815,440**	203,929,235	**124,073,908**	207,244,837
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	21	**125,959,915**	115,697,515	**481,724,820**	456,230,339
Irredeemable convertible preference shares (“ICPS”)	22	**5,069,907**	5,069,907	**11,113,327**	26,345,408
Accumulated losses		**(122,434,188)**	(109,010,056)	**(392,249,866)**	(294,349,942)
Asset revaluation reserve	23	**57,089,801**	29,837,156	**-**	-
Total equity attributable to Owners of the Company		**65,685,435**	41,594,522	**100,588,281**	188,225,805
Non-controlling interest		**(395)**	979	**-**	-
Total Equity		**65,685,040**	41,595,501	**100,588,281**	188,225,805

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022
(cont'd)

		Group		Company	
		31.12.2022	**30.06.2021**	**31.12.2022**	**30.06.2021**
	Note	**RM**	**RM**	**RM**	**RM**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	24	**15,828,392**	6,027,853	**-**	-
Borrowings	25	**65,165,510**	68,013,744	**-**	-
		80,993,902	74,041,597	**-**	-
Current liabilities					
Trade payables	27	**9,319,753**	5,281,935	**-**	-
Other payables	28	**48,715,715**	58,431,328	**8,434,179**	6,212,496
Contract liabilities	19	**458,015**	1,028,357	**-**	-
Borrowings	25	**6,651,425**	4,585,674	**-**	-
Lease liabilities	26	**-**	7,847	**-**	-
Amount due to a subsidiary	29	**-**	-	**13,819,048**	12,802,136
Amounts due to Directors' related companies	29	**1,303,946**	9,160,610	**4,400**	4,400
Amount due to an associate	29	**-**	16,991	**-**	-
Amount due to a Director	29	**5,910,523**	6,873,030	**1,228,000**	-
Tax payable		**2,777,121**	2,906,365	**-**	-
		75,136,498	88,292,137	**23,485,627**	19,019,032
Total Liabilities		**156,130,400**	162,333,734	**23,485,627**	19,019,032
TOTAL EQUITY AND LIABILITIES		**221,815,440**	203,929,235	**124,073,908**	207,244,837

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 31 December 2022

		Attributable to Owners of the Company						
		Non-Distributable						
	Note	**Share Capital RM**	**ICPS RM**	**Asset Revaluation Reserve RM**	**Accumulated Losses RM**	**Total RM**	**Non-Controlling Interest RM**	**Total Equity RM**
Group								
At 1 July 2021		115,697,515	5,069,907	29,837,156	(109,010,056)	41,594,522	979	41,595,501
Loss for the financial period		-	-	-	(14,305,964)	(14,305,964)	(1,374)	(14,307,338)
Other comprehensive income								
Asset revaluation reserve, net of tax		-	-	28,134,477	-	28,134,477	-	28,134,477
Realisation of depreciated asset revaluation reserve		-	-	(881,832)	881,832	-	-	-
Total other comprehensive income		-	-	27,252,645	881,832	28,134,477	-	28,134,477
Total comprehensive income		-	-	27,252,645	(13,424,132)	13,828,513	(1,374)	13,827,139
Transaction with Owners of the Company								
Issuance of ordinary shares pursuant to private placement	21	10,262,400	-	-	-	10,262,400	-	10,262,400
Total transaction with Owners of the Company		10,262,400	-	-	-	10,262,400	-	10,262,400
At 31 December 2022		**125,959,915**	**5,069,907**	**57,089,801**	**(122,434,188)**	**65,685,435**	**(395)**	**65,685,040**

STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 31 December 2022
(cont'd)

		Attributable to Owners of the Company						
		Non-Distributable						
	Note	Share Capital RM	ICPS RM	Asset Revaluation Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
At 1 July 2020		101,411,643	5,069,907	30,386,309	(98,828,991)	38,038,868	-	38,038,868
Loss for the financial year		-	-	-	(10,730,218)	(10,730,218)	(271)	(10,730,489)
Other comprehensive income								
Realisation of depreciated asset revaluation reserve		-	-	(549,153)	549,153	-	-	-
Total comprehensive income		-	-	(549,153)	(10,181,065)	(10,730,218)	(271)	(10,730,489)
Transactions with Owners of the Company								
Acquisition by non-controlling interest		-	-	-	-	-	1,250	1,250
Issuance of ordinary shares pursuant to private placement	21	14,285,872	-	-	-	14,285,872	-	14,285,872
Total transactions with Owners of the Company		14,285,872	-	-	-	14,285,872	1,250	14,287,122
At 30 June 2021		115,697,515	5,069,907	29,837,156	(109,010,056)	41,594,522	979	41,595,501

STATEMENTS OF CHANGES IN EQUITY
For the Financial Period Ended 31 December 2022
(cont'd)

		← Attributable to Owners of the Company →			
		← Non-Distributable →			
		Share Capital	**ICPS**	**Accumulated Losses**	**Total Equity**
	Note	**RM**	**RM**	**RM**	**RM**
Company					
At 1 July 2021		456,230,339	26,345,408	(294,349,942)	188,225,805
Loss for the financial period, representing total comprehensive income for the financial period		-	-	(97,899,924)	(97,899,924)
Transactions with Owners of the Company					
Issuance of ordinary shares pursuant to:					
- private placement	21	10,262,400	-	-	10,262,400
- conversion of ICPS	21,22	15,232,081	(15,232,081)	-	-
Total transactions with Owners of the Company		25,494,481	(15,232,081)	-	10,262,400
At 31 December 2022		**481,724,820**	**11,113,327**	**(392,249,866)**	**100,588,281**
At 1 July 2020		394,400,635	52,400,000	(271,993,998)	174,806,637
Loss for the financial year, representing total comprehensive income for the financial year		-	-	(22,355,944)	(22,355,944)
Transactions with Owners of the Company					
Issuance of ordinary shares pursuant to:					
- private placement	21	14,285,872	-	-	14,285,872
- conversion of ICPS	21,22	46,574,592	(46,574,592)	-	-
- debt capitalisation	21	969,240	-	-	969,240
Issuance of ICPS pursuant to:					
- debt capitalisation	22	-	20,520,000	-	20,520,000
Total transactions with Owners of the Company		61,829,704	(26,054,592)	-	35,775,112
At 30 June 2021		456,230,339	26,345,408	(294,349,942)	188,225,805

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 December 2022

		Group		Company	
		Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Loss before tax:		**(13,826,104)**	(10,467,035)	**(97,899,924)**	(22,355,944)
Adjustments for:					
Amortisation of intangible assets		**1,062,517**	715,049	**-**	-
Allowance for expected credit losses on trade receivables		**-**	129,793	**-**	-
Depreciation of:					
- property, plant and equipment		**3,200,720**	1,949,493	**940**	5,606
- right-of-use assets		**16,289**	62,385	**-**	-
Gain on disposal of property, plant and equipment		**-**	(42,915)	**-**	-
Impairment loss on:					
- amounts due from subsidiaries		**-**	-	**8,536,065**	4,681,112
- investments in subsidiaries		**-**	-	**85,407,101**	15,229,852
Written off:-					
- property, plant and equipment		**-**	289	**-**	-
- land held for property development		**329,721**	-	**-**	-
- trade receivables		**-**	5,684	**-**	-
- other receivables		**6,616**	21,102	**-**	-
Waiver of rental		**-**	(27,000)	**-**	-
Reversal of:-					
- expected credit losses on trade receivables		**-**	(853,235)	**-**	-
- retention sum		**(515,453)**	-	**-**	-
Interest expenses		**11,726,527**	8,132,370	**53,411**	-
Interest income		**(21,362)**	(17,934)	**-**	-
Share of result of an associate	14	**7,546**	1,594,386	**-**	-
Loss on reduction of equity interest in an indirect subsidiary		**-**	1,250	**-**	-
Unrealised gain on foreign exchange		**(14,078)**	-	**-**	-
Operating profit/(loss) before working capital changes carried forward		**1,972,939**	1,203,682	**(3,902,407)**	(2,439,374)

STATEMENTS OF CASH FLOWS
For the Financial Period Ended 31 December 2022
(cont'd)

		Group		Company	
		Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
	Note	RM	RM	RM	RM
Operating profit/(loss) before working capital changes brought forward		**1,972,939**	1,203,682	**(3,902,407)**	(2,439,374)
Contract assets/liabilities		**42,027,172**	(37,776,594)	**-**	-
Inventories		**(1,796,404)**	9,093,473	**-**	-
Receivables		**(20,684,900)**	17,578,134	**10,000**	(10,000)
Payables		**(23,291,265)**	9,230,584	**2,221,683**	(125,307)
Cash used in operations		**(1,772,458)**	(670,721)	**(1,670,724)**	(2,574,681)
Interest received		**21,362**	17,934	**-**	-
Interest paid		**(1,176,504)**	(459,782)	**(53,411)**	-
Tax paid		**(618,533)**	(973,036)	**-**	-
Net cash used in operating activities		**(3,546,133)**	(2,085,605)	**(1,724,135)**	(2,574,681)
Cash flows from investing activities					
Acquisition of property, plant and equipment		**(1,601,917)**	(1,650,634)	**-**	-
Proceeds from disposal of property, plant and equipment		**-**	50,600	**-**	-
Additional investment in associate	14	**(580,000)**	-	**-**	-
Investment in a subsidiary	13(b)	**-**	-	**-**	(2)
Advances to an associate		**(180,000)**	-	**-**	-
Advances to subsidiaries		**-**	-	**(10,772,683)**	(7,308,585)
Net cash used in investing activities		**(2,361,917)**	(1,600,034)	**(10,772,683)**	(7,308,587)

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 December 2022
(cont'd)

		Group		Company	
		Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
	Note	RM	RM	RM	RM
Cash flows from financing activities					
(Repayment to)/advances from Director	(iii)	**(962,507)**	(50,000)	**1,228,000**	-
Advances from/(Repayment to) subsidiary	(iii)	**-**	-	**1,016,912**	(4,420,305)
Repayment to an associate	(iii)	**(11,591)**	(31,243)	**-**	-
Drawdown of borrowings	(iii)	**-**	8,235,550	**-**	-
Increase in fixed deposits pledged		**(21,362)**	(17,934)	**-**	-
Proceeds from issuance of ordinary shares	21	**10,262,400**	14,285,872	**10,262,400**	14,285,872
Repayment of borrowings	(iii)	**(210,773)**	(668,000)	**-**	-
Repayment of principal portion of lease liabilities	(ii)(iii)	**(7,847)**	(42,073)	**-**	-
Repayment to Directors' related companies	(iii)	**(398,401)**	(12,594,056)	**-**	-
Net cash from financing activities		**8,649,919**	9,118,116	**12,507,312**	9,865,567
Net increase/(decrease) in cash and cash equivalents		**2,741,869**	5,432,477	**10,494**	(17,701)
Effect of exchange rate changes on cash and cash equivalents		**87,239**	-	**-**	-
Cash and cash equivalents at beginning of financial period/year		**(3,860,755)**	(9,293,232)	**1,055**	18,756
Cash and cash equivalents at end of financial period/year	(i)	**(1,031,647)**	(3,860,755)	**11,549**	1,055

Note:

(i) Cash and cash equivalents comprise the following:-

		Group		Company	
		31.12.2022	30.06.2021	31.12.2022	30.06.2021
	Note	RM	RM	RM	RM
Cash and bank balances		**2,438,649**	181,251	**11,549**	1,055
Fixed deposits with a licensed bank	20	**691,478**	670,116	**-**	-
		3,130,127	851,367	**11,549**	1,055
Less:					
- Bank overdrafts	25	**(3,470,296)**	(4,042,006)	**-**	-
- Fixed deposits pledged	20	**(691,478)**	(670,116)	**-**	-
		(1,031,647)	(3,860,755)	**11,549**	1,055

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 December 2022
(cont'd)

Note: *cont'd*

(ii) Cash outflows for leases as a lessee are as follow:-

	Group	
	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
	RM	RM
Included in net cash used in operating activities		
Interest paid in relation to lease liabilities	**(153)**	(5,927)
Payment relating to short term lease rental	**(153,047)**	(25,970)
Included in net cash from financing activities		
Payment for the principal portion of lease liabilities	**(7,847)**	(42,073)
Total cash outflows for leases	**(161,047)**	(73,970)

	Company	
	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
	RM	RM
Included in net cash used in operating activity		
Payment relating to short term lease rental	**(36,450)**	-

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities:-

	Lease liabilities	Borrowings (excluding bank overdrafts)	Amounts due to Directors' related companies	Amount due to an associate	Amount due to a Director
	RM	RM	RM	RM	RM
Group					
31.12.2022					
At beginning of financial period	**7,847**	**68,557,412**	**9,160,610**	**16,991**	**6,873,030**
Payment for the principal portion of lease liabilities	**(7,847)**	**-**	**-**	**-**	**-**
Repayment to	**-**	**(210,773)**	**(398,401)**	**(11,591)**	**(962,507)**
Net changes in cash flow from financing activities	**(7,847)**	**(210,773)**	**(398,401)**	**(11,591)**	**(962,507)**
Reclass to amount due from an associate	**-**	**-**	**-**	**(5,400)**	**-**
Novation of debt	**-**	**-**	**(7,458,263)**	**-**	**-**
At end of financial period	**-**	**68,346,639**	**1,303,946**	**-**	**5,910,523**

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 December 2022
(cont'd)

Note: *cont'd*

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities:- *cont'd*

	Lease liabilities	Borrowings (excluding bank overdrafts)	Amounts due to Directors' related companies	Amount due to an associate	Amount due to a Director
	RM	RM	RM	RM	RM
Group *cont'd*					
30.06.2021					
At beginning of financial year	76,920	60,989,862	21,754,666	48,234	6,923,030
Payment for the principal portion of lease liabilities	(42,073)	-	-	-	-
Drawdown	-	8,235,550	-	-	-
Repayment to	-	(668,000)	(12,594,056)	(31,243)	(50,000)
Net changes in cash flow from financing activities	(42,073)	7,567,550	(12,594,056)	(31,243)	(50,000)
Waiver of rental	(27,000)	-	-	-	-
At end of financial year	7,847	68,557,412	9,160,610	16,991	6,873,030

	Amount due to a Director	Amounts due to Directors' related companies	Amount due to a subsidiary
	RM	RM	RM
Company			
31.12.2022			
At beginning of financial period	**-**	**4,400**	**12,802,136**
Advances from, representing net changes in cash flows for financing activities	**1,228,000**	**-**	**1,016,912**
At end of financial period	**1,228,000**	**4,400**	**13,819,048**
30.06.2021			
At beginning of financial year	-	4,400	17,222,441
Repayment to, representing net changes in cash flows for financing activities	-	-	(4,420,305)
At end of financial year	-	4,400	12,802,136

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

1. CORPORATE INFORMATION

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

The registered office of the Company is located at 21st Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at 21st Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan.

The Company is principally engaged in investment holdings. The principal activities of the subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial period.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 28 April 2023.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements

(i) Accounting pronouncements that are effective and adopted during the financial year

The Group and the Company had adopted the following new accounting pronouncements that are mandatory as follows: -

Amendments to MFRS 9, MFRS 7 MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

2. BASIS OF PREPARATION *cont'd*

(a) Statement of compliance *cont'd*

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted *cont'd*

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those disclosed in the accounting policy notes.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

2. BASIS OF PREPARATION *cont'd*

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's result of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are set out below.

(i) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(ii) Impairment of financial assets

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

For trade receivables, the Group applies the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

For other receivables and amounts due from subsidiaries, the Group and the Company apply the approach permitted by MFRS 9, which requires the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(iii) Carrying value of investments in subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investment in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
(cont'd)

2. BASIS OF PREPARATION *cont'd*

(d) Significant accounting estimates and judgements *cont'd*

(iv) Revaluation of properties

All properties (except for those held as inventories) of the Group are reported at valuation which is based on valuations performed by independent professional valuers. The independent professional valuers have exercised judgement in determining the fair values of the Group's freehold and leasehold lands and buildings which were determined based on the following methods:-

- *comparison method* by comparing the properties with recently transacted properties of a similar nature or offers for sale of similar properties in the area with adjustment for time and various factors inclusive of location, tenure of land, road frontage, size, access, terrain and material valuation uncertainty to arrive at the value of the subject lands; and

- *income method* by way of "Discounted Cash Flow" where annual income of the hotel is estimated based on the occupancy rate and average daily rate ("ADR"). The estimated operating expenses of the hotel and other expenditure are then deducted therefore to arrive at the net annual income which is then capitalised at an appropriate rate of return for 10 years. Terminal value is capitalised at an appropriate current market yield to arrive at its indicative market value.

(v) Property development

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e., by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract). In making the estimate, management relies on opinion/service of experts, past experience and a continuous monitoring mechanism.

(e) Going concern

The financial statements of the Group and the Company are prepared on the basis of accounting principles applicable to going concern, notwithstanding that the Group and the Company incurred a net loss of RM14,307,338 (30.06.2021: RM10,730,489) and RM97,899,924 (30.06.2021: RM22,355,944) respectively for the financial period ended 31 December 2022 and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM8,714,992 (30.06.2021: RM4,248,641) and RM18,599,887 (30.06.2021: RM16,370,404). The outbreak of the COVID-19 pandemic had impacted the Group's hotel operations which resulted in hotel closure in July 2021 and halted progress of its sole development project in Cherating which in turn has negatively impacted the Group's financial performance and its liquidity position. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

The validity of the Group's and the Company's going concern assumptions are highly dependent on the following measures in responding to the conditions above:

(i) the Group's hotel operations to return to normality after full lifting of COVID-19 restrictions imposed by the authorities and the continued progress of its sole development project in Cherating;

(ii) the Group believes that it will continue to enjoy existing credit facilities and revised repayment arrangement arising from previous moratorium granted by the financial institutions of which periodic repayments have been made by the Group;

2. BASIS OF PREPARATION *cont'd*

(e) Going concern *cont'd*

The validity of the Group's and the Company's going concern assumptions are highly dependent on the following measures in responding to the conditions above: *cont'd*

(iii) timely billing and collection from:-

- the property purchasers within the next 12 months for contract assets amounted to RM12,138,045 (30.06.2021: RM54,735,559) as disclosed in Note 19 which relates to the Group's right to consideration for work completed on property development but not yet billed at reporting date;

- from en-bloc property purchaser within the next 12 months for total billed amount of RM18,034,795 (30.06.2021: RM373,125);

(iv) new capital to be raised via issuance of Redeemable Convertible Notes ("RCN") as disclosed in Note 38; and

(v) drawdown of available banking facilities which are yet to be utilised.

For these reasons, the Directors are of the opinion that the Group and the Company will be able to continue as going concerns for the foreseeable future. The abilities of the Group and of the Company to continue as going concerns is dependent on the implementation of the aforementioned measures, the continuing supports from the lenders, bankers and creditors, and the abilities of the subsidiaries to generate sufficient cash flows to meet the obligations of the Group and of the Company.

Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments to the amounts and classification of assets and liabilities may be necessary.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant power 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis of consolidation *cont'd*

Consolidation *cont'd*

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity.

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 acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis of consolidation *cont'd*

Combined financial statements

The Conceptual Framework for Financial Reporting 2018 defines combined financial statements as financial statements of a reporting entity that are not linked by a parent-subsidiary relationship. The requirements for combined financial statements are not yet prescribed in the MFRSs.

The Malaysian Institute of Accountants had issued a practice note, Guidance Note on Combined Financial Statements, to provide guidance on the preparation of combined financial statements. The MIA's Guidance Note defines combined financial statements as "financial statements for economic activities that are bound together by common control but are not a legal group. These are usually prepared by aggregating the financial statements of segments, separate entities or components of groups that do not meet the definition of a group under MFRS 10 Consolidated Financial Statements".

The following entities and business unit are included in the preparation of combined financial statements in previous financial year:

- Impiana Cherating Sdn Bhd;
- Impiana Pangkor Sdn Bhd;
- Impiana Hotels & Resorts Management Sdn Bhd;
- Astaka Mekar Sdn Bhd; and
- business unit of Impiana Hotel Ipoh Sdn Bhd

(Collectively known as "Impiana Combined Units")

In preparing the combined financial statements of the four combining entities and business unit, the assets, liabilities and equity (including contributed share capital) had been aggregated based on their book values. There is no adjustment required to remeasure the assets and liabilities to their respective fair values.

Reverse acquisition accounting

On 21 February 2019, the Company completed its acquisition of the entire interest in the Impiana Combined Units via issuance of 4,647,902,800 units of ordinary shares, 3,098,601,860 units of irredeemable convertible preference shares ("ICPS") and RM25.90 million of cash to shareholders of Impiana Combined Units. This transaction is treated as a reverse acquisition for accounting purpose as the shareholders of Impiana Combined Units became the controlling shareholders of the Company upon the completion of the transaction. Accordingly, Impiana Combined Units (being the legal subsidiaries in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree.

The consolidated financial statements represent a continuation of the financial position, financial performance and cash flows of Impiana Combined Units. Accordingly, the consolidated financial statements are prepared on the following basis:

(a) the assets and liabilities of Impiana Combined Units are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of Impiana Combined Units immediately before the reverse acquisition;

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis of consolidation *cont'd*

Reverse acquisition accounting *cont'd*

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding to the issued equity of Impiana Combined Units immediately before the Reverse Acquisition the fair value of the consideration effectively transferred based on the issue price of the Company's share. However, the equity structure appearing in the consolidated financial statements (i.e., the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e., the Company), including the equity instruments issued by the Company to effect the reverse acquisition;

(e) the consolidated statement of comprehensive income for the financial period ended 30 June 2020 reflects the full financial period results of Impiana Combined Units together with the post-acquisition results of the Company; and

(f) the consolidated statements of financial position as at 1 January 2019 is those of Impiana Combined Units, except for its capital structure which is retroactively adjusted to reflect the legal capital of the accounting acquiree.

Financial statements of the Company

The above accounting method applies only at the consolidated financial statements. In the Company's financial statements, investments in the legal subsidiaries (the Impiana Combined Units) are accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position. The initial cost of the investment in the Impiana Combined Units is based on the fair value of the ordinary shares, ICPS issued by the Company and cash consideration as at the acquisition date.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the Group's statements of comprehensive income and within equity in the Group's statements of financial position, separately from equity attributable to Owners of the Company. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition date and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis of consolidation *cont'd*

Associates *cont'd*

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

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

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

Transactions eliminated on consolidation

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

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

(b) Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into the functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rates as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Revenue and other income recognition

(i) Revenue from contracts with customers

The Group is in the business of hotel operations, property development, and hotel management services.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(c) Revenue and other income recognition *cont'd*

(i) Revenue from contracts with customers *cont'd*

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset. 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. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

<u>Property development revenue</u>

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e., by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

<u>Management service revenue</u>

Management service revenue is recognised when service is rendered to the hotel owners.

<u>Marketing fee revenue</u>

Marketing fee revenue are recognised when services are rendered.

<u>Hotel room revenue</u>

Hotel room revenue is recognised when service is rendered to the customers over their stay at the hotel. The transaction price is the net amount collected from the customer. Advance deposits on hotel rooms are recorded as customer deposits until services are provided to the customer.

<u>Restaurant revenue</u>

Revenue is recognised at point in time upon delivery of foods and beverages to the customers, where all the payments are based on cash on delivery. Accordingly, transaction price is determined based on selling price of the goods.

<u>Other hotel-related segments</u>

Revenue is recognised at point in time upon services performed to the customers, where all the payments are based on cash on delivery. Accordingly, transaction price is determined based on market price of the services.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(c) Revenue and other income recognition *cont'd*

(i) Revenue from contracts with customers *cont'd*

Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

(ii) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on asset.

(iii) Wages subsidy

Government grant/assistance received on wages subsidy is recognised on monthly basis over the qualified period under the criteria set by the Government.

(d) Employee benefits

(i) Short term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(e) Borrowing costs

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

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

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

(f) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. 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 be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(g) Leases

As a lessee

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

The right-of-use assets and lease liabilities are presented as a separate line in the statements of financial position.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follows:

Office premises	5 years, or over the lease term, if shorter

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3(n)(ii).

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(h) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

The Group revalues its properties comprising land and building every 3 to 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:

Leasehold lands	30 to 87 years
Leasehold building	41 years
Office equipment and furniture and fittings	5 to 10 years
Motor vehicles	5 years
Operating equipment, plant and machinery, signboard	3 to 10 years
Renovation	5 to 10 years

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(i) Property, plant and equipment *cont'd*

(iii) Depreciation *cont'd*

Freehold land has an indefinite useful life and therefore is not depreciated.

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be depreciated accordingly.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(j) Intangible assets

Goodwill

Goodwill acquired in a business combination represents the difference between deemed purchase consideration and the net fair value of the identifiable assets, liabilities and contingent liabilities of the business at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Impairment losses recognised are not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, 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.

Intellectual property

Intellectual property rights are recognised as intangible asset if it is probable that the future economic benefits that are attributable to such asset will flow to the Group and the costs of such asset can be measured reliably.

Intellectual property rights acquired for the use of certain brand names and trademarks are stated at cost less accumulated amortisation and impairment losses, if any.

The intellectual property rights are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(j) Intangible assets *cont'd*

Amortisation

Amortisation is calculated based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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

Trademarks	15 years
Hotel management rights	15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

(k) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less cost to completion and selling expenses.

(i) Food and beverage, and general store

The cost of inventories is measured based on weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defect liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(k) Inventories *cont'd*

(iii) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

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

Land held for property development is transferred to property development costs (under current assets) where development activities have commenced and where the development activities can be completed within the normal operating cycle of the Group.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and fixed deposits with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(m) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

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

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

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(m) Financial instruments *cont'd*

(ii) Financial instrument categories and subsequent measurement *cont'd*

Financial assets *cont'd*

Amortised

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets.

All financial assets, are subject to impairment assessment under Note 3(n)(i).

Financial liabilities

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Offsetting of financial instruments

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

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(m) Financial instruments *cont'd*

(v) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Impairment of assets

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowances of the Group and of the Company are measured on either of the following bases: -

(a) 12-month ECLs - represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(b) Lifetime ECLs - represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
(cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

(n) **Impairment of assets** *cont'd*

(i) **Financial assets** *cont'd*

Simplified approach - trade receivables and contract assets

The Group and the Company apply the simplified approach to provide ECLs for all trade receivables and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

General approach - other financial instruments and financial guarantee contracts

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments, which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group and the Company consider an event of default for internal credit risk management purposes when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held).

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors and the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit impaired financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(n) Impairment of assets *cont'd*

(i) Financial assets *cont'd*

Credit impaired financial assets *cont'd*

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

Write-off policy

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

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus of the assets to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flow that largely are independent from other assets and groups.

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

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(o) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities.

Ordinary shares

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.

Irredeemable convertible preference shares ("ICPS")

Preference share capital is classified as equity if it is non-redeemable and any dividends are at the Company's discretion. Dividends thereon are recognised as distributions within equity.

(p) Operating segment

Operating segments are defined as components of the Group that:

(a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

(b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount of:
  (i) the combined reported profit of all operating segments that did not report a loss; and
  (ii) the combined reported loss of all operating segments that reported a loss.

(c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75% of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

(q) Provisions

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(r) Fair value measurements

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

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

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

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

4. REVENUE

		Group	
		Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
	Note	**RM**	**RM**
Management service revenue		**4,218,620**	1,194,508
Marketing fee revenue		**898,561**	409,184
Hotel rooms		**8,125,727**	2,395,542
Restaurants		**4,933,165**	1,711,859
Other hotel-related segments		**496,737**	202,604
Property development	(i)	**8,022,667**	13,425,189
Others		**30,000**	160,000
		26,725,477	19,498,886
Timing of revenue recognition:			
Point in time		**18,702,810**	6,073,697
Over time		**8,022,667**	13,425,189
		26,725,477	19,498,886

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

4. REVENUE *cont'd*

(i) Property development

<u>Unsatisfied long-term contracts</u>

The following table shows unsatisfied performance obligations resulting from property development revenue:

	Group	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**
Total contracted revenue	**78,088,293**	78,088,293
Less: Property development revenue recognised	**(38,361,988)**	(30,339,321)
Aggregate amount of the transaction price allocated to property development revenue that are partially or fully unsatisfied as at financial period/year end	**39,726,305**	47,748,972

The remaining unsatisfied performance obligations are expected to be recognised as below:

	Group	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**
Within 1 year	**5,958,946**	8,706,476
Between 1 and 3 years	**33,767,359**	39,042,496
	39,726,305	47,748,972

5. COST OF SALES

	Group	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**
Management fee	**28,470**	9,051
Hotel-related costs	**5,660,301**	2,357,673
Property development costs	**5,883,840**	10,938,760
	11,572,611	13,305,484

6. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):-

		Group		Company	
		Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**	**Period from 01.07.2021 to 31.12.2022**	**Period from 01.07.2020 to 30.06.2021**
	Note	**RM**	**RM**	**RM**	**RM**
Auditors' remuneration:-					
- statutory audit		**456,000**	255,000	**180,000**	120,000
- (over)/under provision in prior financial year/period		**(10,000)**	(5,258)	**(10,000)**	-
- other services		**223,000**	20,000	**223,000**	20,000
Allowance for expected credit losses on trade receivables		**-**	129,793	**-**	-
Amortisation of intangible assets		**1,062,517**	715,049	**-**	-
Corporate exercise expenses		**227,559**	903,903	**227,559**	903,903
Depreciation of:					
- property, plant and equipment		**3,200,720**	1,949,493	**940**	5,606
- right-of-use assets		**16,289**	62,385	**-**	-
Directors' remuneration	6(i)	**335,000**	199,500	**299,000**	191,500
Employee benefits expense	6(ii)	**6,816,107**	3,879,305	**1,261,473**	752,120
Finance costs:-					
- bank overdrafts		**409,022**	453,855	**-**	-
- lease liabilities		**153**	5,927	**-**	-
- term loans		**7,771,323**	4,436,930	**-**	-
- factoring facility		**3,286,503**	3,235,658	**-**	-
- others		**259,526**	-	**53,411**	-
Impairment loss on:-					
- amounts due from subsidiaries		**-**	-	**8,536,065**	4,681,112
- investments in subsidiaries		**-**	-	**85,407,101**	15,229,852
Loss on reduction of equity interest in an indirect subsidiary		**-**	1,250	**-**	-
Reversal of expected credit losses on trade receivables		**-**	(853,235)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
(cont'd)

6. LOSS BEFORE TAX *cont'd*

Loss before tax is arrived at after charging/(crediting):- *cont'd*

	Note	Group		Company	
		Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**	**Period from 01.07.2021 to 31.12.2022**	**Period from 01.07.2020 to 30.06.2021**
		RM	**RM**	**RM**	**RM**
Short term lease of office equipment		**59,793**	9,770	**36,450**	-
Short term lease of sales gallery office		**93,254**	16,200	**-**	-
Written-off:					
- property, plant and equipment		**-**	289	**-**	-
- land held property development		**329,721**	-	**-**	-
- trade receivables		**-**	5,684	**-**	-
- other receivables		**6,616**	21,102	**-**	-
Realised loss on foreign exchange		**8,993**	16,995	**-**	-
Reversal of retention sum		**(515,453)**	-	**-**	-
Unrealised gain on foreign exchange		**(14,078)**	-	**-**	-
Participation fee		**-**	(2,000,000)	**-**	-
Gain on disposal of property, plant and equipment		**-**	(42,915)	**-**	-
Interest income		**(21,362)**	(17,934)	**-**	-
Wages subsidies		**(381,600)**	(529,200)	**-**	-
Waiver of rental		**-**	(27,000)	**-**	-

(i) Directors' remuneration:

	Group		Company	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**	**Period from 01.07.2021 to 31.12.2022**	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**	**RM**	**RM**
Directors' remuneration				
Directors' fee	**220,500**	153,000	**220,500**	153,000
Salaries and other emoluments	**114,500**	46,500	**78,500**	38,500
	335,000	199,500	**299,000**	191,500

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

6. LOSS BEFORE TAX *cont'd*

(ii) Employee benefits expense:

	Group		Company	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**	**Period from 01.07.2021 to 31.12.2022**	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**	**RM**	**RM**
Staff costs				
Salaries and wages	5,927,938	3,376,961	1,108,682	665,194
Contributions to defined contribution plan	631,637	351,073	136,619	79,756
Others	256,532	151,271	16,172	7,170
	6,816,107	3,879,305	1,261,473	752,120

Included in staff costs of the Group are the following:

- Included in administrative expenses are staff costs amounting to RM4,303,541 (30.06.2021: RM2,775,703)
- Included in cost of sales are staff costs amounting to RM2,512,566 (30.06.2021: RM1,103,602)

7. INCOME TAX EXPENSE

	Group		Company	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**	**Period from 01.07.2021 to 31.12.2022**	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**	**RM**	**RM**
Income tax:				
Current period/year	**501,234**	207,320	**-**	-
Over provision in prior year/period	**(11,945)**	(766,315)	**-**	-
	489,289	(558,995)	**-**	-
Deferred tax (Note 24):				
Origination/(reversal) of temporary differences	**668,796**	(749,503)	**-**	(1,084)
Realisation of deferred tax liabilities arising from depreciable revaluation reserve	**(278,473)**	(173,417)	**-**	-
(Over)/underprovision in prior year/period	**(398,378)**	1,745,369	**-**	1,084
	(8,055)	822,449	**-**	-
Income tax expense for the financial period/year	**481,234**	263,454	**-**	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (30.06.2021: 24%) of the estimated assessable profit for the period/year.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

7. INCOME TAX EXPENSE *cont'd*

The reconciliations from the tax amount at statutory income tax rate to the Group's and to the Company's tax expense are as follows:

	Group		Company	
	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
	RM	RM	RM	RM
Loss before tax	**(13,826,104)**	(10,467,035)	**(97,899,924)**	(22,355,944)
Tax at the Malaysian statutory income tax rate of 24%	**(3,318,264)**	(2,512,088)	**(23,495,982)**	(5,365,427)
Income not subject to tax	**(438,878)**	(836,181)	**-**	-
Expenses not deductible for tax purpose	**4,276,172**	1,806,586	**23,495,982**	5,009,343
Deferred tax assets not recognised	**651,000**	999,500	**-**	355,000
Realisation of deferred tax liabilities arising from depreciated asset revaluation reserve	**(278,473)**	(173,417)	**-**	-
(Over)/under provision in prior year/period				
- income tax	**(11,945)**	(766,315)	**-**	-
- deferred tax	**(398,378)**	1,745,369	**-**	1,084
Income tax expense for the financial period/year	**481,234**	263,454	**-**	-

The Group and the Company have the following estimated items available for set-off against future taxable profits: -

	Group	
	31.12.2022	30.06.2021
	RM	RM
Unabsorbed capital allowances	**7,130,900**	9,399,700
Unutilised tax losses	**7,419,000**	4,727,400
	14,549,900	14,127,100

The comparative figures have been restated to reflect the actual unabsorbed capital allowances and unutilised tax losses carried forward.

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profits. The unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") deemed to be effective from YA2019.

8. LOSS PER ORDINARY SHARE

Basic loss per ordinary share

Basic loss per ordinary share for the financial period/year is calculated by dividing the loss after tax attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**
Loss after tax attributable to Owners of the Company (RM)	**(14,305,964)**	(10,730,218)
Weighted average number of ordinary shares:		
Number of ordinary shares in issue at beginning of the financial period/year	**1,216,204,847**	835,736,270
Effect of weighted average number of ordinary shares issued during the financial period/year	**284,710,266**	159,462,548
Effect of share consolidation	**(1,250,964,186)**	(796,280,486)
	249,950,927	198,918,332
Basic loss per share (sen)	**(5.72)**	(5.39)

The comparative basic loss per ordinary share had been restated to account for the share consolidation effect in current financial period.

The Group has no dilution in its loss per ordinary share for the potential conversion of ICPS-A and ICPS-B into ordinary shares as the effect is anti-dilutive.

9. PROPERTY, PLANT AND EQUIPMENT

	At valuation			At cost					
	Freehold land RM	Leasehold lands RM	Leasehold building RM	Office equipment and furniture and fittings RM	Motor vehicles RM	Operating equipment, plant and machineries and signboard RM	Renovation RM	Work-in-progress RM	Total RM
Group									
31.12.2022									
Cost/Valuation									
At 1 July 2021	14,200,000	26,518,533	32,276,301	6,858,769	260,855	3,245,144	5,162,954	1,833,176	90,355,732
Additions	-	-	-	68,201	-	159,328	234,388	1,140,000	1,601,917
Reclassified from inventories (Note 15)	-	3,029,735	-	-	-	-	-	-	3,029,735
Elimination of accumulated depreciation upon revaluation	-	(4,904,088)	(6,453,131)	-	-	-	-	-	(11,357,219)
Revaluation upwards	-	34,666,242	3,276,829	-	-	-	-	-	37,943,071
At 31 December 2022	**14,200,000**	**59,310,422**	**29,099,999**	**6,926,970**	**260,855**	**3,404,472**	**5,397,342**	**2,973,176**	**121,573,236**
Accumulated depreciation									
At 1 July 2021	-	3,860,376	5,447,033	6,177,493	260,852	2,032,123	1,269,831	-	19,047,708
Charge for the financial period	-	1,043,712	1,006,098	212,966	-	278,903	659,041	-	3,200,720
Elimination of accumulated depreciation upon revaluation	-	(4,904,088)	(6,453,131)	-	-	-	-	-	(11,357,219)
At 31 December 2022	**-**	**-**	**-**	**6,390,459**	**260,852**	**2,311,026**	**1,928,872**	**-**	**10,891,209**
Net carrying amount									
At 31 December 2022	**14,200,000**	**59,310,422**	**29,099,999**	**536,511**	**3**	**1,093,446**	**3,468,470**	**2,973,176**	**110,682,027**

9. **PROPERTY, PLANT AND EQUIPMENT** *cont'd*

	At valuation			At cost					
	Freehold land RM	Leasehold lands RM	Leasehold building RM	Office equipment and furniture and fittings RM	Motor vehicles RM	Operating equipment, plant and machineries and signboard RM	Renovation RM	Work-in-progress RM	Total RM
Group *(cont'd)*									
30.06.2021									
Cost/Valuation									
At 1 July 2020	14,200,000	26,518,533	32,276,301	6,771,608	413,771	3,139,041	3,717,628	1,833,176	88,870,058
Additions	-	-	-	89,605	-	115,703	1,445,326	-	1,650,634
Disposals	-	-	-	-	(152,916)	(9,600)	-	-	(162,516)
Written-off	-	-	-	(2,444)	-	-	-	-	(2,444)
At 30 June 2021	14,200,000	26,518,533	32,276,301	6,858,769	260,855	3,245,144	5,162,954	1,833,176	90,355,732
Accumulated depreciation									
At 1 July 2020	-	3,218,533	4,776,301	6,022,107	413,767	1,859,272	965,221	-	17,255,201
Charge for the financial year	-	641,843	670,732	157,541	-	174,767	304,610	-	1,949,493
Disposals	-	-	-	-	(152,915)	(1,916)	-	-	(154,831)
Written-off	-	-	-	(2,155)	-	-	-	-	(2,155)
At 30 June 2021	-	3,860,376	5,447,033	6,177,493	260,852	2,032,123	1,269,831	-	19,047,708
Net carrying amount									
At 30 June 2021	14,200,000	22,658,157	26,829,268	681,276	3	1,213,021	3,893,123	1,833,176	71,308,024

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9. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Furniture and fittings RM	Office equipment RM	Total RM
Company			
31.12.2022			
Cost			
At 1 July 2021/31 December 2022	**459**	**46,087**	**46,546**
Accumulated depreciation			
At 1 July 2021	**349**	**42,981**	**43,330**
Charge for the financial period	**36**	**904**	**940**
At 31 December 2022	**385**	**43,885**	**44,270**
Net carrying amount			
At 31 December 2022	**74**	**2,202**	**2,276**
30.06.2021			
Cost			
At 1 July 2020/30 June 2021	459	46,087	46,546
Accumulated depreciation			
At 1 July 2020	325	37,399	37,724
Charge for the financial year	24	5,582	5,606
At 30 June 2021	349	42,981	43,330
Net carrying amount			
At 30 June 2021	110	3,106	3,216

(a) Assets pledged as security

Freehold land, leasehold lands and building with a total carrying amount of RM62,284,622 (30.06.2021: RM58,984,726) have been pledged to a licensed bank as securities for credit facilities granted to the Group as disclosed in Note 25.

Leasehold lands with a total carrying amount of RM4,325,799 (30.06.2021: Nil) have been pledged as securities for third party loan granted to the Group as disclosed in Note 28.

Leasehold lands with a total carrying amount of RM36,000,000 (30.06.2021: RM3,359,456) had been pledged to a licensed bank for the banking facilities granted to a Director's related company. The pledged was created in previous financial period before the acquisition of the subsidiary during the reverse acquisition exercise of the Group in previous financial period.

(b) Revaluation of freehold land, leasehold lands and building

Freehold and leasehold lands and building of the Group were revalued on 30 December 2022 and were performed by registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

9. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(b) Revaluation of freehold land, leasehold lands and building *cont'd*

The fair values of the Group's freehold and leasehold lands and buildings were determined based on the following methods:-

- comparison method by comparing the properties with recently transacted properties of a similar nature or offers for sale of similar properties in the area with adjustment for time and various factors inclusive of location, tenure of land, road frontage, size, access, terrain and material valuation uncertainty to arrive at the value of the subject lands; and

- income method by way of "Discounted Cash Flow" where annual income of the hotel is estimated based on the occupancy rate and average daily rate ("ADR"). The estimated operating expenses of the hotel and other expenditure are then deducted therefore to arrive at the net annual income which is then capitalised at an appropriate rate of return for 10 years. Terminal value were capitalised at an appropriate current market yield to arrive at its indicative market value.

The fair value of the freehold and leasehold lands and building are categorised at Level 3 of the fair value hierarchy and were estimated using unobservable inputs for the properties. The most significant inputs into this valuation approach are location, size, age and condition of tenure and title restriction, if any.

If the freehold and leasehold lands and building currently carried at valuation were measured using the cost model, the carrying amounts would have been as follows:

	Group	
	Net carrying amount	
	31.12.2022	30.06.2021
	RM	RM
At historical cost		
Freehold land	**766,961**	766,961
Leasehold lands	**13,251,124**	10,398,817
Leasehold building	**16,894,346**	17,443,260
	30,912,432	28,609,038

(c) The Group has carried out an impairment assessment on the property, plant and equipment in view of the disruption to the Group's hospitality business segment caused by the COVID-19 pandemic which has resulted in a significant impact on the Group's hotel operations of the main operating subsidiary. The recoverable amount of the Group's hotel property is determined based on VIU cash flow projections derived from the most recent financial projections approved by the Directors covering a ten-year period and based on the impairment assessment performed, no impairment loss has been recognised for the property, plant and equipment. The key assumptions used in the VIU cash flow projections for impairment testing are disclosed in Note 13(b).

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10. INTANGIBLE ASSETS

	Trademarks	Hotel management rights	Total
	RM	RM	RM
Group			
31.12.2022			
Cost			
At 1 July 2021/31 December 2022	**150,000**	**9,361,094**	**9,511,094**
Accumulated amortisation			
At 1 July 2021	**127,129**	**3,007,703**	**3,134,832**
Charge for the financial period	**22,871**	**1,039,646**	**1,062,517**
At 31 December 2022	**150,000**	**4,047,349**	**4,197,349**
Net carrying amount			
At 31 December 2022	**-**	**5,313,745**	**5,313,745**
30.06.2021			
Cost			
At 1 July 2020/30 June 2021	150,000	9,361,094	9,511,094
Accumulated amortisation			
At 1 July 2020	105,178	2,314,605	2,419,783
Charge for the financial year	21,951	693,098	715,049
At 30 June 2021	127,129	3,007,703	3,134,832
Net carrying amount			
At 30 June 2021	22,871	6,353,391	6,376,262

The Group has carried out an impairment assessment on the hotel management rights derived from hotel management agreements ("HMAs") as the participating hotels have yet to commence their hotel operations and the subsidiary's revenue which is dependent upon percentage of revenue to be generated by the participating hotels had been impacted by the COVID-19 pandemic. The recoverable amount of HMAs is determined based on VIU calculations using cash flow projections derived from the most recent financial projections approved by the Directors covering period of six years which was based on the expected commencement operating period of the participating hotels up to the end of the HMAs agreed period. Based on the impairment assessment performed, no impairment loss has been recognised for the hotel management rights. The key assumptions used in the VIU cash flow projections for impairment testing are disclosed in Note 13(b).

11. RIGHT-OF-USE ASSETS

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Office premises		
Cost		
At beginning/end of financial period/year	**211,390**	211,390
Accumulated depreciation		
At beginning of financial period/year	**195,101**	132,716
Charge for the financial period/year	**16,289**	62,385
At end of financial period/year	**211,390**	195,101
Net carrying amount		
At end of financial period/year	**-**	16,289

The expenses charged to profit and loss during the financial period/year are as follows:

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Depreciation of right-of-use assets	**16,289**	62,385
Interest expense of lease liabilities	**153**	5,927
Short-term leases:		
- office equipment	**59,793**	9,770
- sales gallery office	**93,254**	16,200

	Company	
	31.12.2022	**30.06.2021**
	RM	**RM**
Short-term lease:		
- office equipment	**36,450**	-

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12. GOODWILL

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
At cost		
At beginning of financial period/year	**48,377,299**	48,377,299
Less: Accumulated impairment loss	**(48,377,299)**	(48,377,299)
At end of financial period/year	**-**	-

Upon the completion of the reverse acquisition exercise in previous financial period, the Group carried out a review of the recoverable amount of the goodwill arising from the reverse acquisition and noted that the recoverable amount of the said goodwill was lower than its carrying amount. Accordingly, an impairment loss of RM48,377,299 arising from the reverse acquisition was recognised and expensed off in the statements of comprehensive income in previous financial period.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	31.12.2022	**30.06.2021**
	RM	**RM**
Unquoted shares		
At cost		
At beginning of financial period/year	**404,241,128**	404,241,126
Addition	**-**	2
At end of financial period/year	**404,241,128**	404,241,128
Capital contribution to a subsidiary		
At beginning of financial period/year	**21,489,240**	-
Addition	**-**	21,489,240
At end of financial period/year	**21,489,240**	21,489,240
Less: Allowance for impairment losses	**(306,544,476)**	(221,137,375)
Carrying amount at end of financial period/year	**119,185,892**	204,592,993

Capital contribution to a subsidiary represents amount due from a subsidiary which is non-trade in nature, unsecured and interest-free and the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is in substance, represents additional investment in the subsidiary, it is stated at cost less accumulated impairment losses.

Movement in allowance for impairment losses in respect of investments in subsidiaries is as follows:

	Company	
	31.12.2022	**30.06.2021**
	RM	**RM**
At beginning of financial period/year	**221,137,375**	205,907,523
Addition	**85,407,101**	15,229,852
At end of financial period/year	**306,544,476**	221,137,375

13. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 31.12.2022	Effective Equity Interest 30.06.2021
Impiana Ipoh Sdn. Bhd. (""IISB"")	Malaysia	Investment holding, management and operation of hotels and resorts, property investment and hotel development	**100%**	100%
Impiana Hotels & Resorts Management Sdn. Bhd. (""IHRM"")	Malaysia	Giving professional management services to hotels, resorts and recreation clubs	**100%**	100%
Impiana Cherating Sdn. Bhd. (""ICSB"")	Malaysia	Property development, operation of resort, hotel business and related services	**100%**	100%
Astaka Mekar Sdn. Bhd. (""AMSB"")	Malaysia	Investment holding	**100%**	100%
Impiana Pangkor Sdn. Bhd. (""IPSB"")	Malaysia	Dormant	**100%**	100%
Impiana Tioman Villas & Residences Sdn. Bhd. (""ITVR"")	Malaysia	Dormant	**100%**	100%
Held through ITVR				
Impiana Selo Tioman Resorts Sdn. Bhd. (""ISTR"")	Malaysia	Dormant	**75%**	75%^

^ *The management accounts were reviewed by Moore Stephens Associates PLT for consolidation purpose as ISTR was newly incorporated on 10 February 2021 and may appoint its first auditor at any time within 18 months from the date of incorporation.*

(a) As at the reporting date, the Company carried out a review of the recoverable amounts of its investments in subsidiaries that are in loss-making and significant accumulated losses position. An impairment loss amounting to RM85,407,101 (30.06.2021: RM15,229,852) was recognised as "Other Expenses" line item in the Statements of Comprehensive Income for the financial period ended 31 December 2022. The recoverable amounts of subsidiaries have been determined based on higher of value-in-use ("VIU") calculation using cash flows projection from financial budgets approved by Board of Directors covering five and ten years period and fair value less costs of disposal which was measured based on adjusted net assets of the subsidiaries.

(b) In determining the VIU calculations, the key assumptions used are as follows: -

IISB (hotel operation)

- Pre-tax discount rate of 10.0% (30.06.2021: 9.7%);
- Estimated occupancy rate ranging from 60% to 75% (30.06.2021: 39% to 80%) and estimated average daily rate ("ADR") ranging from RM188 to RM319 (30.06.2021: RM148 to RM188); and
- Gross margins are based on the historical performance achieved in the past preceding to the start of the budget period. Gross margins are assumed to be maintained over the budgeted period.

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13. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) In determining the VIU calculations, the key assumptions used are as follows:- *cont'd*

IHRM (hotel management services)

- Pre-tax discount rate of 8.0% (30.06.2021: 9.2%);
- Projected management fee which will be charged upon projected room revenue, food and beverage revenue and other revenue of participating hotels based on their estimated occupancy and ADR rates; and

ICSB (property development)

- Pre-tax discount rate of 8.1% (30.06.2021: 11.2%);
- There will be no material changes in the development project; and
- There will not be any significant changes in the gross development value and cost, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of ICSB.

Management believes that any reasonably possible change in the key assumptions on which the subsidiary's recoverable amount is based on would not cause the carrying amount to exceed its recoverable amount. Actual outcomes could vary from these estimates.

(c) Changes in group structure

Incorporation of direct and indirect subsidiaries

30.06.2021

On 9 December 2020, the Company incorporated a new wholly-owned subsidiary, Impiana Tioman Villas & Residences Sdn. Bhd. ("ITVR") "), with 2 ordinary shares of RM1 each as subscriber's shares

On 10 February 2021, ITVR incorporated a wholly-owned subsidiary, Impiana Selo Tioman Resorts Sdn. Bhd. ("ISTR"), with 2 ordinary shares of RM1 each as subscriber's shares. Subsequently, the share capital of ISTR was increased from RM2 to RM5,000 on 30 June 2021 by way of issuance of 4,998 ordinary shares.

Reduction of equity stake in indirect subsidiary

On 30 June 2021, 1,250 ordinary shares or 25% equity of ISTR was transferred to Selo Tioman Resort Holdings Ltd ("STRHL") pursuant to the Joint Development Agreement ("JDA"). Consequently, ISTR became a 75% owned subsidiary of ITVR upon completion of the 1,250 ordinary shares or 25% equity transferred to STRHL.

(d) Non-controlling interest ("NCI")

The summarised financial information of the Group's NCI was not disclosed as it was not material.

14. INVESTMENT IN AN ASSOCIATE

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Unquoted shares		
At cost		
At beginning of financial period/year	**38,815,000**	38,815,000
Addition	**580,000**	-
At end of financial period/year	**39,395,000**	38,815,000
Add: Share of post acquisition result		
At beginning of financial period/year	**10,708**	1,605,094
Share of loss	**(7,546)**	(1,594,386)
At end of financial period/year	**3,162**	10,708
	39,398,162	38,825,708

(a) Details of the associate are as follows:

Name of Associate	Country of Incorporation	Principal Activities	Effective Equity Interest 31.12.2022	Effective Equity Interest 30.06.2021
<u>**Held through Astaka Mekar Sdn. Bhd.**</u>				
Heritage Lane Sdn. Bhd. (“”HLSB””)	Malaysia	Property investment	**20%**	20%

(b) The summarised financial information of the associate, not adjusted for the proportion of the ownership interest held by the Group are as follows:

	31.12.2022	**30.06.2021**
	RM	**RM**
Assets and liabilities		
Total assets	237,622,461	236,563,886
Total liabilities	60,073,313	61,877,010

	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
Results		
Revenue	50,781,957	33,620,559
Loss for the financial period/year, representing total comprehensive income for the financial period/year	(37,729)	(7,971,930)

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14. INVESTMENT IN AN ASSOCIATE *cont'd*

(c) The Group has carried out an impairment assessment on the investment in associate in view of the disruption to HLSB's operations caused by the COVID-19 pandemic which has resulted in a significant adverse impact on HLSB's financial position. The recoverable amount of the investment in associate is determined based on fair value less cost to sell of the associate's hotel properties and based on the impairment assessment performed, no impairment loss has been recognised for the investment in HLSB.

(d) The reconciliation of the associate's net assets to the carrying amount of the investment in an associate is as follows:

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Reconciliation of net assets to carrying amount at the end of the financial period/year		
Group's share of net assets	**35,509,829**	34,937,375
Goodwill	**3,888,333**	3,888,333
Carrying amount in the statements of financial position	**39,398,162**	38,825,708
Group's share of results for the financial period/year ended 31 December		
Loss for the financial period/year, representing total comprehensive income for the financial period/year	**(7,546)**	(1,594,386)

15. INVENTORIES

		Group	
		31.12.2022	**30.06.2021**
	Note	**RM**	**RM**
At cost:			
Non-current			
Lands held for property development	(a)		
At beginning of financial period/year		**3,359,456**	3,359,456
Written off		**(329,721)**	-
Transferred to property, plant and equipment (Note 9)		**(3,029,735)**	-
At end of financial period/year		**-**	3,359,456
Current			
Food and beverages		**52,622**	30,163
General store		**56,075**	61,027
Property development costs	(b)	**27,076,995**	25,298,098
At end of financial period/year		**27,185,692**	25,389,288
		27,185,692	28,748,744

15. INVENTORIES *cont'd*

(a) Lands held for property development ("LHPD")

LHPD of the Group was reclassified to property, plant and equipment during the financial period due to change in management's intention on the LHPD for own usage in future hotel operations.

In prior financial year, LHPD of the Group had been pledged to a licensed bank for the banking facilities granted to a Director's related company. The pledged was created in previous financial period before the acquisition of the subsidiary during the reverse acquisition exercise of the Group in previous financial period.

(b) Property development costs

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Cumulative property development costs		
At beginning of financial period/year		
- Land costs	**13,607,351**	13,607,351
- Development costs	**33,941,672**	32,094,817
Cost incurred during the financial period/year		
- Development costs	**7,662,737**	1,846,855
At end of financial period/year	**55,211,760**	47,549,023
Cumulative costs recognised in statement of comprehensive income		
At beginning of financial period/year	**(22,250,925)**	(11,312,165)
Recognised during the financial period/year	**(5,883,840)**	(10,938,760)
At end of financial period/year	**(28,134,765)**	(22,250,925)
Property development costs at end of financial period/year	**27,076,995**	25,298,098

During the financial period/year, included in property development costs that was recognised as cost of sales is as follow:

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Interest expenses	**-**	246,395

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16. TRADE RECEIVABLES

	Group	
	31.12.2022	30.06.2021
	RM	RM
Trade receivables		
- Third parties	**19,852,182**	881,147
- Associate	**539,959**	1,395,237
- Directors' related companies	**525,744**	453,995
Retention sum		
- Directors' related companies	**174,319**	174,319
	21,092,204	2,904,698
Less: Allowance for expected credit losses	**(129,793)**	(129,793)
	20,962,411	2,774,905

The normal credit terms of trade receivables range from 30 to 60 days (30.06.2021: 30 to 60 days).

Movement in the allowance for expected credit losses on trade receivables is as follows:

	Group	
	31.12.2022	30.06.2021
	RM	RM
At beginning of financial period/year	**129,793**	853,235
Addition	**-**	129,793
Reversal	**-**	(853,235)
At end of financial period/year	**129,793**	129,793

17. OTHER RECEIVABLES

	Group		Company	
	31.12.2022	30.06.2021	31.12.2022	30.06.2021
	RM	RM	RM	RM
Other receivables	**1,197,540**	52,731	**10,100**	-
Deposits	**94,847**	85,086	**-**	100
Prepayments	**1,538,244**	154,560	**-**	20,000
	2,830,631	292,377	**10,100**	20,100

Included in other receivables of the Group are the following:-

- An amount of RM500,000 (30.06.2021: Nil) due from a shareholder of a subsidiary; and
- An amount of RM500,000 (30.06.2021: Nil) which relates to advance payment to external supplier for purchase of construction materials.

Included in prepayments of the Group is an amount of RM1,481,625 (30.06.2021: Nil) which relates to prepaid marketing expenses in relation to the Group's joint development arrangement.

18. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	31.12.2022	**30.06.2021**
	RM	**RM**
Gross amounts	**53,029,289**	42,256,606
Less: Allowance for impairment losses	**(48,165,198)**	(39,629,133)
	4,864,091	2,627,473

These amounts are non-trade in nature, unsecured, interest free advances which are collectible on demand.

Movement in the allowance for impairment losses on amounts due from subsidiaries is as follows:

	Company	
	31.12.2022	**30.06.2021**
	RM	**RM**
At beginning of financial period/year	**39,629,133**	34,948,021
Addition	**8,536,065**	4,681,112
At end of financial period/year	**48,165,198**	39,629,133

19. CONTRACT ASSETS/(LIABILITIES)

		Group	
		31.12.2022	**30.06.2021**
	Note	**RM**	**RM**
Contract assets	(a)	**12,138,045**	54,735,559
Contract liabilities	(b)	**(458,015)**	(1,028,357)
		11,680,030	53,707,202

(a) Contract assets

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
At beginning of financial period/year	**54,735,559**	16,995,804
Revenue recognised during the period (Note 4)	**8,022,667**	13,425,189
Consideration paid on behalf/payable	**-**	25,348,236
Progress billings during the period/year	**(50,620,181)**	(1,033,670)
At end of financial period/year	**12,138,045**	54,735,559

The contract assets primarily relate to the Group's right to consideration for work completed on property development but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payments are expected within 14 to 30 days.

Included in contract assets is an amount of RM11,765,595 (30.06.202: RM54,363,109) which has yet to be billed to an en-bloc purchaser pending certification by the appointed contractor.

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19. CONTRACT ASSETS/(LIABILITIES) *cont'd*

(b) Contract liabilities

Contract liabilities mainly relate to advance consideration received from customers, for which revenue is only recognised upon rendering of management and marketing services. The above unsatisfied performance obligation at the end of the reporting period is expected to be recognised in the following year.

20. FIXED DEPOSITS WITH A LICENSED BANK

The fixed deposits placed with a licensed bank by the Group carry interest rates ranging from 1.65% to 3.60% (30.06.2021: 1.65% to 2.55%) per annum.

The fixed deposits have a maturity period of 3 months (30.06.2021: 3 months) and are pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25.

21. ORDINARY SHARES

	Group		Company	
	31.12.2022	**30.06.2021**	**31.12.2022**	**30.06.2021**
	RM	**RM**	**RM**	**RM**
Issued and fully paid:				
At beginning of financial period/year	**115,697,515**	101,411,643	**456,230,339**	394,400,635
Issuance of ordinary shares pursuant to:				
- private placement	**10,262,400**	14,285,872	**10,262,400**	14,285,872
- conversion of ICPS	**-**	-	**15,232,081**	46,574,592
- debt capitalisation	**-**	-	**-**	969,240
At end of financial period/year	**125,959,915**	115,697,515	**481,724,820**	456,230,339

	Group/Company	
	31.12.2022	**30.06.2021**
	Unit	**Unit**
Issued and fully paid:		
At beginning of financial period/year	**1,216,204,847**	835,736,270
Issued for cash under private placement	**150,000,000**	178,000,000
Issued pursuant to debt capitalisation	**-**	10,769,333
Conversion of ICPS	**78,134,235**	191,699,244
Share consolidation	**(1,155,471,279)**	-
At end of financial period/year	**288,867,803**	1,216,204,847

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

21. ORDINARY SHARES *cont'd*

(b) *31.12.2022*

On 5 July 2021, the Company increased its issued ordinary shares from RM456,230,339 to RM456,834,339 through private placement by the issuance and allotment of 10,000,000 new ordinary shares at an issue price of RM0.0604 per share for working capital purpose. On the same day, a total of 10,037,235 Irredeemable Convertible Preference Share-B ("ICPS-B") were converted into 10,037,235 ordinary shares at the conversion ratio of 1 ICPS-B for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM456,834,339 to RM457,737,690.

On 28 July 2021, the Company increased its issued ordinary shares from RM457,737,690 to RM458,289,690 through private placement by the issuance and allotment of 10,000,000 new ordinary shares at an issue price of RM0.0552 per share for working capital purpose. On the same day, a total of 10,037,000 ICPS-B were converted into 10,037,000 ordinary shares at the conversion ratio of 1 ICPS-B for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM458,289,690 to RM459,193,020.

On 25 August 2021, a total of 19,060,000 of ICPS-B were converted into 19,060,000 ordinary shares at the conversion ratio of 1 ICPS-B for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM459,193,020 to RM460,908,420.

On 26 August 2021, 21 September 2021 and 11 October 2021, the Company increased its issued ordinary shares from RM460,908,420 to RM464,175,320 through private placement by the issuance and allotment of 19,000,000, 20,000,000 and 10,000,000 new ordinary shares at an issue price of RM0.0571, RM0.0694 and RM0.0794 respectively per share for working capital purpose.

On 13 October 2021, a total of 200,000,000 ICPS-A and 19,000,000 ICPS-B were converted into a total of 39,000,000 ordinary shares at the conversion ratio of 10 ICPS-A for 1 new ordinary share and 1 ICPS-B for 1 ordinary share respectively, hence the paid-up ordinary shares have increased from RM464,175,320 to RM475,885,320.

On 25 October 2021, 15 November 2021, 8 December 2021 and 10 December 2021, the Company increased its issued ordinary shares from RM475,885,320 to RM481,724,820 through private placement by the issuance and allotment of 20,000,000, 11,000,000, 25,000,000 and 25,000,000 new ordinary shares at an issue price of RM0.0756, RM0.07, RM0.0715 and RM0.0708 respectively per share for working capital purpose.

On 8 December 2022, the Company completed the Share Consolidation exercise for every 5 existing ordinary shares in the Company into 1 Consolidated Share totaling 288,867,803 Consolidated Shares.

30.06.2021

On 2 July 2020, a total of 100,000,000 of ICPS-A were converted into 10,000,000 ordinary shares at the conversion ratio of 10 ICPS-A for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM394,400,635 to RM399,400,635.

On 9 September 2020, the Company increased its issued ordinary shares from RM399,400,635 to RM407,342,632 through private placement by the issuance and allotment of 91,815,000 new ordinary shares at an issue price of RM0.0865 per share for working capital purpose.

On 2 November 2020, the Company increased its issued ordinary shares from RM407,342,632 to RM409,592,632 through private placement by the issuance and allotment of 30,000,000 new ordinary shares at an issue price of RM0.075 per share for working capital purpose.

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31 December 2022
(cont'd)

21. ORDINARY SHARES *cont'd*

(b) *30.06.2021 cont'd*

On 10 November 2020 and 26 November 2020, a total of 615,162,440 of ICPS-A were converted into 61,516,244 ordinary shares at the conversion ratio of 10 ICPS-A for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM409,592,632 to RM440,350,754.

On 21 December 2020, 27 April 2021 and 19 May 2021, the Company increased its issued ordinary shares from RM440,350,754 to RM444,444,629 through private placement by the issuance and allotment of 17,185,000, 25,000,000 and 14,000,000 new ordinary shares at an issue price of RM0.075, RM0.073 and RM0.07 respectively per share for working capital purpose.

On 3 June 2021, the Company increased its issued ordinary shares from RM444,444,629 to RM445,413,869 through debt capitalisation of RM969,240 which formed part of the restructuring exercise in prior financial period by the issuance and allotment of 10,769,333 new ordinary shares at an issue price of RM0.09 per share for working capital purpose.

On 21 June 2021 and 28 June 2021, a total of 120,183,000 of ICPS-B were converted into 120,183,000 ordinary shares at the conversion ratio of 1 ICPS-B for 1 new ordinary share, hence the paid-up ordinary shares have increased from RM445,413,869 to RM456,230,339.

The new ordinary shares issued during the financial period/year rank pari passu in all respects with the existing ordinary shares of the Company.

(c) The Group's ordinary shares amount differs from that of the Company as a result of reverse acquisition accounting as described in Note 3(a).

(i) The amount recognised as issued equity instruments in the consolidated financial statements includes the issued equity of Impiana Combined Units immediately before the reverse acquisition to the costs of the reverse acquisition.

(ii) This represents the fair value of the consideration transferred in relation to the reverse acquisition. As Impiana Combined Units is a private entity group, the fair value of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in Impiana Combined Units. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition and the number of new ordinary shares Impiana Combined Units would have to issue to the equity holders of the Company to maintain the ratio of ownership interest in the combined entity.

(iii) This represents the purchase consideration for the Company's acquisition of Impiana Combined Units which was satisfied by the allotment and issuance of 4,647,902,800 ordinary shares and 3,098,601,860 of ICPS-A of the Company issued at RM0.05 per ordinary share and ICPS-A respectively in the capital of the Company on 28 February 2019 and RM25,900,000 in cash.

(iv) The equity structure (i.e., the number and types of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition.

22. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group		Company	
	31.12.2022	**30.06.2021**	**31.12.2022**	**30.06.2021**
	RM	**RM**	**RM**	**RM**
At beginning of financial period/year	**5,069,907**	5,069,907	**26,345,408**	52,400,000
Issued pursuant to:				
- debt capitalisation	**-**	-	**-**	20,520,000
Conversion during the financial period/year	**-**	-	**(15,232,081)**	(46,574,592)
At end of financial period/year	**5,069,907**	5,069,907	**11,113,327**	26,345,408

	Group/Company	
	31.12.2022	**30.06.2021**
	Unit	**Unit**
At beginning of financial period/year	**440,654,560**	1,048,000,000
Issued pursuant to debt capitalisation	**-**	228,000,000
Conversion	**(258,134,235)**	(835,345,440)
At end of financial period/year	**182,520,325**	440,654,560

The Group's ICPS amount differs from that of the Company as a result of reverse acquisition accounting as described in Notes 3(a) and 21(c).

31.12.2022

On 5 July 2021, 28 July 2021, and 25 August 2021, the total ICPS of the Company decreased from RM26,345,408 to RM22,283,327 by way of conversion of 39,134,235 ICPS-B to 39,134,235 new ordinary shares at the ratio of 1 ICPS-B for 1 new ordinary share.

On 13 October 2021, the total ICPS of the Company decreased from RM22,823,327 to RM11,113,327 by way of conversion of 200,000,000 ICPS-A and 19,000,000 ICPS-B to a total of 39,000,000 new ordinary shares at the ratio of 1 ICPS-A for 1 new ordinary share and 1 ICPS-B for 1 new ordinary share respectively.

30.06.2021

On 2 July 2020, 10 November 2020, and 26 November 2020, the total ICPS of the Company decreased from RM52,400,000 to RM16,641,878 by way of conversion of 715,162,440 ICPS-A to 71,516,244 new ordinary shares at the ratio of 10 ICPS-A for 1 new ordinary share.

On 16 April 2021, the Company has issued and allotted 228,000,000 new ICPS-B at an issue price of RM0.09 per share for the purpose of debt capitalisation of RM20,520,000 which formed part of the restructuring exercise in prior financial period and the total ICPS of the Company increased from RM16,641,878 to RM37,161,878.

On 21 June 2021 and 28 June 2021, the total ICPS of the Company decreased from RM37,161,878 to RM26,345,408 by way of conversion of 120,183,000 ICPS-B to 120,183,000 new ordinary shares at the ratio of 1 ICPS-B for 1 new ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
(cont'd)

22. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") *cont'd*

The salient terms of ICPS-A and ICPS-B are as follows:

ICPS-A

(a) Issue

The ICPS-A shall be irredeemable convertible preference shares and each ICPS-A confers on the ICPS-A holder for the time being the rights, privileges and restriction set out in the Constitution, at an issue price of RM0.05 per share.

(b) Dividend

Dividend rate shall be at the discretion of the Company and subject to availability of distributable profits. The pay out of such dividends is as the Board of the Company may so decide.

(c) Ranking of the ICPS-A

The ICPS-A will rank equally in all respects with each other and will rank in priority to all other class of securities of the Company in respect of capital repayments and dividends. The right on a winding-up or return of capital shall rank prior to the holders of any other ordinary shares then in issue.

(d) Conversion

(i) Entitlement to convert

The ICPS-A Holder may convert the ICPS-A into new ordinary share of the Company at the Conversion Ratio at any time during the tenure of 5 years commencing and including the date of issuance.

Any outstanding unconverted ICPS-A at the end of the tenure will be automatically converted into new ordinary share of the Company at the Conversion Ratio.

Any fractions arising from the conversion of the ICPS-A will be disregarded.

(ii) Conversion ratio

The ICPS-A will be convertible, at the option of the ICPS-A Holder at the ratio of 1 ICPS-A for 1 new ordinary share of the Company without payment of any consideration.

* *The abovementioned clause was issued prior to the consolidation of 10 existing ICPS-A into 1 new ICPS-A on 7 February 2020. Upon the share consolidation exercise on 7 February 2020, conversion ratio had revised to the ratio of 10 ICPS-A for 1 new ordinary share of the Company.*

\# *The abovementioned clause was issued prior to the consolidation of 50 existing ICPS-A into 1 new ICPS-A on 8 December 2022. Upon the share consolidation exercise on 8 December 2022, conversion ratio had revised to the ratio of 50 ICPS-A for 1 new ordinary share of the Company.*

The conversion ratio will be subject to adjustments from time to time, at the determination of the Board, in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital.

(e) Ranking of the new ordinary shares

The new shares to be issued pursuant to the conversion of the ICPS-A shall, upon allotment and issuance, rank equally in all respects with the ordinary shares of the Company.

22. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") *cont'd*

The salient terms of ICPS-A and ICPS-B are as follows: *cont'd*

ICPS-A cont'd

(f) Redemption

The ICPS-A shall not be redeemable.

(g) Transferability

The ICPS-A shall be transferable at the discretion of the ICPS-A Holder.

(h) Voting rights

The ICPS-A Holder will have the same rights as ordinary shareholders on receiving notices, reports and audited accounts and attending general meetings of the Company but will not have the right to vote or approve any shareholders' resolution at any general meeting of the Company except on:

(i) reduction of the Company's share capital;
(ii) disposal of the Company's entire business;
(iii) proposals varying or affecting the rights, privileges or conditions attached to the ICPS-A, or the exercise of any of those rights, privileges or conditions; or
(iv) winding up of the Company.

ICPS-B

(a) Issue

The ICPS-B shall be irredeemable convertible preference shares and each ICPS-B confers on the ICPS-B holder for the time being the rights, privileges and restriction set out in the Constitution, at an issue price of RM0.09 per share.

(b) Dividend

Dividend rate shall be at the discretion of the Company and subject to availability of distributable profits. The pay out of such dividends is as the Board of the Company may so decide.

(c) Ranking of the ICPS-B

The ICPS-B will rank equally in all respects with each other and will rank in priority to all other class of securities of the Company in respect of capital repayments and dividends. The right on a winding-up or return of capital shall rank prior to the holders of any other ordinary shares then in issue.

(d) Conversion

(i) Entitlement to convert

The ICPS-B Holder may convert the ICPS-B into new ordinary share of the Company at the Conversion Ratio at any time during the tenure of 5 years commencing and including the date of issuance.

Any outstanding unconverted ICPS-B at the end of the tenure will be automatically converted into new ordinary share of the Company at the Conversion Ratio.

Any fractions arising from the conversion of the ICPS-B will be disregarded.

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31 December 2022
(cont'd)

22. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") *cont'd*

The salient terms of ICPS-A and ICPS-B are as follows: *cont'd*

ICPS-B cont'd

(d) Conversion *cont'd*

(ii) Conversion ratio

The ICPS-B will be convertible, at the option of the ICPS-B Holder at the ratio of 1 ICPS-B for 1 new ordinary share of the Company without payment of any consideration.

* *The abovementioned clause was issued prior to the consolidation of 5 existing ICPS-B into 1 new ICPS-B on 8 December 2022. Upon the share consolidation exercise on 8 December 2022, the conversion ratio had been revised to the ratio of 5 ICPS-B for 1 new ordinary share of the Company.*

The conversion ratio will be subject to adjustments from time to time, at the determination of the Board, in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital.

(e) Ranking of the new ordinary shares

The new shares to be issued pursuant to the conversion of the ICPS-B shall, upon allotment and issuance, rank equally in all respects with the ordinary shares of the Company.

(f) Redemption

The ICPS-B shall not be redeemable.

(g) Transferability

The ICPS-B shall be transferable at the discretion of the ICPS-B Holder.

(h) Voting rights

The ICPS-B Holder will have the same rights as ordinary shareholders on receiving notices, reports and audited accounts and attending general meetings of the Company but will not have the right to vote or approve any shareholders' resolution at any general meeting of the Company except on:

(i) reduction of the Company's share capital;
(ii) disposal of the Company's entire business;
(iii) proposals varying or affecting the rights, privileges or conditions attached to the ICPS-B, or the exercise of any of those rights, privileges or conditions; or
(iv) winding up of the Company.

23. ASSET REVALUATION RESERVE

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
At beginning of financial period/year	**29,837,156**	30,386,309
Realisation of asset revaluation reserve	**(881,832)**	(549,153)
Revaluation upward	**28,134,477**	-
At end of financial period/year	**57,089,801**	29,837,156

The asset revaluation reserve represents net increase in fair value of freehold land, leasehold lands and building, net of deferred tax.

24. DEFERRED TAX LIABILITIES

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
At beginning of financial period/year	**6,027,853**	5,205,404
Recognised in equity	**9,808,594**	-
Recognised in profit or loss (Note 7)	**(8,055)**	822,449
At end of financial period/year	**15,828,392**	6,027,853

The components of deferred tax liabilities/(assets) during the financial year/period prior to offsetting are as follows:

	Property, plant and equipment	**Asset revaluation reserve**	**Unabsorbed capital allowances**	**Unutilised tax losses**	**Other deductible temporary differences**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Deferred tax liabilities/ (assets)						
Group						
31.12.2022						
At beginning of financial period	**3,248,703**	**5,880,376**	**(1,706,304)**	**(1,182,800)**	**(212,122)**	**6,027,853**
Recognised in equity	**-**	**9,808,594**	**-**	**-**	**-**	**9,808,594**
Recognised in profit or loss	**123,793**	**(159,851)**	**459**	**705,239**	**(677,695)**	**(8,055)**
At end of financial period	**3,372,496**	**15,529,119**	**(1,705,845)**	**(477,561)**	**(889,817)**	**15,828,392**
30.06.2021						
At beginning of financial year	1,837,437	6,053,793	(1,802,358)	(393,220)	(490,248)	5,205,404
Recognised in profit or loss	1,411,266	(173,417)	96,054	(789,580)	278,126	822,449
At end of financial year	3,248,703	5,880,376	(1,706,304)	(1,182,800)	(212,122)	6,027,853

The estimated amount of temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
		(Restated)
Unabsorbed capital allowances	**23,000**	14,000
Unutilised tax losses	**5,429,000**	2,738,000
Other deductible temporary differences	**12,000**	-
	5,464,000	2,752,000

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

25. BORROWINGS

	Note	Group 31.12.2022 RM	Group 30.06.2021 RM
Secured			
Non-current liability			
Term loans	(a)	**65,165,510**	68,013,744
Current liabilities			
Term loans	(a)	**3,181,129**	543,668
Bank overdrafts		**3,470,296**	4,042,006
		6,651,425	4,585,674
		71,816,935	72,599,418
Total borrowings			
Term loans	(a)	**68,346,639**	68,557,412
Bank overdrafts		**3,470,296**	4,042,006
		71,816,935	72,599,418

The effective interest rates per annum of the borrowings are as follows:

	Group 31.12.2022 %	Group 30.06.2021 %
Term loans	**5.97 - 8.02**	5.14 - 6.97
Bank overdrafts	**6.72 - 7.85**	5.72 - 6.85

(a) Term loans

	Group 31.12.2022 RM	Group 30.06.2021 RM
Repayable within 1 year (current)	**3,181,129**	543,668
Repayable between 1 and 2 years	**3,445,644**	2,453,603
Repayable between 2 and 5 years	**15,191,210**	13,520,791
Repayable more than 5 years	**46,528,656**	52,039,350
Repayable after 1 year (non-current)	**65,165,510**	68,013,744
	68,346,639	68,557,412

In prior financial year, the banks have extended the term loans tenure and rescheduled the repayment terms of the outstanding facilities due to the adverse effect of the COVID-19 pandemic on the Group. In the current financial period, there was another round of revision to the repayment schedules on the Group's term loans in the following manner:-

25. BORROWINGS *cont'd*

(a) Term loans *cont'd*

Term loan 1

(i) 6 months' moratorium from March 2020 to August 2020.
(ii) 6 months' moratorium from September 2020 to February 2021.
(iii) 10 months' moratorium (10 months deferred instalments will be amortised over the 173 monthly instalments) from March 2021 to December 2021.
(iv) Monthly interest servicing only from January 2022 to December 2022.
(v) 173 monthly instalments of RM232,630 (30.06.2021: RM232,630) each with adjustment in the final instalment, commencing on January 2023 to expire on 7 May 2037.

Term loan 2

(i) 6 months' moratorium from March 2020 to August 2020.
(ii) 6 months' moratorium from September 2020 to February 2021.
(iii) 10 months' moratorium (10 months deferred instalments will be amortised over the 173 monthly instalments) from March 2021 to December 2021.
(iv) Monthly interest servicing only from January 2022 to December 2022.
(v) 173 monthly instalments of RM60,830 (30.06.2021: RM59,760) each with adjustment in the final instalment, commencing on January 2023 to expire on 7 May 2037

Term loan 3

(i) 6 months' moratorium from March 2020 to August 2020.
(ii) 6 months' moratorium from September 2020 to February 2021.
(iii) 10 months' moratorium (10 months deferred instalments will be amortised over the 172 monthly instalments) from March 2021 to December 2021.
(iv) Monthly interest servicing only from January 2022 to December 2022.
(v) 172 monthly instalments of RM29,890 (30.06.2021: RM29,890) each with adjustment in the final instalment, commencing on January 2023 to expire on 12 April 2037.

Term loan 4

(i) 6 months' moratorium from March 2020 to August 2020.
(ii) 6 months' moratorium from September 2020 to February 2021.
(iii) 10 months' moratorium (10 months deferred instalments will be amortised over the 172 monthly instalments) from March 2021 to December 2021.
(iv) Monthly interest servicing only from January 2022 to December 2022.
(v) 172 monthly instalments of RM7,100 (30.06.2021: RM29,890) each with adjustment in the final instalment, commencing on January 2023 to expire on 12 April 2037.

Term loan 5

(i) 6 months' moratorium from January 2020 to July 2020.
(ii) 18 months' moratorium from July 2020 to December 2021.
(iii) Monthly interest servicing only from January 2022 to December 2022.
(iv) 36 monthly instalments of an amount of (A) 50% monthly principal + (B) 50% monthly interest charged, thereafter original monthly instalment of RM205,044 each until the remaining outstanding balance are fully settled, commencing on January 2023.

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(cont'd)

25. BORROWINGS *cont'd*

(a) Term loans *cont'd*

Term loan 6

(i) 6 months' moratorium from January 2020 to July 2020.
(ii) 18 months' moratorium from July 2020 to December 2021.
(iii) Monthly interest servicing only from January 2022 to December 2022.
(iv) 36 monthly instalments of an amount of (A) 50% monthly principal + (B) 50% monthly interest charged, thereafter original monthly instalment of RM101,383 each until the remaining outstanding balance are fully settled, commencing on January 2023.

Term loan 7

(i) 6 months' moratorium from April 2020 to September 2020.
(ii) 15 months' moratorium from October 2020 to December 2021.
(iii) 4 monthly instalments of RM60,000 each and one final instalment of RM9,000 commencing on January 2022.
(iv) 14 monthly instalments of RM19,500 commencing on 5th January 2022.

Term loan 8

(i) 15 months' moratorium from October 2020 to December 2021.
(ii) Monthly interest servicing only from January 2022 to 31 March 2022.
(iii) 48 monthly instalments of RM131,250 each with adjustment in the final instalment, commencing on September 2022 to March 2026.

Moratorium refers to deferment of monthly instalments.

The borrowings are secured by the followings:

(i) Legal charge over the Group's freehold lands, leasehold lands and building as disclosed in Note 9(a);
(ii) Personal guarantee by a Director of the Company;
(iii) Legal assignments of dividend proceed of the associate;
(iv) Legal assignments of management fees of a subsidiary;
(v) Corporate guarantee by its Directors' related companies;
(vi) Corporate guarantee by the Company;
(vii) Fixed deposits pledged as disclosed in Note 20;
(viii) Facility agreement for the sum of RM2,000,000;
(ix) Existing third-party open monies legal charge registered over the property of a Director's related company; and
(x) Specific Debenture over the property of a Director's related company together with fixtures and fittings both present and future on the property.

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26. LEASE LIABILITIES

	Group	
	31.12.2022	30.06.2021
	RM	RM
Minimum lease payments		
Within 1 year	-	8,000
	-	8,000
Less: Future finance charges	-	(153)
Present value of lease payment	-	7,847
Present value of lease payments		
Within 1 year	-	7,847

The lease liabilities bear effective interest rate of 15.54% (30.06.2021: 15.22% to 15.54%) per annum.

27. TRADE PAYABLES

	Group	
	31.12.2022	30.06.2021
	RM	RM
Third parties	8,993,868	4,956,050
Directors' related companies	226,245	226,245
Retention sum on contracts	99,640	99,640
	9,319,753	5,281,935

The normal trade credit terms granted to the Group range from 30 to 60 days (30.06.2021: 30 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

28. OTHER PAYABLES

	Group		Company	
	31.12.2022	30.06.2021	31.12.2022	30.06.2021
	RM	RM	RM	RM
Other payables	**31,904,772**	21,436,353	**7,611,792**	5,663,244
Accruals	**15,938,373**	36,642,142	**822,387**	549,252
Deposit received	**872,570**	79,070	**-**	-
Goods and services tax (“”GST””) payable	**-**	273,763	**-**	-
	48,715,715	58,431,328	**8,434,179**	6,212,496

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

28. OTHER PAYABLES *cont'd*

Included in other payables of the Group and of the Company are the following:-

- Loan from an individual amounted to RM2,892,500 (30.06.2021: RM2,892,500) which is unsecured, interest free and is repayable on demand; and

- Loan from third party amounted to RM1,782,189 (30.06.2021: Nil) which is subject to interest of 3% per month (30.06.2021: Nil) and is secured by a legal charge over the Group's leasehold land as disclosed in Note 9(a).

Included in other payables of the Group are the following:-

- An amount of RM15,153,524 (30.06.2021: RM12,612,020) representing factoring facilities with a third party secured by progress billing of property purchaser;

- An amount of RM4,280,251 (30.06.2021: Nil) being proceeds received in relation to the Group's joint development arrangement;

- An amount of RM488,200 (30.06.2021: RM122,552) being Sales and Service Tax ("SST") payable; and

- An amount of RM212,992 (30.06.2021: Nil) being penalty for late payment of stamp duty for transfer of shares.

Included in accruals of the Group are the following:-

- an amount of Nil (30.06.2021: RM28,863,400) that relates to sales rebate granted to property purchasers which will be subsequently net off against progress billings to be raised; and

- accrued term loans interests amounted to RM13,929,297 (30.06.2021: RM5,728,529).

29. AMOUNTS DUE FROM/(TO) A SUBSIDIARY, DIRECTORS' RELATED COMPANIES, ASSOCIATE AND A DIRECTOR

These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

30. RELATED PARTY DISCLOSURES

Identity of related parties

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

The Group and the Company have related party relationships with its subsidiaries, associate, a Director, Directors' related companies and key management personnel. The Directors' related companies refer to companies in which certain Directors of the Group are also Directors of the related companies. The related party balances of the Group and of the Company are disclosed in Notes 16, 17, 18, 27 and 29.

30. RELATED PARTY DISCLOSURES *cont'd*

Related party transactions

The related party transactions between the Group and the Company and their related parties during the financial year/period are as follows:

	Period from 01.07.2021 to 31.12.2022	Period from 01.07.2020 to 30.06.2021
	RM	RM
Group		
Transactions with Directors' related companies		
Hotel management services revenue	**(71,750)**	(80,512)
Novation of debts to subsidiaries	**7,458,263**	-
Repayment to	**(398,401)**	(12,594,056)
Transactions with associate		
Additional investment in an associate	**(580,000)**	-
Advance to	**(180,000)**	-
Rental expenses charged	**5,400**	16,200
Repayment to	**(16,991)**	(47,443)
Transaction with a Director		
Repayment to	**(962,507)**	(50,000)
Transaction with a shareholder of subsidiary		
Proceed transferred in advance	**(500,000)**	-
Company		
Novation of debts		
Assignment of debts due from Impiana Pangkor Sdn. Bhd.	**1,801,004**	-
Assignment of debts due from Impiana Ipoh Sdn. Bhd.	**5,657,259**	-
Transactions with subsidiaries		
Advances to	**(10,772,683)**	(7,308,585)
Repayment to	**1,016,912**	(4,420,305)
Transaction with a Director		
Advance from	**1,228,000**	-

Compensation of key management personnel

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

The remunerations paid by the Group and the Company to key management personnel during the financial year/period is disclosed in Note 6(i).

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(cont'd)

31. SEGMENTAL INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

For management purposes, the Group is organised into the following three (3) operating segments:

(i) Hospitality business

Management and operation of hotels and resorts, property investment and hotel development.

(ii) Property development

Property development activities

(iii) Others

Investment holding and dormant

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker ("CODM"). Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

31. SEGMENTAL INFORMATION *cont'd*

(a) Reporting format *cont'd*

	Note	Hospitality business RM	Property development RM	Others RM	Adjustment/ elimination RM	Total RM
Period from 01.07.2021 to 31.12.2022						
Revenue						
Sales to external customers		18,702,810	8,022,667	-	-	26,725,477
Inter-company sales	(i)	2,855,847	-	-	(2,855,847)	-
		21,558,657	8,022,667	-	(2,855,847)	26,725,477
Result						
Segment results from operations		2,859,984	(852,734)	(100,966,365)	96,867,084	(2,092,031)
Interest income		21,362	-	-	-	21,362
Interest expenses		(3,426,386)	(4,174,201)	(4,125,940)	-	(11,726,527)
Other non-cash expenses/(income)	(ii)	4,797,103	499,775	96,237,513	(97,448,059)	4,086,332
Share of result of an associate		-	-	(7,546)	-	(7,546)
Segment loss before tax	(iii)	(566,402)	(5,026,935)	(105,092,305)	96,859,538	(13,826,104)
Segment assets	(iv)	79,907,969	94,038,359	203,985,446	(156,116,334)	221,815,440

31. **SEGMENTAL INFORMATION** *cont'd*

(a) Reporting format *cont'd*

	Note	Hospitality business RM	Property development RM	Others RM	Adjustment/ elimination RM	Total RM
Year from 01.07.2020 to 30.06.2021						
Revenue						
Sales to external customers		6,073,697	13,425,189	-	-	19,498,886
Inter-company sales	(i)	802,665	-	-	(802,665)	-
		6,876,362	13,425,189	-	(802,665)	19,498,886
Result						
Segment results from operations		(2,955,898)	124,033	(29,581,125)	31,672,711	(740,279)
Interest income		17,934	-	-	-	17,934
Interest expenses		(2,245,292)	(3,704,185)	(2,182,893)	-	(8,132,370)
Other non-cash expenses/(income)	(ii)	1,436,956	647,379	19,916,570	(20,040,260)	1,960,645
Share of result of an associate		-	-	(1,594,386)	-	(1,594,386)
Segment loss before tax	(iii)	(5,201,190)	(3,580,152)	(22,877,157)	21,191,464	(10,467,035)
Segment assets	(iv)	98,542,803	116,787,148	251,410,298	(262,811,014)	203,929,235

31. SEGMENTAL INFORMATION *cont'd*

(a) Reporting format *cont'd*

(i) Inter-segment revenue is eliminated on consolidation.

(ii) Other non-cash expenses/(income)

	Group	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**
Amortisation of intangible assets	**1,062,517**	715,049
Allowance for expected credit losses on trade receivables	**-**	129,793
Depreciation of property, plant and equipment	**3,200,720**	1,949,493
Depreciation of right-of-use assets	**16,289**	62,385
Reversal of:-		
- expected credit losses on trade receivables	**-**	(853,235)
- retention sum	**(515,453)**	-
Written off:		
- property, plant and equipment	**-**	289
- land held for property development	**329,721**	-
- trade receivables	**-**	5,684
- other receivables	**6,616**	21,102
Gain on disposal of property, plant and equipment	**-**	(42,915)
Unrealised gain on foreign exchange	**(14,078)**	-
Waiver of rental	**-**	(27,000)
	4,086,332	1,960,645

(iii) The following items are added to/(deducted from) segment loss before tax to arrive at loss before tax presented in the consolidated statement of comprehensive income:-

	Group	
	Period from 01.07.2021 to 31.12.2022	**Period from 01.07.2020 to 30.06.2021**
	RM	**RM**
Segment loss	**(110,685,642)**	(31,658,499)
Addition of impairment losses	**97,254,114**	19,910,964
Share of result of an associate	**(7,546)**	(1,594,386)
Inter-segment (loss)/profit	**(580,975)**	2,745,590
Other non-reportable segments	**193,945**	129,296
	(13,826,104)	(10,467,035)

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31. SEGMENTAL INFORMATION *cont'd*

(a) Reporting format *cont'd*

(iv) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Segment assets	**377,931,774**	466,740,249
Property, plant and equipment	**-**	(4,846,145)
Goodwill	**(5,986,758)**	(5,986,758)
Inventories	**(13,198,051)**	(14,998,479)
Contract assets	**(11,141,554)**	(8,760,151)
Inter-segment assets	**(125,789,971)**	(228,219,481)
Total assets	**221,815,440**	203,929,235

(b) Geographical information

No other segmental information such as geographical segment is presented as the Group is principally involved in the investment holding, hotel management and property development activities and operate in Malaysia only.

(c) Major customers

Revenue from major customers with revenue equal or more than 10% of the Group's revenue is RM18,034,795 (30.06.2021: RM12,956,422).

32. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised at amortised costs.

Financial Risk Management Objectives and Policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, interest risk, foreign currency risk and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade and other receivables) and contract assets. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. There are no significant changes as compared to prior period.

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(a) Credit risk *cont'd*

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired. The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amounts of the financial assets in the statements of financial position as at the end of the reporting period.

Concentration of credit risk

The Group determines concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

As at the reporting date, the Group has significant concentration of credit risk arising from the amounts owing from 1 customer (30.06.2021: 3 customers) constituting 86% (30.06.2021: 75%) of gross trade receivables of the Group.

Recognition and measurement of impairment loss

Trade receivables and contract assets from property development segment ("collateralised receivables")

The Group recognises a loss allowance for expected credit losses on a financial asset that is measured as receivable and a contract asset if the credit risk on that financial instrument has increased significantly since initial recognition. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition as the trade receivables and contract assets are determined to have low credit risk at the reporting date.

For the purposes of measuring expected credit losses, the estimate of expected cash shortfalls shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable (i.e., the estimate of expected cash flows considers the probability of a foreclosure and the cash flows that would result from it).

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(a) Credit risk *cont'd*

Trade receivables and contract assets *cont'd*

Recognition and measurement of impairment loss *cont'd*

Trade receivables and contract assets from property development segment ("collateralised receivables") cont'd

The Group has possession of the legal right to the property sold during construction and can be deemed as a collateral. In the event of defaults by the purchaser, the expected cash shortfall from selling the property less the cost of obtaining and selling the property is immaterial.

Trade receivables from hospitality business segment ("non-collateralised receivables")

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Any receivables having significant balances past due more than 90 to 270 days expiry of credit term granted, which are deemed to have higher credit risk, are monitored individually.

The Group assesses impairment of trade receivable on individual basis as the Group has reasonable and supportable information available to assess the impairment individually.

For individual assessment, it is due to different risk characteristics, the number of debtors is minimal and these debtors can be individually managed by the Group in an effective and efficient manner. All these customers have low risk of default.

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Collateralised receivables		
Trade receivables		
Not past due	**18,254,265**	477,133
Credit impaired	**104,720**	-
	18,358,985	477,133
Contract assets		
Neither past due nor impaired	**12,138,045**	54,735,559
	30,497,030	55,212,692

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(a) Credit risk *cont'd*

Trade receivables and contract assets *cont'd*

Impairment losses *cont'd*

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Non-collateralised receivables		
Trade receivables		
Not past due	**799,531**	748,800
Past due but not impaired:		
1 day to 30 days	**323,413**	200,578
31 days to 60 days	**750,934**	215,500
61 days to 90 days	**274,576**	307,127
91 days to 270 days	**391,230**	804,012
	1,740,153	1,527,217
	2,539,684	2,276,017
Credit impaired	**193,535**	151,548
	2,733,219	2,427,565
Less: Allowance for expected credit losses	**(129,793)**	(129,793)
	2,603,426	2,297,772
	33,100,456	57,510,464

Receivables that are neither past due nor impaired

Property development segment

Trade receivables that are neither past due nor impaired comprise property purchasers with end financing facilities from reputable end-financiers whilst the others are creditworthy debtors with good payment records.

Hospitality business segment

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Receivables that are past due but not impaired

Property development segment

Collaterised trade receivables that are past due but not impaired are secured in nature. The Directors are of the opinion that these debts should be realisable in full without material losses in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(a) Credit risk *cont'd*

Trade receivables and contract assets *cont'd*

Receivables that are neither past due nor impaired *cont'd*

Hospitality business segment

The Group has not provided for impairment for these non-collateralised trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable. These debtors relate mostly to customers with slower repayment patterns, for whom there is no history of default and certain balances were settled subsequent to the reporting date. The Group does not hold any collateral or other credit enhancement over these balances.

Credit impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments and due more than 90 to 270 days after expiry of credit terms granted. These receivables are not secured by any collateral or credit enhancements.

Amounts due from subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the abilities of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the financial period, the maximum exposure to credit risk arising from amounts due from subsidiaries are represented by the carrying amount in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Amounts due from subsidiaries are repayable on demand. For receivables that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the receivables is demanded at the reporting date.

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial positions deteriorate significantly. As the Company is able to determine the timing of payments of the subsidiaries when they are payable, the Company considers loans and advances to subsidiaries' to be credit impaired when the subsidiaries are unlikely to repay the loans and advances to the Company in full given insufficient highly liquid resources when the loans and advances are demanded.

The Company determines the probability of default for these receivables individually using internal information available.

At the reporting date, the Company assumes that there is a significant increase in credit risk given the subsidiaries financial position has deteriorated significantly which may lead to high probability of default for the loans and advances to the subsidiaries. An impairment loss of RM8,536,065 (30.6.2021: RM4,681,112) has been recognised in profit or loss as disclosed in Note 18.

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(a) Credit risk *cont'd*

Financial guarantees

The Company provides financial guarantees to a bank in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM28,868,209 (30.6.2021: RM29,624,895) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. The financial guarantees are provided as credit enhancements to the subsidiary's fully secured term loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss-making and is having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. The fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote at the initial recognition as the borrowings in the subsidiary are adequately secured by assets as disclosed in Note 25. Should the subsidiary defaults any loan repayments, the proceeds from the realisation of assets will be able to satisfy the outstanding debts.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

Other receivables and deposits

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statements of financial position.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

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FINANCIAL STATEMENTS
31 December 2022
(cont'd)

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(b) Interest rate risk *cont'd*

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Floating rate instruments		
Term loans	**68,346,639**	68,557,412
Bank overdrafts	**3,470,296**	4,042,006
	71,816,935	72,599,418

The Group is exposed to interest rate risk through the impact of rate changes in floating rate borrowings. The interest rates of borrowings are disclosed in Note 25.

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

	Group	
	31.12.2022	**30.06.2021**
	Increase/ (Decrease)	**Increase/ (Decrease)**
	RM	**RM**
Effects on loss after after tax		
Increase of 100 basis points	**545,809**	551,756
Decrease of 100 basis points	**(545,809)**	(551,756)
Effects on equity		
Increase of 100 basis points	**(545,809)**	(551,756)
Decrease of 100 basis points	**545,809**	551,756

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales that are denominated in a currency other than functional currency of the Group. The currency giving rise to this risk is primarily United States Dollar (''USD"), Singapore Dollar ("SGD") and Thai Baht ("THB").

Foreign exchange exposures in transactional currency other than functional currency of the Group is kept to an acceptable level.

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(c) Foreign currency risk *cont'd*

Exposure to foreign currency risk

The Group's significant exposure to foreign currency (a currency which is other than functional currency of the Group) risk, based on carrying amounts as at end of the reporting period was:

	Denominated in THB	Denominated in USD	Denominated in SGD
Group			
31.12.2022			
Trade receivables	**67,859**	**328,093**	**-**
Other receivables	**-**	**1,481,625**	**-**
Cash and bank balances	**-**	**1,803,510**	**-**
Other payables	**-**	**(4,280,250)**	**(1,782,189)**
	67,859	**(667,022)**	**(1,782,189)**
30.06.2021			
Trade receivables	-	324,202	-
Company			
31.12.2022			
Other payables	**-**	**-**	**(1,782,189)**

Foreign currency sensitivity analysis

The following table details the sensitivity analysis to a 5% strengthening/weakening of the RM against the THB, USD and SGD at the end of the reporting period, with all other variables held constant:

		Group	
		Period from 01.07.2021 to 31.12.2022 Increase/ (Decrease)	Period from 01.07.2020 to 30.06.2021 Increase/ (Decrease)
		RM	RM
Effects on loss after tax			
THB/RM	- Strengthened by 5%	**(2,579)**	-
	- Weakened by 5%	**2,579**	-
USD/RM	- Strengthened by 5%	**25,347**	(12,320)
	- Weakened by 5%	**(25,347)**	12,320
SGD/RM	- Strengthened by 5%	**67,723**	-
	- Weakened by 5%	**(67,723)**	-

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(c) Foreign currency risk *cont'd*

Foreign currency sensitivity analysis *cont'd*

The following table details the sensitivity analysis to a 5% strengthening/weakening of the RM against the THB, USD and SGD at the end of the reporting period, with all other variables held constant: *cont'd*

		Group	
		Period from 01.07.2021 to 31.12.2022 Increase/ (Decrease)	**Period from 01.07.2020 to 30.06.2021 Increase/ (Decrease)**
		RM	**RM**
Effect on equity			
THB/RM	- Strengthened by 5%	**2,579**	-
	- Weakened by 5%	**(2,579)**	-
USD/RM	- Strengthened by 5%	**(25,347)**	12,320
	- Weakened by 5%	**25,347**	(12,320)
SGD/RM	- Strengthened by 5%	**(67,723)**	-
	- Weakened by 5%	**67,723**	-

		Company	
		Period from 01.07.2021 to 31.12.2022 Increase/ (Decrease)	**Period from 01.07.2020 to 30.06.2021 Increase/ (Decrease)**
		RM	**RM**
Effects on loss after tax			
SGD/RM	- Strengthened by 5%	67,723	-
	- Weakened by 5%	(67,723)	-
Effect on equity			
SGD/RM	- Strengthened by 5%	(67,723)	-
	- Weakened by 5%	67,723	-

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulties in meeting financial obligations associated with financial liabilities. 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 use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group has put in place the following sources of funding, to mitigate the impact on the Group's and the Company's liquidity risks caused by COVID-19 outbreak:

(i) raising funds via issuance of RCN;
(ii) available banking facilities which are yet to be utilised;
(iii) managing costs and ensuring positive cash generated from hotel operations and project development; and
(iv) restructuring of repayment of borrowings due to moratorium granted by financial institutions.

All of the Company's liabilities at the reporting date mature within one year or repayable on demand.

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the financial period/year based on contractual undiscounted repayment obligations:

			Contractual cash flows			
	Carrying amount RM	Contractual cash flows RM	Within one year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
Group						
31.12.2022						
Trade payables	9,319,753	9,319,753	9,319,753	-	-	-
Other payables	48,715,715	48,715,715	48,715,715	-	-	-
Borrowings:-						
- Term loans	68,346,639	109,206,958	8,445,109	8,336,455	27,398,533	65,026,861
- Bank overdrafts	3,470,296	3,470,296	3,470,296	-	-	-
Amounts due to Directors' related companies	1,303,946	1,303,946	1,303,946	-	-	-
Amount due to a Director	5,910,523	5,910,523	5,910,523	-	-	-
Financial guarantee *	-	28,868,209	28,868,209	-	-	-
	137,066,872	206,795,400	106,033,551	8,336,455	27,398,533	65,026,861

32. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives and Policies *cont'd*

(d) Liquidity risk *cont'd*

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the financial period/year based on contractual undiscounted repayment obligations: *cont'd*

	Carrying amount	Contractual cash flows	← Within one year	Contractual cash flows Between 1 and 2 years	Between 2 and 5 years	More than 5 years →
	RM	RM	RM	RM	RM	RM
Group *cont'd*						
31.12.2021						
Trade payables	5,281,935	5,281,935	5,281,935	-	-	-
Other payables	58,431,328	58,431,328	58,431,328	-	-	-
Borrowings:-						
- Term loans	68,557,412	108,625,359	956,652	3,472,764	30,783,241	73,412,702
- Bank overdrafts	4,042,006	4,042,006	4,042,006	-	-	-
Lease liabilities	7,847	8,000	8,000	-	-	-
Amounts due to Directors' related companies	9,160,610	9,160,610	9,160,610	-	-	-
Amount due to an associate	16,991	16,991	16,991	-	-	-
Amount due to a Director	6,873,030	6,873,030	6,873,030	-	-	-
Financial guarantee *	-	29,624,895	29,624,895	-	-	-
	152,371,159	222,064,154	114,395,447	3,472,764	30,783,241	73,412,702

* *This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystallised*

33. FAIR VALUES INFORMATION

Assets and liabilities carried at fair value

The fair value measurement hierarchies used to measure non-financial assets at fair values in the statements of financial position are disclosed in Note 9(b).

There was no material transfer between Level 1, Level 2 and Level 3 during the financial period/year.

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

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

The carrying amount of long-term floating rate loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

34. CAPITAL COMMITMENT

The future capital commitment payable for the acquisition of freehold and leasehold lands at the reporting date but not recognised as payable is as follows: -

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Approved and contracted for:-		
- Three parcels of vacant freehold lands	**6,093,750**	6,093,750
- Two parcels of vacant leasehold lands	**1,406,250**	1,406,250
	7,500,000	7,500,000

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern. The Group monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group monitors capital using net debt-to-equity ratio which is the net debt divided by total equity. Net debt includes lease liabilities and borrowings, less cash and cash equivalents whilst total equity is equity attributable to Owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

35. CAPITAL MANAGEMENT *cont'd*

The net debt-to-equity ratios at end of the reporting period are as follows: -

	Group	
	31.12.2022	**30.06.2021**
	RM	**RM**
Borrowings (Note 25)	**71,816,935**	72,599,418
Lease liabilities (Note 26)	**-**	7,847
Less: Cash and bank balances	**(2,438,649)**	(181,251)
Fixed deposit with a licensed bank (Note 20)	**(691,478)**	(670,116)
Total net debts	**68,686,808**	71,755,898
Total equity attributable to Owners of the Company	**65,685,435**	41,594,522
Debt-to-equity ratio (%)	**105%**	173%

As the Company has no external borrowings, the debt-to-equity ratio is not presented as it does not provide a meaningful indicator of the risk of borrowings.

There were no changes in the Group's and the Company's approach to capital management during the financial period/year.

A subsidiary of the Group is required to maintain gearing ratio of not more than 1.75 times (30.06.2021: 1.75 times) during the subsistence of the banking facility granted to the subsidiary. The subsidiary has complied with the externally imposed capital requirement.

36. MATERIAL LITIGATIONS

Axventure Sdn Bhd ("ASB") vs ICSB

On 3 November 2022, ASB, the former main contractor for project development, has filed a winding up petition against ICSB at Kuala Lumpur High Court vide Winding-Up Petition No. WA-28NCC-881-11/2022 ("Petition") which was fixed for a case management and hearing respectively on 13 December 2022 and 21 June 2023.

Total amount claimed by ASB as at 3 November 2022 (date of the Petition) amounted to RM2,256,771 which consists of the following(s):-
- The principal outstanding amount of RM1,947,373;
- Interest at the rate of 7.65% per annum on the principal outstanding sum as per the Adjudication Award, calculated from 8 April 2021 until 26 August 2022 at the sum of RM206,115;
- The legal cost in preparation of the claim amounting to RM57,000;
- The incidental costs in the amount of RM3,000;
- The costs of the adjudication proceeding in the amount of RM34,963;
- The sum of RM5,200 being the total cost including allocator fees for Suit No.: WA-24C-68-03/2022 vide the Court Order dated 29 July 2022; and
- The sum of RM3,120 being the total cost including allocator fees for Suit No.: WA-24C-87-04/2022 vide the Court Order dated 29 July 2022.

The parties has then entered into a settlement agreement on 2 December 2022 for payment of the adjudicated sums as follows:-

- The amount of RM750,000 within 7 working days from the date of the execution of the settlement agreement;
- The full balance in the sum of RM1,506,771 no later than 15 January 2023.

Following the settlement agreement, ICSB has paid ASB RM750,000.00 on 9 December 2022 and the balance of RM1,506,771 on 18 January 2023.

On 2 December 2022, the winding up petition has been withdrawn by ASB.

36. MATERIAL LITIGATIONS *cont'd*

ii) Artha Global Sdn Bhd ("AGSB") vs Impiana Hotels Berhad ("IHB"), Impiana Sdn Bhd ("ISB") and ICSB

On 1 August 2022, AGSB has filed a civil suit (WA-B52NCC-493-08/2022) against IHB, ISB and ICSB at Kuala Lumpur Sessions Court. The following are the claims by AGSB:

- Refund of deposit in the sum of RM750,000;
- Interests of 5% from 27 May 2022 until full settlement of judgement sum;
- Costs; and
- Such further and/or other reliefs as the Court deems fit and proper.

Subsequently, IHB, ISB and ICSB filed the following counterclaims:

- A declaration that AGSB has breached the Exclusive Right Agreement;
- A declaration that ICSB is entitled to forfeit the deposit paid by AGSB, in whole or in part, due to AGSB's breach of the Exclusive Right Agreement;
- An order for general damages;
- Further and/or in the alternative, damages to be assessed by the Court against AGSB for breach of contract, to be payable to IHB, ISB and ICSB.
- An Order for pre-judgement interest at the rate of 8% per annum on any sums awarded by the Court to IHB, ISB and ICSB from the date of the contractual breach up until the date of the judgement by the Court;
- An Order for post-judgement interest at a rate of 5% per annum on the judgement debt from the date of the judgement to the date of full payment and/or settlement by AGSB;
- Costs; and
- Such further and/or other reliefs as the Court deems fit and proper.

Currently, the application of AGSB to amend the Statement of Claim and the reply to defence and defence to counterclaim is scheduled for decision on 29 May 2023.

37. SIGNIFICANT EVENT

Coronavirus (COVID-19) outbreak

The unprecedented COVID-19 pandemic created global economic uncertainty and caused severe business disruptions. Prevention measures and travel restrictions to contain the spread of COVID-19 is interfering with general activity levels within the community, the economy and the Group's operations. Uncertainty on its duration, scale and long-term impact of the pandemic could have a further impact on the Group's earnings, cash flows and financial condition of the Group. The Group has acted swiftly to mitigate the effect of declining revenue by implementing stringent cost controls across all its operations, deferring all non-essential capital expenditure, reinforcing liquidity and maintaining sufficient banking facilities to meet its operational needs.

As at the date of this report and based on available information, the Group has assessed the ongoing impact of COVID-19 on its future financial performances, cash flows and liquidity and having considered the outcome of these assessments, the Directors have a reasonable expectation that the Group will have adequate financial resources to enable the Group to meet its obligations and to continue in operational existence for a period of at least twelve months from 31 December 2022.

Redeemable Convertible Notes ("RCN")

On 7 June 2022, the Company entered into a Subscription Agreement with the subscribers for the proposed RCN issue, whereby it will be issued in 4 tranches, subject to the terms and conditions as set out in the Subscription Agreement. On 4 August 2022, the Company and the Subscribers entered into a Supplemental Letter to revise the Minimum Conversion Price ("MCP") from RM0.10 to RM0.05.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(cont'd)

37. SIGNIFICANT EVENT *cont'd*

Redeemable Convertible Notes ("RCN") cont'd

Salient terms of the redeemable convertible notes are as follows:-

Issue size	Up to RM150,000,000 in aggregate nominal value, divided in 4 tranches: (a) Tranche 1 of RM30,000,000 comprising of 60 equal sub-tranches of RM500,000 each ("Tranche 1 Notes"); (b) Tranche 2 of RM40,000,000 comprising of 80 equal sub-tranches of RM500,000 each ("Tranche 2 Notes"); (c) Tranche 3 of RM30,000,000 comprising of 30 equal sub-tranches of RM1,000,000 each ("Tranche 3 Notes"); and (d) Tranche 4 of RM50,000,000 comprising of 50 equal sub-tranches of RM1,000,000 each ("Tranche 4 Notes"). The issuance of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes shall be at the discretion of the Company in accordance with the terms and conditions of the Subscription Agreement.
Maximum conversion shares	The maximum number of Shares which may be issued pursuant to the conversion of all (and not part of) the Notes shall be 577,735,632 Conversion Shares (subject to adjustments in the event of stock splits, consolidation and / or re-classification of the Shares) unless otherwise increased pursuant to the terms and conditions of the Subscription Agreement.
Tenure	36 months (3 years) from the closing date of the first sub-tranche of Tranche 1 Notes.
Conversion price	The Conversion Price shall be 80% of the average closing price per Share on any 3 consecutive business days as selected by the Noteholder during the 45 business days immediately preceding the relevant conversion date of the Notes on which Shares were traded on the Main Market of Bursa Securities provided always that the Conversion Price for each Share shall not be less than the MCP of RM0.05
Ranking	The Notes constitute: (i) direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking pari passu and rateably without any preference among themselves, and, subject as mentioned above and save as otherwise provided under any applicable laws or regulations, equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding; and (ii) legal, valid and binding obligations of the Company to pay to the Noteholders, the sums represented thereby. The Noteholders shall not be entitled to the right to receive dividends, bonuses and other distributions made by the Company nor shall the Noteholders have the right to receive notices of or to attend, speak or note at any general meetings held by the Company until the Notes held by the Noteholders have been converted into Shares.

37. SIGNIFICANT EVENT *cont'd*

Redeemable Convertible Notes ("RCN") *cont'd*

Salient terms of the redeemable convertible notes are as follows:- *cont'd*

Termination	The Subscribers may by notice in writing to the Company and copied to the facility agent, terminate the Subscription Agreement at any time before the time on the relevant closing date when payment would otherwise be due in accordance with the terms and conditions of the Subscription Agreement. Upon the notice of termination being given by the Subscribers: a. the Subscription Agreement shall terminate and be of no further effect save for the terms as set out in the Subscription Agreement; and b. each Party shall cease to have further rights or obligations under the Subscription Agreement provided that such termination shall be without prejudice to any rights of the Subscribers which may have accrued prior to such termination. For the avoidance of doubt, the Notes or the Conversion Shares already issued to the Subscribers pursuant to the Subscription Agreement and the obligations of the Company to the Subscribers or any other person in respect of such Notes or the Conversion Shares under the Subscription Agreement or otherwise, shall not be affected and those provisions shall continue to survive termination.

38. SUBSEQUENT EVENT

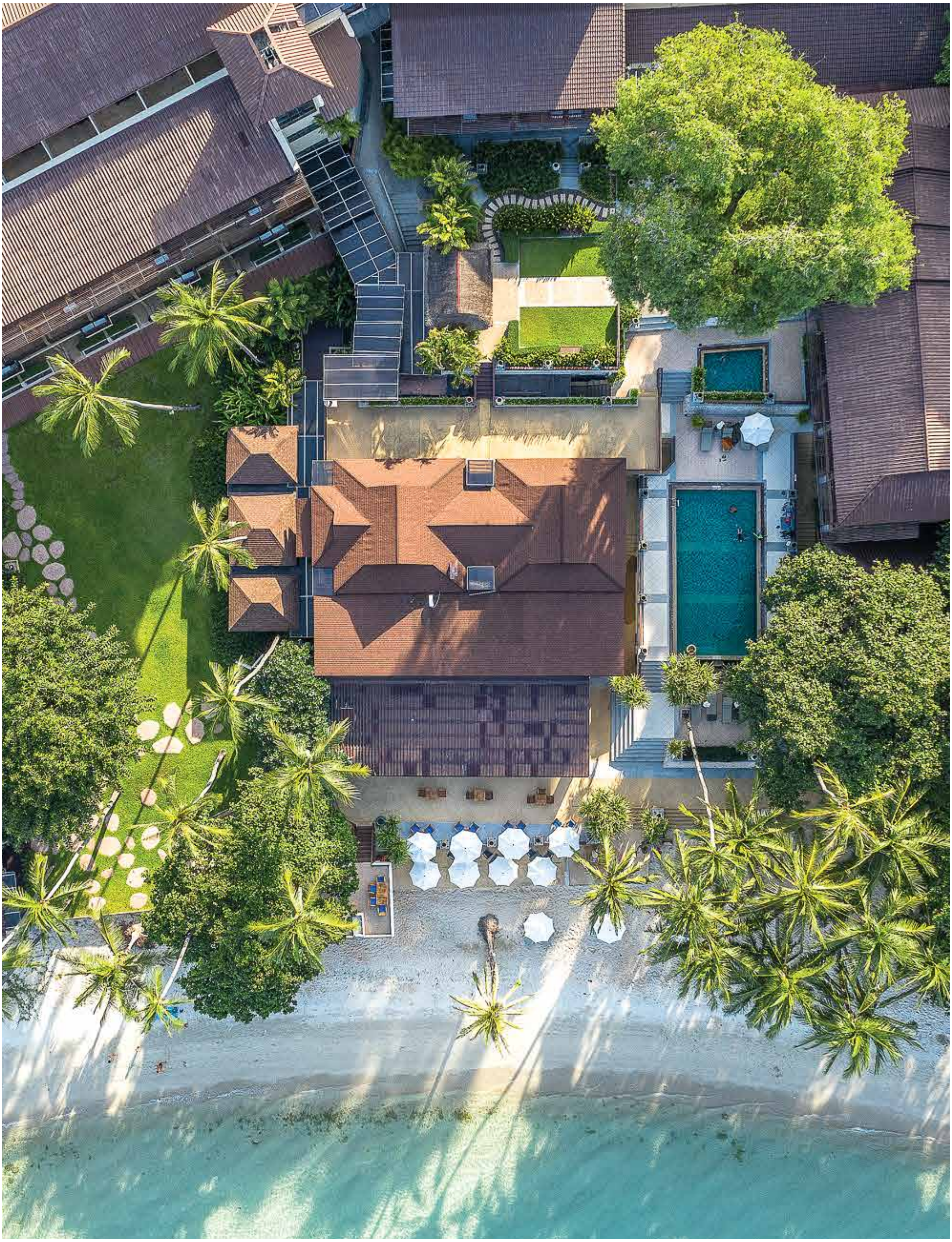
Issuance of ordinary shares through conversion of Redeemable Convertible Notes ("RCN")

On 27 January 2023, 7 February 2023, 15 February 2023, 21 February 2023 and 10 March 2023, the Company had increased its issued share capital from RM481,724,820 to RM494,224,800 by way of the issuance of 180,375,177 new ordinary shares of RM0.0693 each pursuant to conversion of 180,375,177 RCN for the purpose of fund raising.

On 28 April 2023, the Company had increased its issued share capital from RM494,224,800 to RM496,224,820 by way of the issuance of 27,777,777 new ordinary shares of RM0.072 each pursuant to conversion of 27,777,777 RCN for the purpose of fund raising.

39. COMPARATIVE FIGURES

The comparative relating to the statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes are made up from 1 July 2020 to 30 June 2021 and therefore are not comparable with the current financial period from 1 July 2021 to 31 December 2022.



impiana

IMPIANA RESORT CHAWENG NOI, KOH SAMUI

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ADDITIONAL INFORMATION

1. MATERIAL CONTRACT

There were no material contracts entered into by the Company and its subsidiaries involving the Directors' and substantial shareholders' interest as at 31 December 2022.

2. SHARE CONSOLIDATION

On 6 October 2022, Kenanga Investment Bank Berhad, on behalf of the Company announced that Bursa Securities had, vide its letter dated 6 October 2022, approved the Company's proposed share consolidation.

The share consolidation entails the consolidation of every 5 existing Company shares into 1 consolidated share. The share consolidation resulted in an adjustment to the reference share price of Company shares listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

The Company had on 7 December 2022 consolidated every 5 existing ordinary shares into 1 consolidated share and effective from 7 December 2022, the Company's then existing number of 1,444,339,082 shares were consolidated into 288,867,803 consolidated shares.

3. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OF TRADING NATURE ("RRPT")

The RRPTs of the Group have been entered into in the normal course of business. A breakdown of the aggregate value of the RRPTs made during the financial period are set out below:

Nature of RRPTs with IHB Group	Name of Related Party(ies)	Relationship of Related Party(ies) with IHB Group	Aggregate Value Transacted up to 31 December 2022 (RM)
To provide consultancy services for the development of Impiana Tioman Hotel & Resort	Impiana Tioman Sdn Bhd	Company connected to major shareholders of Impiana Hotels Berhad	-
To provide management services to Impiana Hotels Berhad	Impiana Sdn Bhd	Company connected to major shareholders of Impiana Hotels Berhad	209,136
To manage and operate Impiana Resort Patong, Phuket, Thailand	Haad Sai Ngen, Thailand	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	511,977
To manage and operate Impiana Private Villas Kata Noi, Thailand	Haad Sai Ngen, Thailand	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	101,852
To manage and operate Impiana Resort Chaweng Noi, Koh Samui, Thailand	South Shore Co. Ltd., Thailand	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	114,058
To manage and market Impiana Private Villas Seminyak, Bali, Indonesia	PT. Villas Hotel, Indonesia	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	627,733
To manage and market Impiana Private Villas Cemagi, Bali, Indonesia	PT. Villas Hotel, Indonesia	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	37,202

ADDITIONAL INFORMATION
(cont'd)

3. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OF TRADING NATURE ("RRPT") *cont'd*

Nature of RRPTs with IHB Group	Name of Related Party(ies)	Relationship of Related Party(ies) with IHB Group	Aggregate Value Transacted up to 31 December 2022 (RM)
For Impiana Management to manage and market Impiana Private Villas & Resorts Ubud, Bali, Indonesia	PT. Impiana Ubud Bali	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	-
To provide consultancy services on the development of Impiana Private Villas & Resorts Ubud, Bali	Impiana Ubud (Labuan) Co. Ltd	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	-
To provide consultancy services on the development of Impiana Private Villas Seminyak	Impiana Seminyak (Labuan) Co. Ltd	Company connected to major shareholders of IHB, via Dato' Seri Farouk and Impiana Sdn Bhd	-

4. CORPORATE SOCIAL RESPONSIBILITIES

Further information of the Group's initiatives towards Corporate Social Responsibility is outlined in the '*Sustainability Report*' section of this Annual Report.

This Statement has been reviewed and approved by the Board of Directors on 28 April 2023.

LIST OF PROPERTIES

No.	Location	Description	Tenure	Approximate age of building	NBV as at 31 Dec 2022 (RM)	Land Size
1.	PN 400702, Lot 398115 Bandar Ipoh (S), Daerah Kinta, Negeri Perak	A 10 storey four(4) star hotel with 200 rooms	Leasehold of 99 years with term expiring on 13 March 2106	37	40,800,000	9,738 sq metre
2.	HSD 36809, PT 16039 Mukim Lumut, Daerah Manjung, Negeri Perak	Vacant land	Leasehold of 99 years with terms expiring on 24 March 2112		36,000,000	104,664 sq metre
3.	HSD 36810, PT 16040 Mukim Lumut, Daerah Manjung, Negeri Perak	Vacant land	Leasehold of 99 years with terms expiring on 24 March 2112			12,622 sq metre
4.	GM 9344, Lot 111150 Mukim Sungai Karang Daerah Kuantan, Negeri Pahang	Vacant land	Freehold		25,810,421	22,170 sq metre
5.	HSM 18491, PT 22877 Mukim Sungai Karang Daerah Kuantan, Negeri Pahang	Vacant land	Freehold			32,440 sq metre
6.	HSM 18029, PT 24072 Mukim Sungai Karang Daerah Rompin, Negeri Pahang	Vacant land	Leasehold of 60 years with term expiring on 9 January 2049			20,934 sq metre
7.	HSM 18034, PT 24073 Mukim Sungai Karang Daerah Rompin, Negeri Pahang	Vacant land	Leasehold of 60 years with term expiring on 9 January 2049			6,105 sq metre
8.	PM 629, Lot 5432 Mukim Sungai Karang Daerah Kuantan, Negeri Pahang	Vacant land	Leasehold of 99 years with term expiring on 27 November 2090			12,518 sq metre
9.	PM 563, Lot 4632 Mukim Sungai Karang Daerah Rompin, Negeri Pahang	Vacant land	Leasehold of 60 years with term expiring on 9 January 2049			2.335 hectares
					102,610,421	

Note:

Impiana Tioman Villas & Residences Sdn Bhd ("ITVR"), a wholly-owned subsidiary of the Company had entered into 2 separate Sales and Purchase Agreements with Impiana Tioman Sdn Bhd on 11 December 2020 to acquire 5 parcels of lands at Mukim Tioman, Daerah Rompin, Negeri Pahang. The acquisition exercise have yet to be completed as at the FPE 31 December 2022.

ANALYSIS OF SHAREHOLDINGS
As at 29 March 2023

ORDINARY SHARES

Number of Shares Issued	:	469,242,980
Voting rights	:	One vote for one ordinary share
No. of Shareholders	:	4,972

DISTRIBUTION OF SHAREHOLDINGS

CATEGORY	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	762	15.33	21,455	0.00
100 - 1,000	1,297	26.09	598,151	0.13
1,001 - 10,000	1,572	31.62	6,854,261	1.46
10,001 - 100,000	1,016	20.43	39,522,954	8.42
100,001 to less than 5% of issued shares	323	6.50	362,171,123	77.18
5% and above of issued shares	2	0.04	60,075,036	12.80
TOTAL	**4,972**	**100.01**	**469,242,980**	**99.99**

THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	Kenanga Nominees (Asing) Sdn Bhd For Advance Opportunities Fund	36,075,036	7.69
2	RHB Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Impiana Sdn Bhd - (PSA)	24,000,000	5.11
3	Kenanga Capital Sdn Bhd Pledged Securities Account for Ismail @ Farouk Bin Abdullah	22,216,000	4.73
4	Lim Ee Loong	20,000,000	4.26
5	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Yee Wei Meng (SMART)	12,986,600	2.77
6	So Bee Hwe	12,817,800	2.73
7	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	12,200,000	2.60
8	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lew Sze How	12,048,600	2.57
9	Teoh Ming Juen	11,764,000	2.51
10	Gan Thiam Seng	11,500,000	2.45
11	GT-Max Resources Sdn. Bhd.	11,500,000	2.45
12	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impiana Sdn Bhd	10,400,000	2.22
13	Affin Hwang Nominees (Tempatan) Sdn. Bhd Exempt an for Safari Asia Limited (Clients A/C)	10,140,000	2.16
14	BI Nominees (Tempatan) Sdn Bhd For Impiana Sdn Bhd	9,104,000	1.94

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2023
(cont'd)

THIRTY (30) LARGEST SHAREHOLDERS *cont'd*

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
15	Kenanga Capital Sdn Bhd Pledged Securities Account for Impiana Sdn Bhd	8,818,486	1.88
16	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account Maax Factor Sdn Bhd for Impiana Sdn Bhd	8,000,000	1.70
17	CGS-IMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kim Heung (My1989)	5,800,000	1.24
18	Chan Chee Chung	5,420,820	1.16
19	Chan Kin Keong	5,320,000	1.13
20	Lee Youth Chean	4,500,000	0.96
21	CIMBSEC Nominees (Tempatan) Sdn Bhd CIMB for Ng Lee Ling (PB)	4,020,000	0.86
22	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account Maax Factor Sdn Bhd for Ismail @ Farouk Bin Abdullah	4,000,000	0.85
23	Michelle Ng Qian Ying	3,650,000	0.78
24	Dato' Hong Khay Kuan	3,200,000	0.68
25	RHB Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Ismail @ Farouk Bin Abdullah - (PSA)	3,119,700	0.66
26	Puah Boon Bian	3,000,000	0.64
27	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Oon Min Hoon	2,833,071	0.60
28	Tengku Uzir Bin Tengku Ubaidillah	2,782,460	0.59
29	Tarminder Singh A/L Balwant Singh	2,712,000	0.58
30	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kin Lip (7003423)	2,704,368	0.58
	TOTAL	**286,632,941**	**61.08**

		SHAREHOLDINGS			
SUBSTANTIAL SHAREHOLDERS		**Direct Interest**	**%**	**Deemed interest**	**%**
1	Dato' Seri Ismail @ Farouk bin Abdullah	58,748,712	12.52	62,063,032 [(a)]	13.23
2	Impiana Sdn Bhd	62,063,032	13.23	-	-
3	Advance Opportunities Fund	36,075,036	7.69	-	-

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2023
(cont'd)

THIRTY (30) LARGEST SHAREHOLDERS *cont'd*

DIRECTORS' SHAREHOLDINGS		SHAREHOLDINGS Direct Interest	%	Deemed Interest	%
1	Dato' Seri Ismail @ Farouk bin Abdullah	58,748,712	12.52	62,063,032 [(a)]	13.23
2	Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif	-	-	-	-
3	Datuk Supperamaniam a/l Manickam	-	-	-	-
4	Dyana Sofya binti Mohd Daud	-	-	-	-
5	Dato' Hong Khay Kuan	3.200,000	0.68	-	-
6	Dato' Hoo Voon Him	1,500,000	0.32	1,935,900(b)	0.41

Notes:

(a) Deemed interest by virtue of his interest in Impiana Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016
(b) Deemed interest by virtue of his interest in V Capital Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016

CLASS A OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE ("ICPS-A")

Number of ICPS-A Issued : 132,837,560
Class of Shares : ICPS-A
No. of ICPS-A holders : 27

DISTRIBUTION OF ICPS-A HOLDINGS

CATEGORY	NO. OF HOLDERS	%	NO. OF ICPS-A	%
Less than 100	-	-	-	-
100 - 1,000	-	-	-	-
1,001 - 10,000	-	-	-	-
10,001 - 100,000	-	-	-	-
100,001 to less than 5% of issued shares	21	77.78	60,971,040	45.90
5% and above of issued shares	6	22.22	71,866,520	54.10
TOTAL	**27**	**100.00**	**132,837,560**	**100.00**

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2023
(cont'd)

ICPS-A HOLDERS LIST

NO.	NAME OF ICPS-A HOLDER	NO. OF ICPS-A	%
1	Al Maurid Resources Sdn Bhd	22,013,000	16.57
2	Dato' Yahya Bin Abdul Jalil	16,000,000	12.04
3	Afrizah binti Abu Bakar	10,953,520	8.24
4	Eng Kim Lan	9,300,000	7.00
5	Noorihan Rosilah binti Abdullah	6,800,000	5.12
6	Tee Siew Lee	6,800,000	5.12
7	Norizah binti Mohd Mokhtar	5,950,000	4.48
8	Charles Sebastian A/L Lourdesamy	4,300,000	3.24
9	Chan Mun Wai	3,850,000	2.90
10	Jayanthi A/P Sundram	3,850,000	2.90
11	Norazlina binti Subaha	3,850,000	2.90
12	David Vijian Xavier	3,450,000	2.60
13	Heng Hock Yee	3,450,000	2.60
14	Sugumaran A/L Narayanan	3,450,000	2.60
15	Yusniwati binti Abdul Rahman	3,450,000	2.60
16	Impiana Sdn Bhd	3,271,040	2.46
17	Ahmad bin Mat Seman	2,600,000	1.96
18	Lee Chee Yin	2,600,000	1.96
19	Loh Pooi Ling	2,600,000	1.96
20	Shazilan bin Dahalan	2,600,000	1.96
21	Yong Yee King	2,600,000	1.96
22	Gerard Aloysius Sta Maria	1,800,000	1.35
23	Jamie Ng Po Guat	1,800,000	1.35
24	Ng Sit Yan	1,800,000	1.35
25	Stephen A A/L A Arokiam	1,800,000	1.35
26	Izzat Shamil bin Jasmi	950,000	0.71
27	Mohd Razi bin Che Harun	950,000	0.71
	TOTAL	**132,837,560**	**100.00**

		ICPS-A HOLDINGS			
DIRECTOR'S ICPS-A HOLDINGS		**Direct Interest**	**%**	**Deemed Interest**	**%**
1	Dato' Seri Ismail @ Farouk bin Abdullah	-	-	3,271,040 [(a)]	2.46

Note:

(a) Deemed interest by virtue of his interest in Impiana Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS
As at 29 March 2023
(cont'd)

CLASS B OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE ("ICPS-B")

Number of ICPS-B Issued	:	49,682,765
Class of Shares	:	ICPS-B
No. of ICPS-B holders	:	2

DISTRIBUTION OF ICPS-B HOLDINGS

CATEGORY	NO. OF HOLDERS	%	NO. OF ICPS-B	%
Less than 100	-	-	-	-
100 - 1,000	-	-	-	-
1,001 - 10,000	-	-	-	-
10,001 - 100,000	-	-	-	-
100,001 to less than 5% of issued shares	1	50.00	1,191,338	2.40
5% and above of issued shares	1	50.00	48,491,427	97.60
TOTAL	**2**	**100.00**	**49,682,765**	**100.00**

ICPS-B HOLDERS LIST

NO.	NAME OF ICPS-B HOLDER	NO. OF ICPS-B	%
1	Impiana Sdn Bhd	48,491,427	97.60
2	Dato' Seri Ismail @ Farouk bin Abdullah	1,191,338	2.40
	TOTAL	**49,682,765**	**100.00**

DIRECTOR'S ICPS-B HOLDINGS		ICPS-B HOLDINGS Direct Interest	%	Deemed Interest	%
1	Dato' Seri Ismail @ Farouk bin Abdullah	1,191,338	2.40	48,494,427 [(a)]	97.60

Note:

(a) Deemed interest by virtue of his interest in Impiana Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016

NOTICE OF
ANNUAL GENERAL MEETING
(cont'd)

NOTICE IS HEREBY GIVEN THAT the Fourteenth (14th) Annual General Meeting ("AGM") of Impiana Hotels Berhad will be conducted on a virtual basis via live streaming and using Remote Participation and Voting facilities broadcast from Jasmin Room, Level 1, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur, Malaysia on Monday, 26 June 2023 at 11.00 a.m. for the following purposes.

A G E N D A

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period from 1 July 2021 to 31 December 2022 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To approve the payment of Directors' fees of up to an amount of RM306,000.00 for the period from 1 July 2022 until the next Annual General Meeting in year 2024. **RESOLUTION 1**

3. To approve the payment of Directors' Benefit (excluding Director's fees) of up to an amount of RM80,000.00 for the period from 27 June 2023 until the next Annual General Meeting in year 2024. **RESOLUTION 2**

4. To re-elect the following Directors, who retire in accordance with Article 28.1 of the Company's Constitution and being eligible, have offered themselves for re-election:

   (i) Dato' Seri Ismail @ Farouk bin Abdullah; and **RESOLUTION 3**
   (ii) Datuk Supperamaniam a/l Manickam **RESOLUTION 4**

5. To re-elect Dato' Hoo Voon Him, who retires in accordance with Article 28.6 of the Company's Constitution and being eligible, has offered himself for re-election. **RESOLUTION 5**

6. To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 6**

AS SPECIAL BUSINESS

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

7. **ORDINARY RESOLUTION:**
   CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

   "THAT approval be and is hereby given to Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **RESOLUTION 7**

8. **ORDINARY RESOLUTION - AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES AND WAIVER OF THE PRE-EMPTIVE RIGHTS OVER NEW ORDINARY SHARES IN THE COMPANY UNDER SECTION 85 OF THE COMPANIES ACT 2016**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act"), the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance. **RESOLUTION 8**

AND THAT pursuant to Section 85 of the Act to be read together with Article 49.1(d) of the constitution of the Company and Paragraph 7.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act."

9. **ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

"THAT approval be hereby given to the Company and its subsidiaries ("Impiana Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature particulars with the specified classes of related parties as specified in Sections 2.3 of the Circular to Shareholders dated 29 April 2023, provided that: **RESOLUTION 9**

(a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;

(b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;

(c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and

(d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:

 (i) the related transacting parties and their respective relationship with the Company; and

 (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

(a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM; or

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of 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 the earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

10. To transact any other business for which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

BY ORDER OF THE BOARD

LIM SHOOK NYEE (MAICSA NO. 7007640)
SSM Practicing Certificate No. 201908003593
TEE SIEW LEE (LS0009570)
SSM Practicing Certificate No. 202008001875
Company Secretaries

Kuala Lumpur
Date: 29 April 2023

NOTES: -

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.

6. The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or e-mail to AGM-support.Impiana@megacorp.com.my not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM of the Company will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.

8. The Meeting will be held on Monday, 26 June 2023 at 11.00 a.m. or at any adjournment thereof, as a virtual meeting via live streaming broadcast from Jasmine Room, Level 1, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur, Malaysia. Please refer to the Administrative Guide on the registration and voting process for the Meeting.

EXPLANATORY NOTES

1. **Audited Financial Statements for the financial period from 1 July 2021 to 31 December 2022**

   This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

NOTICE OF
ANNUAL GENERAL MEETING
(cont'd)

2. **Resolutions 1 & 2: Payment of Directors' fees & Benefits**

   Pursuant to Section 230(1) of the Companies Act 2016, the shareholders' approval is sought for the proposed payment of Directors' fees to the Directors for the period from 1 July 2022 until the conclusion of the next AGM of the Company in year 2024 and Benefits to the Directors for the period from 27 June 2023 until the conclusion of the next AGM of the Company in year 2024. The calculation of the benefits which include meeting allowance is based on the estimated number of scheduled and/or special Board and Board Committees' meetings.

3. **Resolutions 3 & 4: Re-election of Directors in accordance with Article 28.1 of the Company's Constitution**

   Article 28.1 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

   Dato' Seri Ismail @ Farouk bin Abdullah and Datuk Supperamaniam a/l Manickam are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election. The Nomination Committee ("NC") has conducted an assessment on the Directors who are seeking re-election at this 14th AGM, as well as assessing the independence of the Independent Director as applicable. The NC is satisfied that he comply with and meet the independence criteria as required by the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities). Their profiles are set out in the "Profile of Directors & Senior Management" of this Annual Report 2022. These two (2) retiring Directors had abstained from deliberations and decisions at the relevant Board and NC Meetings on their own eligibility to stand for re-election at this 14th AGM and will continue to do so. The Board has endorsed the NC's recommendation subject to the shareholders' approval at the 14th AGM.

4. **Resolution 5: Re-election of Director in accordance with Article 28.6 of the Company's Constitution**

   Article 28.6 of the Company's Constitution provides that a Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board, shall hold office until the next following AGM of the Company and shall be eligible for re-election at such meeting.

   Dato' Hoo Voon Him was appointed on 10 January 2023 and being eligible, has offered himself for re-election. The NC has conducted an assessment on the Director who is seeking re-election at this 14th AGM. His profile is set out in the "Profile of Directors & Senior Management" of this Annual Report 2022. Dato' Hoo Voon Him had abstained from deliberations and decisions at the relevant Board Meeting on his own eligibility to stand for re-election at this 14th AGM and will continue to do so. The Board has endorsed the NC's recommendation subject to the shareholders' approval at the 14th AGM.

5. **Resolution 6: Re-appointment of Auditors**

   The Board and Audit and Risk Management Committee had recommended the re-appointment of Messrs Moore Stephens Associates PLT for the financial year ending 31 December 2023. Messrs Moore Stephens Associates PLT have met the criteria prescribed under the Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and indicated their willingness to continue their services for the next financial year.

6. **Resolution 7: Continuation in office as Independent Non-Executive Director**

   The proposed resolution, if passed, will allow Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif ("Prof. Amy") to be retained and to continue in office as Independent Non- Executive Director of the Company, via a two-tier voting process as recommended under the Malaysian Code on Corporate Governance 2021.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

Prof. Amy was re-designated as an Independent Non-Executive Director of the Company on 12 March 2014 and has exceeded a cumulative term of more than nine (9) years. The Nomination Committee and Board of Directors of the Company, have assessed the independence of Prof. Amy and recommended that he continue to act as Independent Non-Executive Director of the Company based on the following justifications:

(a) He fulfills the criteria of the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and had expressed his willingness to continue in office as an Independent Non-Executive Director of the Company;

(b) His vast extensive would enable him to provide the Board with a diverse range of knowledge, expertise and independent judgment to better manage and run the Group.

(c) Notwithstanding that he has served the Company as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, during which he had at all times acted in good faith and in the best interests of the Company, exercising his independent judgment during deliberations and decision-making during the Company's Board Meetings and Board Committee Meetings and was familiar with the Company's business operations.

Prof. Amy had proven to be a reliable Independent Non-Executive Director with his professional attitude and outlook of business perspective, had devoted sufficient time and attention to his professional obligations for informed and balanced decision-making and had also exercised due care during his tenure in the best interests of the Company and the shareholders.

7. **Resolution 8: Authority under Sections 75 And 76 of the Companies Act 2016 for the Directors to allot and issue shares and waiver of the pre-emptive rights over new ordinary shares in the Company under Section 85 of the Companies Act 2016**

The proposed Ordinary Resolution 8 is a renewal mandate of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. As at the date of the Notice of the 14th AGM, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 13th AGM held on 10 December 2021 and which will lapse at the conclusion of the 14th AGM.

The mandate, if passed, will give the Directors of the Company, the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors would consider to be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

The renewal of this authority is being sought at the 14th AGM to provide flexibility to the Company to undertake future possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment, working capital and/or acquisitions without having to convene another general meeting.

The waiver of the statutory pre-emptive rights of the shareholders of the Company pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

8. **Resolution 9: Proposed Renewal of Shareholders' Mandate**

For further information on the proposed Ordinary Resolution 9, please refer to the Circular to Shareholders dated 29April 2023 accompanying the Annual Report 2022.

STATEMENT ACCOMPANYING NOTICE OF 14th ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. **Details of individual who are standing for election as Directors (excluding Directors standing for re-election)**

   No individual is seeking election as a Director at the 14th AGM of the Company

2. **General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

   The Company will seek shareholders' approval on the general meeting for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the Proposed Ordinary Resolution 8 as stated in the Notice of the 14th AGM of the Company for details.

ADMINISTRATIVE GUIDE

The 14th Annual General Meeting ("14th AGM")

Date	:	**Monday, 26 June, 2023**
Time	:	**11.00 a.m.**
Broadcast Venue	:	Jasmin Room, Level 1 Impiana KLCC Hotel 13, Jalan Pinang 50450 Kuala Lumpur

Voting via Digital Ballot Form at a Virtual AGM

1. This is a virtual Meeting. Shareholders who wish to participate at the AGM will therefore have to do so remotely. Pre-registration of attendance is required via the link at **https://vps.megacorp.com.my/MTBCjc** (please refer to para 4 for further details). After the registration is validated and accepted, shareholders will receive an email with a link to grant access to the **Digital Ballot Form ("DBF")**.

2. With the DBF and the meeting link, you may exercise your right as a shareholder of the Company to participate (including to pose questions to the Board / Management of the Company) and vote during the AGM, at the comfort of your home or from any location.

3. Shareholders may use the ***Questions' Pane*** facility (located at the top right corner of the screen) to submit questions in real time during the meeting via the Live-Streaming solution. Shareholders may also submit questions before the meeting via email to: **AGM-support.Impiana@megacorp.com.my** in relation to the agenda items for the AGM.

Registration Procedure

4. Kindly follow the steps below to ensure that you are able to obtain your DBF and details to log in to the livestreaming session to participate and vote remotely during the AGM online:

   a. Open this link **https://vps.megacorp.com.my/MTBCjc**, or scan the QR code at the top right corner of this document, and submit all requisite details at least forty-eight (48) hours before the date of AGM.

   b. Only shareholders are allowed to register their details online. Shareholders can also appoint proxies or Chairman of the meeting as proxy via online, as in step (a) above. Please ensure that your details are accurate as non-compliance would result in you not being able to participate in the Meeting.

   c. Alternatively, you may deposit your Form of Proxy, duly completed with the proxy's email address and mobile phone number, at the office of the Poll Administrator:

      Mega Corporate Services Sdn. Bhd.
      Level 15-2, Bangunan Faber Imperial Court,
      Jalan Sultan Ismail, 50250 Kuala Lumpur

      Or

      Send an email to: **AGM-support.Impiana@megacorp.com.my** not less than 24 hours before the date of the AGM.

      For corporate shareholders / nominee accounts, please execute Form of Proxy as per step (c) above.

      Upon verification on your registration, the Poll Administrator, Mega Corporate Services Sdn. Bhd., will send you two emails:

      i. **Meeting Link** - to join the livestreaming session
      ii. **DBF** - for remote voting purposes.

ADMINISTRATIVE GUIDE

The 14^{th} Annual General Meeting ("14^{th} AGM")
(cont'd)

Record of Depositors ("ROD") for the AGM

5. The date of ROD for the AGM is at Monday, 19 June, 2023. As such, only duly registered shareholders whose name appear in the ROD shall be entitled to participate, speak and vote at the AGM or appoint proxy(ies) / corporate representative(s) to participate, speak and vote on his / her behalf.

Poll Voting

6. The voting of the AGM will be conducted by poll. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the polling process by way of e-voting, and Cygnus Technology Solutions Sdn. Bhd. as Scrutineers to verify the poll results.

7. Shareholders or proxies can proceed to vote on the resolutions and submit your votes during the voting period as stipulated in the DBF. Upon completion of the voting session for the AGM, the Scrutineers will verify the poll results after which the Chairman will announce the poll results of the resolutions.

Enquiry

If you have any enquiries on the above, please contact the Poll Administrator during office hours (Monday to Friday):

Mega Corporate Services Sdn. Bhd.

Email	:	AGM-support.Impiana@megacorp.com.my
Tel No.	:	+60 (3) 2692 4271 / +60 (3) 2694 8984
Mr. Alfred	:	+60 (12) 912 2734
En. Hisham	:	+60 (12) 252 9136

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IMPIANA HOTELS BERHAD
Registration No. 200601021085 (740838-A)
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held		
CDS Account No.		
No. of shares to be represented by each proxy	Proxy 1	Proxy 2

I/We____ of ______________________________

____

being a member of **IMPIANA HOTELS BERHAD**, hereby appoint:

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
E-MAIL ADDRESS	MOBILE NO.		

(the next name should be completed where it is desired to appoint two proxies)

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
E-MAIL ADDRESS	MOBILE NO.		

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the 14th Annual General Meeting ("AGM") of the Company which is a virtual meeting on Monday, 26 June 2023 at 11.00 a.m. or at any adjournment thereof through livestreaming and online remote voting using Remote Participation and Voting facilities. Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolutions. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.

		For	**Against**
RESOLUTION 1	To approve the payment of Directors' fees of up to RM306,000.00 for the period from 1 July 2022 until the next AGM in year 2024		
RESOLUTION 2	To approve the payment of Directors' Benefit of up to an amount of RM80,000.00 for the period from 27 June 2023 until the next AGM in year 2024		
RESOLUTION 3	To re-elect Dato' Seri Ismail @ Farouk bin Abdullah who retires in accordance with Article 28.1 of the Company's Constitution		
RESOLUTION 4	To re-elect Datuk Supperamaniam a/l Manickam who retires in accordance with Article 28.1 of the Company's Constitution		
RESOLUTION 5	To re-elect Dato' Hoo Voon Him who retires in accordance with Article 28.6 of the Company's Constitution		
RESOLUTION 6	To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
RESOLUTION 7	Continuation in office of Prof. Dr Mohd Amy Azhar bin Haji Mohd Harif as Independent Non-Executive Director		
RESOLUTION 8	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares and waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016		
RESOLUTION 9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this ____________ day of ________________ 2023

____
Signature(s)/Common Seal of Member

Fold this flap for sealing

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AFFIX
STAMP
HERE

The Poll Administrator
IMPIANA HOTELS BERHAD (200601021085 (9740838-A))
c/o **MEGA CORPORATE SERVICES SDN BHD**
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Please fold here

NOTES: -

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
6. The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or e-mail to AGM-support.Impiana@megacorp.com. my not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM of the Company will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.
8. The Meeting will be held on Monday, 26 June 2023 at 11.00 a.m. or at any adjournment thereof, as a virtual meeting via live streaming broadcast from Jasmine Room, Level 1, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur, Malaysia. Please refer to the Administrative Guide on the registration and voting process for the Meeting.

CORPORATE OFFICE

21st Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur,
Malaysia

Tel : +603 2141 6233
Fax : +603 2142 2295