JENTAYU SUSTAINABLES

OUR TIME TO SOAR

ANNUAL REPORT 2022

22

CONTENT

PAGES

1.1 **ABOUT OUR REPORT**

ABOUT OUR REPORT

Reporting Scope and Boundaries

Unless otherwise indicated, the content of this report reflects the data and activities of the Group from 1 July 2021 to 30 June 2022 ("FY2022"). This Annual Report strives to present balanced and comprehensive information to our stakeholders regarding our strategic processes and financial performance. This report also details Jentayu Sustainables non-financial performance in FY2022 that comprises our Environmental, Social and Governance ("ESG") framework.

Guidelines and Standards

Throughout the preparation of this report, we have adhered to:

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

In the area of sustainability, we have developed our reporting in line with Bursa Malaysia's Sustainability Reporting Guide and Toolkits 3rd Edition. This report is also guided by the Global Reporting Initiative ("GRI") Standards.

All information presented is as of 30 June 2022, unless stated otherwise.

Forward-looking Statements

This report contains forward-looking statements discussing the future operations and performance of the Group based on current assumptions that may or may not materialise due to risks and uncertainties beyond the Group's control.

Such statements relating to both financial and non-financial performance are not conclusive. Actual plans and results may differ from those expressed in this report due to market uncertainties and various risk factors, as well as possible strategic deviations in response. Hence, such statements do not serve as guarantees of future operational, financial or any other results. Ultimate results and outcomes may differ.

Forward-looking statements should be read with a degree of caution as they are dependent on various events, risks, uncertainties and other factors beyond our control. These statements can be identified using key words such as 'believes', 'intend', 'will', 'plans', 'outlook' and other similar words in conjunction with discussions on future operating or financial performance.

Forward-looking statements issued in this report have not been reviewed or audited by an external auditor.

Our Reporting Suites

Jentayu Sustainables' Annual Report Suite details our value-creation process and activities to deliver sustainable value for our stakeholders. The suite consists of:

- Annual Report 2022
- Sustainability Report 2022

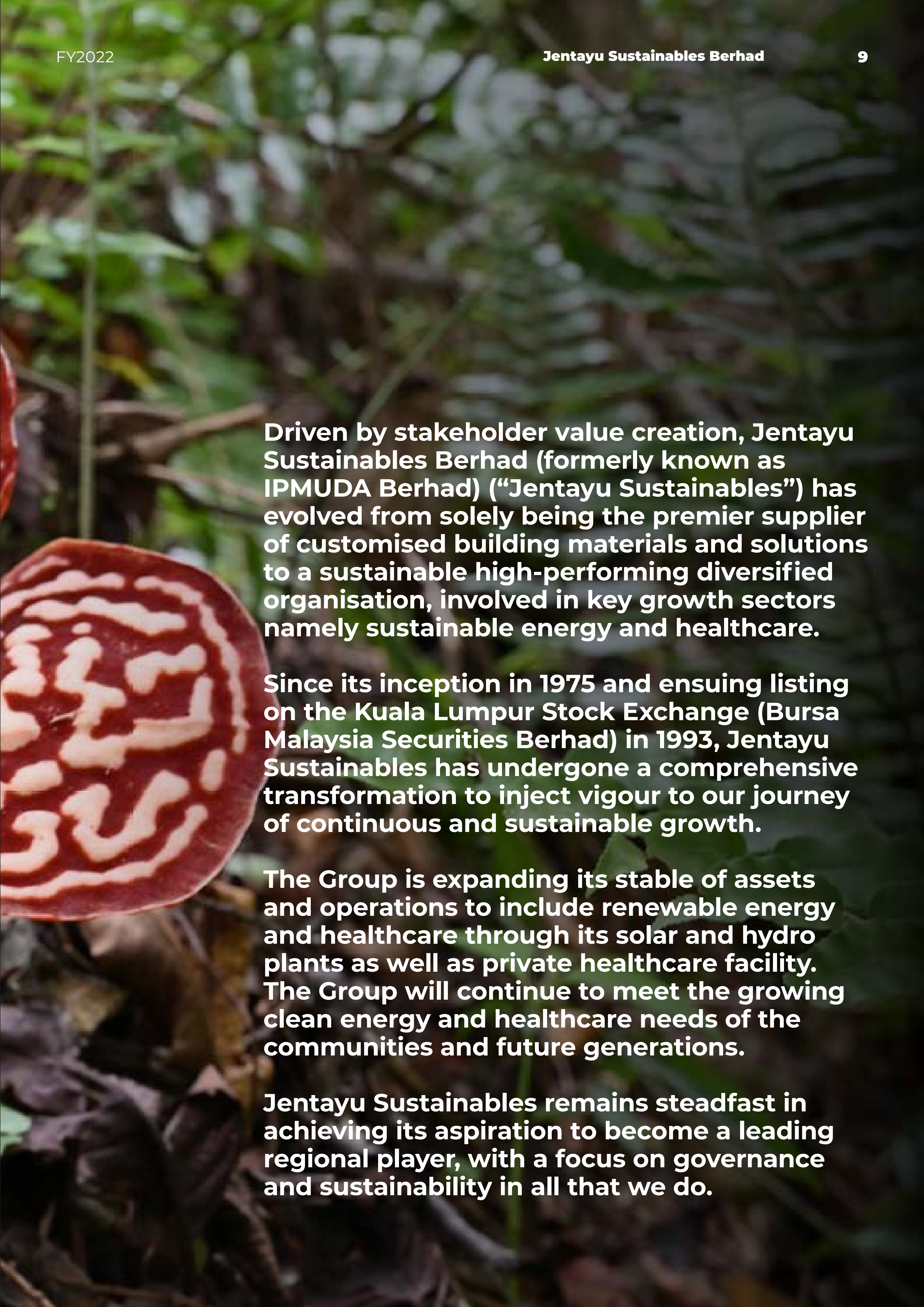
Assurance

Grant Thornton Malaysia PLT ("Grant Thornton"), the external auditors, provided an independent opinion on whether the Financial Statements of the Group in this Report gave a true and fair view of the consolidated financial position, financial performance and cash flows for FY2022.

OVERVIEW.

Section 2

2.1 WHO WE ARE



Driven by stakeholder value creation, Jentayu Sustainables Berhad (formerly known as IPMUDA Berhad) ("Jentayu Sustainables") has evolved from solely being the premier supplier of customised building materials and solutions to a sustainable high-performing diversified organisation, involved in key growth sectors namely sustainable energy and healthcare.

Since its inception in 1975 and ensuing listing on the Kuala Lumpur Stock Exchange (Bursa Malaysia Securities Berhad) in 1993, Jentayu Sustainables has undergone a comprehensive transformation to inject vigour to our journey of continuous and sustainable growth.

The Group is expanding its stable of assets and operations to include renewable energy and healthcare through its solar and hydro plants as well as private healthcare facility. The Group will continue to meet the growing clean energy and healthcare needs of the communities and future generations.

Jentayu Sustainables remains steadfast in achieving its aspiration to become a leading regional player, with a focus on governance and sustainability in all that we do.

2.2 NEW VISION, MISSION AND CORE VALUES

OUR VISION

A sustainable energy industry leader with regional footprint, helping nations adopt clean energy solution inline with their sustainability agendas

OUR MISSION

To design, develop and incept sustainable energy assets in Malaysia with installed capacity of 350 MW by 2027

To participate in the development of medium and large scale sustainable energy projects, regionally and globally

To be recognised as a distinct, reputable regional ESG organisation

CORE VALUES

Disruptive Mindset

Challenge status quo, entrepreneurship, innovative, always on day 1 and value creation

Merits, Merits & Merits

Performance base, best in class practices, quality deliverables

Sustainability Culture

Adhere to ESG mandate

Reliable

Trustworthiness, highest level of integrity, respect, teamwork

2.3

WHAT WE DO

RENEWABLE ENERGY

We are a sustainable energy solution provider, leveraging on renewables, clean and green technologies. This would entail the ownership, operation, design, development and maintenance of various sustainable energy facilities.

Hydropower

Solar

Engineering, Procurement, Construction & Commissioning (“EPCC”)

Renewable Energy Certificate and Carbon Credit

Carbon Related Audit and Consultations

HEALTHCARE

Taking into consideration changing demographics and increasing healthcare needs, we aim to make private healthcare affordable and more accessible to uplift the quality of life amongst local communities. We opine that like renewable energy, healthcare fits into the gambit of sustainability.

TRADING

BUILDING MATERIAL SOLUTIONS

We are a one stop building materials and solutions provider for property development and construction industries. We are in the midst of focusing more on sustainable products.

ANCILLARY PRODUCTS - LUBRICANTS AND FUEL

We provide a full range of lubricants with a customer base of industrial and commercial players such as workshops, factories, contractors, etc.

2.4 CORPORATE INFORMATION

BOARD OF DIRECTORS

- Datuk Haji Beroz Nikmal Bin Mirdin, Non-Independent Executive Director | Executive Chairman
- Jeefri Bin Muhamad Yusup, Non-Independent Executive Director | Chief Executive Officer
- Dato' Amiruddin Bin Abdul Satar, Independent Non-Executive Director
- Baevinraj Thiagarajah, Independent Non-Executive Director
- Abdul Halim Bin Jantan, Independent Non-Executive Director
- Pamela Kung Chin Woon, Independent Non-Executive Director (Appointed on 27 December 2021)
- Teh Foo Hock, Finance Director (Resigned on 1 June 2022)

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

SECRETARIES

Joint Secretaries:

- Chen Bee Ling (MAICSA 7046517) SSM PC NO.:202008001623
- Nurly Salmi Binti Ruhaiza (MAICSA 7073753) SSM PC NO.: 202008000293

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : 03-78904700
Fax : 03-78904670

AUDITORS

Grant Thornton Malaysia PLT
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

Tel : 03-26924022
Fax : 03-27325119

PRINCIPAL BANKERS

- Bank Islam Malaysia Berhad
- Bank Kerjasama Rakyat Malaysia Berhad
- Bank Muamalat Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Codes: 5673 and 5673WB
Listed on 22 December 1993

WEBSITE

www.jentayu-sustainables.com

2.5 CORPORATE STRUCTURE

JENT SUSTAINABLES

- Ipmuda Construction & Engineering Sdn Bhd
- Oriole Power Sdn Bhd
  - Oriole Hydro Maligan Sdn Bhd
  - Oriole Hydro Padas Sdn Bhd
- Jentayu Power Sdn Bhd*
  - Jentayu Sustainables Capital Sdn Bhd**
    - EST Tradeventures Sdn Bhd
- Armor Master Sdn Bhd
  - Toriki Metal Engineering Sdn Bhd
- Eager Vest Sdn Bhd
- Ipmuda Utara Sdn Bhd
- Ipmuda Selatan Sdn Bhd
- Ipmuda Timuran Sdn Bhd
- Ipmuda Architectural Products Sdn Bhd
- Ipmuda Tiles & Sanitaryware Sdn Bhd
- Glorious Future Sdn Bhd
  - Sitolly Co. Sdn Bhd
- Ipmuda Oil & Gas Sdn Bhd
- Ipmuda Development Sdn Bhd
- Ipmuda Lanco Sdn Bhd

Note:
*Formerly known as JSB Renew Sdn Bhd
**Formerly known as JSB Renew Solar Sdn Bhd

TAYU
BERHAD

- Ipmuda Buildermart Sdn Bhd
  - Ipmuda Properties Sdn Bhd
- Ipmuda Edar Sdn Bhd
- Ultimate Forte Sdn Bhd
- Jentayu Life Sdn Bhd
- Homemart Distribution Centre Sdn Bhd
- Jentayu (MM2H) Sdn Bhd
- Ipmuda Borneo Sdn Bhd
- Ipmuda Tradelinks Sdn Bhd
- Better Living Grand Sdn Bhd
  - Roset Interiors Sdn Bhd
  - Roset-BLG Sdn Bhd
- Perak Metal Industries Sdn Bhd
- Victor Rally Sdn Bhd
- Modular Equity Sdn Bhd
  - Roset Properties Sdn Bhd
- MUDAcare Sdn Bhd
- Uniherbal Sdn Bhd
- Budimex Sdn Bhd

KEY MESSAGES

Section 3

3.1

EXECUTIVE CHAIRMAN'S MESSAGE

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors ("the Board"), I am pleased to present to you, Jentayu Sustainables Berhad's (formerly known as IPMUDA Berhad) ("Jentayu Sustainables" or "the Group") Annual Report 2022 and audited financial statements for the year ended 30 June 2022 ("FY2022").

3.1

EXECUTIVE CHAIRMAN'S MESSAGE (CONT'D)

Last year, we have taken steps to reassess, reprioritise and rationalise the Group's core businesses, in which we resolved through the proposed acquisition of renewable energy ("RE") and healthcare assets.

This year, we emerged resilient, reinvigorated and confident of the Group's newfound business direction – reflected not only in our numbers but also in the trust and support exhibited by our valued stakeholders.

FY2022 has distinguished the Group further where we built our people and rebuilt our businesses.

RISING FROM THE ASHES

The Group continued its corporate facelift programme this year with a name change from IPMUDA Berhad to Jentayu Sustainables Berhad. This name change symbolises our reintroduction and will better represent the Group's new vision of becoming a regional leader in the sustainable energy sector.

The name 'Jentayu' is derived from a mythical bird, symbolising courage, a trait that has fuelled us through the numerous implemented corporate developments: reorganisation of the Group, acquisition of new business assets, rightsizing, cost optimisation, office relocation and more.

Additionally, we have incorporated the word 'Sustainables' into the new name as it is in line with our commitment to place sustainability at the core of all our ongoing and future undertakings and operations.

GROWTH CATALYST

In our pursuit to become a leading sustainable energy player in the region, our story begins in the state of Sabah. As a state blooming with untapped potential and room for socio-economic growth, we are well supported to fulfil our mission – to advance Sabah towards becoming Malaysia's net-zero state.

As a sustainable energy advocate myself, I aspire to see this sector thrives. The Group's future acquisition of Telekosang Hydro assets and the future inception of Project Oriole in Sabah will further address the energy infrastructure issues to support and further catalyse socio-economic development for the state.

OUR TIME TO SOAR

Through the acquisition, we will be able to gather expertise and accumulate experiences to propel Jentayu Sustainables to greater heights. Respectively, Jentayu Solar have proven to have an excellent track record by exceeding its expected yield for two (2) consecutive years and Telekosang Hydro is set to be one of the largest collections of run-of-river ("ROR") hydro plants in Malaysia.

For me, FY2022 has been a very fruitful year for the Group with the injection of healthcare asset, future acquisition of Telekosang Hydro and Jentayu Solar as well as securing Project Oriole, I am thrilled with what the future has in store for us. I believe that now is our time to soar.

ANCHORING ON SUSTAINABILITY

The essence of sustainability stems from the responsibility to care for our people and planet. As we charge forward and progress as a company, it is imperative that we progress responsibly. Hence, we have raised our standards by developing the Group's sustainability framework and pillars based on Global Reporting Initiative ("GRI") guidelines.

Moving forward, ESG principles are strategically incorporated into the Group's decision-making processes, business activities, operations and collaborations. 2022 is a landmark year in our sustainability journey, guided by United Nation Sustainable Development Goals ("UNSDG") and United Nation Global Compact ("UNCG") Principles.

THE NEXT CHAPTER

I am confident in the Group's ability to contribute to this nation's true potential for sustainable growth, as this is the decade for significant energy breakthroughs. I envisage ancillary industries and economies surrounding sustainable energy to also thrive and support the nation's net-zero cause.

While we continue to pursue other sustainable energy opportunities in the region, I am excited to learn, explore and forge new partnerships to realise adjacent businesses such as solar rooftop, battery energy storage system ("BESS"), cogeneration system and carbon base products and services.

ACKNOWLEDGEMENT

It is with great pleasure that I welcome Pamela Kung Chin Woon as part of our respectable Board Members of Jentayu Sustainables Berhad. Her undeniable talents, skills and experiences will bring great dynamics for the Group moving forward. We are very excited to have her as an important part of our company.

On behalf of the Board of Directors, I would like to sincerely thank our valued shareholders and stakeholders including our business partners and vendors, as well as the Government and regulatory authorities who have helped us on this journey. To the people of Jentayu Sustainables, J's in short whom we treasure, thank you once again for your dedication and determination throughout another difficult yet exciting year. Your unwavering support and unprecedented belief has pushed the Group in reaching new heights.

I would also like to thank our Management Team for their commitment to the cause, as we are very fortunate to have the right combination of skillsets providing impacts and responsible value creation for our stakeholders.

We are committed towards achieving our full potential of becoming a leading RE player in Malaysia with a focus on sustainability. We look forward to continuously enhancing our stakeholders' value as we take the company to greater heights.

3.2

CHIEF EXECUTIVE OFFICER'S MESSAGE

DEAR RESPECTED SHAREHOLDERS,

In FY2022, we have completed our preparation in terms of financial, human capital, operational systems as well as sustainability framework and are ready to embark on our exciting future. This will catapult Jentayu Sustainables into a very successful regional sustainable energy leader with strong financial performance offering attractive investment opportunities in ESG compliant organisation.

3.2

CHIEF EXECUTIVE OFFICER'S MESSAGE (CONT'D)

INVESTING INTO THE FUTURE

Jentayu Sustainables has set its sight to be the market leader in the sustainability industry focusing on Renewable Energy sector. FY2022 was a very important year where we have laid a solid foundation, in terms of financial strength, human capital, working culture, decision making process and other operational systems, to well position us to realise our plan.

The plan to address the immediate need to provide sustainable profitability and cashflows to the Group was to acquire Telekosang Hydro, Jentayu Solar and Ohana Specialist Hospital. A lot of effort have been channelled to execute these acquisitions and we are happy that Ohana is now already a part of Jentayu Sustainables and we are positive that the acquisition of the remaining two assets will be concluded soon.

This year, we have successfully secured Project Oriole, our first multi-billion ringgit mega project. Project Oriole is very important to us as it has the potential to expedite the Group's sustainability aspiration and to catapult us into a financially strong and very profitable entity. It is for this reason, we have focused much of our resources to ensure a successful implementation of this project.

We are also very pleased that we have successfully completed the construction of our first EPCC contract for Coara Marang solar plant under the Third Large-Scale Solar (LSS3) scheme, which was handed over to the developer recently. We plan to continue developing our capability as EPCC contractor which will widen the Group's revenue base.

With so many exercises that took place during FY2022, with substantial resources channelled to achieve our longer-term objectives, with Project Oriole now on our plate, all incurring substantial expenses, we are very pleased that we still managed to register our maiden annual profit before tax of RM28.9 million after many years of loss. This result was achieved on the back of a substantial increase in our revenue from RM 30.2 million in FY2021 to RM 83.9 million in FY2022 and from the sale of our property.

Our future holds many exciting breakthroughs, all as part of our efforts to create a sustainable business growth and liveable planet for our future generations.

INSTITUTIONALISATION OF A "START-UP"

The path towards shaping our sustainable future requires a team with entrepreneur mindset, forward-thinking, and most importantly, responsible people. Hence, which is why this year, Jentayu Sustainables has prioritised in investing on its people.

The current leadership composition will be able to provide greater investors' confidence as collectively, the new management team promotes better synergy towards institutionalising the Group.

We have implemented a new working culture, adapting to the sustainability way of life with the leniency of working from home that allow us to relocate to a smaller office with a location that is accessible by public transportation. This has led to reducing our carbon footprint by minimising travel, electricity consumption and adopting a digital way of working by going paperless in our daily tasks.

ACKNOWLEDGEMENT

I would like to record my heartfelt gratitude to our Board of Directors, shareholders, management and employees of Jentayu Sustainables for your unwavering trust, support, patience and confidence. Without your consistent guidance, assistance, hard work and support, it would not have been possible for us to maintain our resilience and continue to grow.

My sincere appreciation to all our stakeholders in the respective Governments and regulators as well as business partners and financial institutions who have closely collaborated with us throughout our FY2022 journey.

We remain confident that we will persevere in our journey towards promoting sustainable development, while creating value for a better future.

MANAGEMENT DISCUSSION & ANALYSIS

Section 4

4.1

PIVOTING TOWARDS SUSTAINABLE DEVELOPMENT

Throughout the year, we continue to make significant progress focusing on four (4) areas; People, Culture of Excellence, Growth and Sustainability, thus accelerating our growth momentum towards becoming a progressive organisation.

Focus 1: People

Created customised development plans to upskill our employees, building our internal capabilities and expertise to drive the Group's growth and aspirations.

Focus 2: Culture of Excellence

Established policies and procedures to embed the sustainable culture to strengthen our operations and core business as well as constantly creating value for companies and customers.

Focus 3: Growth

Reshaped our business portfolio and monitor our business performance to ensure sustainable growth.

Focus 4: Sustainability

Implemented ESG practices that support the energy transition, socio-economic progress, and strong governance.

4.2 STRATEGIC ROADMAP

Jentayu Sustainables Blueprint

In early 2022, we unveiled our 5 Strategic Pillars with an overarching theme of transforming Jentayu Sustainables into a progressive organisation focusing on green energy and healthcare, while maintaining our existing trading business.

Pillar
01
Institutionalisation of The Group

Pillar
02
Develop 350 MW of Green Energy Assets in Malaysia

Pillar
03
Sustainable Energy Play

Pillar
04
Implement Sustainability Pillars and ESG Rating

Pillar
05
Regional Play

4.2 **STRATEGIC ROADMAP** (CONT'D)

PILLAR 1: INSTITUTIONALISATION OF THE GROUP

The structural changes were spearheaded and made possible by the completely new line-up of the board and management, comprising industry and governance experts. The new leadership line-up is a strong indication that the group is resetting — which marks a significant move to drive the new company's vision.

This new leadership composition will be able to provide investors' confidence with their track record in specific areas such as green energy, governance and sustainability. Collectively, they are in a strong position to provide stewardship towards institutionalising the Group.

CHIEF OPERATING OFFICER

Development and management of all energy assets.

CHIEF FINANCIAL OFFICER

Management, governance of all financial activities.

CHIEF CORPORATE OFFICER

Management and governance of human capital, IT, legal, secretarial, office administration and property assets.

CHIEF STRATEGY AND SUSTAINABILITY OFFICER

Management of corporate planning, stakeholders, sustainability activities, marketing and communications.

MANAGING DIRECTOR, TRADING

Management of the overall trading arm activities.

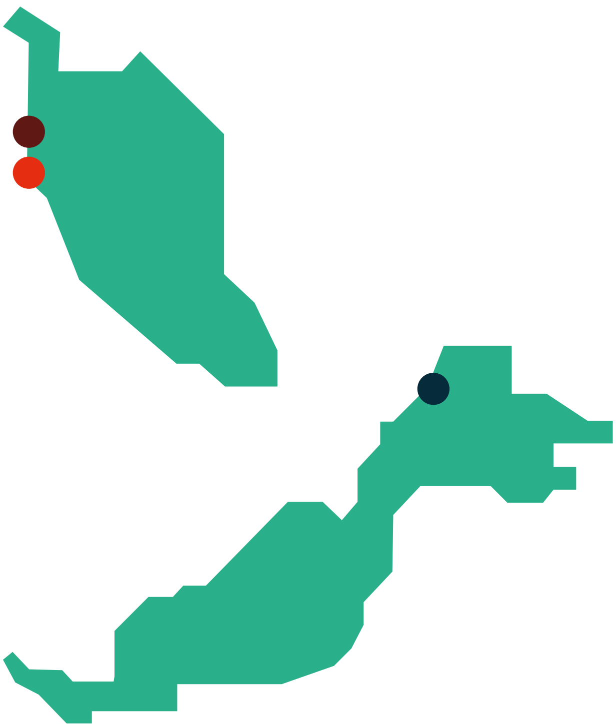
MANAGING DIRECTOR, HEALTHCARE

Management of the overall healthcare assets and activities.

4.2 **STRATEGIC ROADMAP** (CONT'D)

PILLAR 2: DEVELOP 350 MW OF GREEN ENERGY ASSETS IN MALAYSIA

Undertaking future acqusitions and development of green energy assets, such as solar, hydropower and LNG base power plants.



Multiple Sites

Project
Solar Rooftop for Commercial & Industry

Capacity
9 MW

Sabah

Project
Hydropower

Capacity
210 MW

Project
Solar & Battery

Capacity
98 MW

Penang

Project
Liquefied Natural Gas

Capacity
25 MW

Kedah

Project
Large Scale Solar

Capacity
9 MW

Pipeline of Green Energy Development in Malaysia (MW)

FY2023	FY2024	FY2025	FY2026	FY2027
50	62	97	174	351

4.2 **STRATEGIC ROADMAP** (CONT'D)

PILLAR 3: SUSTAINABLE ENERGY PLAY

We aspire to be a major sustainable energy player. We plan to develop or acquire green assets and by providing value creation such as carbon credits.

i Generation of green energy

Primary sources such as hydro, solar, wind, geothermal, and biofuels.

For other sources, we are exploring cogeneration systems and trigeneration systems.

ii Energy storage

Energy storage acts as a backup energy supply when power plant generation is interrupted.

iii Integrated sustainability solutions

Carbon credit, renewable energy certificate ("REC"), carbon advisory and carbon management.

4.2 **STRATEGIC ROADMAP** (CONT'D)

PILLAR 4: IMPLEMENT SUSTAINABILITY PILLARS AND ESG RATING

Direct and Indirect Economic Values	Environmental Performance	Social Performance	Governance Performance

LINKAGE TO UNSDGs

We recognised sustainability as an ongoing journey to which continuous efforts are essential in mitigating climate change and achieving sustainable development, in line with the UNSDGs.

We have developed an ESG framework and laid out the activities to drive ESG practices that support business continuity, socio-economic progress and strong governance.

4.2 **STRATEGIC ROADMAP** (CONT'D)

PILLAR 4: IMPLEMENT SUSTAINABILITY PILLARS AND ESG RATING (CONT'D)

THROUGHOUT FY2023

Acquire Accolade & Recognition

- To establish our presence locally and regionally by participating in events focused in RE and sustainability.

Q3 FY2023

ESG Rating Exercise

- To be ESG rated by Q3 FY2023.

Q3 FY2024

Participate in FTSE4Good

- To enhance our visibility in Global Sustainable Investment Alliance with intention to attract local and foreign investments.

4.2 **STRATEGIC ROADMAP** (CONT'D)

PILLAR 5: REGIONAL PLAY

We are actively establishing partnership and collaboration with regional players to grow our business. We aspire to initiate our exploration by the first quarter of FY2023 and target to expand our footprint regionally by FY2024.

4.3

DELIVERING OUR STRATEGY

i. Creating Sustainable Workplaces – The Green Way Forward

Paperless office

Remote working

New office with reduced office size

Doing things digitally

Plastic-free Workplace (no water bottles, recycling efforts)

Green purchasing

Energy conversation

Implementing sustainable policies

ii. Jentayu Care

- Implementation of the flexible working environment
- Enhanced social and well-being programmes via sports activities and family programmes conducted by Jentayu United Club
- Strengthened career development programmes to upskill the workforce and leadership
- Enhancement of employees benefits
- Implementation of economic value add (“EVA”)
- Employee Ownership Programmes - Exploring Long-term Investment Programmes (“LTIP”) and Employee Share Option Scheme (“ESOS”)

iii. Growing Our Brand

Governed by our MVV statement, we ensure all business practices are aligned to our brand positioning.

- Growing our business with other sustainable energy technologies
- Establishing our presence in related international conferences and exhibitions
- Implementing several marketing and branding efforts
- Leveraging on Omni communication channels

iv. Clear and Structured Processes for Reporting and Decision Making

Timely Reporting Platform

Performance Tracking & Monitoring

Continuous Improvement of Structure & Processes

4.3

DELIVERING OUR STRATEGY (CONT'D)

v. Adherence to Good Governance

Moving towards sustainable development, we embrace governance structures to minimise operational risks and promote operational efficiency.

Operational Governance Structure

Board of Directors
▲
Monthly Management Meeting

Sustainability Governance Structure

Board of Directors
▲
Board Risk Committee
▲
Sustainability Steering Committee

Risk Governance Structure

Board of Directors
▲
Board Risk Committee
▲
Risk Management

Audit Governance Structure

Board of Directors
▲
Board Audit Committee
▲
Internal Audit

4.4

AN EXTRAORDINARY YEAR

Operating Revenue

FY2022
RM83.91 M

178%

RM30.22 M
FY2021

Profit Before Tax

RM28.93 M

(2021: loss of RM 9.15 million)

Profit After Tax

RM28.79 M

(2021: loss of RM 9.02 million)

The improved financial performance for FY2022 were contributed from

EPCC CONTRACT

COARA MARANG SOLAR PLANT

under the Third Large- Scale Solar (LSS3) scheme in addition to the gain from the Group's land disposal

Higher YOY Administrative Cost

33%

RM16.24 M

TO

RM21.54 M

due to manpower growth in sustainable energy and healthcare segments, as well as professional services aimed to assist us in our corporate services.

4.5 OUR WAY FORWARD - SUPPORTING THE NATION'S AGENDAS

The Paris Agreement in 2016 has called for the greenhouse emissions to be reduced by 45% by 2030 and reach net-zero by 2050. We strongly believe we have the capability and skills to champion Sabah as a net zero state and to advance Malaysia as a net zero nation.

We remain supportive of Malaysia's commitment towards Glasgow Leaders' Declaration and Land Use, to maintain the country's landmass under forest cover through our effort to minimise negative environmental impact.

We are also working diligently with Sabah Forest Department to plan and conduct a series of tree-planting exercises to rehabilitate our project areas.

LEADERSHIP

Section 5

5.1 BOARD COMPOSITION

Ethnicity

4
Malay

1
Chinese

1
Indian

Gender

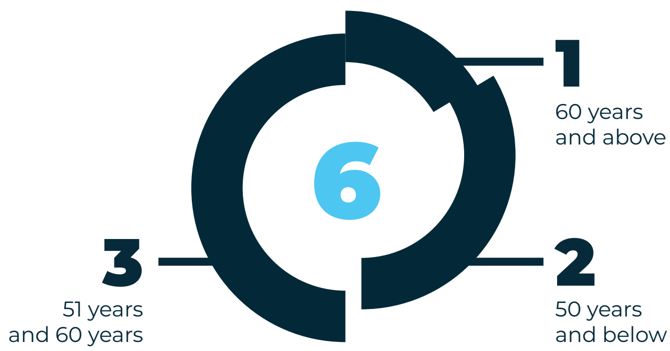
Composition

1 non-independent executive chairman

1 non-independent executive director

4 independent non-executive directors

Age Group



5.2 BOARD OF DIRECTORS' PROFILE

DATUK HAJI BEROZ NIKMAL BIN MIRDIN

Non-Independent Executive Chairman

AGE:

45 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

18 June 2020

LENGTH OF TENURE AS DIRECTOR:

2 years 3 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

None

ACADEMIC QUALIFICATION:

- Bachelor of Science in Electrical Engineering from Widener University, USA
- Master of Science in Management Information System from the Pennsylvania State University, USA

COURSE:

- University of Cambridge Executive Education in Circular Economy and Sustainability Strategies.

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Chief Executive Officer, Telekosang Hydro

AREA OF EXPERTISE:

Strategy Development and Implementation, Hydropower, Renewable Energy, Sustainable Energy

PAST RELEVANT EXPERIENCE:

Datuk Haji Beroz has extensive years of valuable experience serving key senior roles in the power and energy industries as Managing Director of Perak Hydro Renewable Energy Corporation and Executive Director of Gunung Capital Berhad. Currently, he is the Chief Executive Officer of Telekosang Hydro.

He commenced his career as an electrical engineer where he was responsible for coordinating the movements of wholesale electricity in the United States when he was still with the System Planning Department of PJM Interconnection LLC from 1998 to 2006.

Datuk Haji Beroz then returned to Malaysia and served the Systems Operations Department of Tenaga Nasional Berhad as Deputy Chief Engineer. He was also appointed as the Vice President of Investments at Khazanah Nasional Berhad.

DECLARATION:

Datuk Haji Beroz is the spouse of Datin Hajjah Nurhaida binti Abu Sahid, who is a major shareholder of the Company. Save as disclosed above, Datuk Haji Beroz does not have any family relationship with any Director and/or other major shareholder of the Company. He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.2 **BOARD OF DIRECTORS' PROFILE** (CONT'D)

JEEFRI BIN MUHAMAD YUSUP

Non-Independent Executive Director

AGE:

57 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

18 June 2020

LENGTH OF TENURE AS DIRECTOR:

2 years 3 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

None

ACADEMIC QUALIFICATION:

- Graduate of the Association of Chartered Certified Accountants (ACCA)

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Healthcare, Accounting, Banking and Finance

PAST RELEVANT EXPERIENCE:

Jeefri began his career as a Corporate Finance Executive with Arab Malaysian Merchant Bank, His financial acumen and entrepreneurial talents were honed during his time in Shell Malaysia's treasury unit and Area Accountant in Sarawak. He then joined Land and General Bhd, exploring and developing new businesses opportunities for the Group.

Jeefri gained a reputation for his capabilities in stock and money markets when he served as a senior consultant in InCam Asset Management and then became the Director of Institutional Broking for Kenanga Investment Bank.

Witnessing the growing need to reduce healthcare cost to employers, he incorporated Malaysia's first Healthcare Management company, HMO Pacific Sdn. Bhd. He then set up and managed two (2) private hospitals, Pusat Perubatan Naluri and Rampai Puteri Medical Centre.

DECLARATION:

Jeefri 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 for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.2 **BOARD OF DIRECTORS' PROFILE** (CONT'D)

DATO' AMIRUDDIN BIN ABDUL SATAR

Independent Non-Executive Director

AGE:

58 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

19 August 2020

LENGTH OF TENURE AS DIRECTOR:

2 years 1 month (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

- Chairman of the Nomination and Remuneration Committee
- Member of the Board Audit Committee
- Member of the Board Risk Management Committee

ACADEMIC QUALIFICATION:

- Member of the Association of Chartered Certified Accountants (ACCA)
- Masters in Business Administration (MBA) from Henley Business School, University of Reading, United Kingdom.

PRESENT DIRECTORSHIP:

Board of Malaysia Palm Oil since 2020

OTHER LISTED ENTITY:

FGV Holdings Berhad

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Director General, Federal Land Development Authority (FELDA)

AREA OF EXPERTISE:

Strategic Leadership, Accounting and Healthcare Delivery System.

PAST RELEVANT EXPERIENCE:

For over 26 years, Dato' Amiruddin Abdul Satar was attached to a leading healthcare institution, KPJ Healthcare Berhad, where he last held the position of President and Managing Director. During his tenure at KPJ Healthcare, he also served in multiple board and management roles. He served the Association of Private Hospitals of Malaysia (APHIM) as their former vice president, leveraging his extensive years of valuable experience in the Malaysian healthcare industry as an expert in the healthcare delivery system.

He currently serves as the Director General of the Federal Land Development Authority (Felda). Other than that, he has been on the Board of Malaysia Palm Oil since 2020.

Dato' Amiruddin is a member of the Malaysia Advisory Committee (MAC) of the Association of Chartered Certified Accountants (ACCA). He contributes to bridging the gap between the accounting profession and industry, academia, regulators and the corporate world.

DECLARATION:

Dato' Amiruddin 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 for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.2 BOARD OF DIRECTORS' PROFILE (CONT'D)

BAEVINRAJ THIAGARAJAH

Independent Non-Executive Director

AGE:

47 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

9 July 2020

LENGTH OF TENURE AS DIRECTOR:

2 years 2 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

- Member of the Nomination and Remuneration Committee
- Member of the Board Audit Committee
- Member of the Board Risk Management Committee

ACADEMIC QUALIFICATION:

- Bachelor degree (1st Class) in Electrical and Electronics Engineering, Imperial College London

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Strategic Development and Implementation, Innovation and Transformation

PAST RELEVANT EXPERIENCE:

Commencing his management consulting career with the Boston Consulting Group (BCG) in 2000, Baevinraj has worked on multiple consulting projects from various industries including Power, Automotive and Financial Services across the Asia Pacific region.

Baevinraj set up a boutique management consulting firm where he has served Government Agencies and Government Linked Companies on projects related to strategy and turnaround after leaving BCG in 2017.

His signature career highlights include setting up and executing the power sector reform program for the Malaysian power sector, developing the carve-out of an operation and maintenance (O&M) company for a regional telco company and turnaround of various companies. Besides, he has also been part of DRB-HICOM senior management team to support special initiatives implementation.

DECLARATION:

Baevinraj 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 for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022

5.2 **BOARD OF DIRECTORS' PROFILE** (CONT'D)

ABDUL HALIM BIN JANTAN

Independent Non-Executive Director

AGE:

65 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

2 November 2020

LENGTH OF TENURE AS DIRECTOR:

1 year 10 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

- Chairman of the Board Audit Committee
- Member of Nomination and Remuneration Committee
- Chairman of the Board Risk Management Committee

ACADEMIC QUALIFICATION:

- Fellow of Malaysian Insurance Institute

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Senior Independent Non-Executive Director of Theta Edge Berhad

PRESENT APPOINTMENT:

Chief Executive Officer of Sterling Insurance Brokers Sdn Bhd (Sterling)

AREA OF EXPERTISE:

Strategic Development and Implementation, Corporate Leadership

PAST RELEVANT EXPERIENCE:

Abdul Halim has more than 43 years of experience in the practice of Risk Management and Risk Transfer, the art and science of developing an insurance solution has always been a passionate part of his life, bringing with him "across the board" hands-on experience.

He is the founder and Chief Executive Officer of Sterling Group, a leading-edge insurance consultancy and transactional enterprise. Today, the group comprises of eight subsidiaries, tactically founded to provide a sustainable ecosystem, to deliver a comprehensive and competitive solution to targeted industries.

Prior to that, Abdul Halim served AMI Insurans Berhad in various senior positions, including as the Chief Executive Officer from 1994 to 2000. He has also contributed immensely to industry associations including as the Management Committee of General Insurance Association, Convenor of Insurance Industry Consolidation Committee (joint effort with Bank Negara Malaysia), and Chairman of Mergers and Acquisitions Committee (joint effort with Bank Negara Malaysia).

DECLARATION:

Abdul Halim 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 for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.2 **BOARD OF DIRECTORS' PROFILE** (CONT'D)

PAMELA KUNG CHIN WOON

Independent Non-Executive Director

AGE:

54 years old

NATIONALITY:

Malaysian

GENDER:

Female

DATE OF APPOINTMENT:

27 December 2021

LENGTH OF TENURE AS DIRECTOR:

9 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

- Member of Board Audit Committee
- Member of Board Risk Committee
- Member of Nomination and Remuneration Committee

ACADEMIC QUALIFICATION:

- LL.B (Hons), University of Leicester

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Company Law, Banking and Securities Law, Corporate Debt Restructuring

PAST RELEVANT EXPERIENCE:

Pamela Kung Chin Woon is a senior legal practitioner with over 25 years of professional experience. Her practice covers a broad range of banking and debt capital market transactions across a diverse spectrum of loans and financing facilities, including Islamic financing and corporate bonds and Sukuk issuances, where she advises lenders as well as borrowers and advisers in cross-borders and also domestic arrangements.

She also advises on corporate debt restructuring and provides regulatory advice on exchange control regulations, banking and financial institutions regulations, finance and securities laws. She is also involved in private wealth and succession planning, and advises on trusts and foundation structures.

Pamela Kung Chin Woon is a partner of the law firm, Shearn Delamore & Co., and is a member of the management committee of the firm. She is also the Regional Director (Asia Pacific) of World Law Group, a global network of leading independent law firms.

DECLARATION:

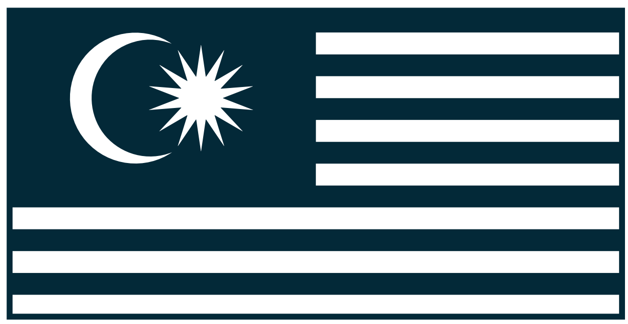
Pamela Kung Chin Woon does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. She has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.3 **EXECUTIVE LEADERSHIP COMPOSITION**

Gender

Nationality

100%



Age Group

5.4 EXECUTIVE LEADERSHIP PROFILE

DATUK HAJI BEROZ NIKMAL BIN MIRDIN

Executive Chairman

AGE:

45 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

18 June 2020

LENGTH OF TENURE:

2 years 3 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

None

ACADEMIC QUALIFICATION:

- Bachelor of Science in Electrical Engineering from Widener University, USA
- Master of Science in Management Information System from the Pennsylvania State University, USA

COURSE:

- University of Cambridge Executive Education in Circular Economy and Sustainability Strategies.

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Chief Executive Officer, Telekosang Hydro

AREA OF EXPERTISE:

Strategy Development and Implementation, Hydropower, Renewable Energy, Sustainable Energy

PAST RELEVANT EXPERIENCE:

Datuk Haji Beroz has extensive years of valuable experience serving key senior roles in the power and energy industries as Managing Director of Perak Hydro Renewable Energy Corporation and Executive Director of Gunung Capital Berhad. Currently, he is the Chief Executive Officer of Telekosang Hydro.

He commenced his career as an electrical engineer where he was responsible for coordinating the movements of wholesale electricity in the United States when he was still with the System Planning Department of PJM Interconnection LLC from 1998 to 2006.

Datuk Haji Beroz then returned to Malaysia and served the Systems Operations Department of Tenaga Nasional Berhad as Deputy Chief Engineer. He was also appointed as the Vice President of Investments at Khazanah Nasional Berhad.

DECLARATION:

Datuk Haji Beroz is the spouse of Datin Hajjah Nurhaida binti Abu Sahid, who is a major shareholder of the Company. Save as disclosed above, Datuk Haji Beroz does not have any family relationship with any Director and/or other major shareholder of the Company. He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.4 EXECUTIVE LEADERSHIP PROFILE (CONT'D)

JEEFRI BIN MUHAMAD YUSUP

Chief Executive Officer

AGE:

57 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

18 June 2020

LENGTH OF TENURE:

2 years 3 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

Nil

ACADEMIC QUALIFICATION:

- Graduate of the Association of Chartered Certified Accountants (ACCA)

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Healthcare, Accounting, Banking and Finance

PAST RELEVANT EXPERIENCE:

Jeefri began his career as a Corporate Finance Executive with Arab Malaysian Merchant Bank, His financial acumen and entrepreneurial talents were honed during his time in Shell Malaysia's treasury unit and Area Accountant in Sarawak. He then joined Land and General Bhd, exploring and developing new businesses opportunities for the Group.

Jeefri gained a reputation for his capabilities in stock and money markets when he served as a senior consultant in InCam Asset Management and then became the Director of Institutional Broking for Kenanga Investment Bank.

Witnessing the growing need to reduce healthcare cost to employers, he incorporated Malaysia's first Healthcare Management company, HMO Pacific Sdn. Bhd. He then set up and managed two (2) private hospitals, Pusat Perubatan Naluri and Rampai Puteri Medical Centre.

DECLARATION:

Jeefri 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 for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.4 EXECUTIVE LEADERSHIP PROFILE (CONT'D)

NOOR ERNI SURYA NOORDIN

Chief Financial Officer

AGE:

50 years old

NATIONALITY:

Malaysian

GENDER:

Female

DATE OF APPOINTMENT:

1 June 2022

LENGTH OF TENURE:

4 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

Nil

ACADEMIC QUALIFICATION:

- Fellow member of the Association of Chartered Certified Accountants (ACCA)
- Master of Science in Professional Accountancy, University of London
- Bachelor of Accountancy, International Islamic University Malaysia

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Accounting and Audit

PAST RELEVANT EXPERIENCE:

Noor Erni Surya Noordin is a proven leader with extensive experience working for local and international organisations. With a solid background in strategic finance and a broad range of roles over the past 27 years in accounting, human resources, information technology and board secretariat, Erni shoulders the responsibility as the Chief Financial Officer of Jentayu Sustainables Berhad.

Prior to employment with Jentayu Sustainables, Erni was attached with UITM Holdings as their Group Chief Financial Officer. She was also appointed as the Executive Director of Finance & Administration at the International Islamic Liquidity Management Corporation (IILM).

Her career history included a stint at the Islamic Financial Services Board as Director of Finance & Administration, Pos Malaysia as Assistant Accounts Manager and G-Two Corporation as Assistant Finance Manager. Erni is currently a fellow member of the Association of Chartered Certified Accounting (ACCA).

DECLARATION:

Noor Erni 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. She has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.4 **EXECUTIVE LEADERSHIP PROFILE** (CONT'D)

DATO' CHAIRIL NAZRI AHMAD

Chief Operating Officer

AGE:

50 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

1 October 2021

LENGTH OF TENURE:

1 year (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

Nil

ACADEMIC QUALIFICATION:

- Executive Program in BioEntrepreneurship University of California, Berkeley, USA University of California, San Francisco, USA
- ACA Institute of Chartered Accountants in England and Wales
- Bachelor of Arts (Hons) in Accounting and Financial Analysis University of Newcastle, England, United Kingdom

PRESENT DIRECTORSHIP:

Malaysia Rail Link Sdn Bhd,
Independent Non-Executive Director

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Sustainable Energy, Green Islamic Financing, Entrepreneurship

PAST RELEVANT EXPERIENCE:

Dato' Chairil Nazri Ahmad commenced his career in Coopers & Lybrand as an auditor. He then joined Accenture as a management consultant and served reputable clients such as NatSteel (Singapore), Petronas and Siemen AG (Germany).

Dato' Chairil then incorporated several companies that focus on providing renewable energy solutions. He was the founder for Stella Gen Sdn Bhd and the cofounder and director of URMA (Unité de Recherche sur les Rétrovirus et Maladies Associées) Asia Sdn Bhd. In 2011, he established Solar System and Power Sdn Bhd.

His extensive experience includes technology commercialisation, fundraising, private equity, product manufacturing, sale, and marketing.

He was then appointed as the Chief Executive Officer at UiTM Energy & Facilities Sdn Bhd in 2017 to drive the development of a sustainable energy business and deliver long-term value and growth.

DECLARATION:

Dato' Chairil Nazri Ahmad 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 for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.4 EXECUTIVE LEADERSHIP PROFILE (CONT'D)

NOOR AFZALINAH MOHD AFZUL KHAN

Chief Corporate Officer

AGE:

43 years old

NATIONALITY:

Malaysian

GENDER:

Female

DATE OF APPOINTMENT:

1 July 2022

LENGTH OF TENURE:

3 months (as at 1 October2022)

MEMBERSHIP OF BOARD COMMITTEE:

Nil

ACADEMIC QUALIFICATION:

- University of Malaya, Bachelor of Jurisprudence, Law
- University Putra Malaysia, Diploma in Computer Science
- Professional Qualification: Certified Licensed Secretary (LS 0010298)

PRESENT DIRECTORSHIP:

Nil

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Corporate Law, Corporate Governance and Compliance, Company Secretarial and Human Resources

PAST RELEVANT EXPERIENCE:

Noor Afzalinah Mohd Afzul Khan began her career in the Legal Aid Bureau as a paralegal officer and joined Messrs Angela Ubu & Associates in Kota Kinabalu assisting on both criminal and civil litigation.

She then pursued a corporate career path in 2011 when she joined Suria Capital Holdings Berhad as Legal Executive handling both legal and company secretarial matters.

In December 2015, Noor Afzalinah joined Qhazanah Sabah Bhd (QSB) as Legal Manager which she also played a crucial role in the Human Resource Department of QSB on matters related to domestic inquiry, industrial relations and succession planning.

In 2018, she was appointed as the Head of Legal and obtained her Certified Licensed Secretary and served as Head of Legal/ Company Secretary of QSB Group. She was also appointed as the Executive Director in WHS Sterilization Service Sdn Bhd (a subsidiary of QSB) and held a few other directorships in QSB namely Qhazanah Technology Sdn Bhd, Common Tower Technologies Sdn Bhd and Angkatan Hebat Sdn Bhd. She was also a member of the Integrity Unit of QSB and Telecommunication Infrastructure & Utility Corridor Supervisory Committee for the State of Sabah. Prior to joining Jentayu Sustainables, she held the position of Deputy Group Chief Executive Officer of QSB.

DECLARATION:

Noor Afzalinah 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. She has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.4 EXECUTIVE LEADERSHIP PROFILE (CONT'D)

M SATYA RIAYATSYAH SYAFRUDDIN

Chief Strategy and Sustainability Officer

AGE:

45 years old

NATIONALITY:

Malaysian

GENDER:

Male

DATE OF APPOINTMENT:

10 March 2022

LENGTH OF TENURE:

6 months (as at 1 October 2022)

MEMBERSHIP OF BOARD COMMITTEE:

None

ACADEMIC QUALIFICATION:

- Bachelor of Engineering, Electrical and Electronics Engineering, Vanderblit University, USA

COURSES:

- Circular Economy and Sustainability Strategy, Cambridge Judge Business School
- Organisational Leadership, Cranfield School of Management

PRESENT DIRECTORSHIP:

Ultimate Forte Sdn. Bhd, Independent Non-Executive Director

OTHER LISTED ENTITY:

Nil

OTHER PUBLIC COMPANIES:

Nil

PRESENT APPOINTMENT:

Nil

AREA OF EXPERTISE:

Strategy, Sustainability, International Business Ventures

PAST RELEVANT EXPERIENCE:

M Satya Riayatsyah has over 20 years of experience, having joined the telecommunication industry in 1998. He started his career with Telekom Malaysia as a management trainee and subsequently became an assistant manager for the operation under the international venture divisions. He then promoted to become a manager focusing on strategy and business development in Telekom Technologies Sdn Bhd. Satya joined Mutiara.com Sdn Bhd as their strategy and business development manager in 2002 for 6 years.

Satya returned to Telekom Malaysia to take up the manager role focusing on sales under TM Global and was then promoted to AGM for Sales Management Office and Sales. Under his stewardship, the Group has expanded and strengthened its global blueprint in Southeast Asia.

His work experience included strategy formulation and management, business development and transformation and regional business and stakeholder management.

Prior to his employment with Jentayu Sustainables Berhad, he was appointed as Chief Marketing Officer and Chief Executive Officer of ACASIA Communications Sdn Bhd.

DECLARATION:

M Satya 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 for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2022.

5.5 ORGANISATION STRUCTURE

EXECUTIVE CHAIRMAN

Datuk Haji Beroz Nikmal Bin Mirdin

EXECUTIVE CHAIRMAN'S OFFICE

- Provide vision
- Lead the Group's green energy initiatives
- Engagement with Head of Industries, Head of State and Federal Government

CHIEF EXECUTIVE OFFICER

Jeefri Bin Muhamad Yusup

CEO'S OFFICE

- Oversees strategic, financial and operational matters of the group

RISK MANAGEMENT & COMPLIANCE

[BOARD RISK COMMITTEE]

- Identifying, measuring and recommending risk mitigation

INTERNAL AUDIT

[BOARD AUDIT COMMITTEE]

- Overseeing the financial reporting and disclosure process

CHIEF OPERATING OFFICER

Dato' Chairil Nazri Bin Ahmad

- Asset Development
- Asset Management
- Engineering Services
- Sales & Business Development
- Sabah Office Operation

CHIEF FINANCIAL OFFICER

Noor Erni Surya Binti Noordin

- Financial Controller
- General Ledger
- Account Payable
- Account Receivable
- Treasury/ Funding
- Credit Controller
- Procurement
- Billing
- Collection
- Audit Exercise

CHIEF CORPORATE OFFICER

Noor Afzalinah Binti Mohd Afzul Khan

- Human Capital
- Administration
- Legal Services
- Secretarial Services
- IT Services
- Property Services
- Sabah Office Operation

CHIEF STRATEGY & SUSTAINABILITY OFFICER

M Satya Riayatsyah Bin Syafruddin

- Corporate Planning
- Performance Monitoring & Reporting
- Stakeholder Management
- Sustainability Management
- Communications
- Investor Relations
- Strategic Investment/Project

MANAGING DIRECTOR OF HEALTHCARE

Khairulfahmi Bin Matsom

- Sales/ Business Development
- Product/ Solution Development
- Product/ Solution Management
- Project Management

MANAGING DIRECTOR OF TRADING

Teh Foo Hock

- Sales/ Business Development
- Product/ Solution Development
- Product/ Solution Management
- Project Management

Section 6

GOVERNANCE.

6.1 OVERVIEW STATEMENT

The Board of Jentayu Sustainables fully support the principles and best practices as set out in the updated Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), issued by the Securities Commission Malaysia on 28 April 2021, which the Group will endeavour to adopt in making good corporate governance an integral part of its business dealings and culture.

This Corporate Governance Overview Statement ("CG Statement") provides a summary of the corporate governance practices of the Group during FY2022 up till the date of the CG Statement with reference to the three (3) key Principles of good corporate practices as set out in the MCCG 2021 as follows:-

6.1.1 PRINCIPLE A

Board Leadership and Effectiveness;

6.1.2 PRINCIPLE B

Effective Audit And Risk Management; and

6.1.3 PRINCIPLE C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This CG Statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the Group's Corporate Governance Report ("CG Report") for FY 2022 which is available on Bursa Securities' website at www.bursamalaysia.com and also the Group's website at www.jentayu-sustainables.com. The CG Report provides the details on how the Group has applied each Practice as set out in the MCCG 2021 during the period under review.

6.1.1 PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

BOARD'S ROLES AND RESPONSIBILITIES

The Board is responsible for the leadership, oversight and the long-term success of the Group. The Board fully understands their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation in order to safeguard shareholders' value.

In discharging its fiduciary duties and leadership functions, it is imperative for the Board to govern and set the strategic direction of the Group while exercising oversight on management. To ensure the effective discharge of its function and duties in the best interest of the Group, the key responsibilities of the Board include the following specific areas:

- **i** Reviewing and adopting the overall strategic plans and programmes in line with the Group's core values, vision and mission;
- **ii** Overseeing and evaluating the conduct of business of the Group whether the business is being properly managed and sustained;
- **iii** Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks under the guidance of the Risk Management Committee;
- **iv** Reviewing the adequacy and the integrity of the management information and internal control systems of the Group including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- **v** Ensuring that all candidates appointed to senior management positions are of sufficient caliber, including having in place a process to provide for the orderly succession of senior personnel and members of the Board upon the recommendation of the Nomination and Remuneration Committee (renamed as "Nomination and Remuneration Committee" following merger of the Nomination Committee and Remuneration Committee effective from 1 September 2020).
- **vi** Ensure that all shareholders' interests are met;
- **vii** Ensure that the Group has the appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility; and
- **viii** Promote better investor relations and shareholders' communications.

BOARD CHARTER, CODE OF CONDUCT AND ETHICS FOR DIRECTORS

As part of the governance process, the Board has formalised and adopted a Board Charter which sets out a list of specific functions that are reserved for the Board. The Board Charter is the primary document that elaborates on the fiduciary and leadership functions of the Directors. The Board Charter addresses the following matters:

- **i** Board Membership, which includes composition, appointments and re- election and independence of Directors;
- **ii** Role of the Board, which includes duties and responsibilities and matters reserved for the Board;
- **iii** Role of Chairman, Managing Director/Chief Executive Officer ("CEO");
- **iv** Board Committees and Board Meetings;
- **v** Financial Reporting;
- **vi** Directors' Remuneration
- **vii** Directors' Training and Continuing Education
- **viii** Company Secretary;
- **ix** Investor Relations and Shareholders' Communication;
- **x** Access to Information and Independent Advice
- **xi** Directors' Code of Conduct and Ethics

The formal schedule of matters reserved for the Board is set out in Section 3.2(b) of the Board

6.1.1 PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

BOARD'S ROLES AND RESPONSIBILITIES (CONT'D)

Charter whilst the Code of Conduct and Ethics for Directors ("the Code") which is incorporated in the Board Charter formalises the standard of ethical values and behaviou)r that is expected of its Directors at all times. The Code is set out in Section 7 of the Board Charter.

The current Board Charter is available for reference at the Group's website at www.jentayu-sustainables.com. The Board Charter is reviewed from time to time to ensure its relevance and compliance.

The Board's oversight on management is by delegating day-to-day management of the Group to the CEO. This delegation structure is further cascaded by the CEO to the Senior Management Team. The CEO together with Senior Management Team remain accountable to the Board for the authority being delegated to the Senior Management Team by the CEO. However, the schedule of matters reserved for the Board's decision includes key strategic, financial, operational, compliance and governance issues as well as acquisition/disposal of assets, subject to regulatory requirements.

The various powers delegated to the Senior Management Team is based on the Group's Limits of Authority, which is also subject to periodic review based on changes in organisation structure and business requirements for efficient decision making.

In addition, the Board also expects Senior Management to:-

- **i** Review the Group's strategies and their implementation in all key areas of the Group's activities;
- **ii** Carry out a comprehensive budgeting process and monitor the Group's financial performance against the budget; and
- **iii** Identify opportunities and risks affecting the Group's business and find ways of dealing with them.

The CEO together with the Senior Management Team meets as and when necessary to review and monitor the performances of the Group's operating divisions, review shared initiatives and update the operational policies which are more efficient and practical. The Board also keeps itself abreast of the operational progress and/or issues and the mitigation plans by the reporting of the CEO at the quarterly Board meetings or at such earlier time as may be required from time to time.

The presence of the current Independent Non-Executive Directors ("INEDs") namely Baevinraj Thiagarajah, Dato' Amiruddin bin Abdul Satar, Pamela Kung Chin Woon and Abdul Halim bin Jantan are not involved in the day-to-day management of the Group but contribute their particular skills, expertise and experiences in assisting the development of business strategies of the Group and to make insightful contribution to the Board's deliberations to ensure that the interest of all shareholders and general public are given due consideration in the decision making process. They also assist and ensure the Board adopts a good corporate governance practice within the Group.

As at the date of the Corporate Governance Statement, the current Board members are as follows:

- Datuk Haji Beroz Nikmal bin Mirdin – Executive Chairman
- Jeefri bin Muhamad Yusup – CEO
- Baevinraj Thiagarajah
- Dato' Amiruddin bin Abdul Satar
- Abdul Halim bin Jantan
- Pamela Kung Chin Woon (Appointed on 27 December 2021)
- Teh Foo Hock – Finance Director) (Resigned on 1 June 2022)

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

BOARD RESPONSIBILITIES (CONT'D)

SEPARATION OF THE POSITION OF CHAIRMAN AND CEO

The roles of the Executive Chairman and CEO of the Group are separate with clear division of responsibilities between them to ensure balance of power and authority:

i The Executive Chairman helms by providing leadership and guidance to the Board in meeting corporate goals and manages the processes in ensuring the Board discharges of its duties. He encourages a healthy debate on issues raised at Board Meetings, and gives opportunity to Directors who wish to speak on motions, either for or against them. He also ensures a smooth, open and constructive dialogue between the Board and the Group's shareholders.

ii The CEO has the overall responsibility for the day-to-day management of the Group's business and operations and implementation of the Board's policies and decisions. He is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group. By virtue of his position as a Board member, he also acts as the intermediary between the Board and Management.

Details of the roles and responsibilities of the Executive Chairman and the CEO are spelt out in the Board Charter, on pages 66 to 67.

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

BOARD RESPONSIBILITIES (CONT'D)

COMPANY SECRETARIES

The Group Secretaries of the Group are qualified to hold the position under Section 235(2)(a) of the Companies Act 2016 and are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Directors have unlimited direct access to the advice and services of the Group Secretaries as well as access to all information within the Group and Group whether as a full board or in their individual capacity.

The roles and responsibilities of the Group Secretaries amongst others are as follows:

i Attend and ensure that all meetings are properly convened and ensure that the deliberations at the meetings which include pertinent issues, substance of inquiries and responses, suggestions and proposals are duly captured, recorded and minuted and the resolutions passed are recorded properly and accurately and kept in the statutory books at the registered office of the Group. Matters that required the necessary actions are communicated to the relevant Management personnel. Also responsible for:

- Facilitating Director's induction and assisting in Directors' training and development;
- Monitoring corporate governance developments and advising the Board on all corporate governance obligations and development in best practices;
- Managing processes for shareholders' meeting and
- Communicating with shareholders as appropriate;

ii Update and advise the Board-on-Board procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;

iii Ensure proper upkeep of statutory registers and records of the Group;

iv Provides support to the Chairman to ensure the effective functioning of the Board and assist him in preparation of the conduct of meetings;

v Act as secretary for all Board committee meetings;

vi Advise and remind the Board and senior management on compliance of statutory and regulatory requirements; and

vii Update and brief the Board on changes and/or new statutory and regulatory requirements.

In order to discharge the Group Secretaries' role effectively, the Group Secretaries have been continuously attending the necessary training programmes and conferences so as to keep herself abreast with the latest developments in corporate governance realm and changes in regulatory requirements that are relevant to her profession and enabling her to provide the necessary advisory role to the Board.

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

BOARD RESPONSIBILITIES (CONT'D)

BOARD MEETING AND MEETING MATERIAL

In order to discharge their responsibilities effectively, the Board meets regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters that require the Board's expeditious review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

Circular resolutions shall be circulated as the need arises on matters requiring urgent Board decision or approvals which are supported with the relevant information and explanations required for an informed decision to be made. Nevertheless, the Management endeavours to ensure that all resolved circular resolutions are tabled in the next Board meetings to provide Board members sufficient avenue to discuss the matter during the scheduled Board meetings.

Prior to the Board Meetings, the Directors will be provided with the relevant agenda and Board papers with a minimum of one week notice to the Board to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers provide, among others, the minutes of preceding meetings of the Board, summary of dealings in shares by the directors or affected persons, if any and directors' circular resolutions, reports on the Group's financial statements, operations, any relevant corporate developments and proposals.

As for Committee Meetings, the Board committee members will be provided with the relevant agenda and Committee meeting papers as per the terms of reference of the respective Board Committees.
Further, there is a schedule of matters reserved for Board's deliberations and decision, including among others, to review, evaluate, adopt and approve the policies and strategic plans for the Group. The Board will ensure that the strategic plans of the Group supports long term value creation, including strategies on economic, environmental and social of considerations underpinning sustainability as well as to review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group and any new major ventures.

The Chairman of the Board Committees is responsible for informing the Board at the Board Meetings of any salient matters noted by the Committees and which may require the Board's direction.

As the Group's quarterly results is one of the regular scheduled matters which are tabled to the Board for approval at the quarterly Board meetings, the notices on the closed periods for dealings in the securities of the Group are circulated to all Directors and principal officer who are deemed to be privy to any sensitive information and knowledge in advance of whenever the closed period is applicable based on the targeted date of announcement of the quarterly results of the Group.

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

BOARD RESPONSIBILITIES (CONT'D)

INFORMATION ACCESS AND ADVICE

The Directors have unrestricted access to the advice and services of the Group Secretaries and Senior Management staff in the Group to assist them in carrying out their duties. The Directors, whether as a full Board or in their individual capacity, may seek independent professional advice at the Group's expense on specific issues and gain access to relevant information whenever required to enable the Directors to discharge their duties more effectively.

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

BOARD RESPONSIBILITIES (CONT'D)

BOARD COMMITTEES

The Board is assisted by its Committees, which have been established under defined Terms of Reference, in accordance with the MMLR of Bursa Securities and best practices prescribed by the MCCG 2021 to assist the Board in discharging its responsibilities. The Board Committees are as follows:

i Board Audit Committee

ii Nomination and Remuneration Committee

iii Board Risk Committee

The Board Committees examine specific issues and the Chairman of the respective Board Committees report to the Board on proceedings and outcome of the Board Committee meetings, together with their recommendations, while the ultimate responsibility for decision making lies with the Board.

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

BOARD RESPONSIBILITIES (CONT'D)

TIME COMMITMENT

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Group and to use their best endeavours to attend meetings.

The Board meets every quarter, with the meeting scheduled well in advance before the commencement of the calendar year to facilitate the Directors in managing their meeting plans. Additional meetings, including special meetings are convened whenever necessary.

Directors	No of meetings held during appointment	No of meetings attended
Datuk Haji Beroz Nikmal bin Mirdin (Appointed on 18 June 2020)	7	6
Jeefri bin Muhamad Yusup (Appointed on 18 June 2020)	7	7
Baevinraj Thiagarajah (Appointed on 9 July 2020)	7	6
Dato' Amiruddin bin Abdul Satar (Appointed on 19 August 2020)	7	6
Abdul Halim bin Jantan (Appointed on 02 November 2020)	7	7
Teh Foo Hock (Resigned on 1 June 2022)	7	6
Pamela Kung Chin Woon (Appointed on 27 December 2021)	2	2

All the Directors holding office as indicated above save for the newly appointed Directors have complied with the minimum attendance at Board meetings as stipulated by the MMLR of Bursa Securities.

The dates of Board and board committee meetings as well as annual general meeting ("AGM") are scheduled before the beginning of each year. To assist Directors in planning their attendance, the Group Secretary consults every Director before fixing the dates of these meetings. The Board meets at least four times a year. Ad hoc meetings are also convened to deliberate on urgent substantive matters.

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

BOARD RESPONSIBILITIES (CONT'D)

TIME COMMITMENT OF ACCEPTING NEW DIRECTORSHIPS

Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board's performance of their duties and to give sufficient time and attention to the affairs of the Group. Any Director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment. The aforesaid is set out in the approved Board Charter.

Directors' commitment, resources and time allocated to the Group are evident from the attendance record, where no Director was absent for more than 50% of the total Board Meetings held during the FY2022, complying with Paragraph 15.05 of the Main Market Listing Requirements of Bursa Securities.

None of the Directors mentioned above hold more than five (5) directorships in public listed companies in Bursa Securities.

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

BOARD RESPONSIBILITIES (CONT'D)

SUSTAINABILITY OF BUSINESS

The Board recognises the importance of business sustainability and is committed to deliver long term sustainable values to the stakeholders of the Group. The Group's workplace, marketplace, community, environment, social, cultural and governance aspects of business operations are an integral part of the Group's social obligation in conducting its business.

The Sustainability Report is set out on pages 118 to 119 of this Annual Report.

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

BOARD RESPONSIBILITIES (CONT'D)

CODE OF CONDUCT

In addition to the Directors' Code of Conduct, the Group has also in place a Code of Conduct and Ethics covering the general employment terms and conditions, compensation and benefits, proprietary information, conflict of interest, indulging in private businesses and sexual harassment to ensure all employees maintain and uphold a high standard of ethical and professional conduct in the course of performance of their duties and responsibilities. This Code is embedded in the Group's Human Resources Handbook.

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

BOARD RESPONSIBILITIES (CONT'D)

WHISTLEBLOWING

The Board acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Board has thus established a Whistleblowing Policy with the aim to provide an avenue to employees or external parties to report any improper conduct, unethical, fraudulent and malpractices by employees, management or Directors regardless of their position so that damage controls and remedial actions can be taken properly. The Whistleblowing Policy is available in the Group's website at www.jentayu-sustainables.com.

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

BOARD RESPONSIBILITIES (CONT'D)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Following the amendments to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and Paragraph 15.29 of the MMLR of Bursa Securities that took effect from 1 June 2020, the Board has established its Anti-Bribery and Anti-Corruption ("ABAC") Policy that contains policies and guidelines relating to standards and ethics that all employees are expected to adhere to in the course of their work and to the public at large, as part of the Group's commitment in combating bribery and corruption. The ABAC Policy which has been uploaded in the Group's website at www.jentayu-sustainables.com.

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

BOARD RESPONSIBILITIES (CONT'D)

DIRECTORS' FIT AND PROPER POLICY

The Group has adopted a Directors' Fit and Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors and the appointment of Key Senior Management of the Group. The execution is delegated to the Nomination and Remuneration Committee, which will be reviewed and approved by the Board.

The Board reviews the Directors' Fit and Proper Policy periodically, which is available on the Group's website at www.jentayu-sustainables.com.

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

BOARD COMPOSITION (CONT'D)

BOARD COMPOSITION AND BALANCE

The Board currently has six (6) members, comprising one (1) Executive Chairman, one (1) Chief Executive Officer with four (4) of the Directors being Independent Non-Executive Directors. The composition of the Board complies with the MMLR of Bursa Securities which requires a minimum of two (2) directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors and the MCCG 2021 where the Board has the majority presence of Independent Directors.

Together, the Board has a good mix of business, accounting, corporate finance, technical expertise and experience to lead and control the Group. A brief profile of each Director is presented on pages 47 to 52 of this Annual Report.

The presence of a majority of Independent Non-Executive Directors will serve to bring objective, unbiased and independent views, advice and judgment to the decision-making of the Board and provide the necessary checks and balances to ensure that the interests of all shareholders and the general public are given due consideration in the decision-making process.

The composition and size of the Board are reviewed from time to time to ensure appropriateness. The Nomination and Remuneration Committee examines the size and composition of the Board with a view of determining the impact of the number upon effectiveness and makes recommendations to the Board on what it considers an appropriate size and composition for the Board.

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

BOARD COMPOSITION (CONT'D)

BOARD DIVERSITY

The Board is supportive of gender diversity on the Board and in senior management team.

Whilst acknowledging the recommendation of the MCCG 2021 on gender diversity, the Board is of the collective opinion that there is no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group. The Nomination and Remuneration Committee and the Board will consider gender diversity as part of its future selection process and will look into increasing female board representation going forward.

The Board has always placed gender diversity as an agenda in strengthening the performance of its Board and Board Committees. The Board is of the view that while it is important to promote gender diversity, the normal selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualification, experience and capabilities.

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

BOARD COMPOSITION (CONT'D)

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") combined during the FY2022 to assist the Board of Directors of the Group in the following areas:

- Proposing new nominees for the Board of the Group – the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the NRC;
- Assessing the effectiveness of the Board and Board Committees on an ongoing basis;
- Assess the size and composition of the Board;
- Review the effectiveness of the Executive Directors (which includes the Executive Chairman, Chief Executive Officer and Chief Financial Officer);
- Overseeing appointment and succession plans of the Key Senior Managerial positions;
- Recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and Key Senior Management of the Group to attract, retain and motivate Directors and Key Senior Management.

The NRC report is set out on pages 94 to 97 of this Annual Report.

The details on the Directors remuneration paid or payable made available from the Group and its subsidiaries for the FY2022 were as follows:

A. Details of the Directors' remuneration paid or payable for the FY2022 are as follows:-

Name of Director *(Executive Director)*	**Director's Fees**	**Salaries and Other Emoluments**	**Defined Contribution Plan**	**Benefits-in-kind**	**Total**
	(RM)	(RM)	(RM)	(RM)	(RM)
Datuk Haji Beroz Nikmal bin Mirdin	–	960,923.40	115,290.00	25,000.08	1,101,213.48
Jeefri bin Muhamad Yusup	–	960,923.40	115,290.00	–	1,076,213.40
Teh Foo Hock	–	358,316.89	42,897.00	–	401,213.89

Name of Director *(Non-Executive Director)*	**Director's Fees**	**Meeting Allowances**	**Total**
	(RM)	(RM)	(RM)
Baevinraj Thiagarajah	60,000	12,500	72,500
Dato' Amiruddin bin Abdul Satar	60,000	15,000	75,000
Abdul Halim bin Jantan	70,000	18,500	88,500
Pamela Kung Chin Woon	30,000	1,000	31,000

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

BOARD COMPOSITION (CONT'D)

NOMINATION AND REMUNERATION COMMITTEE (CONT'D)

B. Remuneration of Senior Management for FY2022

The MCCG 2021 has recommended that the Group should disclose on a named basis, the detailed remuneration of the top key senior management. For the FY2022, the aggregate total remuneration paid to the key senior management personnel, who are not Directors of the Group:

Name of Senior Management	Salaries and Other Emoluments (RM)	Defined Contribution Plan (RM)	Benefits-in-kind (RM)	Total (RM)
Senior Management	1,502,613.00	180,868.00	–	1,683,481.00

The Board has considered and is of the opinion that the disclosure of the remuneration which is imperative for the Group to maintain employees remuneration private and confidential to avoid unhealthy comparison, which might lead to discontentment among employees

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

BOARD COMPOSITION (CONT'D)

APPOINTMENT TO THE BOARD AND RE-ELECTION OF DIRECTORS

The Board delegates to the NRC the responsibility of recommending the appointment of any new Director. The process for the appointment of a new director is summarised in the sequence as follows:-

- **i** The candidate is identified upon the recommendation by the existing Directors, Senior Management employees , shareholders and/or other consultants;
- **ii** In evaluating the suitability of candidates to the Board, the NRC considers, inter-alia, the competency, expertise and experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;
- **iii** Recommendation to be made by the NRC to the Board, if the proposed candidate is found to be suitable. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
- **iv** Final decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

The Group's Constitution stipulates that newly appointed Directors shall hold office until the next AGM and shall then be eligible for re-election by shareholders and that at least one third or the number nearest to one third of the Directors are required to retire by rotation at every AGM and be subject to re-election by shareholders.

At the Group's forthcoming 47th AGM, the Directors of the Group who will be retiring by rotation pursuant to Article 145 of the Group's Constitution are Datuk Haji Beroz Nikmal bin Mirdin and Baevinraj Thiagarajah. Both of them had offered themselves for re-election. Pamela Kung Chin Woon who has been appointed during the year will be retiring pursuant to Article 138 of the Group's Constitution. Pamela Kung Chin Woon had offered herself for re-election.

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

BOARD COMPOSITION (CONT'D)

ANNUAL ASSESSMENT

The NRC reviews annually, the effectiveness of the Board and all the Board Committees as well as the performance of individual directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered.

The NRC did not assess the performances of the new Board members as their tenure as Directors were less than 12 months as indicated by the appointment dates indicated above. The NRC will review and assess the mix of skills, expertise and composition, size and experience of the Board, the performance and contribution of each individual Director, the performance of the Board Audit Committee and its members and the overall effectiveness of the Board and the Board Committees in the next financial year.

TENURE OF INDEPENDENT DIRECTORS

Practice 4.2 of the MCCG 2021 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Nonetheless, Practice 4.2 also states that the Board should justify and seek annual shareholders' approval if the Board intends to retain an independent director beyond nine years. If the Board continues to retain the independent director after the twelfth ("12th") year, the Board should seek annual shareholders' approval through a two-tier voting process.

As at the date of the CG Statement, there are no Independent Directors serving more than nine (9) years in the Board as the Independent Directors were appointed on the following dates:

i Baevinraj Thiagarajah
Appointed on 09 July 2020

ii Dato' Amiruddin bin Abdul Satar
Appointed on 19 August 2020

iii Abdul Halim bin Jantan
Appointed on 02 November 2020

iv Pamela Kung Chin Woon
Appointed on 27 December 2021

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

BOARD COMPOSITION (CONT'D)

DIRECTORS' TRAINING

All Directors (including the newly appointed Directors) had attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. The NRC will also assess the training needs of the Directors from time to time to ensure the Directors are equipped with relevant knowledge and skills to discharge their duties more effectively.

During the FY2022, all the have attended training programmes conducted in-house as mentioned below. They will continue to attend further training programmes from time to time to keep abreast with the relevant changes and development in laws and regulations as well as business development. The Board is updated by the Group Secretaries on latest update/amendments to the Main Market Listing Requirements and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

Name of Director	Training attended
Datuk Haji Beroz Nikmal Bin Mirdin Appointed on 18 June 2020	• 11 October 2021: In-house Programme Jentayu Sustainables, Corporate Liability Provision Section 17A and Anti-Bribery & Anti-Corruption Policy Briefing Risk Management & Compliance Division • 25 November 2021: In-house Programme Jentayu Sustainables, RISKID Risk Management System Walk thru Risk Management & Compliance Division • 20 April 2022: In-house Programme Jentayu Sustainables, Building Up 5 Years Business Plan, Group Strategy & Sustainability Division • 26 April 2022: Signiflow System Software, Advance E-Signature Workflow Solution
Jeefri bin Muhamad Yusup Appointed on 18 June 2020	• 6 July 2021: In-house Programme Jentayu Sustainables, Syndicating and Appreciating Strategic ERM Concept to Create Opportunities, Risk Management & Compliance Division • 11 October 2021: In-house Programme Jentayu Sustainables, Corporate Liability Provision Section 17A and Anti-Bribery & Anti-Corruption Policy Briefing, Risk Management & Compliance Division • 25 November 2021: In-house Programme Jentayu Sustainables, RISKID Risk Management System Walk Thru, Risk Management & Compliance Division • 3 March 2022: The Stakeholder Mapping & Issues Identification, FTI Consulting • 20 April 2022: In-house Programme Jentayu Sustainables, Building Up 5 Years Business Plan, Group Strategy & Sustainability Division • 26 April 2022: Signiflow System Software, Advance E-Signature Workflow Solution

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

BOARD COMPOSITION (CONT'D)

DIRECTORS' TRAINING (CONT'D)

Name of Director	Training attended
Baevinraj Thiagarajah Appointed on 09 July 2020	• 6 July 2021: In-house Programme Jentayu Sustainables, Syndicating and Appreciating Strategic ERM Concept to Create Opportunities, Risk Management & Compliance Division • 11 October 2021: In-house Programme Jentayu Sustainables, Corporate Liability Provision Section 17A and Anti-Bribery & Anti-Corruption Policy Briefing, Risk Management & Compliance Division • 25 November 2021: In-house Programme Jentayu Sustainables, RISKID Risk Management System Walk Thru, Risk Management & Compliance Division
Dato' Amiruddin bin Abdul Satar Appointed on 19 August 2020	• 15 September 2021: Reshape 2021, Insider Virtual Summit Speaker • 11 October 2021: In-house Programme Jentayu Sustainables, Corporate Liability Provision Section 17A and Anti-Bribery & Anti-Corruption Policy Briefing • 21 October 2021: FELDA Strategic Plan Workshop 2022-2026 • 28 October 2021: FELDA Engagement Workshop, Asset Rationalisation • 17 November 2021: Board of Directors Strategic Retreat Roundtable Discussion • 25 November 2021: In-house Programme Jentayu Sustainables, RISKID Risk Management System Walk Thru, Risk Management & Compliance Division • 1 December 2021: FELDA Group Strategic Plan 2022 Workshop with Board of Directors • 9 December 2021: Bengkel Operasi Perladangan Wilayah Sahabat FELDA
Abdul Halim bin Jantan Appointed on 02 November 2020	• 8 June 2021: Sustainability Risk Management, Certified Risk Practitioner Programme, The Academy of Risk Management Malaysia (ARiMM) • 6 July 2021: In-house Programme Jentayu Sustainables, Syndicating and Appreciating Strategic ERM Concept to Create Opportunities, Risk Management & Compliance Division • 24 August 2021: Insurance and Disaster Risk Recovery APEC, Disaster Risk Management Strategies to Support Ministry of Micro, Small and Medium Enterprises (MIMEs) Business Sustainability, Asia-Pacific Economic Cooperation (APEC) • 9 September 2021: Manufacturing in ASEAN, Navigating Supply Chain Disruptions through the Pandemic, Grant Thornton International Ltd • 22 September 2021: Annual General Meeting Deck 2021, Malaysian Insurance and Takaful Brokers Association (MITBA) • 22 September 2021: Synergise the Power of Directors Network, Vietnam Institute of Directors
Pamela Kung Chin Woon Appointed on 27 December 2021	• 23 – 25 May 2022: Mandatory Accreditation Programme ("MAP") organised by ICDM Virtual Classroom

6.1.2 PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD AUDIT COMMITTEE

The Board Audit Committee ("BAC") (guided by its Terms of Reference ["TOR"]) assists the Board to review the adequacy and integrity of the Group's financial administration and reporting and internal control.

The BAC during the FY 2022 and as at the date of this CG Statement comprises all 4 Independent Non-Executive Directors which are as follows:

i Abdul Halim bin Jantan
(Chairman – Independent Non-Executive Director)

ii Baevinraj Thiagarajah
(Member – Independent Non-Executive Director)

iii Dato' Amiruddin bin Abdul Satar
(Member – Independent Non-Executive Director)

iv Pamela Kung Chin Woon
(Member – Independent Non-Executive Director)
Appointed Member on 1 June 2022

The Chairman of BAC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the BAC are set out in its TOR approved by the Board and is available on the Group's website at www.jentayu-sustainables.com.

All the members of the BAC possess a mix of skills, knowledge and experience and financial literacy to enable them to discharge their duties and responsibilities pursuant to the TOR of the BAC.

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

BOARD AUDIT COMMITTEE (CONT'D)

RELATIONSHIP WITH EXTERNAL AUDITORS

The Group maintains an appropriate and transparent relationship with the External Auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

During the financial year under review, the BAC met with Grant Thornton Malaysia PLT ("GTM") and discussed on the Audit Completion Memorandum for FY2021 and the Audit Planning Memorandum for FY2022. The BAC also had one (1) private session with GTM without the presence of management and Executive Directors. The BAC and GTM exchanged independent views and considerations on matters that require their attention.

The criteria for the External Auditors Assessment include quality of services, sufficiency of resources, communication and interaction, independence, objectivity, and professional skepticism pursuant to the Group's External Auditors Policy ("EAP"). The EAP has outlined the guidelines and procedures for the assessment. The details of the EAP are available for reference at the Group's website at www.jentayu-sustainables.com.

The amount of audit fees and non-audit fees paid or payable to the External Auditors for the FY2022 were as follows:

Fee incurred	**Audit Fee** (RM)	**Non-Audit Fee** (RM)	**Total** (RM)
The Company	49,000	5,000	54,000
The Group	248,000	7,000	255,000

The non-audit services rendered include the review of the Statement on Risk Management and Internal Control, as well as review of Housing Development Account reports.

The report of the BAC for FY2022 is set out on pages 98 to 100 of this Annual Report.

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Group's system of risk management and internal control which is designed to identify and manage the risks of the businesses of the Group in pursuing its objectives. The Board delegated the risks oversight responsibility to the Board Risk Committee ("BRC").

The Board through the BRC reviews the effectiveness of the Group's risk management and internal control system including financial, operational, and regulatory compliance performance, particularly to safeguard the Group's assets and hence shareholders' investments.

The BRC is comprised of four (4) members as follows, all of whom are Independent Non-Executive Directors which is in line with the Bursa Securities Berhad's Main Market Listing Requirements and in accordance with the principles as stipulated in the MCCG 2021.

During the FY2022, the BRC members met four (4) times. The Company Secretary, Chief Executive Officer, and Head of Risk Management and Compliance attend every meeting as permanent invitees, while the Chief Financial Officer, Head of Internal Audit, Senior Management, and another Executive Director shall participate in the meeting, when necessary.

The minutes of each BRC meeting was noted by the Board via distribution and the Chairman of the Board Risk Committee highlights key issues discussed during the BRC meetings.

The BRC members are assisted by an internal Risk Management and Compliance Department in the effective discharge of their responsibilities in assessing risks, recommending measures to mitigate those risks, and assuring proper control and governance process.

The details of the risk management and internal control framework are set out in the Statement of Risk Management and Internal Control on pages 101 to 107.

Members	**Date of Appointment as BRC member**	**Tenure on the BRC as at 30 June 2022**
Abdul Halim bin Jantan *Chairman*	1 December 2020	1 Year 6 Months
Baevinraj Thiagarajah	9 July 2020	1 Year 11 Months
Dato' Amiruddin bin Abdul Satar	19 August 2020	1 Years 10 Months
Pamela Kung Chin Woon	1 June 2022	1 Month

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

COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Group's stakeholders and acknowledges the need for shareholders to be informed of all material business matters affecting the Group. As such, the Board provides clear, comprehensive, and timely information to stakeholders via various disclosures and announcements, including the quarterly and annual financial results which provide investors with up-to-date financial information of the Group. All the announcements and other information about the Group are available on the Group's website which shareholders, investors and the public may access via www.jentayu-sustainables.com.

In addition, the Directors also facilitate engagement with shareholders through designated question and answer sessions during the Group's AGMs. The key matters discussed at the AGM are accessible for reference at the Group's website at www.jentayu-sustainables.com.

While the Group endeavors to provide as much information as possible to its shareholders and stakeholders, the Group is also wary of the legal and regulatory framework governing the release of material and price- sensitive information.

Further enquiries may be directed to the following person on all investor-related matters:

Nurul Atiqah binti Mohammad Fauzi

Tel No.:

03-2719 2828 (Ext 2922)

Email:

nurulatiqah@jentayu-sustainables.com

Timothy Lim Kuan Wee

Tel No.:

03-2719 2828 (Ext 2950)

Email:

timothylim@jentayu-sustainables.com

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

CONDUCT OF GENERAL MEETINGS

The Group's AGM remains the principal forum for dialogue shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from them.

The Annual Report of the Group are distributed to all shareholders together with the notice of AGM, which notice is also advertised in the press, released to Bursa Malaysia Securities Berhad via Bursa Link and posted on the website of the Group at www.jentayu-sustainables.com. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate a better understanding and evaluation of issues involved.

At each AGM, shareholders are encouraged to ask questions both about the resolutions being proposed and the Group's operations in general and thereafter to vote on all resolutions.

The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements. The Chairman, and/ or the CEO and CFO will respond to shareholders' questions at the AGM. The other Directors will also respond when required.

While the Group endeavours to provide as much information as possible to its shareholders and stakeholders, the Group is also wary of the legal and regulatory framework governing the release of material and price- sensitive information.

Pursuant to the MCCG 2021, the Notice and agenda of AGM together with Form of Proxy will be distributed to shareholders at least 28 days before the AGM, which gives sufficient time to prepare themselves to attend the AGM personally or to appoint a proxy to attend and vote on their behalf.

6.2

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has approved to combine the Nomination Committee and Remuneration Committee to be known as the Nomination and Remuneration Committee with effect from 1 September 2020.

COMPOSITION

The NRC shall be appointed by the Board from amongst the Directors and shall have at least three (3) members, all of whom shall be Non-Executive Directors with the majority being Independent Directors.

The Chairman of the NRC shall be an Independent Non-Executive Director or a Senior Independent Director appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman of the NRC meeting from amongst themselves.

No alternate Director shall be appointed a member of the NRC.

MEMBERSHIP AND MEETINGS OF NRC

Nomination and Remuneration Committee	No. of meetings during held during appointment	No. of meetings attended
Dato' Amiruddin bin Abdul Satar *Chairman* *Independent Non- Executive Director*	2	2
Baevinraj Thiagarajah *Member* *Independent Non-Executive Director*	2	2
Abdul Halim bin Jantan *Member* *Independent Non-Executive Director*	2	2
Pamela Kung Chin Woon *Member* *Independent Non-Executive Director* Appointed on 1 June 2022	N/A	N/A

6.2 NOMINATION AND REMUNERATION COMMITTEE (CONT'D)

TERM OF REFERENCE

The terms of reference of the NRC are available for reference at the Group's website at www.jentayu-sustainables.com.

SUMMARY OF WORK OF THE NRC

Our NRC undertakes, among others, the following functions:

- **i** Review and assess the remuneration packages of our Board members, and executive director, senior management in all forms, with or without other independent professional advice to reflect our Board's responsibilities, expertise and complexity of our Company's activities and recommend the same to our Board. The executive director shall play no part in decisions on their own remuneration;
- **ii** Ensure the levels of remuneration be sufficiently attractive, and competitive but fair and be able to retain directors needed to run our Company successfully;
- **iii** Structure the component parts of remuneration so as to align with the business strategy and long-term objectives of our Company and to link rewards to individual performance and to assess the needs of our Company for talent at Board level at a particular time;
- **iv** Ensure that a fair differential between the remuneration of executive director, senior management and other levels of management is maintained;
- **v** Review and recommend the remuneration of non-executive director to our Board; and
- **vi** Act in line with the directions of our Board.

FUNCTIONS OF THE NRC

The functions and duties of the NRC shall include the following:

1. ON NOMINATION MATTERS

- **i** To determine the criteria for Board membership, including qualities, experience, skills, expertise, education background and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a nominee to serve on the Board.
- **ii** To review annually and recommend to the Board regarding the structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently.
- **iii** To consider, evaluate and propose to the Board any new board appointment, whether of executive or non-executive position, to fill board vacancies as and when arises. The proposed candidate may be sourced from existing Board members, management, major shareholders and other independent sources. In making a recommendation to the Board on the candidate for directorship, the Nomination and Remuneration Committee should consider the attributes of the candidate (taking into consideration the Main Market Listing Requirements of Bursa Securities and the MCCG as amended from time to time).

  The Nomination and Remuneration Committee shall also ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 198 of the Companies Act 2016 and such other requirements imposed by the Companies Commission of Malaysia.

6.2

NOMINATION AND REMUNERATION COMMITTEE (CONT'D)

FUNCTIONS OF THE NRC (CONT'D)

The functions and duties of the NRC shall include the following (cont'd):

1. ON NOMINATION MATTERS (CONT'D)

The ultimate decision on the appointment of Directors to the Board is the responsibility of the Board after due consideration of the recommendation of the NRC.

iv To recommend to the Board, the Directors to fill the seats on Board Committees, including chairmanship of the Board Committees.

v To establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each Director (including the assessment of independence of its Independent Directors);

vi To consider the need to appoint a Senior Independent Non-Executive Director, and if deemed appropriate, recommend to the Board for approval. In considering the candidate for the position of a Senior Independent Non-Executive Director, the NRC shall assess the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.

vii To review and evaluate on an annual basis:

- The effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to Directors in respect of their performance;
- The effectiveness of the Committees of the Board;
- The effectiveness of the Board as a whole; and
- The term of office and performance of the BAC and each of its members to determine whether the BAC and is members have carried out their duties in accordance with their terms of reference.

viii To review and evaluate annually the independence of the Independent Directors. The assessment should take into consideration the criteria laid out in the Main Market Listing Requirements of Bursa Securities and such other factors the NRC determines appropriate to take into account in determining whether the Director is independent of management; and free of any business or other relationship that could materially interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

ix To recommend to the Board:

- Whether Directors who are retiring by rotation at the AGM of the Group should be put forward for re-election.
- Matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of the Executive Director(s) as employee(s) of the Group subject to the provisions of the law and his/her service contract.
- Whether the Independent Director(s) should remain independent or be re-designated, after assessment of Independent Director(s) be conducted and concluded.
- The re-appointment of any Non-Executive Director at the conclusion of his/her term of office having due regard to his/her performance and the ability to continue to contribute to the Board in terms of knowledge, skills and experience required.

x To develop, oversee and review the Board's succession plan including succession of the Chairman of the Board, Managing Director /CEO and CFO in order to maintain an appropriate balance of skills, knowledge and experience and ensure that the succession plan is kept under review.

xi To develop, oversee and review Key Senior Management succession plan in order to ensure that Key Senior Management is comprised of individuals with the skills and experience relevant to the Group's strategic direction and objectives.

6.2

NOMINATION AND REMUNERATION COMMITTEE (CONT'D)

xii To review the Directors' continuing education programmes for existing members of the Board in order to broaden their perspective and to keep abreast with development in the market place and of the new statutory regulatory requirements.

xiii To facilitate Board induction and training for newly appointed Directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and the Group.

xiv To consider and examine such other matters as the NRC considers appropriate.

xv To consider other matters as referred to the NRC by the Board.

2. ON REMUNERATION MATTERS

i To establish and recommend to the Board the remuneration structure and policy of the Executive Directors (which include the Executive Chairman, the CEO and CFO) including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Group and to review for changes to the policy, as necessary. The Executive Directors should play no part in decisions involving their own remuneration.

ii To review the Executive Directors' goals and objectives and to assess his performance against these objectives as well as contribution to the corporate strategy at least annually.

iii To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of Executive Directors.

iv To review and recommend to the Board regarding the directors' fees and benefits (including meeting allowances for attending Board meetings and Board Committee meetings) payable to the Non-Executive Directors and/or Independent Non-Executive Directors and thereafter to be approved at a general meeting. This is to ensure that the level of remuneration payable reflects the experiences, level of responsibilities and time commitment undertaken by the Non-Executive Directors and/or the Independent Non-Executive Directors concerned.

v To annually review and recommend the bonus payment rate and salary increment range to all employees of the Group based on the Group's policy.

vi To review and approve remuneration packages of key senior management (who are not Directors) to ensure that they are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

vii To review and recommend to the Board regarding any proposed employees share option scheme to be given to the Directors and employees of the Group and Group and/or amendments to the existing scheme, where applicable.

This NRC Report was approved by the Board of Directors on 27 October 2022.

6.3

BOARD AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the BAC for the FY2022.

COMPOSITION

The present BAC comprises of (4) members all of whom are Independent Non-Executive Directors.

MEMBERSHIP AND MEETINGS OF BAC

The members of the BAC during the financial year and up to the date of this BAC report are indicated below.

A total of six (6) meetings were held during the FY2022. Details of attendance of each BAC member is as follows:

Board Audit Committee	No. of meetings held during FY2022	No. of meetings attended
Abdul Halim bin Jantan *Chairman* *Independent Non-Executive Director*	6	6
Baevinraj Thiagarajah *Member* *Independent Non-Executive Director*	6	5
Dato' Amiruddin bin Abdul Satar *Member* *Independent Non- Executive Director*	6	5
Pamela Kung Chin Woon *Member* *Independent Non-Executive Director* Appointed on 1 June 2022	N/A	N/A

The BAC meetings were convened with proper notices and agenda, and these were distributed to all members of the BAC with sufficient notification. The minutes of each of the BAC meeting were recorded and tabled for confirmation at the next BAC meeting and thereafter tabled at the Board Meeting for the Board's review and notation.

The Executive Chairman, CEO and the Chief Financial Officer ("CFO") were invited to attend the BAC meetings to provide clarifications on any audit, financial and/or risk related matters as well as on the overall operations of the Group. The Group Internal Auditor was invited to brief the BAC on the adequacy and effectiveness of the Group's system of internal controls, operating procedures and compliances with the relevant laws and regulations. The External Auditors were invited to attend meetings and had private session with the BAC members without the presence of the Executive Board members and Management.

6.3 BOARD AUDIT COMMITTEE REPORT
(CONT'D)

TERM OF REFERENCE

The terms of reference of the BAC are available for reference at the Group's website at www.jentayu-sustainables.com.

SUMMARY OF WORK OF THE BOARD AUDIT COMMITTEE

During the FY2022, the BAC carried out its duties as set out in its Terms of Reference and the activities of the BAC included the following:

i Reviewed the Audit Completion Memorandum for the financial year ended 30 June 2021 ("FY2021") prepared by the external auditors, GTM.

ii Reviewed the unaudited quarterly report for the 12 months period ended 30 June 2021, the 1st, 2nd and 3rd quarterly results for the FY2022 and recommended the same to the Board for their approval prior to release to Bursa Securities.

iii Reviewed the audited financial statements for the financial year ended 30 June 2021 ("AFS 2021"). Discussed on the variances between the audited figures in the AFS 2021 and the unaudited results announced to Bursa Securities on 25 August 2021. As the deviation was below the 10% threshold, no announcement was required to be made by the Group under Paragraph 9.19(35) of the Main Market Listing Requirements of Bursa Securities. After due deliberation, the BAC agreed to recommend the AFS 2021 for the Board approval, subject to certain refinement by the Management to the Board.

iv Reviewed the following statements and reports for inclusion in the Annual Report 2021 and recommended the same be presented to the Board for approval:

- Management Discussion and Analysis;
- BAC Report;
- Statement on Risk Management and Internal Control;
- Sustainability Report; and
- Corporate Governance Overview Statement

v Performed the annual assessment of the performance, suitability, and independence of the external auditors. The BAC agreed to recommend to the Board for approval the total payment of audit fees of RM207,000 to GTM for the statutory audit conducted on the Group for the FY2021.

vi In relation to the Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset (collectively referred to as "Proposed Acquisitions"), reviewed and discussed the Independent Adviser's preliminary evaluation and assessment of the terms of the Proposed Acquisitions to the Non-Interested Directors of the Group before the full announcement of the related party transaction being made to Bursa Securities.

vii Reviewed the Audit Planning Memorandum of the Group for the FY2022 prepared by GTM.

viii Had one (1) private session with GTM without the presence of the management and Executive Directors.

ix Reported to the Board on significant audit issues and concerns discussed during the BAC meetings which have significant impact on the Group from time to time, for consideration and deliberation by the Board.

x Reviewed internal audit reports presented by the Internal Audit Department ("IAD") incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls of various operating units.

xi Reviewed and endorsed the Internal Audit Plan ("the Plan") for Financial Years 2021-2022 including the revision and status updates of the Plan.

xii Approved the IAD Budget for the FY2022.

6.3

BOARD AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORK OF THE BOARD AUDIT COMMITTEE (CONT'D)

xiii Reviewed this BAC Report prior to submission of the same to the Board for consideration and inclusion in the Annual Report 2022 of the Group.

INTERNAL AUDIT FUNCTION

The IAD was established since the 1980's. The main role of the IAD is to provide the BAC with independent and objective reports on the effectiveness of the system of internal control and the extent of compliance with established policies and procedures as well as the relevant statutory requirements within the Group.

The IAD adopts a risk-based approach and carried out audits on the head office and subsidiaries based on approved Internal Audit Plan or on ad hoc basis. The audits covered a comprehensive scope in the areas of operations, finance or accounts and investigation.

The IAD consist of 3 personnel with relevant qualifications and experience and is headed by Mr. Liau Foo Hing ("Mr. Liau"), the Head of IAD of the Group, who has a total of 21 years of experience in internal audit. Mr. Liau is an Associate Member of the Chartered Institute of Management Accountants.

The internal audit function is guided by the International Professional Practices set by the Institute of Internal Auditors.

The activities undertaken by the IAD during FY2022 included the following:

1 Reviewed the existing systems, controls, and governance processes of various operating units within the Group.

2 Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal control on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.

3 Issued Internal Audit reports incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls to the BAC and the management of the respective operating units.

4 Attended BAC meetings to present the Internal Audit reports to the BAC for deliberation and review.

5 Tabled Internal Audit Plan for Financial Years 2021-2022 for BAC's review and endorsement including the revision and status updates of the Plan.

6 Tabled IAD Budget for the FY2022 for BAC's approval.

The IAD's resources and manpower requirements are reviewed from time to time to ensure that it can carry out its duties effectively.

The total cost incurred for the Group's internal audit function during the financial year ended 30 June 2022 was RM240,044.94.

This BAC Report was approved by the Board of Directors on 27 October 2022.

6.4

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Jentayu Sustainables is pleased to present a statement about the state of Risk Management and Internal Control of the Company for the financial year ended 30 June 2022.

This statement is prepared pursuant to paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements and in accordance with the Principles as stipulated in the MCCG 2021 and the Statement on Risk Management and Internal Control for Directors of Listed Issuers.

COMPOSITION

The present BRC comprises of (4) members all of whom are Independent Non-Executive Directors.

MEMBERSHIP AND MEETINGS OF BRC

The members of the BRC during the FY2022 and up to the date of this statement are indicated below.

A total of four (4) meetings were held during the FY 2022. Details of attendance of each BRC member are as follows:

Board Risk Committee	**Number of meetings attended**
Abdul Halim bin Jantan *Chairman* *Independent Non-Executive Director*	4 of 4
Baevinraj Thiagarajah *Member* *Independent Non-Executive Director*	4 of 4
Dato' Amiruddin bin Abdul Satar *Member* *Independent Non- Executive Director*	3 of 4
Pamela Kung Chin Woon *Member* *Independent Non-Executive Director* Appointed on 1 June 2022	N/A

These Independent Non-Executive Directors were appointed by the Board from amongst the Board members to serve as members of the BRC.

6.4

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

TERM OF REFERENCE

The terms of reference of the BRC are available for reference at the Group's website at www.jentayu-sustainables.com.

BOARD'S RESPONSIBILITY

The Board recognises the importance of a sound system of risk management and internal control to enhance shareholders' investments, safeguard assets, and be in compliance with laws and regulations. The Board has the overall responsibility for risk oversight and risk management within the Group.

The BRC provides direction and has an oversight role in the risk management process.

The risk management and internal control system are designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonableness, and not absolute assurance against material misstatement or loss.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Management, through its BRC, is entrusted with the task to assist the Board to establish, implement and strengthen risk management functions across the Group.

.

1. RISK MANAGEMENT FUNCTION

To fulfil its oversight responsibility, the BRC is headed by the Chairman – BRC supported by other members of the BRC with vast backgrounds and experiences within the financial, legal, and engineering industries.

1.1 The Group's enterprise risk management framework encompasses the following:

i Develop the risk management function organisation structure;
ii Develop the enterprise risk management framework, statement of risk appetite and tolerance;
iii Establish operations work process flow to identify any shortfall, assess, monitor, provide remedial actions and mitigate significant risk in an effective manner;
iv Prioritise key risk areas to enable alignment of risk strategies in relation to the Group's risk appetite and the way key risk areas are addressed; and
v Present risk reports for significant risk assessment review, monitoring, and reporting of risk across various functional business and support divisions.

1.2 The internal risk management and compliance function was formed in August 2018 for the establishment of the Group's enterprise risk management function to strengthen the Group's systems of internal control.

Internal risk management and compliance report functionally to the BRC and is an independent division of the Group. The internal risk management and compliance function is responsible for monitoring risk management activities and ensuring compliance and effective implementation of policies.

1.3 A web-based risk management system software has been recommended and approved by the Board on 24 November 2021. The system software serves as a risk management tool for the identification and management of risks.

6.4

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

1.4 The changes in the approving authority limits on non-budgeted items have been recommended and approved by the Board on 24 November 2021 to smoothen the Group's day-to-day business operations.

1.5 The terms of reference of the Executive Committee have been recommended and approved by the Board on 28 May 2022. The Executive Committee was formed to provide technical and advisory support in relation to approved power generation projects.

1.6 Reviewed the Anti-Bribery and Anti-Corruption Risks Assessment Checklist presented by the internal risk management and compliance as an official legal document. This checklist is aimed to establish the principles that govern the Group's conduct to conform with subsection 5 adequate procedures of the S17A MACC ACT 2009 Amended in 2018.

1.7 Noted and endorsed the internal risk management and compliance function timetable for the financial year 2022/2023.

1.8 Reviewed the Statement on Risk Management and Internal Control for submission to the external Auditors' review thereafter the Board's approval for inclusion in the Annual Report of the Group.

2. RISK MANAGEMENT PROCESS

The risk management process in which each key risk area is identified, assessed, monitored, and managed is outlined as follows:

2.1 **Identification of key risk areas and the assessment** of their impact and likelihood of occurrence are carried out through brainstorming and discussion across various functional business and support divisions. In the risk identification of both the existing and emerging risks, the internal and external environments in which the Group operates will be analysed. In assessing risk, both qualitative and semi-quantitative methods will be used.

2.2 **Key risk areas are prioritised** through risk-mapping of identified risks based on the information gathered according to the severity of impact and occurrences in relation to the achievement of business objectives.

2.3 **Risks are managed** through the formulation of risk strategies. Key risk areas are reviewed for the formulation of risk response strategies/actions to mitigate the impact of the risk events. Risks would either be reduced (through risk control processes), transferred (insurance coverage), retained (within risk appetite for exploitation), or avoided (divestment).

2.4 **Risk monitoring** would be done by using performance measures, both financial and non-financial indicators. Financial indicators can be gathered from the management accounts of the Group while non-financial indicators could be gathered from the upward reporting process inputs from various functional business and support divisions.

3. PRINCIPAL RISKS

Principal risks are significant risks that impacted the Group's business strategy, financial position, or future performance. The principal risks faced by the Group are as follows:

3.1 **Credit risk** – potential losses incurred because of defaults by customers or counterparties. The counterparties include customers, investors, property (other assets) buyers, guarantors, etc. Generally, for trading activities a centralised credit control division is set up to ensure credit policies have prudent and comprehensive elements and, guidelines on credit verification and assessment of

6.4

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

3. PRINCIPAL RISKS (Cont'd)

3.1 **Credit risk** (Cont'd) – customers are adhered to. Collaterals are also obtained in some circumstances from certain customers to further mitigate credit risks. Clearly defined levels of authority are in place to ensure the role of approving authorities commensurate with the level of decision-making. Periodic reviews and validation of the credit worthiness of customers are also ongoing to maintain strict control over the Group credit exposure. Reporting procedures and close monitoring processes are also in place to identify potential distressed customers for prompt action.

3.2 **Operational risks** – arises from daily tactical business activities related to ineffective internal processes, people, systems, and technologies or external events. The day-to-day operational risks are managed through the system of risk management and internal controls to ensure compliance with prescribed laws and regulations that impacted the Group's business industries and adhered to internally approved policies/standard operating procedures. Guidelines for information technologies-related practices include disaster recovery plans, backup policies, data security, and security access are also in place to ensure data integrity and business continuity. The introduction of new products, agency lines, business activities, or development plans is subject to vigorous and strict evaluation to assess the potential risks in relation to the Group's risk appetite and strategies.

3.3 **Liquidity risk** – arising mainly from general funding and business activities, is the risk that the Group may not be able to maintain sufficient liquid assets to meet its financial commitments and obligation when they mature or fall due. The Group strives to maintain enough level of cash and available banking facilities at a reasonable level to its overall debt position to meet its working capital requirements.

3.4 **Covid-19 risk** – outbreak of diseases or pandemics could cause interruption to the Group's business operations. The effect of the Covid-19 pandemic and the restrictions implemented as the result thereof in Malaysia have impacted all industries, including the Group's businesses. To address this risk, the Group has taken steps to ensure all its employees receive Covid-19 vaccinations and has imposed stringent standard operating procedures that are in line with the requirements published by the Ministry of Health to be complied with at all levels within the Group's various functional business and support divisions.

4. POLICIES AND PROCEDURES

Clear, documented, and formalised internal policies and standard operating procedures shall be in place to ensure compliance with internal controls, relevant laws, and regulations. A list of identified laws and regulations applicable to the Group is documented and maintained to facilitate compliance. Regular reviews will be performed to ensure that documentation remains current and relevant.

The Employees' Code of Conduct and Ethics is accessible to all employees, to which they are required to strictly adhere, to ensure a high level of discipline and positive attitude while executing their duties.

It is the responsibility of all employees to observe the Code of Conduct and Ethics as part of their accountability towards achieving the overall Group's objectives.

The Whistleblowing Policy $_{\text{Version 1.0}}$ has been recommended and approved by the Board on 30 June 2019. The Whistleblowing Policy enables employees and other stakeholders to raise

6.4

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

concerns about any improper conduct without being subjected to victimisation, harassment, and discriminatory treatment.

The Anti-Bribery and Anti-Corruption Policy Version 1.0 has been recommended and approved by the Board on 27 August 2020. The Group has zero tolerance for bribery and corruption. The Board is committed to and has a strong stance against the use of gratification practice in relation to the Group's business activities. The internal risk management and compliance function is tasked to oversee the acculturation and implementation of the Integrity System within the Group; to instill continuous learning and awareness talks in relation to the Anti-Bribery and Anti-Corruption Policy.

The Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy are available for reference at the Group's website at www.jentayu-sustainables.com.

5. INTERNAL AUDIT

The Internal Audit function adopts a risk-based approach to provide the BAC with independent and objective reports on the state of internal control and the extent of compliance with the established policies and procedures as well as relevant statutory requirements.

Internal Audit reports directly to the BAC. Internal Audit plans its audit based on the audit plan approved by the BAC at the beginning of the year. The BAC reviews the report from Internal Audit, before reporting and making recommendations to the Board in strengthening internal control. The Board remains committed to ensuring a sound system of risk management and internal control. The BAC presents its findings to the Board at least once every quarter, or as appropriate.

6. INTERNAL CONTROL SYSTEM

The Group internal control system encompasses policies, processes, tasks, behaviour, and other aspects of business activities that facilitate the following:

6.1 An effective and efficient operation enabling it to respond appropriately to significant business, operational, financial, compliance, and other risks to achieve the Group's objective;

6.2 Provide quality internal and external reporting by way of maintaining proper records and processes that generate timely, relevant, and reliable information from within and outside the Group;

6.3 Ensure compliance with internal policies, applicable laws, and regulations with respect to the conduct of the Group's business activities; and

6.4 Reflect the Group's control environment which incorporates the Group's organisational structure, governance activities, human resources policies, practices, and code of conduct. The system will also include control activities, information, communications processes, and continuous monitoring of the effectiveness of the system of internal control.

7. KEY INTERNAL CONTROL PROCESSES

Key elements of the Group's system of internal control, policies, and procedures that are in place are as follows:

7.1 There is in place an organisation structure, which formally defines lines of responsibility, a delegation of authority, and appropriate segregation of duties.

7.2 Clearly defined approving authority of management within the Group to facilitate decision-making at appropriate level.

6.4

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL
(CONT'D)

7. KEY INTERNAL CONTROL PROCESSES (Cont'd)

7.3 Established strategic planning and budgeting process, where all operating units are to prepare annual operating budgets including capital and manpower budgets which are reviewed and approved by the Board.

7.4 Effective reporting systems that ensure complete and accurate financial information for review of quarterly performance by management.

7.5 Actual performance compared with budget and previous year is reviewed quarterly with a detailed explanation of any material variances and their corrective actions.

7.6 Policies and procedures of operating units and functional divisions are established, documented, and updated regularly to ensure compliance with internal controls and relevant laws and regulations, as well as meeting the changing business environment.

7.7 There are proper guidelines for hiring, termination, promotion, training programmes for staff, annual performance appraisals, and other relevant procedures in place to ensure staff members are competent and adequately trained in discharging their roles and responsibilities.

7.8 In light of Covid-19, various measures were put in place to mitigate the spread and impact of Covid-19 thus protecting employees. Safety and health measures include supplying face masks and sanitisers, frequent disinfection, daily temperature checks and health declaration via QR code prior to entering the workplace, implementation of return to office/work from home cycles, also for certain divisions working from anywhere were put in place to practice physical distancing in the workplace, encouraging external and business meetings to be held digitally. The Group continues to closely monitor the situation.

7.9 The Board recognised that at the start of the Movement Control Order and first imposed in March 2020 that the CEO and management would need swifter guidance and support from the Board Committees and/or urgent approvals. The Board provided its full support and commitment regarding matters put forward for review, guidance, and approval. The Board and its Board Committees regularly met on virtual platforms to ensure regular engagement for effective guidance and decision-making.

8. REVIEW ON ADEQUACY AND EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The processes which the Group adopted to monitor and review the adequacy and integrity of the system of internal control include the following ongoing assessments:

8.1 Periodic examination of the business risks that impact or are likely to impact the Group and the reporting by various functional business and support divisions on the effectiveness of the system of internal control is in place, highlighting any weakness, improvement, and change in the risk profile; and

8.2 Periodic review of the state of internal control across various functional business and support divisions by the Internal Audit function which reports the review conducted on a quarterly basis to the BAC .

The Board has reviewed the effectiveness, adequacy, and integrity of the system of risk management and internal control in operation during the financial year through the monitoring process set out above. There were no material losses incurred during the current financial year arising from the weaknesses in internal control. Management continues to take measures to strengthen the control environment.

6.4

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

The Board has received assurance from the CEO and CFO that the Group's risk management and internal control system is operating adequately and effectively in all significant material aspects.

9. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants and has reported to the Board that nothing has come to the attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in the review of the adequacy and effectiveness of the risk management and internal control systems within the Group.

The Statement on Risk Management and Internal Control was approved by the Board of Directors on 27 October 2022.

6.5

ADDITIONAL COMPLIANCE

1. PROPERTY DISPOSAL

During FY2022, there were three property disposal exercises that took place. The first and second property disposal was completed on 11 January 2022 and 12 October 2021 respectively while the third disposal is currently still in progress.

a SEKSYEN 13

- On 11 January 2022, the Group has completely disposed a piece of leasehold in Seksyen 13 measuring approximately 20,772.0684 square metres ("sqm") to Pixel Valley Sdn. Bhd. for a total consideration RM82,000,000 which was satisfied in cash of RM80,000,000 and RM2,000,000 in kind by way of 2 properties.

Utilisation of Proceeds	Timeframe	Actual Proceeds Raised (RM)	Actual utilisation amount (RM)
Proposed of Special Dividend	Within 6 months	30,437,000	30,437,000
Estimated expenses in relation to the Proposed Property Disposal	Within 6 months	25,000,000	25,000,000
Working Capital	Within 6 months	11,313,000	11,313,000
- Partial payments of trade payables		5,313,000	5,313,000
- Payment of staffs related expenses		6,000,000	6,000,000
Repayment of bank borrowings	Within 1 months	7,250,000	7,250,000
Funding for cash portion of the Proposed Acquisitions	Within 6 months	6,000,000	6,000,000
Total		80,000,000	80,000,000

6.5

ADDITIONAL COMPLIANCE (CONT'D)

b PENANG

The Group has completed the disposal of 5 units of shop lots on 12 October 2021 located along Gat Lebuh Macallum within a commercial development known as Harbour Trade Centre in Georgetown, Penang to PB Trustee Services Sdn. Bhd. as trustee for Public Bank Group officers' retirement benefits fund.

Utilisation of Proceeds	Timeframe	Actual Proceeds Raised (RM)	Actual utilisation amount (RM)
Repayment of bank borrowings	Within 1 months	1,400,000	1,400,000
Estimated real property gains tax	Within 1 months	132,509	132,509
Estimated incidental expenses related to the Proposed Disposal	Within 1 months	80,812	80,812
Working capital for the Jentayu Sustainables Group	Within 1 months	1,286,679	1,286,679
Total		2,900,000	2,900,000

6.5

ADDITIONAL COMPLIANCE (CONT'D)

c PENCHALA

As of 30 June 2022, the Group was in the process of disposing a Parcel of Leasehold Land together with the buildings erected thereon located within Bandar Petaling Jaya, Selangor held by Jentayu Sustainables to Beacon ACM Sdn. Bhd. (BASB).

Utilisation of Proceeds	Timeframe	Actual Proceeds Raised (RM)
Working capital (include financing of renewable energy projects)	Within 36 months	17,672,000
Payment of staff-related expenses		6,000,000
Other administrative expenses and financing of renewable energy projects		11,672,000
Estimated expenses related to proposed disposal		2,323,000
Total		19,995,000

6.5

ADDITIONAL COMPLIANCE (CONT'D)

2. FUNDRAISING

a RIGHT ISSUE OF SHARE

On 18 June 2021, the Group announced the rights issue of 101,457,300 new Shares ("Rights Shares") on the basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders on the Entitlement Date at an issue price of RM0.30 per right share. On 3 March 2022, 101,457,300 Rights Shares have been listed and quoted on the Main Market of Bursa Securities.

Variation of Proceeds	Timeframe	Actual Proceeds Raised (RM)	Actual utilisation amount (RM)
Funding for renewable energy project	Within 6 months	16,000,000	16,000,000
Repayment of bank borrowings	Within 12 months	8,937,000	8,937,000
• Term loan		8,937,000	8,937,000
Estimated expenses in relation to the Proposals, Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset	Within 6 months	5,500,000	5,500,000
• Professional fee		4,200,000	4,200,000
• Fees to the relevant authorities		300,000	300,000
• Estimated Underwriting fees		610,000	610,000
• Printing and advertising		250,000	250,000
• Contingencies		140,000	140,000
Total		30,437,000	30,437,000

6.5

ADDITIONAL COMPLIANCE (CONT'D)

b PROPOSED PRIVATE PLACEMENT

On 14 June 2022, the Group announced a proposed private placement of up to 142,627,665 new ordinary shares in Jentayu Sustainables, representing not more than 30% of the total number of issued Jentayu Sustainables shares to third-party investor(s) to be identified at a later date.

The proposed private placement has been approved by shareholders at the Company's Extraordinary General Meeting held on 27 July 2022. The purpose of the proposed private placement is to partially finance the pre-development expenditures for Project Oriole and the expansion of the healthcare division.

Details of Utilisation	Min Scenario (RM)	Max Scenario (RM)	Estimated timeframe for utilisation from the receipt of placement funds
Partially finance the pre-development expenditures for the Project Oriole	20,000,000	31,000,000	Within 12 months
Phase 1	689,000	689,000	
Phase 2	19,311,000	28,482,000	
Phase 3	-	1,829,000	
Future viable investment in renewable energy projects	4,000,000	8,000,000	Within 12 months
Working Capital	13,358,000	17,077,000	Within 3 months
Expansion of healthcare division	1,000,000	1,000,000	Within 6 months
Expansion of the workforce	800,000	800,000	
Minor renovation works	200,000	200,000	
Estimated expenses in relation to the Private Placement	1,400,000	1,400,000	Within 3 months
Professional fees, placement fees and placement	1,350,000	1,350,000	
Fees payable to authorities	24,000	24,000	
Contingencies	26,000	26,000	
Total	39,758,000	58,477,000	

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

The Company has entered into material contracts involving Directors and major shareholder of the Company in the proposed acquisition of solar asset and proposed acquisition of hydro asset:

- **a** Datuk Haji Beroz Nikmal Bin Mirdin is the Executive Chairman of Jentayu Sustainables and spouse of Datin Hajjah Nurhaida Binti Abu Sahid;
- **b** Datin Hajjah Nurhaida Binti Abu Sahid is the major shareholder of Jentayu Sustainables and spouse of Datuk Haji Beroz Nikmal Bin Mirdin. She is the major shareholder and Director of Jentayu Capital Sdn. Bhd. and is a Director of Borneo Sustainable Energy Sdn. Bhd.; and
- **c** Baevinraj Thiagarajah is the Independent Non-Executive Director of Jentayu Sustainables. He is a Director in Telekosang Hydro One Sdn. Bhd. and Telekosang Hydro Two Sdn. Bhd.

On 22 September 2021, the Company entered into the following share sales agreements ("SSA") in relation to the proposed acquisition of solar asset and proposed acquisition of hydro asset:

- **i** one (1) SSA with Jentayu Capital Sdn. Bhd. and Seri Panglima Sdn. Bhd. for the acquisition of 3,000,000 ordinary shares representing the entire equity interest in Jentayu Solar Sdn. Bhd. for a total purchase consideration of RM11,107,050 to be satisfied via issuance of new shares of the Company in relation to the proposed acquisition of solar asset;
- **ii** one (1) SSA with Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. for the acquisition of 200 ordinary shares representing the entire equity interest in Senja Optima Sdn. Bhd., by acquiring 50% equity interest from Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. respectively, for a total purchase consideration of RM44,600,200 to be satisfied via cash consideration of RM5,464,000 and issuance of new shares of the Company amounting to RM39,136,200 in relation to the proposed acquisition of hydro asset;
- **iii** one (1) SSA with Jentayu Capital Sdn. Bhd. for the acquisition of 60,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro One Sdn. Bhd. and 40,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro Two Sdn. Bhd. for a total purchase consideration of RM93,600,000 to be satisfied via cash consideration of RM7,488,000 and issuance of new shares of the Company amounting to RM86,112,000 in relation to the proposed acquisition of hydro asset; and
- **iv** one (1) SSA with Jentayu Capital Sdn. Bhd. for 100% of the Junior Bonds in Telekosang Hydro One Sdn. Bhd. for a total purchase consideration of RM38,100,000 to be satisfied via cash consideration of RM3,048,000 and issuance of new shares of the Company amounting to RM35,052,000 in relation to the proposed acquisition of hydro asset (collectively referred to as the "proposed acquisitions").

On 1 April 2022, the Company and the respective vendors for the above proposed acquisitions ("Parties") have mutually agreed to extend the proposed acquisitions' SSA conditions precedent ("CP") fulfilment date until 30 September 2022 to enable the Parties to satisfy the CP as stipulated in the respective SSAs in relation to the Proposed Acquisitions.

The proposed acquisitions have not been completed during the financial year ended 30 June 2022.

4. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

The Company did not enter into any recurrent related party transactions during the financial year ended 30 June 2022.

5. CONTACTS RELATING TO LOANS

There was no material contact relating to loans by the Company and its subsidiaries involving the interest of Directors and major shareholders during the financial year ended 30 June 2022.

6. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company did not issue any ESOS during the financial year ended 30 June 2022.

6.6 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 (the "Act"), to ensure that financial statements of the Group and of the Group for each financial year are drawn up in accordance with the applicable approved accounting standards of Malaysia and the requirement of the Act so as to give a true and fair view of the Group and of the Group's affairs, results and cash flows position for the financial year.

The Directors consider that in preparing the financial statements for the FY2022 the Group had used appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors are also responsible for ensuring that the Group keeps adequate accounting records, which disclose with reasonable accuracy the financial position of the Group at any point of time.

SUSTAINABILITY STATEMENT

Section 7

7.1 OUR SUSTAINABILITY JOURNEY

Note: This statement should be read together with our Sustainability Report which is available on our website.

Over our 47 years of service, we have witnessed several transformations and milestones unfold within the Group and around us. We have made significant strides since we have rebranded ourselves to be a sustainable energy industry leader. Our sustainability practices have evolved towards driving impactful, long-term value for our business and stakeholders.

PUBLISHED THE FIRST SUSTAINABILITY STATEMENT IN OUR ANNUAL REPORT

2021

ESTABLISHED THE FIRST SUSTAINABILITY FRAMEWORK AND ALIGN OUR SUSTAINABILITY AGENDA WITH THE FRAMEWORK

2022

This year, we have finalised the "Sustainability the Earth Deserves" as our guiding tagline in planning and executing all initiatives. We firmly believe our sustainability agenda can be derived from our core business and our day-to-day operations.

All initiatives that the Group drive are aligned with our mission to become a distinct reputable regional ESG organisation. Some of the highlighted initiatives that we have implemented are going paperless and remote working to reduce our carbon footprint.

7.2 SUSTAINABILITY PILLARS

OUR COMMITMENT TO THE UNSDGs

We are committed to drive our sustainability agenda and achieve our mission to be recognised as a distinct reputable regional ESG organisation.

PUTTING OUR SUSTAINABILITY STRATEGIES INTO ACTION

OUR SUSTAINABILITY PILLARS

- Governing Responsibly
- Nation Empowerment
- Environmental Sustenance
- Uplifting Communities

KEY ENABLERS

- Development of Sustainable Governance Structure.
- Implementation of sustainability framework in our current policies and procedures across business operations.
- Implementation of sustainable work culture via The Green Way Forward campaign.
- Evaluation of Scope 1 Green House Gas ("GHG") emissions for all our projects.
- Undertaking Environmental Impact Assessment ("EIA") exercises in our project developments.
- Execution of CSR activities at our project areas.
- Carbon market expertise development.
- FTSE4Good participation.

CONTRIBUTIONS

GUIDED BY OUR STRATEGIC BLUEPRINT PILLARS

Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
Institutionalisation of the Group	Develop 350MW Green Energy Assets in Malaysia	Sustainable Energy Play	Implement Sustainability Pillars and ESG Rating	Regional Play

FINANCIAL STATEMENTS

Section 8

FINANCIAL STATEMENTS CONTENT

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding, trading and distribution of building materials and other products. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	28,792	(6,927)
Attributable to:-		
Owners of the Company	29,089	
Non-controlling interests	(297)	
	28,792	

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

DIVIDEND

The amount of dividend declared and paid by the Company since the end of last financial year was as follows:-

	RM'000
<u>In respect of the financial year ended 30 June 2022</u>	
A special single-tier dividend of RM0.30 per ordinary share, paid on 10 February 2022	30,437

The Directors do not recommend the payment of any final dividend for the current financial year.

DIRECTORS

The name of the Directors of the Company in office during the financial year and up to the date of this report are:-

Company:-
Datuk Haji Beroz Nikmal bin Mirdin
Jeefri bin Muhamad Yusup*
Baevinraj Thiagarajah
Dato' Amiruddin bin Abdul Satar
Abdul Halim bin Jantan
Kung Chin Woon (Appointed on 27 December 2021)
Teh Foo Hock (Resigned on 1 June 2022)

* Directors of the Company and its subsidiaries

The name of the Directors of the Company's subsidiaries in the office during the financial year and up to the date of this report are:-

Subsidiaries:-
Fong Tat Ung
John Chua Seng Chai
Lim Hooi Chuan
Lit Kin Cheong
Wong Chong Teck
Datuk Akbarkhan bin Abdulrahman
Adrian Lau Chee Hiong
Teh Foo Hock (Appointed on 1 June 2022)
Rahaidah binti Abdul Wahab
Sarah binti Azman
Wong Chong Yee
Dato' Chairil Nazri bin Ahmad
Dr. Ainy binti Md Aris
Dahlia binti Abd Malik
M Satya Riayatsyah bin Syafruddin

DIRECTORS' INTERESTS

According to the Registers of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at the financial year end (including the interests of spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	Number of ordinary shares					
	At 1.7.2021	Bought	Rights issue	Bonus issue	Sold	At 30.6.2022
Interest in the Company						
Direct interests						
- Datuk Haji Beroz Nikmal bin Mirdin	6,461,900	-	6,461,900	6,461,900	-	19,385,700
- Jeefri bin Muhamad Yusup	3,300,000	2,555,300	4,004,000	4,004,000	-	13,863,300
- Teh Foo Hock (Resigned on 1 June 2022)	532,000	-	532,000	532,000	-	1,596,000
- Baevinraj Thiagarajah	3,000,000	-	3,000,000	3,000,000	-	9,000,000
- Dato' Amiruddin bin Abdul Satar	500,000	-	500,000	500,000	-	1,500,000
- Abdul Halim bin Jantan	750,000	-	750,000	1,150,000	-	2,650,000
Deemed interests						
- Datuk Haji Beroz Nikmal bin Mirdin*	21,176,300	-	21,176,300	21,176,300	-	63,528,900

DIRECTORS' INTERESTS (CONT'D)

	Number of warrants				
	At 1.7.2021	Bought	Bonus issue	Sold	At 30.6.2022
Interest in the Company					
Direct interests					
- Datuk Haji Beroz Nikmal bin Mirdin	-	-	9,692,850	-	9,692,850
- Jeefri bin Muhamad Yusup	-	-	6,006,000	-	6,006,000
- Teh Foo Hock (Resigned on 1 June 2022)	-	-	798,000	-	798,000
- Baevinraj Thiagarajah	-	-	4,500,000	-	4,500,000
- Dato' Amiruddin bin Abdul Satar	-	-	750,000	-	750,000
- Abdul Halim bin Jantan	-	-	1,125,000	-	1,125,000
Deemed interests					
- Datuk Haji Beroz Nikmal bin Mirdin*	-	-	31,764,450	-	31,764,450
- Jeefri bin Muhamad Yusup#	-	550,000	-	-	550,000

* In accordance with Section 59(11)(c) of the Companies Act 2016, the deemed interest of the spouse of Datuk Haji Beroz Nikmal bin Mirdin in shares of the Company shall be treated as the interests of Datuk Haji Beroz Nikmal bin Mirdin.

In accordance with Section 59(11)(c) of the Companies Act 2016, the deemed interest of a child of Jeefri bin Muhamad Yusup in shares of the Company shall be treated as the interests of Jeefri bin Muhamad Yusup.

By virtue of their direct interests in shares of the Company, Datuk Haji Beroz Nikmal bin Mirdin and Jeefri bin Muhamad Yusup are also deemed to have interest in shares of the Company and of its related corporations to the extent of that interest under Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' EMOLUMENTS AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Group and of the Company are as follows:-

	Incurred by the Company RM'000	**Total** RM'000
Directors' fees	220	220
Directors' salaries and other emoluments	2,327	2,327
Defined contribution plan	274	274
	2,821	2,821

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects 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.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than those set out above) by reason of a contract made by the Group or the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company of which the Director has a substantial financial interest.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:-

(i) 101,457,300 new ordinary shares ("Rights Share(s)") pursuant to the renounceable rights issue on the basis of one (1) Rights Share for every one (1) existing ordinary share at an issue price of RM0.30 per Rights Share ("Rights issue");

(ii) 101,457,300 new ordinary shares ("Bonus Share(s)") pursuant to the bonus issue together with 152,185,950 free detachable warrants ("Bonus Warrant(s)") on the basis of two (2) Bonus Shares together with three (3) Bonus Warrants for every two (2) existing ordinary shares ("Bonus issue"); and

(iii) 18,867,700 new ordinary shares pursuant to the acquisition of a subsidiary, Ultimate Forte Sdn. Bhd. at RM0.57 per ordinary share being the fair value of the ordinary shares on the acquisition date.

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

There was no issuance of debentures during the financial year.

WARRANTS

On 12 January 2022, the Company executed a deed poll pertaining to the creation and issuance of 152,185,950 of free detachable warrants on the basis of two (2) bonus shares together with three (3) bonus warrants for every two (2) existing ordinary shares.

No warrants were exercised during the financial year and the total number of warrants that remain unexercised as at financial year end was 152,185,950.

OTHER STATUTORY INFORMATION

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

(a) 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 adequate provision had been made for doubtful debts; and

(b) 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.

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

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

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

OTHER STATUTORY INFORMATION (CONT'D)

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

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

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

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors and Officers of the Group and of the Company are covered by the Directors' and Officers' Liability Insurance for any liability incurred in discharged of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM42,410.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant events during the financial year and subsequent to the reporting period are disclosed in Note 40 to the financial statements.

AUDITORS

The total amount of fees paid to or receivables by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 June 2022 are amounted to RM255,000 and RM54,000 respectively.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 30 June 2022.

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

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

DATUK HAJI BEROZ NIKMAL BIN MIRDIN
DIRECTOR

Kuala Lumpur
28 October 2022

JEEFRI BIN MUHAMAD YUSUP
DIRECTOR

Kuala Lumpur
28 October 2022

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 137 to 222 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 30 June 2022 and of their financial performance and cash flows for the financial year then ended.

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

DATUK HAJI BEROZ NIKMAL BIN MIRDIN
DIRECTOR

Kuala Lumpur
28 October 2022

JEEFRI BIN MUHAMAD YUSUP
DIRECTOR

Kuala Lumpur
28 October 2022

STATUTORY DECLARATION

I, Noor Erni Surya binti Noordin, being the Officer primarily responsible for the financial management of Jentayu Sustainables Berhad (formerly known as Ipmuda Berhad) do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements as set out on pages 137 to 222 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in
the Federal Territory this day of
28 October 2022

Before me:

Commissioner for Oaths
Siti Nurbaya binti Mohd Bisharuddin
(No. W738)

NOOR ERNI SURYA BINTI NOORDIN
(MIA NO: 46318)
CHARTERED ACCOUNTANT

28 October 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

JENTAYU SUSTAINABLES BERHAD
(formely known as Ipmuda Berhad)
(Incorporated in Malaysia)
Registration No: 197501000834 (22146 - T)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jentayu Sustainables Berhad (formerly known as Ipmuda Berhad), which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 137 to 222.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Impairment of goodwill

The risk

Under Malaysian Financial Reporting Standards, the Group is required to annually test the amount of goodwill for impairment. This impairment testing relies on estimates of value-in-use based on estimated future cash flows.

The impairment test was significant to our audit because the assessment process used in preparing the estimated future cash flows are complex and highly judgemental and are based on assumptions that are affected by expected future market or economic conditions.

Our response

Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group, in particular those relating to the projected growth rate and discount rate. We checked for the additional impairment indicators by reading board minutes, holding regular discussions with the Group and examining the performance of the cash generating unit. We also focused on the adequacy of the Group's disclosures about those assumptions that have the most significant effect on the determination of the recoverable amount of goodwill.

The Group's disclosure regarding goodwill is included in Note 11 to the financial statements.

Impairment losses on trade receivables

The risk

Refer to Note 12 to the financial statements. The impairment of trade receivables is estimated by the management through the application of judgement and use of subjective assumptions. Due to the significance of trade receivables and the related estimation uncertainty, this is considered as key audit risk. Management judgement is required in determining the completeness of the trade receivables provision and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Impairment losses on trade receivables (cont'd)

Our response

We have reviewed the ageing of trade receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of impairment losses and bad debts written off in the current year against the prior years. We also assessed the reasonableness of assumptions and judgements made by the management regarding the expected credit losses and recoverability of outstanding receivables through examination of subsequent cash receipts.

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information expected to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 (cont'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.

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

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

We communicated 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 identified during our audit.

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

From the matters communicated with the Directors, we determined those matters that were of most significant in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We described 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.

Other Matter

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
28 October 2022

ALEX KINGSLEY CHUA
(NO: 03629/12/2023 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
28 October 2022

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	20,877	3,667	5,138	3,317
Right-of-use assets	5	11,010	1,478	543	1,383
Investment properties	6	51,970	47,655	28,760	26,685
Inventories	7	9,818	9,430	-	-
Investment in subsidiaries	8	-	-	10,114	60,960
Investment in an associate	9	-	-	-	-
Other investments	10	599	510	356	356
Goodwill on consolidation	11	11,100	-	-	-
Total non-current assets		105,374	62,740	44,911	92,701
Current assets					
Inventories	7	4,782	3,948	2	2
Trade receivables	12	3,882	17,462	214	12,303
Other receivables	13	22,296	4,896	17,198	1,509
Contract assets	14	6,259	-	-	-
Amount due from subsidiaries	15	-	-	21,569	7,450
Amount due from an associate	9	12	9	12	9
Tax recoverable		483	516	64	64
Cash and bank balances	16	2,672	4,603	811	1,652
Total current assets		40,386	31,434	39,870	22,989
Assets classified as held for sale	17	1,601	13,865	1,601	3,966
Total current assets and assets classified as held for sale		41,987	45,299	41,471	26,955
TOTAL ASSETS		147,361	108,039	86,382	119,656
EQUITY AND LIABILITIES					
Equity					
Share capital	18	135,969	94,777	135,969	94,777
Other reserves	19	51	(38)	(92)	(92)
Distribution from subsidiaries	15	-	-	-	6,209
Accumulated losses		(50,525)	(49,177)	(116,560)	(79,196)
Equity attributable to owners of the Company		85,495	45,562	19,317	21,698
Non-controlling interests		(567)	(270)	-	-
Total equity		84,928	45,292	19,317	21,698

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
EQUITY AND LIABILITIES (CONT'D)					
Non-current liabilities					
Borrowings	20	12,047	33,078	12,047	33,078
Lease liabilities	21	11,406	-	212	-
Provision for restoration cost	22	24	-	-	-
Deferred tax liabilities	23	2,428	2,370	1,055	959
Total non-current liabilities		25,905	35,448	13,314	34,037
Current liabilities					
Trade payables	24	7,638	4,785	1,073	2,413
Other payables	25	20,296	6,322	10,025	4,203
Contract liabilities	14	1,267	99	-	-
Amount due to subsidiaries	15	-	-	35,835	43,631
Borrowings	20	6,642	16,093	6,642	13,674
Lease liabilities	21	644	-	176	-
Tax payable		41	-	-	-
Total current liabilities		36,528	27,299	53,751	63,921
Total liabilities		62,433	62,747	67,065	97,958
TOTAL EQUITY AND LIABILITIES		147,361	108,039	86,382	119,656

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	26	83,908	30,217	58,720	8,376
Cost of sales		(78,723)	(25,588)	(4,669)	(7,569)
Gross profit		5,185	4,629	54,051	807
Other income		70,623	5,701	5,410	3,560
Administrative expenses		(21,544)	(16,244)	(16,590)	(13,112)
Selling and marketing expenses		(4,357)	(5,272)	(537)	(1,353)
Net (loss)/gain on impairment of financial assets		(11,989)	6,080	(10,971)	3,351
Other expenses		(7,965)	(1,761)	(36,689)	(3,966)
Finance income	27	897	1,105	170	339
Finance costs	28	(1,921)	(3,391)	(1,675)	(3,267)
Profit/(Loss) before tax	29	28,929	(9,153)	(6,831)	(13,641)
Tax (expense)/income	30	(137)	131	(96)	93
Profit/(Loss) for the financial year		28,792	(9,022)	(6,927)	(13,548)
Other comprehensive income/(loss)					
Item that may be reclassified subsequently to profit or loss					
Fair value changes of other investments		89	(51)	-	(92)
Total comprehensive income/(loss) for the financial year		28,881	(9,073)	(6,927)	(13,640)
Profit/(Loss) attributable to:-					
Owners of the Company		29,089	(8,942)	(6,927)	(13,548)
Non-controlling interests		(297)	(80)	-	-
		28,792	(9,022)	(6,927)	(13,548)
Total comprehensive income/(loss) attributable to:-					
Owners of the Company		29,178	(8,993)	(6,927)	(13,640)
Non-controlling interests		(297)	(80)	-	-
		28,881	(9,073)	(6,927)	(13,640)
Earnings/(Loss) per share attributable to owners of the Company	31				
- Basic		16.63	(10.86)		
- Diluted		12.93	(10.86)		

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Group	Note	Share capital RM'000	Fair value reserve RM'000	(Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the Company	Non-distributable	→			
Balance at 1 July 2020		75,926	13	(40,235)	35,704	(265)	35,439
Transactions with owners:							
Issuance of ordinary shares pursuant to private placement		8,995	-	-	8,995	-	8,995
Issuance of ordinary shares pursuant to restricted issue		9,856	-	-	9,856	-	9,856
Acquisition of a subsidiary		-	-	-	-	75	75
Total transactions with owners		18,851	-	-	18,851	75	18,926
Loss for the financial year		-	-	(8,942)	(8,942)	(80)	(9,022)
Other comprehensive loss for the financial year		-	(51)	-	(51)	-	(51)
Total comprehensive loss for the financial year		-	(51)	(8,942)	(8,993)	(80)	(9,073)
Balance at 30 June 2021		94,777	(38)	(49,177)	45,562	(270)	45,292
Transactions with owners:							
Issuance of ordinary shares pursuant to rights issue		30,437	-	-	30,437	-	30,437
Issuance of ordinary shares pursuant to acquisition of a subsidiary		10,755	-	-	10,755	-	10,755
Dividend paid	32	-	-	(30,437)	(30,437)	-	(30,437)
Total transactions with owners		41,192	-	(30,437)	10,755	-	10,755
Profit/(Loss) for the financial year		-	-	29,089	29,089	(297)	28,792
Other comprehensive income for the financial year		-	89	-	89	-	89
Total comprehensive income/(loss) for the financial year		-	89	29,089	29,178	(297)	28,881
Balance at 30 June 2022		135,969	51	(50,525)	85,495	(567)	84,928

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

		Attributable to owners of the Company				
			Non-distributable			
Company	Note	Share capital RM'000	Fair value reserve RM'000	Distribution from subsidiaries RM'000	Accumulated losses RM'000	Total equity RM'000
Balance at 1 July 2020		75,926	-	6,209	(65,648)	16,487
Transactions with owners:						
Issuance of ordinary shares pursuant to private placement		8,995	-	-	-	8,995
Issuance of ordinary shares pursuant to restricted issue		9,856	-	-	-	9,856
Total transactions with owners		18,851	-	-	-	18,851
Loss for the financial year		-	-	-	(13,548)	(13,548)
Other comprehensive loss for the financial year		-	(92)	-	-	(92)
Total comprehensive loss for the financial year		-	(92)	-	(13,548)	(13,640)
Balance at 30 June 2021		94,777	(92)	6,209	(79,196)	21,698
Transactions with owners:						
Issuance of ordinary shares pursuant to rights issue		30,437	-	-	-	30,437
Issuance of ordinary shares pursuant to acquisition of a subsidiary		10,755	-	-	-	10,755
Dividend paid	32	-	-	-	(30,437)	(30,437)
Total transactions with owners		41,192	-	-	(30,437)	10,755
Loss/Total comprehensive loss for the financial year		-	-	-	(6,927)	(6,927)
Transfer of distribution from subsidiaries		-	-	(6,209)	-	(6,209)
Balance at 30 June 2022		135,969	(92)	-	(116,560)	19,317

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
OPERATING ACTIVITIES				
Profit/(Loss) before tax	28,929	(9,153)	(6,831)	(13,641)
Adjustments for:-				
Bad debts written off	-	19	-	9
Changes in fair value of investment properties	(2,268)	(135)	(2,075)	(165)
Depreciation of property, plant and equipment	1,253	1,116	909	887
Depreciation of right-of-use assets	316	191	66	39
Dividend income	(1,025)	(7)	(55,024)	(6)
Gain on disposal of property, plant and equipment	(23)	(17)	(23)	(1)
(Gain)/Loss on disposal of assets held for sale	(65,138)	(143)	462	33
Inventories written down	24	16	-	-
Reversal of inventories written down	(1,190)	(1,797)	(13)	(328)
Interest expenses	1,921	3,391	1,675	3,267
Interest income	(897)	(1,105)	(170)	(339)
Net loss/(gain) on impairment of financial assets	11,989	(6,080)	10,971	(3,351)
Impairment loss on investment in an associate	-	7	-	11
Impairment loss on investment in subsidiaries	-	-	35,252	2,717
Property, plant and equipment written off	57	-	-	-
Remeasurement loss of assets classified as held for sale	-	280	-	280
Impairment losses on goodwill	5,130	-	-	-
Operating loss before working capital changes	(20,922)	(13,417)	(14,801)	(10,588)
Changes in working capital:-				
Land held for property development	(388)	(256)	-	-
Inventories	510	1,948	13	484
Contract assets	(6,259)	354	-	-
Contract liabilities	1,168	(500)	-	-
Receivables	(14,633)	17,863	(14,137)	6,589
Subsidiaries	-	-	920	7,510
Payables	15,592	(14,510)	4,358	(9,711)
Bankers' acceptances	(12,580)	(23,135)	(10,161)	(21,044)
Cash used in operations	(37,512)	(31,653)	(33,808)	(26,760)
Interest received	837	1,073	151	312
Interest paid	(723)	(2,004)	(539)	(1,176)
Tax paid	(5)	(76)	-	-
Net cash used in operating activities	(37,403)	(32,660)	(34,196)	(27,624)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
INVESTING ACTIVITIES					
Proceeds from disposal of:					
- property, plant and equipment		24	19	23	3
- assets held for sale		78,578	2,029	3,504	487
Net cash outflows on acquisition of subsidiaries	**8**	(6,654)	-	(6,679)	(550)
Purchase of property, plant and equipment		(16,178)	(134)	(2,954)	(131)
Reversal of property, plant and equipment		-	158	-	158
Purchase of right-of-use assets	**A**	(66)	-	(66)	-
Purchase of investment properties		(2,047)	-	-	-
Interest received		60	32	19	27
Dividend received		1,025	7	1,024	6
Repayment from/(Advance to) subsidiaries		-	-	65,346	(1,827)
Advances to an associate		(3)	(3)	(3)	(3)
Net cash from/(used in) investing activities		54,739	2,108	60,214	(1,830)
FINANCING ACTIVITIES					
Interest paid		(1,198)	(1,387)	(1,012)	(1,387)
Dividend paid		(30,437)	-	(30,437)	-
Repayment to subsidiaries		-	-	(7,796)	(4,327)
Finance service revenue account		1,237	608	1,237	608
Issuance of shares pursuant to private placement		-	8,995	-	8,995
Issuance of shares pursuant to restricted issue		-	9,856	-	9,856
Issuance of shares pursuant to rights issue		30,437	-	30,437	-
Repayment of lease liabilities	**B**	(167)	-	(149)	-
(Repayment)/Drawdown of term financing/loan		(24,544)	25,825	(24,544)	25,825
Net cash (used in)/from financing activities		(24,672)	43,897	(32,264)	39,570
CASH AND CASH EQUIVALENTS					
Net changes		(7,336)	13,345	(6,246)	10,116
Balance brought forward		3,366	(9,979)	415	(9,701)
Balance carried forward	**C**	(3,970)	3,366	(5,831)	415

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSETS

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Total purchase of right-of-use assets	1,475	-	603	-
Purchase through lease arrangements	(1,385)	-	(537)	-
Provision for restoration cost capitalised	(24)	-	-	-
Total cash paid	66	-	66	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

B. TOTAL CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Payment relating to short-term leases	433	436	345	314
Payment on lease liabilities	167	-	149	-
Payment on interest of lease liabilities	189	-	3	-
	789	436	497	314

C. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	2,672	4,603	811	1,652
Business cash financing	(6,642)	-	(6,642)	-
	(3,970)	4,603	(5,831)	1,652
Less: Finance service revenue/revenue account	-	(1,237)	-	(1,237)
Total cash and cash equivalents	(3,970)	3,366	(5,831)	415

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located Unit 25-01, Level 25, Menara Felda, 11 Persiaran KLCC, 50450 Kuala Lumpur.

The Company is principally engaged as an investment holding, trading and distribution of building materials and other products. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 October 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under historical cost convention, except for investment properties that are measured at fair value as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

The fair value of an asset or a liability is measured on the assumptions that market participants would act in their economic best interest when pricing the asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency and all values are rounded to the nearest RM'000 except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to the financial statements to all periods presented in these financial statements.

At the beginning of current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the current financial year.

The initial application of the new standards/amendments/improvements to the standards did not have a material impact on the financial statements of the Group and of the Company.

2. **BASIS OF PREPARATION (CONT'D)**

2.5 **Standards issued but not yet effective**

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

MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3	Business combinations: Reference to the conceptual framework
Amendments to MFRS 116	Property, plant and equipment: Proceeds before intended use
Amendments to MFRS 137	Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

Annual improvements to MFRS Standards 2018 - 2020

MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts: Initial application of MFRS 17 and MFRS 9 – comparative information
Amendments to MFRS 4*	Insurance contracts: Extension of the temporary exemption from applying MFRS 9
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 101	Presentation of financial statements: Disclosure of accounting policies
Amendments to MFRS 108	Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
Amendments to MFRS 112	Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

Amendments to MFRSs – effective date deferred indefinitely:-

Amendments to MFRS 10 and MFRS 128	Consolidated financial statements and investments in associates and joint venture: Sale or contribution of assets between an investor and its associate or joint venture

* Not applicable to the Group's and the Company's operation

The initial application of the above standard and amendments are not expected to have any material financial impact to the financial statements of the Group and of the Company upon their first adoption.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements

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 of 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.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

2.6.1 Estimation uncertainty

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

<u>Useful lives of depreciable assets</u>

The management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. The management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 3 to 50 years and reviews the useful lives of depreciable assets at each reporting date.

Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's and the Company's assets.

<u>Property development activities and construction contracts</u>

As revenue from ongoing property development activities are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development costs/construction costs incurred for work performed to date bear to the estimated total property development costs/construction costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs/construction costs incurred, the estimated total property development revenue and construction revenue, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and, if necessary, the work of specialists.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Valuation of investment properties

The investment property is reported at fair value which is based on a valuation performed by independent professional valuers.

The independent professional valuers have exercised significant judgement in determining the fair value of the properties which may be derived based on different valuation methods. Information regarding the valuation techniques and inputs used in determining the fair value are disclosed in Note 6 to the financial statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Further details of the carrying values, key assumptions applied in the impairment assessment of goodwill are disclosed in Note 11 to the financial statements.

Provision for restoration cost

The Group has an obligation to dismantle, remove and restore the leased warehouse to its original state and condition upon the expiry or termination of the lease agreement. The liabilities for dismantling, removal and restoration costs are recognised at present value of the compounded future expenditure estimated using existing technology, at current prices and discounted using a real discount rate. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision. While the provision is based on the best estimate of future costs and the economic lives of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, where there is indication of a material change.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Income taxes/Deferred tax liabilities

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's and the Company's core business is subject to economical and social preference which may cause selling prices to change rapidly and the Group's and the Company's profit to change.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and financial liabilities. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting year.

Provision for expected credit losses of receivables and contract assets

The Group and the Company use a provision matrix to calculate expected credit losses ("ECLs") for receivables and contract assets. The provision rates are based on the repayment pattern of the customers, customer's type and coverage by letters of credit.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2. **BASIS OF PREPARATION (CONT'D)**

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

2.6.1 **Estimation uncertainty (cont'd)**

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

2.6.2 **Significant management judgement**

The following are significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

Classification between investment properties and owner-occupied properties

The Group and the Company determine whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group and the Company consider whether a property generates cash flows largely independently of the other assets held by the Group and the Company.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group and the Company account for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's and the Company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.2 Significant management judgement (cont'd)

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group reviews the investment properties and concluded that the Group's and the Company's investment properties are held under a business model whose objective is to recover the carrying amount of the investment properties through sale.

Accordingly, the Group and the Company recognise deferred tax in respect of the changes in fair value of investment properties based on Real Property Gain Tax. The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the economic benefits embodied in the investment properties be subsequently substantially consumed over time rather than through sale.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group typically exercises its option to renew for those leases with renewal option.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group or the Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.1 **Consolidation (cont'd)**

3.1.1 **Subsidiaries (cont'd)**

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amounts is included in the profit or loss.

3.1.2 **Basis of consolidation**

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting period.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.15 of the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

3.1.3 **Business combination and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

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 as a charge to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRSs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business combination and goodwill (cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the profit or loss.

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

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee.

3.1.5 Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interests even if that results in a deficit balance.

3.1.6 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, investment in an associate is carried in the statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.6 Associates (cont'd)

The share of the result of an associate is reflected in the profit or loss. This is the profit attributable to equity holders of the associate and therefore is the profit after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then recognise the amount in the share of profit of an equity-accounted associate in the profit or loss.

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

Investment in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3.2 Property, plant and equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

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. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Capital work in progress consists of costs attributable to plant under construction for intended use. The amount is measured at cost and not depreciated until it is completed and ready for its intended use.

Depreciation is provided on the straight-line method in order to write off the cost of each asset over its estimated useful lives. Freehold land with an infinite life is not depreciated.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

The principal annual depreciation rates used are as follows:-

Freehold land and buildings	2%
Buildings	2%
Plant, machinery and tools	10%
Motor vehicles	10 - 20%
Office renovation, furniture and fittings	10 - 33%
Office equipment and computers	10 - 33%

The residual values, useful life and depreciation method are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least once annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of future economic benefits embodied in the items 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 the profit or loss in the financial year in which the asset is derecognised.

3.3 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in the profit or loss in the financial year in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and are supported by market evidence.

Investment properties are derecognised when either they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial year of retirement or disposal.

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

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.4 **Non-current assets held for sale and discontinued operations**

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

A component of the Group is classified as discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification of the asset (or disposal group) as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale (or disposal group), the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Liabilities are classified as held for sale and presented as such in the statements of financial position if they are directly associated with a disposal group.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excel of any cumulative impairment loss.

In the statements of profit or loss and other comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after tax, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after tax) is reported separately in the statements of profit or loss and other comprehensive income.

Goodwill, investment in subsidiaries, right-of-use assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity accounted associates ceases once classified as held for sale.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.5 **Financial instruments**

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

3.5.1 **Financial assets**

<u>Initial recognition and measurement</u>

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

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

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVTOCI are held within a business model with objective of both holding to collect contractual cash flows and selling.

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

<u>Subsequent measurement</u>

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

(a) Financial assets at amortised cost (debt instruments);
(b) Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
(c) Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
(d) Financial assets at FVTPL.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.5 **Financial instruments (cont'd)**

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

Subsequent measurement (cont'd)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in the profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade receivables, most of the other receivables, amount due from an associate, amount due from subsidiaries, cash and bank balances.

Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under MFRS 9 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its equity investments under this category. The Group's and the Company's equity instruments at FVTOCI includes other investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:-

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.5 **Financial instruments (cont'd)**

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

<u>Derecognition (cont'd)</u>

In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

<u>Impairment</u>

The Group and the Company recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment for trade receivables and contract assets

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure ECLs, trade receivables and contract assets are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company consider the expected credit loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Impairment for financial assets other than trade receivables and contract assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.1 Financial assets (cont'd)

Impairment (cont'd)

Credit impaired

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

3.5.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

(a) Financial liabilities at fair value through profit or loss; or
(b) Financial liabilities at amortised cost.

The Group and the Company only have financial liabilities at amortised cost on the statements of financial position.

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss. This category generally applies to interest-bearing borrowings. The Group's and the Company's financial liabilities include borrowings, trade payables, most of the other payables and amount due to subsidiaries.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.5 **Financial instruments (cont'd)**

3.5.2 **Financial liabilities (cont'd)**

Derecognition

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

3.5.3 **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 **Inventories**

Inventories comprise land held for property development, completed properties held for sale, and trading goods. Inventories are stated at the lower of cost and net realisable value.

Costs of trading goods are determined using weighted average method. Cost includes the original purchase price plus direct cost of bringing these inventories to their present condition and location.

The cost of completed properties held for sale comprises cost associated within the acquisition of land, direct costs and appropriate of common development costs.

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

3.6.1 **Land held for property development**

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these lands. Accordingly, land held for property development are classified as non-current assets on the statements of financial position and are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

3.6.2 **Property development costs**

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in 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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.7 **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances and bank overdrafts which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown in current liabilities in the statements of financial position.

3.8 **Impairment of non-financial assets**

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly trade companies or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3.9 **Equity, reserves and distribution to owners**

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

Foreign currency translation differences arising on the translation of the Group's foreign entities are included in the exchange translation reserve. Gains or losses on financial asset measured at fair value through other comprehensive income are included in the fair value reserve.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.9 **Equity, reserves and distribution to owners (cont'd)**

Accumulated losses include all current year's retained profit and prior years' accumulated losses.

Interim dividends are simultaneously proposed and declared, because the Articles of Association of the Company grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as liabilities when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholder's equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as liabilities.

All transactions with the owners of the Company are recorded separately within equity.

3.10 **Leases**

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

As a lessee

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

<u>Right-of-use assets</u>

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

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

Leasehold land	Over the remaining lease period
Building	2%
Motor vehicle	10 - 20%
Premises	4% - 33%
Renovation	20%
Staff hostel	17% - 50%
Hospital equipment	10%

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.8 to the financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.10 **Leases (cont'd)**

As a lessee (cont'd)

Short-term leases

The Group and the Company apply the short-term lease recognition exemption to their short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the profit or loss due to its operating nature.

3.11 **Provisions**

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.11.1 **Provision for restoration costs**

A provision for restoration is recognised when there is a present obligation as a result of production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing the facilities and restoring the affected areas.

3.12 **Employee benefits**

3.12.1 **Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.12 **Employee benefits (cont'd)**

3.12.2 **Defined contribution plan**

Defined contribution plan is post-employment benefit plans under which the Group and the Company pay fixed contribution into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contribution to the Employees Provident Fund.

3.13 **Revenue**

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The control over the goods or services is transferred over time and revenue is recognised over time if:-

(a) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
(b) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's and Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

3.13.1 Sales of goods

Revenue from sale of goods represents the distribution of building materials is recognised at a point in time when control of the asset is transferred to the customers, generally on delivery of the goods, at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods.

3.13.2 Property development and sales of completed properties

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 (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total development costs of the contract, i.e. the stage of completion).

Where the outcome of a development cannot be reasonably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs on the development units sold shall be recognised as an expense in the financial year in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

The excess of revenue recognised in the profit or loss over the billings to purchasers of properties is recognised as contract asset.

The excess of billings to purchasers of properties over revenue recognised in the profit or loss is recognised as contract liability.

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties has passed to the buyers.

3.13.3 Construction contracts

The Group recognises revenue from supply and installation of kitchen cabinets, wardrobes, electrical appliances, sinks and tap fittings, contractors to the construction industry, trading in construction materials and assembling industrial control instruments and engineering equipment production line over time as 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 (e.g. by reference to the contract costs incurred to date as a percentage of the estimated total contract costs of the contract, i.e. the stage of completion).

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.13 **Revenue (cont'd)**

3.13.3 **Construction contracts (cont'd)**

Where the outcome of a construction cannot be reasonably estimated, revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether construction work has commenced or not. The excess of revenue recognised in the profit or loss over the billings to customers is recognised as contract asset. The excess of billings to customers over revenue recognised in the profit or loss is recognised as contract liabilities.

3.13.4 **Contract costs**

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

3.13.5 **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

3.13.6 **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.13.7 **Inpatient and outpatient charges**

Inpatient revenue are recognised day by day, as services are provided to patients. These services are typically provided over a short time frame, that is, one to three days. Inpatient revenue charges are identified as one performance obligation due to the integrated healthcare solutions provided to the customers which involve combining consultancy services and range of services that the hospital provide such as the use of medical equipment, drugs, nursing procedures and others.

Outpatient cases generally do not involve surgical procedures and revenue is recognised on an individual component basis when performance obligations are satisfied. The outpatient revenue charges including consultant services are identified as a separate performance obligation due to the services are separately identifiable.

In evaluating whether collectability of an amount of consideration is probable for cash paying individual patients, it must meet the collectability assessment on deposit received from customers at the inception of the patients who do not meet the collectability criteria.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.13 **Revenue (cont'd)**

3.13.7 **Inpatient and outpatient charges (cont'd)**

Revenue is recognised at a point in time. The transaction price will be allocated to each performance obligation based on the stand-alone selling price. Where these are not directly observable, they are estimated based on cost plus margin. Revenue will only be recognised to the extent that if it is highly probable that a significant reversal will not occur, net of discounts.

A receivable is recognised upon billing when the deposit paid are less than the billed amount as this is the point that the consideration is unconditional because only the passage of time is required before payment is due.

3.13.8 **Other hospital revenue**

Other hospital revenue mainly consists of clinic rental for consultants. This is recognised on an accrual basis in accordance with the substance of the relevant agreements.

3.13.9 **Other revenue recognition**

Dividend income

Dividend income and other income from investments are recognised in the profit or loss when the right to receive such payment is established.

Interest income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

Management fee income

Management fees are recognised when services are rendered.

3.14 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Borrowing costs (cont'd)

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

3.15 Tax expense

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

3.15.1 Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous financial years.

Current tax for current and prior periods is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.15.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 Indirect tax

3.16.1 Sales and service tax

Expenses and assets are recognised net of the amount of sales and service tax, except:-

- when the sales and service tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales and service tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- when receivables and payables are stated with the amount of sales and service tax included.

The amount of sales and service tax payable to the taxation authority is included as part of payables in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Contingencies

3.17.1 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.17.2 Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.18 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assets its performance, and for which discrete financial information is available.

3.19 Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the reporting entity if that person:-

- (i) Has control or joint control over the Group and the Company;
- (ii) Has significant influence over the Group and the Company; or
- (iii) Is a member of the key management personnel of the Group or the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-

- (i) The entity and the Group or the Company are members of the same group;
- (ii) The entity is an associate or joint venture of the Group or the Company;
- (iii) Both the Group or the Company and the entity are joint ventures of the same third party;
- (iv) The Group or the Company is a joint venture of a third entity and the other entity is an associate of the same third entity;
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or the Company or an entity related to the Company;

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.19 **Related parties (cont'd)**

(b) An entity is related to the Group and the Company if any of the following conditions applies (cont'd):-

(vi) The entity is controlled or jointly-controlled by a person identified in (a) above;
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group or the entity;
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

3.20 **Earnings per ordinary share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company over the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company over the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares during the period.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings* RM'000	Buildings RM'000	Plant, machinery and tools RM'000	Motor vehicles RM'000	Office renovation, furniture and fittings RM'000	Office equipment and computers RM'000	Capital work in progress RM'000	Total RM'000
Group								
Cost								
At 1 July 2020	1,712	9,157	188	1,211	5,941	5,506	-	23,715
Additions	-	-	1	-	12	121	-	134
Reversal	-	-	-	-	-	(158)	-	(158)
Disposals	-	-	-	(163)	-	(4)	-	(167)
Transfer to assets classified as held for sale	-	(8,545)	-	-	-	-	-	(8,545)
At 30 June 2021	1,712	612	189	1,048	5,953	5,465	-	14,979
Acquisition of a subsidiary	-	-	1,555	-	3,121	907	-	5,583
Additions	-	-	-	161	1,575	99	14,343	16,178
Disposals	-	-	-	(130)	(3)	-	-	(133)
Written off	-	-	(13)	-	(1,941)	(34)	-	(1,988)
Transfer to assets classified as held for sale	-	(612)	-	-	-	-	-	(612)
At 30 June 2022	1,712	-	1,731	1,079	8,705	6,437	14,343	34,007

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

	Freehold land and buildings* RM'000	Buildings RM'000	Plant, machinery and tools RM'000	Motor vehicles RM'000	Office renovation, furniture and fittings RM'000	Office equipment and computers RM'000	Capital work in progress RM'000	Total RM'000
Group (cont'd)								
Accumulated depreciation								
At 1 July 2020	578	5,090	181	1,169	4,234	3,994	-	15,246
Charge for the financial year	13	181	2	17	232	671	-	1,116
Disposals	-	-	-	(163)	-	(2)	-	(165)
Transfer to assets classified as held for sale	-	(4,885)	-	-	-	-	-	(4,885)
At 30 June 2021	591	386	183	1,023	4,466	4,663	-	11,312
Acquisition of a subsidiary	-	-	902	-	1,411	703	-	3,016
Charge for the financial year	13	2	74	30	397	737	-	1,253
Disposals	-	-	-	(130)	(2)	-	-	(132)
Written off	-	-	(11)	-	(1,889)	(31)	-	(1,931)
Transfer to assets classified as held for sale	-	(388)	-	-	-	-	-	(388)
At 30 June 2022	604	-	1,148	923	4,383	6,072	-	13,130
Net carrying amount								
At 30 June 2022	1,108	-	583	156	4,322	365	14,343	20,877
At 30 June 2021	1,121	226	6	25	1,487	802	-	3,667

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

	Freehold land and buildings* RM'000	Buildings RM'000	Plant, machinery and tools RM'000	Motor vehicles RM'000	Office renovation, furniture and fittings RM'000	Office equipment and computers RM'000	Capital work in progress RM'000	Total RM'000
Company								
Cost								
At 1 July 2020	1,000	612	13	236	3,663	4,475	-	9,999
Additions	-	-	-	-	11	120	-	131
Reversal	-	-	-	-	-	(158)	-	(158)
Disposals	-	-	-	(8)	-	(4)	-	(12)
At 30 June 2021	1,000	612	13	228	3,674	4,433	-	9,960
Additions	-	-	-	-	1,449	76	1,429	2,954
Disposals	-	-	-	(130)	-	-	-	(130)
Transfer to assets classified as held for sale	-	(612)	-	-	-	-	-	(612)
At 30 June 2022	1,000	-	13	98	5,123	4,509	1,429	12,172
Accumulated depreciation								
At 1 July 2020	15	374	11	234	2,134	2,998	-	5,766
Charge for the financial year	7	12	-	1	205	662	-	887
Disposals	-	-	-	(7)	-	(3)	-	(10)
At 30 June 2021	22	386	11	228	2,339	3,657	-	6,643
Charge for the financial year	7	2	-	-	212	688	-	909
Disposals	-	-	-	(130)	-	-	-	(130)
Transfer to assets classified as held for sale	-	(388)	-	-	-	-	-	(388)
At 30 June 2022	29	-	11	98	2,551	4,345	-	7,034
Net carrying amount								
At 30 June 2022	971	-	2	-	2,572	164	1,429	5,138
At 30 June 2021	978	226	2	-	1,335	776	-	3,317

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Assets pledged as securities to financial institutions

The net carrying amounts of assets pledged as securities for bank borrowings are:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Freehold land and building	-	978	-	978

The details of the bank borrowings are disclosed in Note 20 to the financial statements.

* The cost and carrying amounts of the freehold land are not segregated from the buildings as required details are not available and unreasonable expenses would be incurred.

Included in additions of capital work in progress during the financial year are as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Personnel expenses:				
- Salaries and other emoluments	915	-	-	-
- Defined contribution plan	109	-	-	-

5. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Building RM'000	Motor vehicle RM'000	Premises RM'000	Renovation RM'000	Staff hostel RM'000	Hospital equipment RM'000	Total RM'000
Group								
Cost								
At 1 July 2020	21,942	154	-	-	-	-	-	22,096
Transfer to assets classified as held for sale	(19,410)	-	-	-	-	-	-	(19,410)
At 30 June 2021	2,532	154	-	-	-	-	-	2,686
Acquisition of a subsidiary	-	-	-	11,191	-	175	200	11,566
Additions	-	-	603	848	24	-	-	1,475
Transfer to assets classified as held for sale	(2,532)	-	-	-	-	-	-	(2,532)
At 30 June 2022	-	154	603	12,039	24	175	200	13,195
Accumulated depreciation								
At 1 July 2020	14,557	56	-	-	-	-	-	14,613
Charge for the financial year	188	3	-	-	-	-	-	191
Transfer to assets classified as held for sale	(13,596)	-	-	-	-	-	-	(13,596)
At 30 June 2021	1,149	59	-	-	-	-	-	1,208
Acquisition of a subsidiary	-	-	-	1,672	-	69	75	1,816
Charge for the financial year	6	3	60	225	2	10	10	316
Transfer to assets classified as held for sale	(1,155)	-	-	-	-	-	-	(1,155)
At 30 June 2022	-	62	60	1,897	2	79	85	2,185
Net carrying amount								
At 30 June 2022	-	92	543	10,142	22	96	115	11,010
At 30 June 2021	1,383	95	-	-	-	-	-	1,478

Included in the Group's renovation is the provision for restoration cost based on the estimated cost to restore the leased premises at the end of the lease term.

5. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land RM'000	Motor vehicle RM'000	Total RM'000
Company			
Cost			
At 1 July 2020/30 June 2021	2,532	-	2,532
Addition	-	603	603
Transfer to assets classified as held for sale	(2,532)	-	(2,532)
At 30 June 2022	-	603	603
Accumulated depreciation			
At 1 July 2020	1,110	-	1,110
Charge for the financial year	39	-	39
At 30 June 2021	1,149	-	1,149
Charge for the financial year	6	60	66
Transfer to assets classified as held for sale	(1,155)	-	(1,155)
At 30 June 2022	-	60	60
Net carrying amount			
At 30 June 2022	-	543	543
At 30 June 2021	1,383	-	1,383

6. INVESTMENT PROPERTIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fair value:-				
Brought forward	47,655	51,740	26,685	30,740
Additions	2,047	-	-	-
Transfer to assets classified as held for sale	-	(4,220)	-	(4,220)
Fair value adjustments	2,268	135	2,075	165
Carried forward	51,970	47,655	28,760	26,685

The investment properties comprise the following:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Freehold land and buildings	51,320	47,045	28,560	26,485
Leasehold land and buildings	650	610	200	200
	51,970	47,655	28,760	26,685

6. **INVESTMENT PROPERTIES (CONT'D)**

The strata title of the Group's and of the Company's buildings with the net carrying amounts of RM160,000 and RM40,000 (2021: RM155,000 and RM25,000) respectively are yet to be issued by the relevant authorities.

The Group's and the Company's leasehold land and buildings meet the definition of right-of-use assets but are not required to be reclassified to right-of-use assets.

Income and expenses recognised in the profit or loss

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental income	481	335	187	335
Direct operating expenses for investment properties:				
- income generating investment properties	92	29	10	29
- non-income generating investment properties	41	43	10	12

Investment properties pledged as securities to financial institutions

Net carrying amount of investment properties pledged as securities for bank borrowings is as follow:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Freehold land	45,000	43,050	25,000	23,200

The details of the bank borrowings are disclosed in Note 20 to the financial statements.

Investment properties are stated at fair value, which has been determined based on valuation performed by independent valuer with recent experience in the location and category of properties being valued at the end of the reporting year using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1, 2 and 3 during the financial year.

7. INVENTORIES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current:-					
Land held for property development	7.1	9,818	9,430	-	-
Current:-					
Trading goods		2,446	1,649	2	2
Completed properties		2,336	2,299	-	-
		4,782	3,948	2	2

7.1 Land held for property development

	Group 2022 RM'000	Group 2021 RM'000
Leasehold land at cost	6,825	6,825
Development at cost	2,605	2,349
At 1 July	9,430	9,174
Development cost incurred during the financial year	388	256
At 30 June	9,818	9,430

7.2 Recognised in profit or loss

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Inventories recognised as cost of sales	19,413	20,931	4,682	7,897
Inventories written down	24	16	-	-
Reversal of inventories written down	(1,190)	(1,797)	(13)	(328)

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

8. INVESTMENT IN SUBSIDIARIES

	Company 2022 RM'000	Company 2021 RM'000
Unquoted shares, at cost		
- In Malaysia	43,809	26,375
Quasi loans	29,085	62,113
Less: Accumulated impairment losses	(62,780)	(27,528)
	10,114	60,960

The movement of accumulated impairment losses during the financial year is as follow:-

	Company 2022 RM'000	Company 2021 RM'000
Brought forward	27,528	24,811
Recognised during the financial year	35,252	2,717
Carried forward	62,780	27,528

The impairment losses were recognised to adjust the carrying amount of investment in subsidiaries as the recoverable amounts were lower than the carrying amount.

Impairment losses on investment in subsidiaries and quasi loans are included in other expenses.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Details of the subsidiaries are as follows:-

Name of companies	Principal place of business	Effective ownership interest and voting interest 2022 (%)	Effective ownership interest and voting interest 2021 (%)	Principal activities
Armor Master Sdn. Bhd.	Malaysia	100	100	Dormant
Better Living Grand Sdn. Bhd.	Malaysia	100	100	Dormant
Eager Vest Sdn. Bhd.	Malaysia	100	100	Dormant
Glorious Future Sdn. Bhd.	Malaysia	100	100	Dormant

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

Name of companies	Principal place of business	Effective ownership interest and voting interest 2022 (%)	2021 (%)	Principal activities
Homemart Distribution Centre Sdn. Bhd.	Malaysia	100	100	Provision of warehousing services
Ipmuda Architectural Products Sdn. Bhd.	Malaysia	100	100	Trading in locksets and architectural hardware products
Ipmuda Borneo Sdn. Bhd.	Malaysia	100	100	Trading and distribution of building materials
Ipmuda Buildermart Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Ipmuda Development Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Ipmuda Edar Sdn. Bhd.	Malaysia	100	100	Trading and distribution of lubricants and fuel
Ipmuda Lanco Sdn. Bhd.	Malaysia	51	51	Dormant
Ipmuda Oil & Gas Sdn. Bhd.	Malaysia	100	100	Dormant
Ipmuda Properties Sdn. Bhd.	Malaysia	100	100	Property development
Ipmuda Construction & Engineering Sdn. Bhd.	Malaysia	100	100	Contractors to the construction industry and trading in construction materials
Oriole Power Sdn. Bhd.	Malaysia	79	100	Operation of generation facilities that produce electric energy
Oriole Hydro Maligan Sdn. Bhd.*	Malaysia	55	-	Dormant
Oriole Hydro Padas Sdn. Bhd.*	Malaysia	55	-	Dormant
Ipmuda Selatan Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Ipmuda Tiles & Sanitarywares Sdn. Bhd.	Malaysia	100	100	Trading and distribution of tiles, marble and sanitaryware products
Ipmuda Timuran Sdn. Bhd.	Malaysia	100	100	Trading in building materials

8. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

Details of the subsidiaries are as follows (cont'd):-

Name of companies	Principal place of business	Effective ownership interest and voting interest 2022 (%)	2021 (%)	Principal activities
Ipmuda Tradelinks Sdn. Bhd.	Malaysia	90	90	Dormant
Ipmuda Utara Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Jentayu Life Sdn. Bhd.	Malaysia	100	100	Dormant
Jentayu (MM2H) Sdn. Bhd.	Malaysia	100	100	Dormant
Modular Equity Sdn. Bhd.	Malaysia	100	100	Dormant
Mudacare Sdn. Bhd.	Malaysia	100	100	Dormant
Perak Metal Industries Sdn. Bhd.	Malaysia	100	100	Dormant
Roset-BLG Sdn. Bhd.	Malaysia	100	100	Letting of properties
Roset Interiors Sdn. Bhd.	Malaysia	100	100	Engaged as distributor and retailer for the supply and installation of kitchen cabinets, wardrobes, electrical appliances, sinks and tap fittings
Roset Properties Sdn. Bhd.	Malaysia	100	100	Dormant
Sitolly Co. Sdn. Bhd.	Malaysia	80	80	Dormant
Toriki Metal Engineering Sdn. Bhd.	Malaysia	100	100	Dormant
Uniherbal Sdn. Bhd.	Malaysia	100	100	Dormant
Victory Rally Sdn. Bhd.	Malaysia	100	100	Dormant
Jentayu Power Sdn. Bhd. (formerly known as JSB Renew Sdn. Bhd.)	Malaysia	100	100	Dormant
Jentayu Sustainables Capital Sdn. Bhd. (formerly known as JSB Renew Solar Sdn. Bhd.)	Malaysia	100	100	Dormant
EST Tradeventures Sdn. Bhd.	Malaysia	85	85	Dormant
Ultimate Forte Sdn. Bhd.	Malaysia	100	-	Private hospital

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

* Newly incorporated and the financial statements were not required to be audited as at the reporting date.

<u>2022</u>

Incorporation of subsidiaries

(i) On 10 December 2021, a subsidiary of the Company, Oriole Power Sdn. Bhd. ("OPSB") had incorporated a wholly-owned subsidiary, Oriole Hydro Maligan Sdn. Bhd. ("OHMSB") with an issued and paid up capital of RM2.

(ii) On 13 December 2021, a subsidiary of the Company, OPSB had incorporated a wholly-owned subsidiary, Oriole Hydro Padas Sdn. Bhd. ("OHPSB") with an issued and paid up capital of RM2.

Acquisition of a subsidiary

(i) On 21 February 2022, the Company acquired 8,800,000 ordinary shares representing 100% equity interest in Ultimate Forte Sdn. Bhd. for a total purchase consideration of RM17,434,000 which was settled by a combination of cash consideration of RM6,679,000 and 18,867,700 new ordinary shares at fair value of RM0.57 each which amounted to RM10,755,000, whereby the fair value of the share is the published price of the share on the acquisition date. The net assets of Ultimate Forte Sdn. Bhd. as at the acquisition date is as follows:-

	RM'000
Property, plant and equipment	2,567
Right-of-use assets	9,750
Inventories	178
Trade receivables	337
Other receivables	415
Cash and bank balances	25
Trade payables	(757)
Other payables	(479)
Lease liabilities	(10,832)
Total identifiable net assets at fair value	1,204
Equity attributable to owners of the Company	1,204
Fair value of effective purchase consideration transferred	(17,434)
Goodwill arising on acquisition of a subsidiary	(16,230)
Cash flows on acquisition date	
Purchase consideration settled in cash	6,679
Cash and cash equivalents acquired	
- Cash and bank balances	(25)
Net cash outflows on acquisition of a subsidiary	6,654

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

2022 (cont'd)

Subscription in shares and dilution of interest in a subsidiary without loss of control

(i) On 8 February 2022, OPSB, a subsidiary of the Company total issued 998 units of ordinary shares and allotted 214 units of ordinary shares to non-controlling interest for a total cash consideration of RM214. The Company subscribed an additional 784 units of ordinary shares for a total consideration of RM784. As the result of this share allotment, the Company decreased its ownership in OPSB from 100% to 79%.

(ii) On 21 March 2022, OHMSB total issued 49,998 units of ordinary shares and allotted 15,000 units of ordinary shares to non-controlling interest for total cash consideration of RM15,000. OPSB subscribed an additional 34,998 units of ordinary shares for a total consideration of RM34,998. As the result of this share allotment, OPSB decreased its ownership in OHMSB from 100% to 70% and indirectly, the Company's equity interest decreased from 79% to 55%.

(iii) On 21 March 2022, OHPSB total issued 49,998 units of ordinary shares and allotted 15,000 units of ordinary shares to non-controlling interest for total cash consideration of RM15,000. OPSB subscribed an additional 34,998 units of ordinary shares for a total consideration of RM34,998. As the result of this share allotment, OPSB decreased its ownership in OHPSB from 100% to 70% and indirectly, the Company's equity interest decreased from 79% to 55%.

2021

Acquisition of a subsidiary

On 28 August 2020, the Company had acquired 100% owned subsidiary, Jentayu Power Sdn. Bhd. (formerly known as JSB Renew Sdn. Bhd.), with an issued and paid-up capital of RM1 comprising of 1 ordinary share for a total cash consideration of RM1.

Additional investment in subsidiaries

On 21 July 2020, the Company subscribed additional 49,998 units of new ordinary shares in Jentayu (MM2H) Sdn. Bhd. for a total cash consideration of RM49,998.

On 23 December 2020, the Company subscribed additional 499,998 units of new ordinary shares in Mudacare Sdn. Bhd. for a total cash consideration of RM499,998.

Quasi loans

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

The Directors decided to settle certain quasi loans during the financial year.

Non-controlling interests

The Group's subsidiaries have non-controlling interests from 10% to 49% at the end of the financial year.

As at the reporting date, the summarised financial information of non-controlling interests have not been presented as the non-controlling interests are immaterial to the Group.

9. INVESTMENT IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted ordinary shares, at cost	49	49	49	49
Share of post-acquisition losses	(42)	(42)	-	-
	7	7	49	49
Less: Accumulated impairment losses	(7)	(7)	(49)	(49)
	-	-	-	-

The movement of accumulated impairment losses during the financial year is as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Brought forward	7	-	49	38
Addition	-	7	-	11
Carried forward	7	7	49	49

The impairment losses were recognised to adjust the carrying amount of investment in an associate as the recoverable amount was lower than the carrying amount.

Details of the associate are as follows:

Name of company	Principal place of business	Effective ownership interest and voting interest 2022 (%)	2021 (%)	Principal activities
Budimex Sdn. Bhd.	Malaysia	49	49	Trading agency of building materials (ceased operations)

The summarised financial information for the associate has not been presented as the associate is immaterial to the Group.

The Group has not recognised any losses relating to this associate for the current and previous financial years as it is immaterial to the Group's results.

	Group and Company	
	2022 RM'000	2021 RM'000
Amount due from an associate		
Non-trade	12	9

The non-trade balance due from an associate is unsecured, bears no interest and repayable on demand.

10. OTHER INVESTMENTS

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
FVTOCI				
Non-current				
Quoted shares in Malaysia	243	154	-	-
Club membership	356	356	356	356
	599	510	356	356
Represented by:-				
At fair value	599	510	356	356
Market value:				
- Quoted shares	243	154	-	-
- Club membership	356	356	356	356

The Group and the Company designated the investment in equity securities and club membership as fair value through other comprehensive income because these investments represent the investments that the Group and the Company intend to hold for long-term strategic purpose.

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Fair value at 30 June				
Ajiya Berhad	199	109	-	-
Ajiya Berhad (warrants)	-	1	-	-
Globaltec Formation Berhad	1	1	-	-
Eonmetall Group Berhad	6	6	-	-
Hume Industries Berhad	11	11	-	-
Oka Corporation Bhd	26	26	-	-
	243	154	-	-

11. GOODWILL ON CONSOLIDATION

	Group 2022 RM'000	Group 2021 RM'000
Goodwill arising from business combination	16,230	-
Less: Accumulated impairment losses	(5,130)	-
	11,100	-

11. **GOODWILL ON CONSOLIDATION (CONT'D)**

The movement of accumulated impairment losses during the financial year is as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Brought forward	-	-
Addition during the financial year	5,130	-
Carried forward	5,130	-

Goodwill has been allocated, at acquisition date, to the Group's CGU, being Ultimate Forte Sdn. Bhd., which is in the healthcare business segment.

As at 30 June 2022, the recoverable amount of Ultimate Forte Sdn Bhd was lower than the carrying amount of the goodwill, which led to the impairment of RM5,130,000 by the management.

Impairment losses on goodwill on consolidation is included in other expenses.

Impairment test for goodwill

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-years period. The values assigned to key assumptions is in respect of management's assessment of future trends in the industry.

The key assumptions used for value-in-use calculations are as follows:-

	Group	
	2022	2021
	%	%
Projected growth rate	Nil	-
Discount rate	6.76	-

(i) Projected growth rate

The projected growth rate was based on actual operating results and a five-years business plan.

(ii) Discount rate

The discount rate was estimated based on the weighted average cost of capital of the Group.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGU, the values assigned to the key assumptions represent the management's assessment of future trends in the industry. The above estimates are particularly sensitive in discount rate. An increase of 1% in the discount rate used would increase the impairment loss by RM900,000.

12. TRADE RECEIVABLES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Trade receivables, secured	13,906	13,906	13,906	13,906
Trade receivables, unsecured	48,433	51,558	21,270	22,834
Retention sums, unsecured	183	183	-	-
	62,522	65,647	35,176	36,740
Less: Accumulated impairment losses	(58,640)	(48,185)	(34,962)	(24,437)
	3,882	17,462	214	12,303

The movement of accumulated impairment losses during the financial year is as follows:-

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Brought forward	48,185	54,467	24,437	27,769
Addition during the financial year	14,943	2,081	11,753	389
Reversal of impairment losses	(4,461)	(8,314)	(1,216)	(3,721)
Written off	(27)	(49)	(12)	-
Carried forward	58,640	48,185	34,962	24,437

The Group's and the Company's normal trade credit term granted to trade receivables range from cash term to 120 days (2021: cash term to 120 days). Other credit terms are assessed and approved by management on a case-by-case basis.

In previous financial year, one of the major customers of the Group and the Company with outstanding amounts of RM7,108,000 had agreed to settle the outstanding amount via contra of properties which were under development. Accordingly, the customer had assigned, transferred and conveyed absolutely to the Group and Company all its rights, title, interest, benefit, advantage, claim and demand to the said properties. These properties which had an aggregate purchase consideration of RM7,837,000 were expected to be completed in year 2026.

In previous financial year, included in the Group's and the Company's trade receivables were the major customers with outstanding amounts of RM4,620,000 and the customers had agreed to settle the amounts due via contra of properties. Accordingly, the customer had assigned, transferred and conveyed absolutely with the customer's subsidiary to the Group and the Company all its rights, title, interest, benefit, advantage, claim and demand to the said properties. These properties are under development and had an aggregate purchase consideration of RM6,652,000. Substantial part of the amounts due from the customers will be utilised to satisfy the purchase consideration of the properties which are expected to be completed in year 2026.

13. OTHER RECEIVABLES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-trade receivables:				
- Third parties	4,965	19,782	356	14,113
Deposits	20,750	1,455	16,651	556
Prepayments	467	284	414	229
GST recoverable	-	127	-	125
Less: Accumulated impairment losses				
Brought forward	(16,752)	(16,765)	(13,514)	(13,448)
Addition	(1,507)	(153)	-	(66)
Written off	14,373	166	13,291	-
Carried forward	(3,886)	(16,752)	(223)	(13,514)
	22,296	4,896	17,198	1,509

Included in the deposits are the deposits paid by the Group and the Company to acquire new subsidiaries amounting to RM16,000,000 (2021: Nil) in relation to the Proposed Acquisitions as disclosed in Note 40 to the financial statements.

The components of accumulated impairment losses of other receivables are as follows:-

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Third parties	3,680	16,546	55	13,346
Deposits	206	206	168	168
	3,886	16,752	223	13,514

14. CONTRACT ASSETS/(LIABILITIES)

	Group 2022 RM'000	Group 2021 RM'000
Contract assets		
- Hospital services	19	-
- Construction contracts	6,240	-
	6,259	-
Contract liabilities		
- Construction contracts	-	(99)
- Advances received from customers	(1,267)	-
	(1,267)	(99)

14. **CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

Hospital services

The contact assets primarily relates to the right to consideration for hospital services completed but not yet billed at the reporting date.

Construction contracts

The construction contracts represent the timing differences in revenue recognition and the milestone billings.

Contract assets primarily relates to the right to consideration for work completed on construction but not yet billed as at the reporting date.

Contract liabilities primarily relates to the advance consideration received from a customer for construction contract, which revenue is recognised overtime during the construction of a building.

Advances received from customers

Contract liabilities primarily relates to advances received from customers for goods or services and land where control has yet to be transferred by the Group at the reporting date.

Contract revenue yet to be recognised as revenue

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM21,662,000 (2021: RM72,381,000). The Group expects to recognise this revenue over the next 12 to 36 months (2021: 12 to 36 months).

	Group	
	2022 RM'000	2021 RM'000
Contract liabilities at the beginning of financial year recognised as revenue	99	496

15. **AMOUNT DUE FROM/(TO) SUBSIDIARIES/DISTRIBUTION FROM SUBSIDIARIES**

	Note	Company	
		2022 RM'000	2021 RM'000
Amount due from subsidiaries (current asset)			
- Trade related	15.1	-	920
Less: Accumulated impairment losses			
Brought forward		(920)	(1,219)
Reversal		920	299
Carried forward		-	(920)
		-	-

15. AMOUNT DUE FROM/(TO) SUBSIDIARIES/DISTRIBUTION FROM SUBSIDIARIES (CONT'D)

	Note	Company 2022 RM'000	Company 2021 RM'000
Amount due from subsidiaries (current asset) (cont'd)			
- Non-trade related	15.2	44,579	29,106
Less: Accumulated impairment losses			
Brought forward		(21,656)	(21,442)
Addition		(2,931)	(956)
Reversal		1,577	742
Carried forward		(23,010)	(21,656)
		21,569	7,450
		21,569	7,450
Distribution from subsidiaries	15.3		
Equity		-	6,209
Amount due to subsidiaries (current liabilities)			
- Non-trade related	15.2	(35,835)	(43,631)

15.1 The trade balances due from subsidiaries are subject to the normal trade credit terms ranging from 30 to 90 days (2021: 30 to 90 days).

15.2 The non-trade balances due from/to subsidiaries are unsecured, bear no interest and repayable on demand.

15.3 In previous financial year, the distribution from subsidiaries represents unsecured interest-free advances from subsidiaries of which the settlement neither planned nor likely to occur in the foreseeable future.

The movement of distribution from subsidiaries during the financial year is as follows:-

	Company 2022 RM'000	Company 2021 RM'000
Brought forward	6,209	6,209
Transfer	(6,209)	-
Carried forward	-	6,209

The Directors decided to settle the distribution from subsidiaries during the financial year.

16. CASH AND BANK BALANCES

Included in cash and bank balances of the Group is an amount of RM459,000 (2021: RM852,000) which is maintained in the designated Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991.

The utilisation of these balances is restricted before completion of the housing development projects and fulfillment of all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

In previous financial year, an amount of RM1,237,000 of the Group and of the Company was maintained in the designated finance service revenue account in relation to the term financing facilities granted to the Group and the Company as disclosed in Note 20 to the financial statements.

17. ASSETS CLASSIFIED AS HELD FOR SALE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Assets classified as held for sale	1,601	13,865	1,601	3,966
Brought forward	13,865	1,912	3,966	546
Disposals	(13,440)	(1,886)	(3,966)	(520)
Transfer from property, plant and equipment	224	3,660	224	-
Transfer from right-of-use assets	1,377	5,814	1,377	-
Transfer from investment properties	-	4,220	-	4,220
Transfer from investment in subsidiaries	-	425	-	-
Termination of disposal	(425)	-	-	-
Loss on remeasurement	-	(280)	-	(280)
Carried forward	1,601	13,865	1,601	3,966

2022

On 5 September 2021, the management of the Company has agreed to dispose a piece of land with building in which the Company has found a purchaser. The Company only entered into the Sales and Purchase Agreement on 8 April 2022 with the purchaser for a total consideration of RM19,995,000. The transaction was completed on 11 October 2022.

2021

At the end of financial year, certain property, plant and equipment, right-of-use assets, investment properties and investment in subsidiaries that are reclassified to assets held for sale are as follows:-

(i) On 8 March 2021, the management of the Company has approved to dispose 5 units of shop offices in which the Company found a purchaser. The Company only entered into the Sales and Purchase Agreement on 11 March 2021 with the purchaser for a total consideration of RM2,900,000. The transaction was completed on 12 October 2021. Direct costs related to the disposal amounted to RM356,000.

17. **ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)**

2021 (cont'd)

At the end of financial year, certain property, plant and equipment, right-of-use assets, investment properties and investment in subsidiaries that are reclassified to assets held for sale are as follows (cont'd):-

(ii) On 18 January 2021, the management of the Company has approved to dispose 3 units of shop offices in which the Company found a purchaser. The Company only entered into the Sales and Purchase Agreement on 18 March 2021 with the purchaser for a total consideration of RM1,100,000 and resulting remeasurement loss of RM280,000 is recognised into profit or loss in current financial year. The transaction is completed on 25 August 2021. Direct costs related to the disposal amounted to RM140,000.

(iii) On 18 December 2020, a subsidiary entered into a Sale and Purchase Agreement with a purchaser to dispose off a leasehold land and building for a total consideration of RM800,000. The transaction is completed on 28 February 2022. Direct costs related to the disposal amounted to RM70,000.

(iv) On 18 June 2021, a subsidiary entered into a Sale and Purchase Agreement with a purchaser to dispose off a leasehold land and building for a total consideration of RM82,000,000. The transaction is completed on 11 January 2022. Direct costs related to the disposal amounted to RM7,656,000. The consideration was satisfied by the way of RM79,953,000 in cash and investment properties of RM2,047,000.

(v) On 28 May 2021, the Board of Directors of a subsidiary, Jentayu Sustainables Capital Sdn. Bhd. (formerly known as JSB Renew Solar Sdn. Bhd.) has intended to dispose off its investment in a subsidiary, EST Tradeventures Sdn. Bhd.. The disposal was unsuccessful.

18. **SHARE CAPITAL**

	Group and Company		Group and Company	
	2022	2021	2022	2021
	Unit'000	Unit'000	RM'000	RM'000
Issued and fully paid with no par value:-				
Brought forward	101,457	72,469	94,777	75,926
Issued during the financial year:				
- Private placement	-	14,494	-	8,995
- Restricted issue	-	14,494	-	9,856
- Rights issue	101,457	-	30,437	-
- Acquisition of a subsidiary	18,868	-	10,755	-
- Bonus issue	101,457	-	-	-
Carried forward	323,239	101,457	135,969	94,777

During the financial year, the Company increased its issued and paid-up ordinary shares from RM94,777,000 comprising 101,457,000 shares to RM135,969,000 comprising 323,239,000 shares by way of:-

(i) Issuance of 101,457,300 new ordinary shares ("Rights Share(s)") pursuant to the renounceable rights issue on the basis of one (1) Rights Share for every one (1) existing ordinary share held by the entitled shareholders at an issue price of RM0.30 per Rights Share

18. **SHARE CAPITAL (CONT'D)**

During the financial year, the Company increased its issued and paid-up ordinary shares from RM94,777,000 comprising 101,457,000 shares to RM135,969,000 comprising 323,239,000 shares by way of (cont'd):-

(ii) Issuance of 101,457,300 new ordinary shares ("Bonus Share(s)") pursuant to the bonus issue together with 152,185,950 free detachable warrants ("Bonus Warrant(s)") on the basis of two (2) Bonus Shares together with three (3) Bonus Warrants for every two (2) existing ordinary shares ("Bonus issue"); and

(iii) Issuance of 18,867,700 new ordinary shares pursuant to the acquisition of a subsidiary, Ultimate Forte Sdn. Bhd. at RM0.57 per ordinary share being the fair value of the ordinary shares at the acquisition date.

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

19. **OTHER RESERVES**

Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of financial assets measured of fair value through other comprehensive income until they are disposed.

20. **BORROWINGS**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Secured:-				
Term financing/loan	12,047	33,078	12,047	33,078
Current				
Secured:-				
Term financing/loan	-	3,513	-	3,513
Business cash financing	6,642	-	6,642	-
Bankers' acceptances	-	305	-	305
Unsecured:-				
Bankers' acceptances	-	12,275	-	9,856
	6,642	16,093	6,642	13,674
Total borrowings				
Term financing/loan	12,047	36,591	12,047	36,591
Business cash financing	6,642	-	6,642	-
Bankers' acceptances	-	12,580	-	10,161
	18,689	49,171	18,689	46,752

20. **BORROWINGS (CONT'D)**

Term financing/loan

Term financing/loan are secured by a freehold land of the Company (2021: a subsidiary's leasehold land and building) as disclosed in Notes 4 and 6 to the financial statements.

The Group and the Company set up a finance service revenue account for term financing wherein an equivalent of 3 monthly instalments shall be maintained at all times. In previous financial year, the balance in this account amounted to RM1,237,000 as disclosed in Note 16 to the financial statements.

Bankers' acceptance

In previous financial year, the bankers' acceptances were secured by negative pledge and a subsidiary's leasehold land and building as disclosed in Notes 4 and 6 to the financial statements.

Business cash financing

The business cash financing is secured against a subsidiary's freehold land as disclosed in Note 6 to the financial statements.

The range of effective interest rates as at the end of the financial year are as follows:-

	Group		Company	
	2022 % p.a.	2021 % p.a.	2022 % p.a.	2021 % p.a.
Bankers' acceptances				
Secured	4.96 - 6.68	4.75 - 5.15	4.96 - 6.68	4.75 - 5.15
Unsecured	-	4.90	-	4.90
Bank overdrafts				
Unsecured	-	6.65 - 7.40	-	6.65 - 6.90
Term financing/loan				
Secured	4.96 - 4.99	4.17 - 8.06	4.96 - 4.99	4.17 - 8.06
Business cash financing				
Secured	6.47 - 6.72	6.47 - 6.72	6.47 - 6.72	6.47 - 6.72

* p.a. = per annum

21. **LEASE LIABILITIES**

Lease liabilities included in the statements of financial position are as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current	11,406	-	212	-
Current	644	-	176	-
	12,050	-	388	-

21. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities is disclosed in Note 39.2.3 to the financial statements.

The lease liabilities are secured by the related underlying assets.

The effective interest rate of lease liabilities of the Group and the Company range from 1.49% to 6.89% and 1.49% (2021: Nil) per annum respectively.

The Group and the Company leased several assets including motor vehicle, machinery, premises, equipment and hostels. Lease of those assets generally have lease terms between 2 to 24 years.

22. PROVISION FOR RESTORATION COST

	Group	
	2022 RM'000	2021 RM'000
Non-current	24	-

Provision for restoration cost comprises estimated cost of dismantled, removal or restoration of leased warehouse upon the expiry of tenancy agreement. The reconciliation of the provision for restoration cost is as follows:-

	Group	
	2022 RM'000	2021 RM'000
Brought forward	-	-
Addition	24	-
Carried forward	24	-

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Brought forward	2,370	2,468	959	1,052
Recognised in profit or loss	58	(98)	96	(93)
Carried forward	2,428	2,370	1,055	959

23. DEFERRED TAX LIABILITIES (CONT'D)

Movement in temporary differences of the Group and of the Company during the financial year is as follows:-

	At 1.7.2020 RM'000	Recognised in profit or loss (Note 30) RM'000	At 30.6.2021 RM'000	Recognised in profit or loss (Note 30) RM'000	At 30.6.2022 RM'000
Group					
Property, plant and equipment	156	(39)	117	(112)	5
Fair value gain on investment properties	2,467	(98)	2,369	54	2,423
Unabsorbed capital allowances	(124)	35	(89)	89	-
Unutilised tax losses	(31)	4	(27)	27	-
	2,468	(98)	2,370	58	2,428
Company					
Property, plant and equipment	124	(37)	87	(87)	-
Fair value gain on investment properties	1,052	(93)	959	96	1,055
Unutilised tax losses	(124)	37	(87)	87	-
	1,052	(93)	959	96	1,055

Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the subsidiaries or the Company can utilise the benefits there from (stated at gross amount):-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax losses	205,660	146,694	137,035	80,305
Unabsorbed capital allowances	7,381	6,944	2,595	2,161
Property, plant and equipment	2	15	-	-
Lease liabilities	388	-	388	-
Impairment loss on financial assets	39,404	37,504	23,064	22,780
Inventories written down	735	1,915	18	31
	253,570	193,072	163,100	105,277

23. DEFERRED TAX LIABILITIES (CONT'D)

The unabsorbed capital allowances do not expire under current tax legislation. Unutilised tax losses for which no deferred tax asset was recognised expire as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Year of assessment 2028	68,869	69,201	32,246	32,246
Year of assessment 2029	31,948	32,192	19,857	19,857
Year of assessment 2030	35,335	34,810	20,274	20,274
Year of assessment 2031	10,491	10,491	7,928	7,928
Year of assessment 2032	59,017	-	56,730	-
	205,660	146,694	137,035	80,305

Any amounts not utilised upon expiry period of the above year of assessment will be disregarded.

24. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 14 to 120 days (2021: 14 to 120 days).

25. OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-trade payables				
- Third parties	10,888	3,826	8,281	2,170
Accruals	8,670	2,366	1,744	1,903
Provision	738	130	-	130
	20,296	6,322	10,025	4,203

Provision relates to an on-going legal case dispute between the Group and its former employees due to retrenchment. The reconciliation of the provision is as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Brought forward	130	-	130	-
Addition	738	130	-	130
Reversal	(130)	-	(130)	-
Carried forward	738	130	-	130

26. REVENUE

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue recognised at point in time:				
- Sales of goods	20,359	22,874	4,720	8,376
- Services rendered	2,328	-	-	-
	22,687	22,874	4,720	8,376
Revenue recognised over time:				
- Construction contracts revenue	60,927	6,881	-	-
Revenue from contracts with customers	83,614	29,755	4,720	8,376
Revenue from other sources				
- Rental income from investment properties	294	462	-	-
- Dividend income	-	-	54,000	-
Total revenue	83,908	30,217	58,720	8,376
Primary geographical markets:-				
Malaysia	83,908	30,217	58,720	8,376

27. FINANCE INCOME

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Interest on bank and deposits	60	32	19	27
Interest on overdue trade receivables	837	1,073	151	312
	897	1,105	170	339

28. FINANCE COSTS

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Interest:				
- Bankers' acceptances	29	760	18	688
- Bank overdrafts	-	156	-	113
- Term financing/loan	1,302	1,388	1,302	1,387
- Business cash financing	228	375	228	375
- Lease liabilities	189	-	3	-
- Overdue trade payables	173	712	124	704
	1,921	3,391	1,675	3,267

29. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting) amongst others, the following items:-

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Auditors' remuneration:				
- statutory audit	248	207	49	46
- assurance and related services	7	5	5	3
Directors' fees:				
- current year	220	93	220	93
- prior year	-	(62)	-	(62)
Bad debts recovered	-	(138)	-	(138)
Dividend income:				
- other investments (quoted shares in Malaysia)	(1)	(7)	-	(6)
- unquoted shares in Malaysia	(1,024)	-	(55,024)	-
Lease income	(656)	(339)	(367)	(399)
Short-term leases	433	436	345	314

30. TAX EXPENSE/(INCOME)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current tax				
- Current financial year	76	29	-	-
- Under/(Over) provision in prior financial year	3	(62)	-	-
	79	(33)	-	-
Deferred tax				
- Current financial year	58	(98)	96	(93)
	58	(98)	96	(93)
	137	(131)	96	(93)

30. TAX EXPENSE/(INCOME) (CONT'D)

A reconciliation of tax expense/(income) applicable to profit/(loss) before tax at the statutory tax rate to tax expense/(income) at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) before tax	28,929	(9,153)	(6,831)	(13,641)
Tax at Malaysian statutory rate of 24%	6,943	(2,197)	(1,639)	(3,274)
Tax effects in respect of:-				
Non-taxable income	(25,412)	(3,420)	(13,206)	(2)
Expenses not deductible for tax purposes	4,649	2,937	1,561	770
Movement of deferred tax assets not recognised	14,520	2,595	13,878	2,397
Effect of Real Property Gains Tax	(30)	(12)	-	(12)
Changes in fair value of investment properties	(536)	28	(498)	28
Under/(Over) provision of current tax in prior financial year	3	(62)	-	-
	137	(131)	96	(93)

31. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per share are calculated by dividing profit/(loss) for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company.

Profit/(Loss) attributable to ordinary shares:-

	Group	
	2022	2021
Profit/(Loss) attributable to ordinary equity holders of the Company (RM'000)	29,089	(8,942)
Weighted average number of ordinary shares in issue ('000)	174,889	82,358
Basic earnings/(loss) per ordinary share (sen)	16.63	(10.86)

(b) Diluted earnings/(loss) per ordinary share

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

31. **EARNINGS/(LOSS) PER SHARE (CONT'D)**

(b) **Diluted earnings/(loss) per ordinary share (cont'd)**

Profit/(Loss) attributable to ordinary shares:-

	Group	
	2022	2021
Profit/(Loss) attributable to ordinary equity holders of the Company (RM'000)	29,089	(8,942)
Weighted average number of ordinary shares in issue ('000)	224,923	82,358
Diluted earnings/(loss) per ordinary share (sen)	12.93	(10.86)

32. **DIVIDEND**

The amount of dividend declared and paid by the Company since the end of last financial year was as follows:-

	Group and Company	
	2022 RM'000	2021 RM'000
In respect of the financial year ended 30 June 2022		
First interim single tier dividend of RM0.30 per ordinary share, paid on 10 February 2022	30,437	-

The Directors do not recommend any final dividend payment for the current financial year.

33. **EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Excluding Directors)				
Salaries, wages and other emoluments	10,450	5,418	4,720	4,668
Defined contribution plan	972	589	506	498
	11,422	6,007	5,226	5,166

Directors' remuneration

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company				
Executive:				
- Salaries and other emoluments	2,280	1,819	2,280	1,819
- Benefits-in-kind	25	2	25	2
- Defined contribution plan	274	218	274	218
	2,579	2,039	2,579	2,039

33. **EMPLOYEE BENEFITS EXPENSE (CONT'D)**

Directors' remuneration (cont'd)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Directors of the Company				
Non-Executive:				
- Allowances	47	80	47	80
Analysis excluding benefits-in-kind:-				
Total executive Directors' remuneration	2,554	2,037	2,554	2,037
Total non-executive Directors' remuneration	47	80	47	80
	2,601	2,117	2,601	2,117

34. **RELATED PARTY DISCLOSURES**

(a) Significant related party transactions, other than those disclosed elsewhere in the financial statements, are as follows:-

	Company 2022 RM'000	Company 2021 RM'000
Sales to subsidiaries	2,986	5,424
Purchases from subsidiaries	800	1,555
Management fees received from subsidiaries	1,415	2,830
Rental charged to subsidiaries	48	64
Selling and distribution charges charged by a subsidiary	463	2,250
Dividend received from a subsidiary	54,000	-

(b) The outstanding related party balances arising from related party transactions as at the reporting date are disclosed in Notes 9 and 15 to the financial statements.

(c) The key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

Key management includes all the Directors of the Company and certain members of senior management of the Group.

34. RELATED PARTY DISCLOSURES (CONT'D)

(d) The emoluments of the Directors are disclosed in Notes 29 and 33 to the financial statements.

The remuneration of other key management personnel are as follows:-

	Group and Company	
	2022	2021
	RM'000	RM'000
Short-term employee benefits	1,503	1,031
Defined contribution plan	181	98
	1,684	1,129

35. OPERATING SEGMENTS

For management purposes, the Group is organised into five business units based on their products and services, which comprise the following:-

Business segments	Business activities
Trading	Distributor and supplier of construction and finishing building materials, heavy steel products, architectural hardware, home improvement materials, cabinet systems, fuel and lubricants. This segment offers products and services for the construction, infrastructural and manufacturing sectors and end users.
Renewable energy	Sustainable energy solutions provider and leveraging on renewables, clean and green technologies.
Property development	Developing, overseeing and handling of residential and commercial real estate. This includes (but not limited to) the day-to-day repairs and ongoing maintenance, security, and upkeep of properties.
Healthcare	Affordable private healthcare facilities provider to benefit all the communities.
Others	Investment holding and roofing works which products include metal roofing, prefabricated roof trusses and ceiling works and provision of interior fit-out works and services.

35. **OPERATING SEGMENTS (CONT'D)**

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's five main business segments operate in one geographical area:-

(i) Malaysia - the operations in this area are principally trading and distribution of building materials, renewable energy, property development, healthcare services and specialist contracting.

	Revenue		**Non-current assets***	
	2022	2021	2022	2021
Group	RM'000	RM'000	RM'000	RM'000
Malaysia	83,908	30,217	104,775	62,230

* The non-current assets excluding financial instruments.

Major customers

The following is major customer with revenue equal or more than 10% of the Group's total revenue:

	Revenue		**Segment**
	2022	2021	
	RM'000	RM'000	
Customer A	60,839	6,385	Renewable energy

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on a mutual agreement basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. Those transfers are eliminated on consolidation.

35. OPERATING SEGMENTS (CONT'D)

2022	Note	Trading RM'000	Renewable energy RM'000	Property development RM'000	Healthcare RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue								
Revenue from external customers		20,359	60,839	294	2,328	88	-	83,908
Inter-segment revenue	(a)	54,000	-	-	-	54,000	(108,000)	-
Total revenue		74,359	60,839	294	2,328	54,088	(108,000)	83,908
Results								
Finance income		855	-	42	-	-	-	897
Finance costs		(1,756)	-	-	(165)	-	-	(1,921)
Tax (expense)/income		(96)	-	(42)	-	1	-	(137)
Depreciation of property, plant and equipment		(946)	(22)	(24)	(261)	-	-	(1,253)
Depreciation of right-of-use assets		(157)	-	-	(159)	-	-	(316)
Changes in fair value of investment properties		2,135	-	133	-	-	-	2,268
Dividend income		1,025	-	-	-	-	-	1,025
Other non-cash (expenses)/income	(b)	(13,583)	(336)	(2,003)	(137)	49	-	(16,010)
Segment (loss)/profit	(c)	(30,483)	(1,996)	63,064	(790)	21	-	29,816
Assets								
Segment assets	(d)	74,308	19,462	39,386	12,842	880	-	146,878
Included in segment assets are:								
Additional to non-current assets other than financial instruments	(e)	15,661	13,078	2,435	14	-	-	31,188
Liabilities								
Segment liabilities	(f)	20,194	6,857	1,789	12,332	103	-	41,275

35. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments (cont'd):-

2021	Note	Trading RM'000	Renewable energy RM'000	Property development RM'000	Healthcare RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue								
Revenue from external customers		22,874	6,385	462	-	496	-	30,217
Results								
Finance income		1,100	-	5	-	-	-	1,105
Finance costs		(3,391)	-	-	-	-	-	(3,391)
Tax income		120	-	11	-	-	-	131
Depreciation of property, plant and equipment		(922)	-	(28)	-	-	(166)	(1,116)
Depreciation of right-of-use assets		(43)	-	(3)	-	-	(145)	(191)
Changes in fair value of investment properties		135	-	-	-	-	-	135
Remeasurement loss of assets held for sale		(280)	-	-	-	-	-	(280)
Dividend income		7	-	-	-	-	-	7
Other non-cash expenses	(b)	(7,655)	-	-	-	(180)	-	(7,835)
Segment (loss)/profit	(c)	(6,848)	(5)	144	-	(27)	-	(6,736)
Assets								
Segment assets	(d)	34,749	336	63,661	-	8,777	-	107,523
Included in segment assets are:								
Additional to non-current assets other than financial instruments	(e)	(24)	-	256	-	-	-	232
Liabilities								
Segment liabilities	(f)	10,319	14	263	-	610	-	11,206

35. **OPERATING SEGMENTS (CONT'D)**

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(a) Inter-segment revenues are eliminated on consolidation.

(b) Other major non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:-

	2022 RM'000	2021 RM'000
Bad debts written off	-	19
Inventories written down	24	16
Reversal of inventories written down	(1,190)	(1,797)
Net impairment loss/(gain) on financial assets	11,989	(6,080)
Impairment loss on investment in an associate	-	7
Property, plant and equipment written off	57	-
Impairment losses on goodwill	5,130	-
	16,010	(7,835)

(c) The following items are (deducted from)/added to segment loss to arrive at profit/(loss) presented in the statements of profit or loss:-

	2022 RM'000	2021 RM'000
Segment profit/(loss)	29,816	(6,736)
Finance income	897	1,105
Finance costs	(1,921)	(3,391)
	28,792	(9,022)

(d) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2022 RM'000	2021 RM'000
Segment assets	146,878	107,523
Tax recoverable	483	516
	147,361	108,039

(e) Additions to non-current assets other than financial instruments consist of:-

	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	16,178	134
Reversal of property, plant and equipment	-	(158)
Purchase of right-of-use assets	1,475	-
Purchase of investment properties	2,047	-
Inventories	388	256
Goodwill on consolidation, net of impairment losses	11,100	-
	31,188	232

35. **OPERATING SEGMENTS (CONT'D)**

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

(f) The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2022 RM'000	2021 RM'000
Segment liabilities	41,275	11,206
Deferred tax liabilities	2,428	2,370
Borrowings	18,689	49,171
Tax payable	41	-
	62,433	62,747

36. **CAPITAL COMMITMENTS**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Authorised and contracted for:-				
- Acquisition of a property	2,523	-	-	-

37. **CAPITAL MANAGEMENT**

The Group and the Company manage their capital to ensure that entities within the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total debt divided by total equity less goodwill. Total debt is including bankers' acceptances, business cash financing, term financing/loan, bank overdrafts and lease liabilities.

There were no changes in the Group's and the Company's approach to capital management during the current financial year.

37. **CAPITAL MANAGEMENT (CONT'D)**

The debt-to-equity ratio of the Group and of the Company at the end of the reporting year was as follows:-

	Group		Company	
	2022	2021	2022	2021
Total debt (RM'000)	30,739	49,171	19,077	46,752
Total capital (RM'000)	85,495	45,562	19,317	21,698
Total debt against equity ratio	0.36	1.08	0.99	2.15

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Group and the Company are required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group and Company have complied with this requirement.

38. **CONTINGENT LIABILITIES**

Litigation

On 9 May 2019, a subsidiary of the Company, Ultimate Forte Sdn. Bhd. ("UFSB") was sued for a malpractice case and the legal suit will have its first trial on 3 April 2023. Upon consulting UFSB's solicitor, the outcome is expected to be favourable and the cost of the case will be covered by the malpractice insurance.

As such, the Directors are of the opinion that no provisions in respect of the litigation are required to be made in the financial statements as at the reporting date.

39. **FINANCIAL INSTRUMENTS**

39.1 **Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:-

(a) Fair value through other comprehensive income ("FVTOCI") and;
(b) Amortised cost ("AC").

	2022		2021	
	AC	FVTOCI	AC	FVTOCI
Group	RM'000	RM'000	RM'000	RM'000
Financial assets				
Other investments	-	599	-	510
Trade receivables	3,882	-	17,462	-
Other receivables	21,829	-	4,485	-
Amount due from an associate	12	-	9	-
Cash and bank balances	2,672	-	4,603	-
	28,395	599	26,559	510

39. **FINANCIAL INSTRUMENTS (CONT'D)**

39.1 **Categories of financial instruments (cont'd)**

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

(a) Fair value through other comprehensive income ("FVTOCI") and;
(b) Amortised cost ("AC").

	2022		2021	
	AC	FVTOCI	AC	FVTOCI
Company	RM'000	RM'000	RM'000	RM'000
Financial assets				
Other investments	-	356	-	356
Trade receivables	214	-	12,303	-
Other receivables	16,784	-	1,155	-
Amount due from subsidiaries	21,569	-	7,450	-
Amount due from an associate	12	-	9	-
Cash and bank balances	811	-	1,652	-
	39,390	356	22,569	356

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Amortised cost				
Financial liabilities				
Trade payables	7,638	4,785	1,073	2,413
Other payables	20,296	6,322	10,025	4,203
Borrowings	18,689	49,171	18,689	46,752
Amount due to subsidiaries	-	-	35,835	43,631
	46,623	60,278	65,622	96,999

39.2 **Financial risk management**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group and the Company established policies and procedures to ensure effective management of risks.

39.2.1 **Credit risk**

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Collateral are also obtained from some customers to further mitigate the credit risk exposure. In addition, receivables are monitored on an ongoing basis via management reporting procedures. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparty.

Following are the areas where the Group and the Company are exposed to credit risk:-

Trade receivables

Exposure to credit risk

As at the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 Financial risk management (cont'd)

39.2.1 Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

Trade receivables (cont'd)

Credit risk concentration

The Group has major concentration of credit risk related to the amounts owing by four customers (2021: two customers) which constituted approximately 24% (2021: 58%) of total trade receivables.

The Company's major concentration of credit risk related to the amounts owing by two customers (2021: three customers) which constituted approximately 92% (2021: 95%) of total trade receivables.

Recognition and measurement of impairment loss

The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and the Company and existence of previous financial difficulties.

In respect of the development properties, most of the end-buyers obtain end-financing to fund their purchases of the Group's properties. In such cases, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on invoice dates for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 Financial risk management (cont'd)

39.2.1 Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The ageing analysis of trade receivables of the Group and of the Company are as follows:-

2022	Gross carrying amount RM'000	Expected credit loss RM'000	Net RM'000
Group			
Not past due	1,995	(340)	1,655
Past due 1 to 30 days	1,610	(555)	1,055
Past due 31 to 60 days	1,349	(684)	665
Past due 61 to 90 days	414	(136)	278
Past due more than 90 days	57,154	(56,925)	229
	62,522	(58,640)	3,882
Company			
Not past due	85	(8)	77
Past due 1 to 30 days	32	(4)	28
Past due 31 to 60 days	56	(8)	48
Past due 61 to 90 days	69	(12)	57
Past due more than 90 days	34,934	(34,930)	4
	35,176	(34,962)	214
2021			
Group			
Not past due	1,562	(274)	1,288
Past due 1 to 30 days	2,075	(240)	1,835
Past due 31 to 60 days	888	(87)	801
Past due 61 to 90 days	1,236	(234)	1,002
Past due more than 90 days	59,886	(47,350)	12,536
	65,647	(48,185)	17,462
Company			
Not past due	64	(7)	57
Past due 1 to 30 days	276	(33)	243
Past due 31 to 60 days	113	(17)	96
Past due 61 to 90 days	215	(43)	172
Past due more than 90 days	36,072	(24,337)	11,735
	36,740	(24,437)	12,303

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 Financial risk management (cont'd)

39.2.1 Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

Other receivables

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position.

As at the end of the reporting year, there was no indication that other receivables are not recoverable except for those disclosed in Note 13 to the financial statements.

Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Group and the Company have trade transactions and provide unsecured advances to subsidiaries and an associate and monitors their results regularly.

As at the end of the reporting year, there was no indication that amounts due from subsidiaries and an associate are not recoverable except for those disclosed in Notes 9 and 15 to the financial statements.

Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's and the Company's treasury department in accordance with the Group's and the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Financial guarantees

The Company provides financial guarantees and letters of undertaking in favor of third parties for supplying goods to subsidiaries. In previous financial year, the Company provided unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries, repayments and supply of goods made by the subsidiaries. As at the end of the reporting year, there was no indication that any subsidiary would default on repayment or be unable to supply goods.

The maximum exposure to credit risk amounted to RM833,000 (2021: RM2,771,000) as at the end of the reporting year, in respect of these guarantees.

The Directors are of the opinion that financial guarantees have not been recognised since the fair value on initial recognition was not material and it is not probable that a future sacrifice of economic benefits will be required.

39. **FINANCIAL INSTRUMENTS (CONT'D)**

39.2 **Financial risk management (cont'd)**

39.2.2 **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debts based on assessment of their existing exposure and desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed rate instruments				
Bankers' acceptances	-	12,580	-	10,161
Lease liabilities	12,050	-	388	-
	12,050	12,580	388	10,161
Floating rate instruments				
Term financing/loan	12,047	36,591	12,047	36,591
Business cash financing	6,642	-	6,642	-
	18,689	36,591	18,689	36,591

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for floating rate instruments

The following illustrates the sensitivity of results/equity to a reasonably possible change in interest rates of +/-50 (2021: +/-50) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

39. **FINANCIAL INSTRUMENTS (CONT'D)**

39.2 **Financial risk management (cont'd)**

39.2.2 **Interest rate risk (cont'd)**

Cash flows sensitivity analysis for floating rate instruments (cont'd)

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
	+50bp	-50bp	+50bp	-50bp
Increase/(Decrease) results during the financial year/equity				
2022	93	(93)	93	(93)
2021	183	(183)	183	(183)

39.2.3 **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing their exposures to liquidity risk that arises principally from their various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible that they will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

Analysis of financial liabilities by remaining contractual maturity period

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as follows:-

			Maturity		
Group	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000
2022					
Trade payables	7,638	7,638	7,638	-	-
Other payables	20,296	20,296	20,296	-	-
Lease liabilities	12,050	19,617	1,224	3,792	14,601
Borrowings	18,689	30,246	7,593	7,330	15,323
	58,673	77,797	36,751	11,122	29,924
2021					
Trade payables	4,785	4,785	4,785	-	-
Other payables	6,322	6,322	6,322	-	-
Borrowings	49,171	59,801	18,941	40,860	-
	60,278	70,908	30,048	40,860	-

39. **FINANCIAL INSTRUMENTS (CONT'D)**

39.2 **Financial risk management (cont'd)**

39.2.3 **Liquidity risk (cont'd)**

Analysis of financial liabilities by remaining contractual maturity period (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as follow (cont'd):-

Company	Carrying amount RM'000	Contractual cash flows RM'000	Maturity Within 1 year RM'000	Maturity 1 to 5 years RM'000	Maturity More than 5 years RM'000
2022					
Trade payables	1,073	1,073	1,073	-	-
Other payables	10,025	10,025	10,025	-	-
Amount due to subsidiaries	35,835	35,835	35,835	-	-
Lease liabilities	388	397	183	214	-
Borrowings	18,689	30,246	7,593	7,330	15,323
	66,010	77,576	54,709	7,544	15,323
Financial guarantees*	833	833	833	-	-
2021					
Trade payables	2,413	2,413	2,413	-	-
Other payables	4,203	4,203	4,203	-	-
Amount due to subsidiaries	43,631	43,631	43,631	-	-
Borrowings	46,752	57,382	16,522	40,860	
	96,999	107,629	66,769	40,860	-
Financial guarantees*	2,771	2,771	2,771	-	-

* This exposure is included in liquidity risk for illustration only. No financial guarantees were called upon by the holders as at the end of the reporting year.

39.2.4 **Foreign currency risk**

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

The Group and the Company are exposed to foreign currency risk on income and expenses that are denominated in a currency other than the functional currency of the Group and of the Company. The currency giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), New Taiwan Dollar ("TWD") and Chinese Yuan ("CNY").

The Group's and the Company's financial assets/(financial liabilities) exposure to USD, SGD, TWD and CNY are immaterial as at the reporting date.

Any reasonably possible change in the foreign currency exchange rates at the reporting date against the functional currency of the Group and of the Company do not have the material impact on the profit/loss after tax and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

39. **FINANCIAL INSTRUMENTS (CONT'D)**

39.2 **Financial risk management (cont'd)**

39.2.5 **Equity price risk**

The Group's and the Company's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group and the Company manage their exposure to equity price risks by maintaining a portfolio of equities with different risk profiles.

Equity price risk sensitivity analysis

Any reasonably possible change in the prices of quoted investments at the end of the reporting date does not have material impact on the profit/loss after tax, other comprehensive income/loss and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

39.3 **Fair value of financial instruments**

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term in nature or immaterial discounting impact.

39.4 **Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2022				
Financial asset				
Other investments:				
- quoted shares	243	-	-	243
- club membership	-	356	-	356
2021				
Financial asset				
Other investments:				
- quoted shares	154	-	-	154
- club membership	-	356	-	356
Company				
2022				
Financial asset				
Other investments:				
- club membership	-	356	-	356
2021				
Financial asset				
Other investments:				
- club membership	-	356	-	356

There was no transfer between Level 1, 2 and 3 in 2022 and 2021.

39. **FINANCIAL INSTRUMENTS (CONT'D)**

39.5 **Reconciliation of liabilities arising from financing activities**

	1.7.2021 RM'000	Acquisition of a subsidiary RM'000	Additions RM'000	Cash flows RM'000	30.6.2022 RM'000
Group					
Term financing/loan	36,591	-	-	(24,544)	12,047
Lease liabilities	-	10,832	1,385	(167)	12,050
	36,591	10,832	1,385	(24,711)	24,097

	1.7.2020 RM'000	Cash flows RM'000	30.6.2021 RM'000
Term financing/loan	10,766	25,825	36,591

	1.7.2021 RM'000	Addition RM'000	Cash flows RM'000	30.6.2022 RM'000
Company				
Term financing/loan	36,591	-	(24,544)	12,047
Lease liabilities	-	537	(149)	388
	36,591	537	(24,693)	12,435

	1.7.2020 RM'000	Cash flows RM'000	30.6.2021 RM'000
Term financing/loan	10,766	25,825	36,591

40. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD**

(a) The uncertainties brought by the COVID-19 pandemic have influenced various aspects of business management within many corporations. Following preceding financial year ended 30 June 2021, movement restrictions have been lifted and the country's border has reopened with effect from 1 April 2022. Though COVID-19 is in the endemic phase, the Group and the Company continue to place considerable importance to areas most impacted by the COVID-19 pandemic in particular solvency and cash management, investment decisions and workplace safety. Based on analysis of the Group's and the Company's financial performance and financial position including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, the Group and the Company concluded that, there was no material adverse financial impact on the financial statements of the Group and of the Company for the financial year ended 30 June 2022 arising from the COVID-19 pandemic.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

(b) On 22 September 2021, the Company entered into the following share sales agreements ("SSA") in relation to the proposed acquisition of solar asset and proposed acquisition of hydro asset:

(i) one (1) SSA with Jentayu Capital Sdn. Bhd. and Seri Panglima Sdn. Bhd. for the acquisition of 3,000,000 ordinary shares representing the entire equity interest in Jentayu Solar Sdn. Bhd. for a total purchase consideration of RM11,107,050 to be satisfied via issuance of new shares of the Company in relation to the proposed acquisition of solar asset;

(ii) one (1) SSA with Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. for the acquisition of 200 ordinary shares representing the entire equity interest in Senja Optima Sdn. Bhd., by acquiring 50% equity interest from Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. respectively, for a total purchase consideration of RM44,600,200 to be satisfied via cash consideration of RM5,464,000 and issuance of new shares of the Company amounting to RM39,136,200 in relation to the proposed acquisition of hydro asset;

(iii) one (1) SSA with Jentayu Capital Sdn. Bhd. for the acquisition of 60,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro One Sdn. Bhd. and 40,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro Two Sdn. Bhd. for a total purchase consideration of RM93,600,000 to be satisfied via cash consideration of RM7,488,000 and issuance of new shares of the Company amounting to RM86,112,000 in relation to the proposed acquisition of hydro asset; and

(iv) one (1) SSA with Jentayu Capital Sdn. Bhd. for 100% of the Junior Bonds in Telekosang Hydro One Sdn. Bhd. for a total purchase consideration of RM38,100,000 to be satisfied via cash consideration of RM3,048,000 and issuance of new shares of the Company amounting to RM35,052,000 in relation to the proposed acquisition of hydro asset.

(collectively referred to as the "Proposed Acquisitions")

On 1 April 2022, the Company and the respective vendors for the above Proposed Acquisitions ("Parties") have mutually agreed to extend the Proposed Acquisitions' SSA conditions precedent ("CP") fulfilment date until 30 September 2022 to enable the Parties to satisfy the CP as stipulated in the respective SSAs in relation to the Proposed Acquisitions.

On 26 August 2022, the Company announced that both run-of-river hydropower plants, Telekosang Hydro One Sdn. Bhd. and Telekosang Hydro Two Sdn. Bhd. (collectively referred to as "Telekosang Hydro") had entered into a supplemental agreement with Sinohydro Corporation Sdn. Bhd. and PowerChina International Group Ltd. Telekosong Hydro will be operational as stipulated in the supplemental agreement by the end of the year 2022.

On 3 October 2022, the Parties have mutually agreed to extend the Proposed Acquisitions' SSA CP fulfilment date until 31 March 2023 to enable the Parties to satisfy the CP as stipulated in the respective SSAs in relation to the Proposed Acquisitions.

The Proposed Acquisitions have not been completed as at the date of approval of the financial statements.

40. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)**

(c) On 14 June 2022, the Company announced a proposed private placement of up to 142,627,665 new Company's shares ("Placement Share(s)"), representing not more than 30% of the total number of issued Company's shares (excluding treasury shares, if any) to third party investor(s) to be identified at a later date. The proposed private placement has been approved by shareholders at the Company's Extraordinary General Meeting held on 27 July 2022. On 9 September 2022, the first tranche of the private placement has been completed following the listing and quotation of 30,000,000 Placement Shares on the Main Market of Bursa Securities.

(d) On 28 September 2022, the Company entered into a shareholders agreement with Petrolife Aero Sdn. Bhd. ("Petrolife") for the purpose of forming a joint venture company to form a strategic alliance for the development of solar photovoltaic under the Net Energy Metering Schemes. The shareholders agreement involves that the Company will hold a 51% equity interest and the remaining will be owned by Petrolife. This alliance is expected to pave the way for future collaborations between the Company and Petrolife.

THIS PAGE INTENTIONALLY LEFT BLANK

ADDITIONAL INFORMATION.

Section 9

9.1

ANALYSIS OF SHAREHOLDINGS AS AT 4 OCTOBER 2022

Issued Share Capital

353,239,600

Class of Shares

ORDINARY SHARES

Voting Rights

ONE VOTE PER ORDINARY SHARE HELD

9.2 ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares held	%
1 - 99	43	1.27	827	0.00
100 - 1,000	192	5.66	109,623	0.03
1,001 - 10,000	2,203	64.99	9,022,952	2.55
10,001 - 100,000	740	21.83	24,497,330	6.94
100,001 – 17,661,979 (*)	209	6.16	240,048,268	67.96
17,661,980 and above (**)	3	0.09	79,560,600	22.52
TOTAL	3,390	100.00	353,239,600	100.00

Notes
* - Less than 5% of Issued Holdings
** - 5% and above of Issued Holdings

9.3 LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 4 OCTOBER 2022

	Name of Shareholders	No. of Shares held	%
1	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datin Hajjah Nurhaida binti Abu Sahid (JCSB))	40,800,000	11.55
2	Datin Hajjah Nurhaida binti Abu Sahid	20,028,900	5.67
3	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datuk Haji Beroz Nikmal bin Mirdin (MGNBNM0001M))	18,731,700	5.30
4	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Jinata bin Muhamad Yusup)	15,358,000	4.35
5	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Jeefri bin Muhamad Yusup)	12,012,000	3.40
6	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Abdullah Faroff bin Husain)	12,000,000	3.40
7	Kenanga Capital Sdn Bhd (Pledged Securities Account for Abdul Hamid bin Sh Mohamed (for Abdullah))	11,240,000	3.18
8	TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chai Chan Tong)	10,000,000	2.83
9	Baevinraj Thiagarajah	9,000,000	2.55
10	Maybank Nominees (Tempatan) Sdn Bhd (Maybank Private Wealth Management for Lee Sze Suen (PWM00650)(419672))	8,883,000	2.51
11	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB for Foong Choong Heng (PB))	8,085,100	2.29
12	Lee King Loon	7,000,000	1.98
13	BIMBSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Abdullah Faroff bin Husain (MGNM84101))	5,176,600	1.47
14	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Chooi Yoey Sun)	4,800,000	1.36

	Name of Shareholders	No. of Shares held	%
15	Dutariang Sdn Bhd	4,668,500	1.32
16	Azra bin Kamarudin	4,099,500	1.16
17	HSBC Nominees (Asing) Sdn Bhd [Exempt an for The Hongkong And Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)]	3,750,000	1.06
18	Jean-Michel Marie Gathy	3,300,000	0.93
19	M Satya Riayatsyah bin Syafruddin	3,298,300	0.93
20	Mercsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Gerald Nicholas Tan Eng Hoe)	2,836,100	0.80
21	HSBC Nominees (Asing) Sdn Bhd (J.P. Morgan Securities PLC)	2,719,200	0.77
22	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datin Hajjah Nurhaida binti Abu Sahid (MGN-BNM0001M))	2,700,000	0.76
23	Abdul Halim bin Jantan	2,650,000	0.75
24	Saiful Aznir bin Shahabudin	2,560,600	0.72
25	Lim Meng Hong	2,460,000	0.70
26	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Azman bin Kamaruddin)	2,205,000	0.62
27	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Meng Hong (7007149))	2,150,000	0.61
28	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Leong Lup Yan)	2,085,000	0.59
29	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB for Siew Mun Chuang (PB))	2,009,300	0.57
30	Goh Siew Tee	2,009,300	0.57
	TOTAL	**228,616,100**	**64.70**

9.4 SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders' Shareholdings)

Name of Shareholders	Direct	%	Indirect	%
Datin Hajjah Nurhaida binti Abu Sahid	63,528,900	17.98	-	-
Datuk Haji Beroz Nikmal bin Mirdin	19,385,700	5.49	63,528,900	17.98

9.5 STATEMENT OF DIRECTORS' SHAREHOLDINGS

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Interest	%	Indirect Interest	%
Datuk Haji Beroz Nikmal bin Mirdin	19,385,700	11.55	63,528,900*	17.98
Abdul Halim bin Jantan	2,650,000	0.75	-	-
Baevinraj Thiagarajah	9,000,000	2.55	-	-
Dato' Amiruddin bin Abdul Satar	1,500,000	0.42	-	-
Jeefri bin Muhamad Yusup	13,863,300	3.92	-	-
Pamela Kung Chin Woon	-	-	-	-

Notes
*Indirect Interest via the Shareholdings of his Spouse pursuant to section 59(11)(c) of the companies Act, 2016

9.6 LIST OF THIRTY LARGEST WARRANT HOLDINGS AS AT 4 OCTOBER 2022

No. of warrants issued

152,185,950

No. of warrants unexercised

152,185,950

Expiry date of the warrants

20 FEB. 2032

No. of warrant holders

2,717

Voting rights:

Each warrant holder present in person or proxy at any meeting of warrant holders shall be entitled on a show of hands to one vote; and on a poll each warrant holder who is present in person or proxy shall have one vote for each warrant held.

9.7 ANALYSIS BY SIZE OF WARRANT HOLDINGS

Name of Shareholders	No. of Warrantholders	%	No. of Warrants held	%
1 - 99	105	3.86	3,698	0.00
100 - 1,000	129	4.75	55,241	0.04
1,001 - 10,000	1,958	72.06	5,994,080	3.94
10,001 - 100,000	408	15.02	12,474,231	8.20
100,001 – 7609296 (*)	113	4.16	79,868,350	52.48
7609297 and above (**)	4	0.15	53,790,350	35.34
TOTAL	2,717	100.00	152,185,950	100.00

Notes
* - Less than 5% of Issued Holdings
** - 5% and above of Issued Holdings

9.8

STATEMENT OF DIRECTORS' WARRANT HOLDINGS

Name of Directors	Direct Interest	%	Indirect Interest	%
Datuk Haji Beroz Nikmal bin Mirdin	9,692,850	6.37	31,764,450*	20.87
Jeefri bin Muhamad Yusup	6,006,000	3.95	550,000**	0.361
Dato' Amiruddin bin Abdul Satar	750,000	0.49	-	-
Baevinraj Thiagarajah	4,500,000	2.96	-	-
Abdul Halim bin Jantan	1,125,000	0.74	-	-
Pamela Kung Chin Woon	-	-	-	-

Notes:
* Indirect Interest via the warrant holdings of his spouse pursuant to Section 59(11)(c) of the Companies Act, 2016
** Indirect Interest via the warrant holdings of his son pursuant to Section 59(11)(c) of the Companies Act, 2016

9.9

LIST OF THIRTY LARGEST WARRANT HOLDINGS AS AT 4 OCTOBER 2022

	Name of Warrantholders	No. of Warrants held	%
1	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Datin Hajjah Nurhaida binti Abu Sahid (JCSB))	20,400,000	13.40
2	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Jinata bin Muhamad Yusup)	14,010,050	9.21
3	Datin Hajjah Nurhaida binti Abu Sahid	10,014,450	6.58
4	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Datuk Haji Beroz Nikmal bin Mirdin (MGN-BNM0001M))	9,365,850	6.15
5	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Jeefri bin Muhamad Yusup)	6,006,000	3.95
6	Maybank Nominees (Tempatan) Sdn Bhd [Maybank Private Wealth Management For Lee Sze Suen (PWM00650) (419672)]	4,516,500	2.97
7	Baevinraj Thiagarajah	4,500,000	2.96
8	Dutariang Sdn Bhd	3,860,250	2.54
9	BIMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Abdullah Faroff bin Husain (MGNM84101))	2,988,300	1.96
10	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Abdullah Faroff bin Husain)	2,866,000	1.88
11	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB for Lee Sze Suen (PB))	2,844,950	1.87
12	Azra bin Kamarudin	2,250,000	1.48
13	Muhammad Danish bin Abdullah Manoharan	2,141,500	1.41
14	Jean-Michel Marie Gathy	1,650,000	1.08
15	Goh Siew Tee	1,527,000	1.00

9.9 LIST OF THIRTY LARGEST WARRANT HOLDINGS AS AT 4 OCTOBER 2022

(CONT'D)

	Name of Warrantholders	No. of Warrants held	%
16	Lee King Loon	1,500,000	0.99
17	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Datin Hajjah Nurhaida binti Abu Sahid (MGN- BNM0001M))	1,350,000	0.89
18	KAF Nominees (Tempatan) Sdn.Bhd. (Pledged Securities Account for Goh Siew Tee (GO625))	1,200,000	0.79
19	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Abdullah Faroff bin Husain)	1,171,000	0.77
20	Abdul Halim bin Jantan	1,125,000	0.74
21	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Azman bin Kamaruddin)	1,125,000	0.74
22	Hong Leong Assurance Berhad [As Beneficial Owner (Unitlinked FLF)]	1,123,650	0.74
23	Mok Check Chee	1,082,800	0.71
24	Saiful Aznir bin Shahabudin	1,050,000	0.69
25	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Leong Lup Yan)	1,042,500	0.69
26	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lam Chung Ming (001))	1,000,000	0.66
27	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Vincent Wong Soon Choy)	1,000,000	0.66
28	Ng Seng Nam	1,000,000	0.66
29	Lim Meng Hong	980,000	0.64
30	Noor Azrina binti Mohd Azmi	882,000	0.58
	TOTAL	**105,572,650**	**69.39**

9.10 LIST OF PROPERTIES AS AT 19 SEPTEMBER 2022

No.	Property Location	Unit	Size (m²)	Tenure	Owner Name	Net Book Value (RM)
KEDAH						
1	Lot 758, Jalan Ayer Merah, 09000 Kulim, Kedah	Land	14,277	Freehold	Victory Rally Sdn Bhd	600,000.00
2	No 3, Jalan Sutera Jaya 2/1, Taman Sutera Jaya, 06000 Sungai Petani, Kedah	Shop Office	149	Leasehold (1/12/2092)	Jentayu Sustainables Berhad	200,000.00
PULAU PINANG						
3	Lot 487 & 509, Jalan Bagan Dalam, 12100, Butterworth, Pulau Pinang	Land	12,291	Freehold	Roset BLG Sdn Bhd	20,000,000.00
4	3K-23-2 Straits Residences, Jalan Seri Tanjung Pinang 1, 10470 Tanjung Tokong, Daerah Timor Laut, Pulau Pinang.	Apartment	120	Freehold	Roset BLG Sdn Bhd	1,500,000.00
PERAK						
5	1, Jalan Hala Dato 2, 30000, Ipoh, Perak	Shop Office	339	Freehold	Jentayu Sustainables Berhad	970,800.00
6	Lot 1240 Lahat Lane, 30200 Ipoh Perak	Land				
	PT254538		1437	Freehold	Jentayu Sustainables Berhad	500,000.00
	PT254539		2252	Freehold	Jentayu Sustainables Berhad	1,000,000.00
SELANGOR						
7	7 A4-4, Apartment Seri Kembangan, Jalan Bukit Beruntung 1, 48300 Rawang Selangor	Low Cost Apartment	61.3	Freehold	Jentayu Sustainables Berhad	40,000.00
8	No. 1122, 11th Floor, Block A, Pusat Dagangan Setia Jaya 9, Jalan PJS 8/9, 46150 Subang Jaya, Selangor	Office	47	Leasehold (17/7/2091)	Ipmuda Architectural Products Sdn Bhd	91,669.00

9.10

LIST OF PROPERTIES AS AT 19 SEPTEMBER 2022

(CONT'D)

No.	Property Location	Unit	Size (m²)	Tenure	Owner Name	Net Book Value (RM)
WP KUALA LUMPUR						
9	CG09 Block C, Plaza Pekeliling, 50400, Kuala Lumpur	Shop Office	103	Freehold	Jentayu Sustainables Berhad	550,000.00
	CG10 Block C, Plaza Pekeliling, 50400, Kuala Lumpur	Shop Office	171	Freehold	Jentayu Sustainables Berhad	1,100,000.00
10	Lot 199 Seksyen 43, Jalan Mayang, 50450, Kuala Lumpur	Land	1,197	Freehold	Jentayu Sustainables Berhad	25,000,000.00
11	13A-10, Residensi V, No 8, Jalan Sepadu 5, 58200 Kuala Lumpur.	Apartment	60	Freehold	Roset BLG Sdn Bhd	530,000.00
MELAKA						
12	B-2-2, Taman Pelangi Apartment. 75450 Ayer Keroh, Melaka	Apartment	103	Freehold	Jentayu Sustainables Berhad	120,000.00
13	B-3-1, Taman Pelangi Apartment. 75450 Ayer Keroh, Melaka	Apartment	126	Freehold	Jentayu Sustainables Berhad	130,000.00
14	B-3-2, Taman Pelangi Apartment. 75450 Ayer Keroh, Melaka	Apartment	103	Freehold	Jentayu Sustainables Berhad	120,000.00
15	B4-22-31B, 22nd Foor Tower 4, Villa D'Savoy Condo Park A Famosa Resort, 78000 Alor Gajah, Melaka	Apartment	101	Leasehold	Ipmuda Selatan Sdn Bhd	120,000.00
16	Lot 125, A Famosa Golf Resort, Jalan Kemus Simpang Empat 78000 Alor Gajah, Melaka	Land with Bungalow	711	Leasehold (18/12/2094)	Ipmuda Selatan Sdn Bhd	330,000.00

No.	Property Location	Unit	Size (m^2)	Tenure	Owner Name	Net Book Value (RM)
NEGERI SEMBILAN						
17	No 44. Jalan TSJ 8/1B, Taman Seremban, Negeri Sembilan	Shop Office	164	Freehold	Ipmuda Selatan Sdn Bhd	138,663.00
JOHOR						
18	PTD 129839, Masai, Mukim Plentong, 81700 Johor	Land	816	Freehold	Ipmuda Selatan Sdn Bhd	130,000.00
SABAH						
19	Unit A-7-8, Block A Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	152.36	Leasehold (17/5/2908)	Ipmuda Properties Sdn Bhd	512,714.00
20	Unit A-3A-5, Block A Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	184	Leasehold (17/5/2908)	Ipmuda Properties Sdn Bhd	773,586.00
21	Unit A-3A-4, Block A Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	184	Leasehold (17/5/2908)	Ipmuda Properties Sdn Bhd	792,148.00
22	Unit C-5-3, Block C Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	143	Leasehold (17/5/2908)	Ipmuda Properties Sdn Bhd	257,139.00

TOTAL PROPERTIES: 22

9.10

CORPORATE DIRECTORY

JENTAYU SUSTAINABLES BERHAD (formerly known as IPMUDA Berhad)
197501000834 (22146-T)

Unit 25-01, Level 25,
Menara Felda, 11 Persiaran KLCC,
50088 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur.

Tel : +603 9212 7878

OHANA SPECIALIST HOSPITAL (ULTIMATE FORTE SDN. BHD.)
201201029805 (1014292-D)

No 9, 11, 13-1 & 13-2, Jalan Seri Rejang,
Rampai Business Park South,
53300 Setapak,
Wilayah Persekutuan Kuala Lumpur

Tel: 03-4131 2039

IPMUDA BUILDERMART SDN. BHD.
198201014812 (94576-T)

IPMUDA EDAR SDN. BHD.
198301005622 (100829-X)

Lot 3, Jalan Kartunis U1/47,
Taman Perindustrian Temasya,
Hicom-Glenmarie Industrial Park,
40150 Shah Alam,
Selangor.

IPMUDA PROPERTIES SDN. BHD.
198801000648 (168005-V)

Kristal Kondominium,
Block A, Jalan Kepayan,
88100 Kota Kinabalu,
Sabah.

Tel : +6088 232 168

JENTAYU SUSTAINABLES BERHAD (formerly known as IPMUDA Berhad)
197501000834 (22146-T)
(Kota Kinabalu)

Lot No. R-10-02, Block B,
Level 10, Riverson Suites,
Off Coastal Highway,
88100 Kota Kinabalu,
Sabah.

IPMUDA UTARA SDN. BHD.
199101000084 (210394-K)

No. 1 Hala Datoh 2,
30000 Ipoh,
Perak

Tel : +605 253 8030

Store

No. 3, Laluan Perindustrian Silibin 1,
Jalan Jelapang,
30020 Ipoh,
Perak.

IPMUDA SELATAN SDN. BHD.
199001017638 (209307-X)

No. 35-01 (1st Floor)
Jalan Tampoi Susur 1,
Taman Gembira,
81200 Johor Bahru,
Johor.

Tel : +607 338 4067

Tel: +603 9212 7878

Unit 25-01, Level 25, Menara Felda,
11 Persiaran KLCC, 50450, Kuala Lumpur, Malaysia.

JENTAYU SUSTAINABLES BERHAD
(formerly known as IPMUDA Berhad)
197501000834 (22146-T)

www.jentayu-sustainables.com