JENTAYU SUSTAINABLES

FORMULATING GROWTH

Annual Report 2023

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About Our Report

About Our Report

Reporting Scope And Boundaries

This report provides a comprehensive overview of the JENTAYU Sustainables Berhad ("JSB", "the Group", "the Company") performance in 2023 and our outlook for 2024. It covers the period between 1 July 2022 to 30 June 2023 ("FY 2023") unless stated otherwise. The annual report encompasses all our operations and activities across the Group, including our strategies, business activities, performance, and initiatives that affect all our key stakeholders.

Reporting Frameworks Applied

In line with best practices, our report adheres to or is guided by the following reporting frameworks and principles.

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

Forward-looking Statements

We may have included certain forward-looking statements on our future priorities, strategies and growth opportunities. These are based on projections and expectations that may be evolving and subject to change based on market conditions, operating environment and factors that are beyond our control. All forward-looking statements are not conclusive and have not been reviewed or audited by an external auditor.

Theme Rationale: Formulating Growth

FY 2023 was a very important year where we 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 required to formulate growth and achieve our ambitions to become a regional RE player in the years to come.

Sustainability Report

We provide a comprehensive report on the Group's sustainability performance, focusing on material aspects for the Group and our stakeholders. This report is available at www.jentayu-sustainables.com.

About Us

About Us

About JSB

JSB is a public listed company who is currently evolving into a renewable energy ("RE") player. Concurrently, JSB is developing Malaysia's largest run-of-river hydro scheme in Sabah, which is expected to deliver 170MW of additional generation capacity to the state by 2027. The company is also planning to acquire approximately 46 MW of brownfield RE assets. This acquisition is contingent on obtaining the necessary regulatory approvals and securing approval from shareholders. The projects represent the cornerstone on which JSB will be built, as JSB devotes a greater proportion of its resources to the new RE business.

As RE development cycles tend to span years, JSB's financials are supported by its healthcare division and the legacy building materials trading division.

The healthcare division involves the operation of a private boutique obstetrics and gynaecology ("O&G") hospital called OHANA Specialist Hospital, whose differentiating factor is its an all-female O&G medical team. The O&G hospital is located at Sri Rampai, Kuala Lumpur and has a licensed capacity of 18 beds, although the hospital has the infrastructure to increase the capacity to 30 beds.

The trading division has been streamlined into two (2) primary divisions. Ipmuda Buildermart, a supplier of building materials solutions who has established its market reputation over decades of operation, and Ipmuda Edar, a supplier of oil lubricants.

Vision

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

Mission

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

Admin and Support Centre at Menara FELDA

Overview of the 3 Business Sectors

RE

The RE business is primarily involved as developer and contractor of RE assets, specialising in run-of-river hydropower plants. The Group has made significant strides towards becoming an RE player, having announced the development of Malaysia's largest run-of-river hydro scheme in Sabah which is expected to deliver 170 MW of additional generation capacity to the state by 2027. This project form the foundation of JSB's future as the Group allocates a growing share of its resources to the new RE sector.

Key features
- Project completed:
  - 116 MWp solar as Engineering, Procurement, Construction and Commissioning ("EPCC") contractor.
- Projects under development: 0.5 MWp solar.
  - 170 MW run-of-river hydropower ("Project Oriole").
- Target assets for acquisition (subject to regulatory and shareholder approvals):
  - 5.99 MW solar.
  - 40 MW run-of-river hydropower.

Healthcare

The healthcare division involves the operation of a private boutique O&G hospital called OHANA Specialist Hospital, whose differentiating factor is its an all-female O&G medical team. The O&G hospital is located at Sri Rampai, Kuala Lumpur.

Key features
- 9 doctors (exclusively female O&G medical team).
- 18 beds.

Trading

The trading division has been streamlined into 2 primary divisions:

- Ipmuda Buildermart, a supplier of building materials, including lighweight blocks, roofing materials and tiles, who has established its market reputation over decades of operation.
- Ipmuda Edar, a supplier of pertoleum based lubricants.

Key features
- Malaysia's first Shariah-compliant trading house, dedicated to advancing socially responsible and ethical business practices. This approach emphasises transparency in contractual terms, prioritising clear and straightforward agreements whilst avoiding concealed fees or charges.
- 2 locations.

Corporate Information

Board of Directors

- **Datuk Haji Beroz Nikmal Mirdin**
  Non-Independent Executive Director | Executive Chairman
- **Jeefri Muhamad Yusup**
  Non-Independent Executive Director | Chief Executive Officer
- **Baevinraj Thiagarajah**
  Executive Director
  (Redesignated from Independent Non-Executive Director to Executive Director on 4 September 2023)
- **Dato' Amiruddin Abdul Satar**
  Independent Non-Executive Director
- **Abdul Halim Jantan**
  Independent Non-Executive Director
- **Pamela Kung Chin Woon**
  Independent Non-Executive Director
- **Tobias Hjalmar Mangelmann**
  Independent Non-Executive Director
  (Appointed on 4 September 2023)

Secretaries

- Chua Siew Chuan
  (MAICSA 0777689)
  SSM PC NO. 201908002648
- Tan Ley Theng
  (MAICSA 7030358)
  SSM PC NO. 201908001685

Registered Office

- Level 7, Menara Milenium, Jalan Damanlela,
  Pusat Bandar Damansara, Damansara Heights
  50490 Kuala Lumpur, Malaysia
  Tel: +603 2084 9000
  Fax: +603 2094 9940, 2095 0292
  Email: info@sshsb.com.my

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
  Email: info.my@boardroomlimited.com

Auditors

- KPMG PLT
  Level 10, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  Tel : 03-7721 3388
  Fax : 03-7721 3399

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

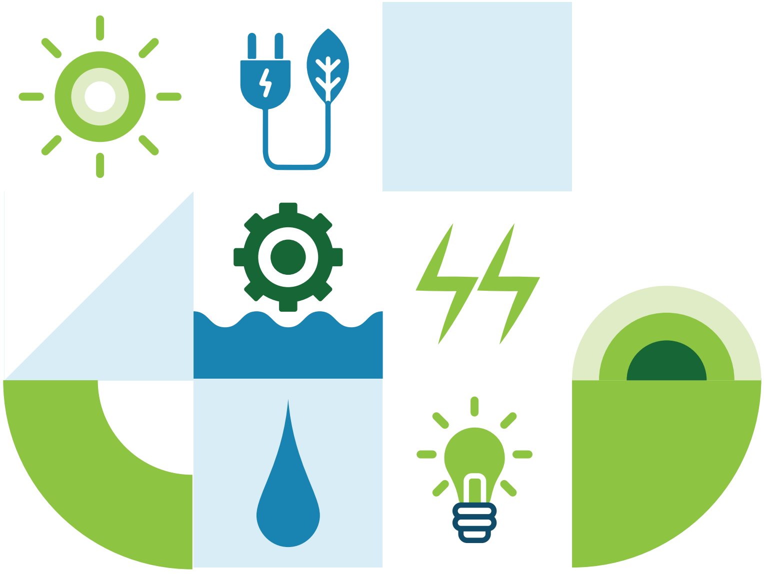
- www.jentayu-sustainables.com

Corporate Structure

As at 29 September 2023

JENTAYU Sustainables Berhad

- Ipmuda Construction & Engineering Sdn. Bhd.
- 78.6% Oriole Power Sdn. Bhd.
  - Oriole Hydro Maligan Sdn. Bhd. 70%
  - Oriole Hydro Padas Sdn. Bhd. 70%
- Jentayu Power Sdn. Bhd.
- Armor Master Sdn. Bhd.
  - Toriki Metal Engineering Sdn. Bhd.
- Eager Vest Sdn. Bhd.
- 80% Ipmuda Utara Sdn. Bhd. 20%
- 80% Ipmuda Selatan Sdn. Bhd. 20%
- 80% Ipmuda Timuran Sdn. Bhd. 20%
- 80% Ipmuda Architectural Products Sdn. Bhd. 20%
- 80% Ipmuda Tiles & Sanitarywares Sdn. Bhd. 20%
- Glorious Future Sdn. Bhd.
  - Sitolly Co. Sdn. Bhd. 80%
- Ipmuda Oil & Gas Sdn. Bhd.
- Ipmuda Development Sdn. Bhd.
- 51% Ipmuda Lanco Sdn. Bhd.
- Jentayu Green Initiatives Sdn. Bhd.
- 49% Budimex Sdn. Bhd.
- 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.
- 90% Ipmuda Tradelinks Sdn. Bhd.
- Better Living Grand Sdn. Bhd.
  - Roset Interiors Sdn. Bhd.
  - Roset-BLG Sdn. Bhd.
- Perak Metal Industries Sdn. Bhd.
- Victory Rally Sdn. Bhd.
- Modular Equity Sdn. Bhd.
  - Roset Properties Sdn. Bhd.
- MUDAcare Sdn. Bhd.
- Uniherbal Sdn. Bhd.



Key Messages

Executive Chairman's Statement

Supporting the Green Agenda

The past financial year has been one of transition, as we continue to put the pieces in place for JSB to become one of the leading RE companies in the region. We are fortunate to be in a period when sustainability is an increasingly prominent theme around the globe and as the Energy sector represents a major contributor to worldwide Greenhouse gas ("GHG") emissions, the push for RE has grown significantly. The National Energy Transition Roadmap recently released by the Ministry of Economy shows the country's commitment in shifting towards a greener economy and we aim to play our part in supporting the national green agenda.

Firstly, we commend the new RE capacity target of 70% by 2050 set by the Malaysian government under the RE Strategic Development Roadmap and look forward to the implementation of programmes and policies to be announced in conjunction with the roadmap. The strong industry participation in the country's newly enacted Corporate Green Power Programme is representative of the rising demand for Solar alongside the overall push toward RE. The complementary move to increase the Green Energy Tariff premium subscription rate to RM 21.8sen/kWh is also a progressive step in promoting awareness of RE and we look forward to seeing the consumer response to the new green premium.

Empowering Sabah

As a Sabahan company, we are encouraged by the decentralisation of the energy sector in Malaysia via the formation of the Energy Commission of Sabah ("ECoS") as it represents a key step towards a more effective development of the sector in Sabah. We have doubled our commitment to helping develop the state by moving our headquarters to Kota Kinabalu, as we look forward to the full acquisition of the Telekosang Hydro plants and the ongoing development of Project Oriole. Both projects should add much needed energy security for the state while also contributing positively to the sustainability and affordability aspects of the energy trilemma.

Expanding Our Capabilities

In addition to helping address Sabah's well-documented power requirements, we have also broadened our reach internationally as we have begun exploration of international RE projects. Our activities in the last financial year have been predominantly preparatory, in anticipation of impending projects as well as ancillary businesses across the value chain. In addition to Project Oriole and our robust RE pipeline, we have also looked at building our capabilities in EPCC of RE plants, Operations & Maintenance ("O&M") of small hydro plants, and origination of Carbon Offsets (Renewable Energy Certificates ("RECs") and Carbon Credits) to add value across the Energy supply chain. The addition of these infrastructural capabilities will form a crucial part of JSB's comprehensive RE offering in the future.

As we emerge from the tail-end of our transition and look forward to the crucial year ahead, we remain confident of making valuable contributions to the Malaysian Energy sector despite navigating the headwinds of higher financing and construction costs globally. JSB will only continue to go from strength-to-strength as we implement the necessary structures and processes to guarantee a strong and sustainable growth trajectory alongside our chosen partners.

Datuk Haji Beroz Nikmal Mirdin
Executive Chairman

CEO's Statement

JSB's focus for the past financial year was expansion, as we ramp up our internal capabilities, grow our project pipeline both locally and internationally, and look to secure appropriate partners who can complement our growth trajectory. Although the results are yet to be reflected in the Group's bottom line, our internal expansion will help instill stronger governance, diversify revenue streams, and broaden international reach to propel the Group to greater heights in the years to come. We have seen continued confidence in the Group's activities throughout the past financial year as we invest in our future pipeline, in particular our commitment to deliver the much-needed Project Oriole to the people of Sabah.

Pushing Projects Forward

The nature of the CAPEX-intensive energy business necessitates strong and robust governance to ensure our capital is deployed to the most appropriate projects. We are grateful for the continued support from our loyal shareholders thus far, having placed an additional 71 mil shares in our pursuit of completing Project Oriole as well as exploring additional projects in Malaysia and abroad. As the Group continues to grow, we look to constantly onboard the right partners who will be complementary in achieving our growth targets whilst also maintaining the high levels of governance which have guided us thus far.

Jeefri Muhamad Yusup
Chief Executive Officer

The Group remains unwavering in its commitment to repay the faith shown by shareholders through delivery of tangible progress and results. Project Oriole has progressed further along as we continued to procure the necessary approvals and secure the necessary commitments from all relevant stakeholders to bring the project ever closer to fruition, with a total of approximately RM 70 mil invested thus far, as of 30th June 2023. The competitive tender process to find a suitable EPCC vendor was launched in Q4 of our financial year and received good interest from international EPCC contractors. The most qualified bidders have been shortlisted, with a final vendor expected to be identified and agreement to be signed after obtaining the interim letter of notification from the federal government.

Creating Value

The proposed acquisition of the Jentayu Solar and Telekosang Hydro have also taken a step closer to completion, with the requisite approvals and Conditions Precedent being procured and is expected to be finalised in Q2 FY 2024. Telekosang Hydro One, with a capacity of 24MW, successfully achieved its Commercial Operating Date ("COD") on 16th February 2023 and is operating above expectations, as is Jentayu Solar. Telekosang Hydro Two is expected to be completed by Q2 of FY 2024, with the acquisition to be completed by the end of FY 2024. Other pipeline projects remain in various stages of the development journey, ranging from feasibility studies to commissioning, with all projects expected to contribute positively to the Group. In addition to development of RE projects, the Group is also in the process of building additional revenue streams in the form of O&M of hydro plants and the monetisation of RECs produced by RE plants owned by the Group and by third parties.

CEO's Statement (Cont'd)

Strengthening the Foundations

The Group has also maintained its steadfast commitment to sustainability, as we are working to secure our initial ESG rating from RAM Holdings Berhad as well as calculating our first ever GHG footprint for the Group. Building upon the sustainability framework developed last year, we have continued our sustainability journey by establishing our emission baseline, setting our ESG targets, and enacted more robust policies aligned to future disclosure requirements. We will endeavour to continuously improve our ESG performance with the aim of being a leader of the sustainability space, and one who will help Malaysian companies to achieve the same high standards we have set for ourselves.

Last but not least, our internal efforts to enhance the Group's efficiency has been boosted via our persistent efforts to streamline our structure whilst enhancing governance. We have successfully incorporated a rigorous investment structure, with a committee of independent directors at the board level overseeing the newly formed investment division within the Group. This will ensure a rigorous, methodical framework to the Group's investment decisions and will ensure the most effective deployment of capital.

Management Discussion and Analysis

Management Discussion and Analysis

The Group remains in a state of transition, as we approach the final stretch of our transformation journey. As the injection of the Telekosang Hydro and Jentayu Solar plants nears completion, FY23 is expected to be the final year in which the Trading segment of our businesses remains the largest contributor of revenue. The Hospital's unexpected closure also served as a reminder to always maintain strong governance and robust processes, with all non-compliance having been rectified and/or enhanced prior to the reopening of the hospital.

Business Operations

The Group's Energy division recorded lower revenue compared to the previous year due to the completion of the Coara Marang project. The division's primary focus for the past year has been on delivering Project Oriole, with tangible progress made thus far despite the additional review and ratification process a new government needs to conduct. The Group has continued to maintain its commitment to Project Oriole and has thus far invested a total of RM 69.2 mil to ensure the much-needed power is delivered to the Sabahan people as early as possible. As for Telekosang Hydro and Jentayu Solar, the Group has finalised and met the necessary Conditions Precedent to proceed with the final phase of the acquisition, with injection expected to be completed by the end of the financial year.

The Trading division continues to operate in a difficult economic environment, with a revenue of RM 13.3 million representing a 35% decrease on the previous year. Although the Group's focus has shifted to the RE sector, the Trading division will be streamlined and reformed to primarily support the construction of renewable energy power plants.

The 25% shortfall in revenue for the Healthcare division compared to the forecast can be attributable to the temporary closure of Ohana Specialist Hospital and the subsequent time required to ramp up operations to pre-closure levels. Moving forward, the Hospital will look to increase its utilisation rate prior to applying to procuring the 30-bed license for which the infrastructure is already in place.

Future Prospects

Apart from the key hydro projects based in Sabah, the Group has also begun to explore opportunities with shorter development cycles (i.e. solar projects) as well as potential international expansion. Across the solar landscape, proposals have been submitted for the Corporate Green Power Programme as well as individual Self-Consumption (SELCO) projects, with a project pipeline of more than 100 MW of Solar being evaluated while Group also has 0.41 MW of Solar under construction which is expected to be commissioned in Q2 of FY24.

International opportunities in both South-East Asia and the Middle East have also been assessed and will be evaluated against even more stringent criteria due to the greater risk inherent in international expansion.

On top of the Build, Own, Operate (BOO) model for RE plants, the Group is exploring the potential acquisition of an operations and maintenance (O&M) company for its hydro plants being acquired and/or developed. Additionally, the Group has also allocated resources to grow the Renewable Energy Certificates (RECs) business, which aims to provide a seamless avenue for RE plant owners to monetise RECs at zero cost.

The Trading division continues to face significant headwinds, with the distributor model losing its competitive advantage and businesses are increasingly able to connect directly with manufacturers. Coupled by the division's consistently declining financial performance over the past few years, the Group has considered the sale or closure of its Ipmuda EDAR lubricants business and the conversion of its Ipmuda Buildermart building materials business to focus primarily on supporting the chosen EPCCs in the development of RE plants

Financial Commentary

The CAPEX-intensive nature of the RE business necessitates significant amounts of capital to develop a steady and sustainable stream of income for the future. The Group's financials have been consistently supported by one-off gains from the disposal of land since the takeover by the current management team in FY 2021, with a total of RM 16.9 mil and RM 65.1 mil reported in FY 2023 and FY 2022 respectively. The gains have been used to completely restructure the Group's debt, which was necessary given the significant support required from financial institutions for the development of RE plants.

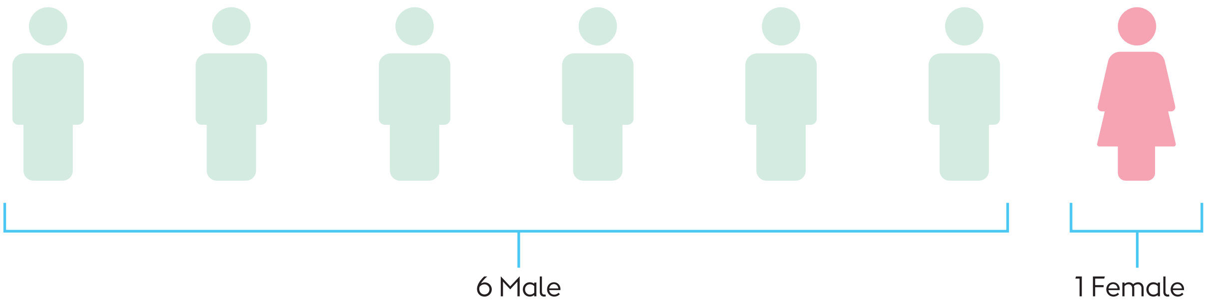
The Group's loss after tax excluding the disposal of land was RM 22.1 mil in FY 2023, representing a 38% decrease compared to RM 35.8 mil in FY 2022 – highlighting the significance of the gains on disposal of land in supporting the Group's continued operations.

FY 2024 is expected to follow a similar pattern as the Group approaches the tail end of its transition, with the acquisition of Telekosang Hydro and Jentayu Solar, as well as the continued development of Project Oriole not expected to contribute significantly to the Group's bottom line until FY 2025 onwards. The Group has numerous initiatives under its turnaround plan to ensure its bottom line returns to the black.

Leadership

Board Composition

Gender



Age Group

3
51 years and 60 years

3
50 years and below

1
60 years and above

Composition

1
Non-Independent Executive Chairman

2
Non-Independent Executive Directors

4
Independent Non-Executive Directors

Ethnicity

4
Malay

1
Chinese

1
Indian

1
German

Board Of Directors' Profile

Datuk Haji Beroz Nikmal Mirdin
Non-Independent Executive Chairman

Datuk Haji Beroz Nikmal Mirdin, male, a Malaysian, aged 45, is the Non-Independent Executive Chairman of the Group. He was appointed to the Board on 18 June 2020. He spearheads the direction and development of the renewable energy business of the Group and he is responsible for the overall overseeing of the corporate goals.

He obtained his Bachelor of Science in Electrical Engineering from Widener University, United States of America ("USA") in August 2000 and a Master of Science in Management Information Systems from Pennsylvania State University, USA in June 2006. In October 2021, he completed an online course on circular economy and sustainability strategies from the University of Cambridge.

He joined PJM Interconnection LLC, USA, a regional transmission organisation that coordinates the movements of wholesale electricity in some regions of the USA in December 1999 as an Engineer and left in November 2006. He was mainly involved in high level decision making and external communications with the independent power producer developers and regulatory bodies.

After his return to Malaysia, he served as the Manager (Operation Studies), System Operations Department of Tenaga Nasional Berhad from January 2007 to December 2009 where he was in charge of the operation studies section in the company to perform system reliability studies on a periodic basis. In February 2010, he was the Vice President, Investments of Khazanah Nasional Berhad where he was seconded to lead a special task force in MyPOWER Corporation to restructure and improve efficiencies of delivery of electricity in the Malaysia Electric Supply Industry (MESI) and left the company in December 2010. Subsequently, he was appointed as the Director of Perak Hydro Renewable Energy Corporation Sdn. Bhd. from July 2010 to August 2017 where he was involved in the development of the comprehensive master plan of 150 MW small hydropower plant in Perak, as well as preserving the interests of the company's stakeholders. He was also an Executive Director at Gunung Capital Berhad from November 2013 to November 2016 where he was responsible in overseeing the development of small hydropower plant projects in Perak.

He has 24 years of experience in the renewable energy sector in which he was involved in the development of various small hydropower and large-scale solar projects. Currently, he is also the Chief Executive Officer of Telekosang One and Telekosang Two since October 2018, responsible for managing the day-to-day operations of Telekosang One and spearheaded the development of the project in all aspects from identifying the suitability of the site to obtaining the approvals to develop the project from the state government. He was also in charge of the process of issuance greenfield mini-hydro green SRI Sukuk, covering key activities, such as discuss with credit rating agency and fund-raising roadshows.

Age:
45 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
18 June 2020

Length of Tenure as Director:
3 years 3 months (as at 1 October 2023)

Membership of Board Committee:
Nil

Board Meeting Attended:
7/7 as at 30 June 2023

Academic/Professional Qualification(s)/Recognition:
- Bachelor of Science in Electrical Engineering from Widener University, USA
- Master of Science in Management Information Systems from Pennsylvania State University, USA
- University of Cambridge Executive Education in Circular Economy and Sustainability Strategies

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area Of Expertise:
Strategy Development And Implementation, Hydropower, Renewable Energy, Sustainable Energy

Family Relationship with any Director and/or Major Shareholder of the Company:
Datuk Haji Beroz is the spouse of Datin Hajjah Nurhaida 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

Conviction for Offences within the Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Board Of Directors' Profile (Cont'd)

Jeefri Muhamad Yusup
Non-Independent Executive Director

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 Berhad, 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 private hospitals, Pusat Perubatan Naluri and Rampai Puteri Medical Centre.

Age:
58 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
18 June 2020

Length of Tenure as Director:
3 years 3 months (as at 1 October 2023)

Membership of Board Committee:
Nil

Board Meeting Attended:
7/7 as at 30 June 2023

Academic/Professional Qualification(s)/Recognition:
Graduate of the Association of Chartered Certified Accountants (ACCA) at Emile Woolf College, United Kingdom

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Healthcare, Accounting, Banking and Finance

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Board Of Directors' Profile (Cont'd)

Baevinraj Thiagarajah
Non-Independent Executive Director
(Redesignated from Independent Director to Executive Director on 4 September 2023)

Baevinraj Thiagarajah ("Baevinraj"), was appointed as the Independent Non-Executive Director of the Company on 9 July 2020. He was subsequently re-designated as the Executive Director of the Company on 4 September 2023.

He graduated with a Bachelor's in Electrical and Electronics Engineering in August 1998 from Imperial College London and upon the completion of his bachelors' degree, was conferred Associateship of the City and Guilds of London Institute. In October 2021, he completed an online course on circular economy and sustainability strategies from the University of Cambridge.

Baevinraj started as a Design Engineer at Tenaga Switchgear Sdn. Bhd. in 1999, where he designed and tested switchgears. He then joined Boston Consulting Group ("BCG") from July 2000 to September 2007. At BCG, he began as an Associate and eventually became a Project Leader, he was responsible for managing and directing project teams in the design and development of innovative long-term business strategies for client corporations, primarily in the energy sector. Additionally, in July 2007, he established Mendel Capital Sdn. Bhd., a boutique management consulting firm, where he has served government agencies and government-linked companies on strategy and turnaround projects and he continues to be actively involved with the company. Subsequently, he served as the Executive Director of KPMG Management & Risk Consulting Sdn. Bhd., overseeing consulting engagements.

Additionally, from January 2019 to August 2023, he worked with DRB-HICOM Berhad as part of the senior management team, supporting the implementation of special initiatives.

Age:
48 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
- 9 July 2020 (Independent Non-Executive Director)
- 4 September 2023 (Redesignated to Executive Director)

Length of Tenure as Director:
- Previous Appointment:
  3 years 1 month (9 July 2020 to 3 April 2023)
- Current Appointment:
  28 days (as at 1 October 2023)

Membership of Board Committee:
Nil

Board Meeting Attended:
7/7 as at 30 June 2023

Academic/Professional Qualification(s)/Recognition:
Bachelor's Degree (1st Class) in Electrical and Electronics Engineering, Imperial College London

Present Directorship(s) in Other Public/Listed Companies:
Edaran Otomobil Nasional Berhad

Area of Expertise:
Strategic Development and Implementation, Innovation and Transformation

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Board Of Directors' Profile (Cont'd)

Dato' Amiruddin Abdul Satar
Independent Non-Executive Director

For over 26 years, Dato' Amiruddin 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) until March 2023. He contributes to bridging the gap between the accounting profession and industry, academia, regulators and the corporate world.

Age:
59 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
19 August 2020

Length of Tenure as Director:
3 years 1 month (as at 1 October 2023)

Membership of Board Committee:
- Chairman of the Board Nomination and Remuneration Committee
- Member of the Board Audit Committee
- Member of the Board Risk Committee
- Member of the Board Investment Committee

Board Meeting Attended:
7/7 as at 30 June 2023

Academic/Professional Qualification(s)/Recognition:
- 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(s) in Other Public/Listed Companies:
- FGV Holdings Berhad
- Waqaf FELDA
- Raja Alias Foundation

Area of Expertise:
Strategic Leadership, Accounting and Healthcare Delivery System

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Board Of Directors' Profile (Cont'd)

Abdul Halim Jantan
Independent Non-Executive Director

Abdul Halim Jantan, FMII and a Certified Risk Practitioner. A Malaysian citizen aged 66 and sits on various private company boards, a public listed company board and Commissioner for Suruhanjaya Perkhidmatan Air Negara ("SPAN").

As a 44 year veteran in the practice of Risk Management and Risk Transfer, the art and science of developing an insurance solution has always been a passionate and enjoyable part of his life.

Prior to embarking in his enterprising journey being the Founder of Sterling Group of companies, he spent 14 years at American Malaysian Insurance Berhad ("AMI"), being the CEO in his last position.

Through the years, he has successfully established Sterling as the Premium Independent Power Plant ("IPP") Broker in the insurance and reinsurance market and he is focussed in expanding its portfolio into specialised industry like Space, Aviation, Marine Hull and Employee Benefits continuously, by leveraging on technological advancement in Artificial Intelligence and Predictive Modelling.

Since then, he has evolved into becoming an entrepreneur with other business interest taking a third of his time, whilst he remained centrally focused in Engineering Services, Insurance Advisory and Risk Management Services. It has given him 'across the board' hands-on experience and the leading-edge to craft his transactional and consultancy enterprise, to forge ahead of the curve.

To provide a sustainable ecosystem and intellectual capital to deliver high-end comprehensive total solution with a competitive cost structure to selected and targeted industries.

As a pastime indulgence, he thoroughly enjoys endurance sport, hence a triathlete at heart, with swimming and cycling being his biggest passion. Truly his day is not complete without doing one or the other, six days a week. Somewhere in between, playing and walking nine holes in the golf course takes precedence occasionally.

He hopes to pass down to future generations the same love for 'business enterprise', that he passionately inherited from his revered predecessors.

Age:
66 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
2 November 2020

Length of Tenure as Director:
2 years 10 months (as at 1 October 2023)

Membership of Board Committee:
- Chairman of the Board Audit Committee
- Chairman of the Board Investment Committee *(Redesignated from Member to Chairman on*
- *4 September 2023)*
- Member of the Board Nomination and Remuneration Committee
- Member of the Board Risk Committee *(Redesignated from Chairman to Member on 4 September 2023)*

Board Meeting Attended:
7/7 as at 30 June 2023

Academic/Professional Qualification(s)/Recognition:
Fellow of Malaysian Insurance Institute

Present Directorship(s) in Other Public/Listed Companies:
The Academy of Risk Management Malaysia Berhad

Area of Expertise:
Strategic Development and Implementation, Corporate Leadership, Risk Management Practitioner

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Board Of Directors' Profile (Cont'd)

Pamela Kung Chin Woon
Independent Non-Executive Director

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. She advises lenders, as well as borrowers and advisers in cross-borders as well as domestic financing facilities and 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. She is a partner of the law firm, Shearn Delamore & Co. and is a member of the management committee of the firm. She served as the Regional Director (Asia Pacific) of World Law Group, a global network of leading independent law firms from 2020 to 2022.

Age:
55 years old

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
27 December 2021

Length of Tenure as Director:
1 year 9 months (as at 1 October 2023)

Membership of Board Committee:
- Chairperson of the Board Risk Committee of the Board Risk Committee *(Redesignated from Member to Chairperson on 4 September 2023)*
- Member of the Board Audit Committee
- Member of the Board Nomination and Remuneration Committee
- Member of the Board Investment Committee

Board Meeting Attended:
6/7 as at 30 June 2023

Academic/Professional Qualification(s)/Recognition:
LL.B (Hons) from University of Leicester; Certificate in Legal Practice

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Company Law, Banking and Securities Law, Corporate Debt Restructuring

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Board Of Directors' Profile (Cont'd)

Tobias Hjalmar Mangelmann
Independent Non-Executive Director
(Appointed on 4 September 2023)

Tobias has accumulated more than 20 years of experience as management consultant and entrepreneur. He started his career as Financial Analyst at MCF Corporate Finance in Germany in the year of 1998. Subsequently, he was the co-Founder and Chief Financial Officer at Pragma Holding AG, in Germany.

Since moving to Malaysia in 2004, Tobias worked with McKinsey & Company Inc. in Malaysia from 2004 until 2012 as consultant and later on as a Senior Project Manager/Expert. Upon leaving McKinsey in 2012, he was appointed as Director and Head of Asia Pacific with Poyry Management Consulting in Singapore.

After leaving Poyry, Tobias held various leadership roles in the Merica Group of Company from 2015 until 2018. During the time, he was a Director with Merica Holdings Pte Ltd and Merica Forest Pte Ltd in Singapore and the operating companies in Malaysia. Malaysia, as well as the Chief Executive Officer of WeGen Energy of Singapore and Philippines.

Since founding LASAJU Consulting Sdn. Bhd. in Malaysia in 2014, Tobias has been the managing director leading the sustainability focused consulting business of LASAJU. In parallel, he was the Senior Advisor of SYSTEMIQ Ltd from 2018 until 2021.

Currently, he is the Non-Executive Director of Merica Forestry i.e. Merica Holdings Pte Ltd and Merica Forest Pte Ltd.

Age:
48 years old

Gender:
Male

Nationality:
Germany

Date of Appointment:
4 September 2023

Length of Tenure as Director:
28 days (As at 1 October 2023)

Membership of Board Committee:
Nil

Board Meeting Attended:
Nil as at 30 June 2023
(Tobias was appointed as Director on 4 September 2023)

Academic/Professional Qualification(s)/Recognition:
- German equivalent of a Bachelor in Business Administration WHU - Otto Beisheim School of Management, Vallendar, Germany
- German equivalent of Masters in Business Administration from WHU - Otto Beisheim School of Management, Vallendar, Germany

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Carbon Markets, Energy and Waste Management Sectors

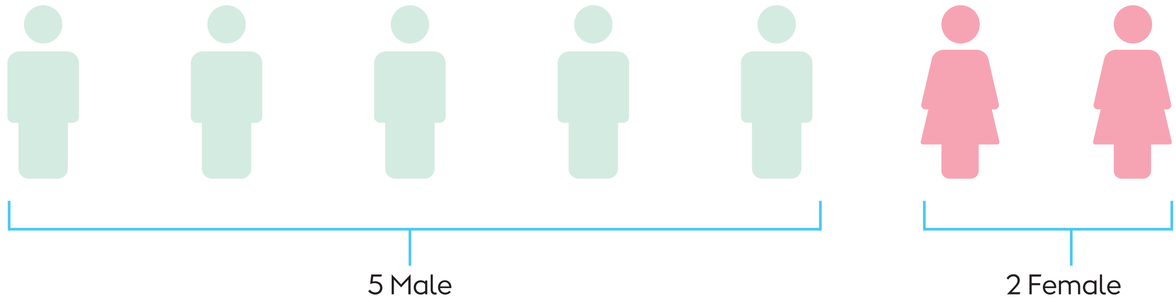
Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Executive Leadership Composition

Gender



Age Group

4
51 years to 60 years

3
50 years and below

Composition

100%
Malaysian

Executive Leadership Profile

Datuk Haji Beroz Nikmal Mirdin
Executive Chairman

Note:
Pleaser refer Executive Chairman's profile on page 19, under section Board of Directors' profile.

Jeefri Muhamad Yusup
Chief Executive Officer

Note:
Pleaser refer Chief Executive Officer's profile on page 20, under section Board of Directors' profile.

Executive Leadership Profile (Cont'd)

Noor Erni Surya Noordin
Chief Financial Officer

Noor Erni Surya Noordin has extensive experience working for local and international organisations. With a solid background in finance and her 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 JSB. Prior to employment with JSB, Erni was attached with UiTM Holdings Sdn. Bhd. as the 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) and Malaysian Institute of Accountant.

Age:
51 years old

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
1 June 2022

Length of Tenure:
1 year 4 months (as at 1 October 2023)

Membership of Board Committee:
Nil

Academic/Professional Qualification(s)/Recognition:
- Fellow member of the Association of Chartered Certified Accountants (ACCA)
- Master in Science of Professional Accountancy from University of London
- Bachelor of Accounting from International Islamic University Malaysia

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Accounting And Finance

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Executive Leadership Profile (Cont'd)

Mohamad Rhiaz Mohamed Zamirdin
Chief Investment Officer

Mohamad Rhiaz is an experienced Investment Banker specializing in Corporate Advisory, Equities and the Capital Markets. Over the years, he has been involved in numerous projects including those in renewable energy.

He started his career as an Institutional Dealer in Kenanga Investment Bank and continued his journey in equities within several Investment Banks in particular Maybank and CIMB. He was then approached to jointly head Middle-Market Solutions in Maybank Investment Bank, a department that was tasked to increase the level of sophistication of mid-sized companies at the bank. During his time there, he played key roles in facilitating client access to the debt markets through Sukuk issuance, capital markets through Initial Public Offering and expansion through Mergers and Acquisitions. He held the position until December 2022 before joining JSB as Chief Investment Officer.

Age:
52 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
3 January 2023

Length of Tenure:
8 months (as at 1 October 2023)

Membership of Board Committee:
Nil

Academic/Professional Qualification(s)/Recognition:
- Bachelor of Laws (Honours) from Sheffield Hallam University, United Kingdom
- Diploma in Investment Analysis from Royal Melbourne Institute of Technology

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Corporate Advisory, Equities, Capital Market

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Executive Leadership Profile (Cont'd)

Dato' Chairil Nazri Ahmad
Chief Operating Officer

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 co-founder 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.

Age:
51 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
1 October 2021

Length of Tenure:
2 years (as at 1 October 2023)

Membership of Board Committee:
Nil

Academic/Professional Qualification(s)/Recognition:
- Executive Program in BioEntrepreneurship from University of California, United States of America
- ACA Institute of Chartered Accountants in England and Wales
- Bachelor of Arts (Hons) in Accounting and Financial Analysis from University of Newcastle, United Kingdom

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Sustainable Energy, Green Islamic Financing, Entrepreneurship

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Executive Leadership Profile (Cont'd)

Noor Afzalinah Mohd Afzul Khan
Chief Corporate Officer

Noor Afzalinah Mohd Afzul Khan began her career in the Legal Aid Bureau as paralegal officer and joined Messrs. Angela Ubu & Associates in Kota Kinabalu assisting lawyers on both criminal and civil litigation. She then pursued a corporate career path in 2011 when she joined Suria Capital Holdings Berhad, a company listed in the Main Market of Bursa Malaysia Securities Berhad based in Kota Kinabalu, Sabah and the concessionaire for the ports operations in Sabah; as Legal Executive. In December 2015, Noor Afzalinah joined Qhazanah Sabah Berhad (QSB), an investment holding arm for the State of Sabah as Legal Manager where she played an important role in the corporate governance and compliance, commercial and contracts negotiation of the Group, as well as being responsible in HR matters related to disciplinary procedures, industrial relations and succession planning.

In 2018, she obtained her Certified Licensed Secretary and served as Company Secretary of QSB Group. She was then promoted to Head of Legal in 2019 and held the position of Company Secretary/Head of Legal of QSB Group. In 2021, she was then appointed as the Executive Director in WHS Sterilization Service Sdn. Bhd. (a subsidiary of QSB). Being one of the leaders in QSB Group with corporate governance knowledge and corporate law background, Noor Afzalinah was appointed as a director in QSB subsidiaries, i.e., Qhazanah Technology Sdn. Bhd., Common Tower Technologies Sdn. Bhd., Angkatan Hebat Sdn. Bhd., as well as WHS Sterilization Sdn. Bhd. She was also a member of the Integrity Unit of QSB. On 1st October 2021, prior to joining JSB, she held the position of Deputy Group Chief Executive Officer of QSB.

Age:
44 years old

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
1 July 2022

Length of Tenure:
1 year 3 months (as at 1 October 2023)

Membership of Board Committee:
Nil

Academic/Professional Qualification(s)/Recognition:
- Diploma in Computer Science from University of Putra Malaysia
- Bachelor of Jurisprudence from University of Malaya
- Certified Licensed Secretary (LS 0010298)

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Corporate Law, Corporate Governance and Compliance, Company Secretarial and Human Resources

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Executive Leadership Profile (Cont'd)

M Satya Riayatsyah Syafruddin
Chief Strategy and Sustainability Officer

M Satya Riayatsyah possesses an impressive track record of over two decades in the telecommunications industry, commencing his journey in 1998. His career began at Telekom Malaysia, where he swiftly rose from a management trainee to the role of assistant manager within the international venture divisions. Demonstrating exceptional competence, he later advanced to become a manager at Telekom Technologies Sdn Bhd, leading the charge in strategy development and business expansion.

In 2002, Satya joined Mutiara.com Sdn. Bhd. as the esteemed manager responsible for strategy and business development, leaving an indelible mark during his six-year tenure. Returning to Telekom Malaysia, he assumed a pivotal position in the sales department under TM Global and ascended the ranks to Assistant General Manager, overseeing both the Sales Management Office and Sales. Under his expert stewardship, the Group not only expanded its footprint but also solidified its global blueprint within the dynamic landscape of Southeast Asia.

Satya's expertise extends far beyond mere managerial roles, encompassing strategy formulation, business development and transformation, and adept regional business and stakeholder management. Prior to his appointment at JSB, he held distinguished positions as the Chief Marketing Officer and Chief Executive Officer at ACASIA Communications Sdn Bhd. Satya's profound influence on the industry is a testament to his unwavering dedication, strategic acumen, and ability to drive remarkable growth in diverse business environments.

Age:
46 years old

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
10 March 2022

Length of Tenure:
1 year 6 months (as at 1 October 2023)

Membership of Board Committee:
Nil

Academic/Professional Qualification(s)/Recognition:
- Bachelor of Engineering, Electrical and Electronics Engineering from Vanderbilt University, USA
- Circular Economy and Sustainability Strategy from Cambridge Judge Business School
- Organisational Leadership from Cranfield School of Management

Present Directorship(s) in Other Public/Listed Companies:
Nil

Area of Expertise:
Strategic, Sustainability, International Business Ventures

Family Relationship with any Director and/or Major Shareholder of the Company:
Nil

Disclosure of Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Company or its Subsidiaries:
Nil

Conviction for Offences within The Past 5 Years and any Public Sanction or Penalty Imposed by Relevant Regulatory Bodies (Other Than Traffic Offences) during the Financial Year End:
Nil

Organisation Structure as at June 2023

Executive Chairman
Datuk Haji Beroz Nikmal Mirdin

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

Chief Executive Officer
Jeefri Muhamad Yusup

CEO's Office
- Oversees strategic, financial and operational matters of the group

Internal Audit
- Overseeing the financial reporting and disclosure process

Risk Management & Compliance
- Identifying, measuring and Recommending risk mitigation

Chief Financial Officer
Noor Erni Surya Noordin
- Financial Controller
- General Ledger
- Account Payable
- Account Receivable
- Treasury/ Funding
- Credit Controller
- Procurement

Chief Investment Officer
Mohamad Rhiaz Mohamed Zamirdin
- Communications
- Investor Relations
- Strategic Investment/Project

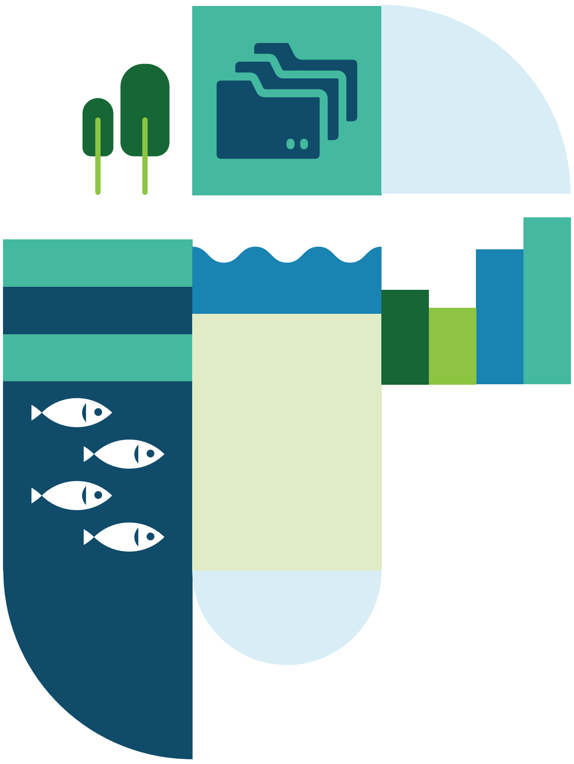
Head of Trading Division
Lit Kin Cheong
- Project Management
- Sales/ Business Development
- Product/ Solution Development
- Product/ Solution Management

Chief Corporate Officer
Noor Afzalinah Mohd Afzul Khan
- Company Secretarial
- Legal Advisory
- Human Resource
- Property & Administration
- Information Technology Unit
- Sabah Stakeholder Relation & Office Operation

Chief Strategy & Sustainability Officer
M Satya Riayatsyah Syafruddin
- Corporate planning
- Performance Monitoring & Reporting
- Stakeholder Management
- Sustainability Management

Chief Operating Officer
Dato' Chairil Nazri Ahmad
- Asset Development
- Asset Management
- Engineering Services
- Sales & Business Development

Head of Healthcare Division
Rahaidah Abdul Wahab
- Project Management
- Sales/ Business Development
- Product/ Solution Development
- Product/ Solution Management



Governance

Corporate Governance Overview Statement

The Board of JSB fully support the principles and best practices as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and the relevant provisions in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") 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 principal and practices as set out in the MCCG 2021 and MMLR of the Group during the financial year ended 30 June 2023 ("FY 2023") up till the date of Statement with reference to the three (3) key principles as follows:-

- **Principle A** - Board Leadership and Effectiveness.
- **Principle B** - Effective Audit and Risk Management.
- **Principle C** - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement is prepared in compliance with the MMLR and it is to be read together with the Group's Corporate Governance Report ("CG Report") for FY 2023 which is publicly available on Bursa Securities' website at www.bursamalaysia.com and also the Company'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.

This statement is made in accordance with the resolution of the Board of Directors dated 27 October 2023.

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 for the Company and Group to be in line with the Company and Group's core values, vision and mission.
ii. Overseeing and evaluating the conduct of business of the Company and Group whether the business is being properly managed and sustained.
iii. Identifying principal business risks and ensuring the implementation of a proper risk management system to manage such risks under the guidance of the Risk Management Committee. This includes reviewing procedures to identify the main risks associated with the Group's businesses and the implementation of appropriate systems to manage these risks.
iv. Establishing a succession plan.
v. Reviewing the adequacy and the integrity of the management information and internal control systems of the Company and Group including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
vi. Monitoring Board composition, processes and performance with the guidance of the Board Nomination and Remuneration Committee.
vii. Promote better investor relations and shareholders' communications.
viii. Ensure that the Group's core values, vision and mission and shareholders' interests are met.
ix. Establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities.
x. Monitoring and reviewing policies and processes relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards.
xi. Ensure that the Group has the appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.
xii. Performs such other functions as are prescribed by law or are assigned to the Board.

Board Charter, Code of Conduct and Ethics For Directors

The Board has adopted a Board Charter which clearly defines the respective roles, responsibilities and authorities of the Board of Directors (both individually and collectively) and Management in setting the direction, the management and the control of the Company as well as matters reserved for the Board.

The formal schedule of matters reserved for the Board is set out in the Board Charter whilst the Code of Conduct and Ethics for Directors ("Code") which is incorporated in the Board Charter formalises the standard of ethical values and behaviour that is expected of its Directors at all times.

Principle A: Board Leadership and Effectiveness (Cont'd)

Board Responsibilities (Cont'd)

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

The Board is helmed by the Executive Chairman, Datuk Haji Beroz Nikmal Mirdin who demonstrates strong leadership and oversees the effectiveness of the Board. Datuk Haji Beroz Nikmal Mirdin works closely with the rest of the Board members in forming policies and strategies to align business activities driven by the Management team.

The Executive Chairman is responsible for leading the Board in its collective oversight of Management and ensuring the effectiveness of the Board matters whilst the CEO is responsible to implement the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Company.

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.
iii. Identify opportunities and risks affecting the Group's business and find ways of dealing wuth 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 Independent Non-Executive Directors ("INEDs") 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.

Principle A: Board Leadership and Effectiveness (Cont'd)

Board Responsibilities (Cont'd)

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

Directors	Designation
Datuk Haji Beroz Nikmal Mirdin	Executive Chairman
Jeefri Muhamad Yusup	Chief Executive Officer
Baevinraj Thiagarajah	Executive Director *(Redesignated from Independent Non-Executive Director to Executive Director on 4 September 2023)*
Dato' Amiruddin Abdul Satar	Independent Non-Executive Director
Abdul Halim Jantan	Independent Non-Executive Director
Pamela Kung Chin Woon	Independent Non-Executive Director
Tobias Hjalmar Mangelmann	Independent Non-Executive Director *(Appointed on 4 September 2023)*

Separation of the Position of Chairman and CEO

The roles of the Executive Chairman and CEO 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.

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.

Principle A: Board Leadership and Effectiveness (Cont'd)

Board Responsibilities (Cont'd)

Company Secretaries

In compliance with Practice 1.5 of the MCCG 2021, the Board members have full access to the two (2) Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.

The Board receives regular updates and notices from the Company Secretaries to ensure compliance with applicable laws, regulations and corporate governance matters. The Company Secretaries attend and ensure that all Board and Board Committees meetings are properly convened and all deliberations and decisions are properly minuted and kept. They are also responsible for ensuring that Board's policies and procedures are followed and the applicable statutory and regulatory requirements are observed.

Board Meeting and Meeting Material

The Board meets regularly on a quarterly basis, with 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 Board 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 officers 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.

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 Company 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 Company's expense on specific issues and gain access to relevant information whenever required to enable the Directors to discharge their duties more effectively.

Board Committees

The Board is assisted by its Board 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. Board Nomination and Remuneration Committee.
iii. Board Risk Committee.
iv. Board Investment 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.

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.

Principle A: Board Leadership and Effectiveness (Cont'd)

Board Responsibilities (Cont'd)

Directors	No. of Meetings Held During Appointment	No. of Meetings Attended
Datuk Haji Beroz Nikmal Mirdin	7	7
Jeefri Muhamad Yusup	7	7
Baevinraj Thiagarajah *(Redesignated from Independent Non-Executive Director to Executive Director on 4 September 2023)*	7	7
Dato' Amiruddin Abdul Satar	7	7
Abdul Halim Jantan	7	7
Pamela Kung Chin Woon	7	6
Tobias Hjalmar Mangelmann *(Appointed on 4 September 2023)*	–	–

All the Directors holding office as indicated above 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 give the Directors sufficient time to plan their own schedules and be able to attend the meetings. The Board meets at least four times a year. Ad-hoc meetings are also convened to deliberate on urgent substantive matters.

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 Company. 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.

The Directors remain fully committed in discharging their statutory duties and responsibilities, as reflected by their full attendance at Board meetings held during the FY 2022. All Directors complied with the minimum attendance requirement of at least 50% of Board meetings held during the financial year pursuant to the MMLR of Bursa Securities.

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

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.

Details of the Group's sustainability governance framework and efforts are set out in the Sustainability Statement of this Annual Report, to be read together with our Sustainability Report which can be found on our corporate website at www.jentayu-sustainables.com.

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

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 on the Company's website at www.jentayu-sustainables.com.

Anti-bribery and Anti-corruption Policy

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 is available on the Company's website at www.jentayu-sustainables.com.

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 Board Nomination and Remuneration Committee, which will be reviewed and approved by the Board.

The Directors' Fit and Proper Policy is available on the Company's website at www.jentayu-sustainables.com.

Principle A: Board Leadership and Effectiveness
Board Composition

Board Composition and Balance
The Board currently has seven (7) members, comprising one (1) Executive Chairman, one (1) Executive Director, 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 the Group. A brief profile of each Director is presented in the section of Board of Directors' Profile 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 Board 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.

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 Board 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.

Principle A: Board Leadership and Effectiveness (Cont'd)

Board Composition (Cont'd)

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee ("BNRC") had during the FY 2023 assisted the Board of Directors of the Group in the following areas:

i. 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 BNRC.
ii. Assessing the effectiveness of the Board and Board Committees on an ongoing basis.
iii. Assess the size and composition of the Board.
iv. Review the effectiveness of the Executive Directors, which includes the Executive Chairman Chief Executive Officer and Chief Financial Officer.
v. Overseeing appointment and succession plans of the Key Senior Managerial positions.
vi. 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 composition and the main activities carried out by the BNRC during FY 2023, are set out in the BNRC Report of this Annual Report.

The details on the Directors remuneration paid or payable made available from the Group and its subsidiaries for the FY 2023 were as follows:

1. Details of the Directors' remuneration paid or payable for the FY 2023 are as follows:

Received from the Company

Name Of Director (Executive Director)	Director's Fees (RM)	Salaries And Other Emoluments^ (RM)	Defined Contribution Plan (RM)	Benefits-In-Kind (RM)	Total (RM)
Datuk Haji Beroz Nikmal Mirdin	–	957,142.86	128,038.83	25,000.08	1,110,181.77
Jeefri Muhamad Yusup	–	957,142.86	128,008.83	–	1,085,151.69
Baevinraj Thiagarajah (Redesignated from Independent Director to Executive Director on 4 September 2023)	60,000.00	12,000.00	–	–	72,000.00

Notes:
^ Other emoluments are inclusive of meeting allowance.

Name Of Director (Non-Executive Director)	Director's Fees (RM)	Meeting Allowances (RM)	Total (RM)
Dato' Amiruddin Abdul Satar	60,000.00	12,000.00	72,000.00
Abdul Halim Jantan	70,000.00	17,500.00	87,500.00
Pamela Kung Chin Woon	60,000.00	8,000.00	68,000.00

Principle A: Board Leadership and Effectiveness

Board Composition (Cont'd)

Received on Group Basis

Name Of Director (Executive Director)	Director's Fees (RM)	Salaries And Other Emoluments^ (RM)	Defined Contribution Plan (RM)	Benefits-In-Kind (RM)	Total (RM)
Datuk Haji Beroz Nikmal Mirdin	–	957,142.86	128,038.83	25,000.08	1,110,181.77
Jeefri Muhamad Yusup	–	957,142.86	128,008.83	–	1,085,151.69
Baevinraj Thiagarajah (Redesignated from Independent Director to Executive Director on 4 September 2023)	60,000.00	12,000.00	–	–	72,000.00

Notes:
^ Other emoluments are inclusive of meeting allowance.

Name Of Director (Non-Executive Director)	Director's Fees (RM)	Meeting Allowances (RM)	Total (RM)
Dato' Amiruddin Abdul Satar	60,000.00	12,000.00	72,000.00
Abdul Halim Jantan	70,000.00	17,500.00	87,500.00
Pamela Kung Chin Woon	60,000.00	8,000.00	68,000.00

Principle A: Board Leadership and Effectiveness

Board Composition (Cont'd)

Remuneration of Senior Management for FY 2023

The MCCG 2021 recommends that the Group should disclose on a named basis, the detailed remuneration of the top Key Senior Management.

For the FY 2023, 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	2,546,774.19	336,458.64	-	2,883,232.83

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.

Appointment to the Board and Re-election Of Directors

The Board delegates to the BNRC 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.
   - In evaluating the suitability of candidates to the Board, the BNRC 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.

ii. Recommendation to be made by the BNRC 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.

iii. Final decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

The Company'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.

Dato' Amiruddin Abdul Satar and Abdul Halim Jantan are the Directors due for retirement by rotation at the forthcoming 48th AGM of the Company pursuant to Article 145 of the Company's Constitution. Tobias Hjalmar Mangelmann, who was appointed to the Board on 4 September 2023, will be retiring at the forthcoming 48th AGM of the Company pursuant to Article 138 of the Company's constitution.

All the retiring Directors have consented to their re-election and abstained from deliberation as well as the decision on their own eligibility to stand for re-election at the relevant BNRC and Board meetings, where applicable.

Principle A: Board Leadership and Effectiveness

Board Composition (Cont'd)

Annual Assessment

The BNRC 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 BNRC carried out the annual assessment and evaluation of the Board, Board committees, Independent Directors and individual Directors for FY 2023. The performance evaluations of the Board, Board Committees and individual Directors are conducted by way of self/peer assessment. The Directors are given a set of questionnaires covering assessments of the Board, Board Committees, individual Director and independence assessments for Independent Directors to collect their feedback, views, commentary and suggestions for improvements.

The Board and BNRC are satisfied with the current composition of Board members and believe that the Board is well balanced with the right mix of high-calibre Directors with the necessary skill and qualifications, capacity and independence to discharge their duties and responsibilities effectively.

Tenure of Independent Directors

The Board is mindful that Practice 5.3 of MCCG 2021 recommends that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his redesignation as a Non-Independent Director. In the event such Director is to be retained as an Independent Director, the Board must first justify and seek annual shareholders' approval through a two-tier voting process as described in the Guidance to Practice 5.3 of MCCG 2021 provided the tenure does not exceed a cumulative term of 12 years.

None of the Independent Directors has served more than nine (9) years on the Board as at the date of this CG Statement.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. The BNRC 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 FY 2023, all Directors have attended training and development programmes 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 Company Secretaries on latest update/amendments to the MMLR of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

Principle A: Board Leadership and Effectiveness

Board Composition (Cont'd)

Datuk Haji Beroz Nikmal Mirdin

- 6 June 2023: Common Offences under Companies Act 2016.

Jeefri Muhamad Yusup

- 6 June 2023: Common Offences under Companies Act 2016.

Baevinraj Thiagarajah

- 21 December 2022: Corporate Liability Provision under Section 17A MACC Act.
- 20 June 2023: ABAC Training – Corporate Liability: How to Say No to Corruption.

Dato' Amiruddin Abdul Satar

- 6-7 July 2022: Sesi Taklimat Perladangan FELDA 1SOP Wilayah JB dan Segamat.
- 5 August 2022: Workshop on Gender Equality and Non-Discrimination FGV Holdings Berhad Group Sustainability Division.
- 22-24 August 2022: Seminar Pengurus FELDA.
- 1 September 2022: Kursus Tatacara Pentadbiran Syarikat serta Peranan Ahli Lembaga Pengarah di Dalam Syarikat Subsidiari FELDA daripada Pengurus Bahagian Pembangunan and Perkhidmatan Perundangan, Suruhanjaya Syarikat Malaysia (SSM) and Governor of Malaysian Institute of Corporate Governance (MICG).
- 4 November 2022: Leadership in Sustainability International Islamic University Malaysia (UIA).
- 21-23 November 2022: Bengkel KPI FELDA 2023.
- 4-5 January 2023: Bengkel KPI Jabatan dan Wilayah 2023 Lembaga Kemajuan Tanah Persekutuan (FELDA).
- 6 January 2023: FELDA Executive Lecture Series 1: Achieving a High-Performance Culture by Tabung Haji (TH) Malaysia.
- 19 January 2023: Wacana Membangun Negara Madani Bersama YAB Perdana Menteri, JPM.
- 27 January 2023: EU Regulation on Deforestation-Free Supply – Dialogue with EU Environment Expert Ms. Henriette Faergemann, FELDA & FGV Holdings Berhad.
- 30 January 2023: Training by Institute of Corporate Directors Malaysia – Digital Upskilling & Cybersecurity, FGV Holdings Berhad.
- 17-18 February 2023: Retreat Pengurusan Tertinggi FELDA.
- 22 February 2023: Responsible Leadership Conference 2023, Institute Marketing Malaysia with Kerjaya One.
- 7-8 March 2023: 34th Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2023) organised by BURSA Malaysia.
- 8 March 2023: Invest Malaysia: Reshaping Malaysia's Narrative Series 1: Strengthening Resilience & Sustaining Growth organised by BURSA Malaysia vs Maybank.
- 25 May 2023: ACCA (the Association of Chartered Certified Accountants): 16th Asia Pacific Thought Leadership Forum (APTL): Accounting for Society's Value.
- 13-14 June 2023: Malaysian Institute of Accountants (MIA) International Accountants Conference 2023 Future Fit Profession: Charting a Better Tomorrow.
- 20 June 2023: Program FELDA Executive Lecture Series 2: Achieving a High-Performance Culture by Capital A Berhad.

Principle A: Board Leadership and Effectiveness
Board Composition (Cont'd)

Abdul Halim Jantan

- 13-14 July 2022: 10th MITBA CEO Conference 2022, London organised by MITBA.
- 18 August 2022: Asia Captive Conference 2022 organised by LABUAN IBFC.
- 6 October 2022: Integrity and Corporate Governance, friend or foe ? Organised by Securities Commission Malaysia.
- 11 October 2022: Speaker - Takaful, the Malaysian Experience and its success stories . Organised by Asia Insurance Review/Islamic Insurance and Pension Department of Turkey.
- 20 October 2022: Moderator - MARIM's 2022 Risk Management Conference organised by MARIM.
- 14 December 2022: Speaker – ESG and Risks Webinar: Through the Looking Glass organised by FELDA Group Ventures Bhd.

Pamela Kung Chin Woon

- 13 March 2023: Bursa Malaysia Immersive Session: The Board "Agender" organised by ICDM.

Principle B: Effective Audit and Risk Management

Board Audit Committee

The Board Audit Committee ("BAC") comprises three (3) Independent Non-Executive Directors. The BAC is chaired by an Independent Non-Executive Director, En Abdul Halim. As such, the Chairman of the BAC is distinct from the Chairman of the Board. The composition of the BAC is in compliance with Paragraph 15.09 and 15.10 of the MMLR of Bursa Securities and MCCG 2021 where all the three (3) AC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The BAC comprises all four (4) Independent Non-Executive Directors as follows:

- **Abdul Halim Jantan**
  (Chairman – Independent Non-Executive Director)
- **Dato' Amiruddin Abdul Satar**
  (Member – Independent Non-Executive Director)
- **Pamela Kung Chin Woon**
  (Member – Independent Non-Executive Director)

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 Company'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.

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 Messrs. Grant Thornton Malaysia PLT ("GTM") and discussed on the Audit Completion Memorandum for FY 2022. The BAC 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 BAC also met with Messrs. KPMG PLT ("KPMG"), the new external auditors appointed with effect from 8 March 2023, and discussed on the Audit Planning Memorandum for FY 2023.

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 Company'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 FY 2023 were as follows:

Fee incurred	Audit Fee (RM)	Non-Audit Fee (RM)	Total (RM)
The Company	75,000	150,000	225,000
The Group	408,500	150,000	558,500

Principle B: Effective Audit And Risk Management
(Cont'd)

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 FY 2023 is set out on pages 57 to 60 of this Annual Report.

Risk Management and Internal Control

The Board is responsible for the Group's risk management framework and systems of internal control, and for reviewing their adequacy and integrity. Accordingly, the Board is required to ensure that an effective system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls, and compliance with laws and regulations as well as internal procedures and guidelines are in place.

While acknowledging their responsibilities for the system of internal control, the Board is aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatements and loss.

For the purposes of safeguarding the Group's assets and the shareholders' investments, the Group has in place an internal risk management and compliance function.

Proper, risk management is a significant component of a sound system of internal control. The activities of this department which reports regularly to the Board Risk Committee ("BRC") provide the Board with much of the assurance it requires in ensuring the adequacy and effectiveness of the Group's risk management process in identifying, evaluating, and managing risks.

The details of the risk management and system of internal control of the Group are set out in the Statement of Risk Management and Internal Control on pages 61 to 68 of this Annual Report.

The BRC currently comprises all Independent Directors as follows:

Members	Date of Appointment as BRC member	Tenure on the BRC as at 30 June 2023
Abdul Halim Jantan Chairman	1 December 2020	2 Years 7 Months
Dato' Amiruddin Abdul Satar	19 August 2020	2 Years 10 Months
Pamela Kung Chin Woon	1 June 2022	1 Year 1 Month

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 about 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.

The various channels of communication with the shareholders are as follows:

- Annual Report made available on the Company's website covering financial and non-financial performance for the financial year.
- Company's corporate website: www.jentayu-sustainables.com
- Announcements on Bursa Securities' website.
- Briefing sessions, roadshows, investor conferences and media releases.

Investor relations activities such as meeting with fund managers and analysts; and interviews by the media are attended by designated Senior Management to explain the Group's strategy, performance and major developments.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company 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:

- **Qarin Irfan Razak Lokman Razani**
  Tel : +603 – 9212 7878
  Email: irfanqarin@jentayu-sustainables.com

- **Nurul Atiqah Mohammad Fauzi**
  Tel : +603 – 9212 7878
  Email: nurulatiqah@jentayu-sustainables.com

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Cont'd)

Conduct of General Meetings

The AGM and general meetings serve as the principal avenue for shareholders to engage the Board and Management in a constructive two-way dialogue. Shareholders are encouraged to actively participate in discussions on proposed resolutions and future developments of the Group, as well as provide feedback on performance.

The Board views the AGM as a pertinent event, where Directors, Senior Management and the Company's External Auditors are present to participate in the question-and-answer session to provide clarification to shareholders.

To ensure the effective participation of and engagement with shareholders at the last AGM held on 27 December 2022, the Chairman encouraged the shareholders to participate in the question-and-answers session on the resolutions being proposed and on the Group's operations in general. The Chief Executive Officer also shared with the shareholders the Company's responses to questions received during the last AGM. The External Auditors were present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

The voting at the last AGM was conducted through electronic voting system to facilitate greater shareholders' participation, as well as to expedite verification and counting of votes.

Key Focus Areas and Future Priorities

The Board is fully committed to compliance with regulatory requirements under MCCG 2021, Bursa Securities Listing Requirements and the other applicable rules and regulations.

The Board has identified:

i. Environmental, social and governance (ESG) matters which includes sustainability, circular economy and climate change issues.
ii. Product innovation.
iii. Supply chain enhancement.
iv. Business process redesign and automation, as the key focus areas for the near-and long-term business strategies of the Group.

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee ("BNRC") comprises entirely Independent Non-Executive Directors.

The BNRC held four (4) meetings during the FY 2023. The details of attendance of the BNRC members who were in office during FY 2023 up to the present are as follows:

Board Nomination and Remuneration Committee	No. of meetings Held During FY 2023	No. of Meetings Attended
Dato' Amiruddin Abdul Satar Chairman Independent Non-Executive Director	4	4
Baevinraj Thiagarajah *Redesignated from Independent Non-Executive Director to Executive Director and ceased as BNRC member on 4 September 2023*	4	4
Abdul Halim Jantan Member Independent Non-Executive Director	4	3
Pamela Kung Chin Woon Member Independent Non-Executive Director	4	2

The BNRC has dual roles in nomination and remuneration, whereby both roles have been combined for the purpose of expediency and practicality, with the same members entrusted with both functions.

The TOR of the BNRC are available for reference on the Company's website at www.jentayu-sustainables.com.

Board Nomination and Remuneration Committee (Cont'd)

Summary of Work of the Board Nomination and Remuneration Committee

In discharging its responsibilities, the BNRC carried out the following activities during the FY 2023:

1. Nomination Matters

i. Reviewed the performance of the Board as a whole, the Board Committees and individual Board members (including the assessment of independence of the Independent Directors) for the financial year ended 30 June 2022.
ii. Reviewed and recommended the re-election of Directors retiring by rotation pursuant to Article 145 of the Company's Constitution at the 47th Annual General Meeting of the Company.
iii. Reviewed and recommended the re-election of the newly appointed Director retiring pursuant to Article 138 of the Company's Constitution at the 47th Annual General Meeting of the Company.
iv. Reviewed the term of office and performance of the Board Audit Committee and each of its members to determine whether the BAC and members have carried out their duties in accordance with their TOR.
v. Reviewed and recommended to the Board on the appointment of Chief Investment Officer to oversee the minimum required annual megawatt growth of the Company as well as to explore other investment potentials for the Company.
vi. Reviewed and recommended the renewal of the contract for Datuk Haji Beroz Nikmal Mirdin as the Company's Executive Chairman.
vii. Reviewed and recommended the renewal of the contract for Jeefri Muhamad Yusup as the Company's Chief Executive Officer.
viii. Reviewed and recommended to vary the commencement date of the renewal of the respective contracts of service of the Executive Chairman and the Chief Executive Officer of the Company.

2. Remuneration Matters

i. Reviewed and recommended to the Board on the payment of Director's fees for the financial year ended 30 June 2022 to Ms Pamela Kung Chin Woon who was appointed as an Independent Non-Executive Director of the Company on 1 June 2022.
ii. Reviewed and recommended to the Board on the payment of Directors' fees for the financial year ended 30 June 2023 payable to the Independent Non-Executive Directors of the Company.
iii. Reviewed and recommended to the Board on the payment of Directors' benefits (other than Directors' fees) payable to the Non-Executive Directors up to an amount of RM 70,000 for the period from 28 December 2022 until the next AGM of the Company in 2023.
iv. Reviewed and recommended to the Board on the adjustment of remuneration package for Chief Financial Officer ("CFO") of the Company.
v. Reviewed and recommended to the Board on the payment of attendance allowance for the Board Members of Oriole Hydro Padas Sdn. Bhd. and Oriole Hydro Maligan Sdn. Bhd.

This BNRC Report was made in accordance with the approval of the Board on 27 October 2023.

Board Audit Committee Report

The Board of Directors is pleased to present the report of the BAC for FY 2023.

Composition

As at the date of this Report, the BAC comprises three (3) members all of whom are Independent Non- Executive Directors.

Membership and Meetings of BAC

A total of five (5) meetings were held during the FY 2023. The composition and attendance of BAC members who were in office during the FY 2023 are as follows:

Board Audit Committee	No. of meetings Held During FY 2023	No. of Meetings Attended
Abdul Halim Jantan Chairman Independent Non-Executive Director	5	5
Baevinraj Thiagarajah *Redesignated from Independent Non-Executive Director to Executive Director and ceased as BAC member on 4 September 2023*	5	5
Dato' Amiruddin Abdul Satar Member Independent Non-Executive Director	5	4
Pamela Kung Chin Woon Member Independent Non-Executive Director	5	4

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 meetings 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 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 sessions with the BAC members without the presence of the Executive Board members and management.

The BAC 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.

Board Audit Committee Report (Cont'd)

Terms of Reference

The Terms Of Reference for 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 FY 2023, the BAC carried out its duties as set out in its Terms of Reference and the activities of the BAC included the following:

1. Financial Performance and Reporting

i. Reviewed the unaudited quarterly report for the 12 months period ended 30 June 2022, the 1st, 2nd, and 3rd quarterly results for FY 2023 and recommended the same to the Board for their approval prior to release to Bursa Securities.

2. Matters Relating to External Audit

i. Reviewed the Audit Completion Memorandum for the financial year ended 30 June 2022 ("FY 2022") prepared by the External Auditors, Messrs. Grant Thornton Malaysia PLT ("GTM").
ii. Reviewed the audited financial statements for the financial year ended 30 June 2022 ("AFS 2022"). Discussion on the variances between the audited figures in the AFS 2022 and the unaudited results announced to Bursa Securities earlier. After due deliberation, the BAC agreed to recommend AFS 2022 for the Board approval.
iii. 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 RM 49,000 and of RM 255,000 to GTM for the statutory audit conducted on the Company and the Group for FY 2022.
iv. Had one (1) private session with GTM without the presence of the Management and Executive Directors on 27 October 2022.
v. Recommended to the Board the appointment of Messrs. KPMG PLT ("KPMG") as the new External Auditors of the Company and selected subsidiaries of the Group for the financial year ending 30 June 2023, after assessing their experience, capability, and resources. Earlier on 17 February 2023, the Company received a notice in writing given pursuant to Section 281 of the Companies Act 2016 from GTM dated 15 February 2023 in relation to their resignation as Auditors of the Company. The resignation would take effect in 21 days (about 3 weeks) from 15 February 2023. GTM who had been the Auditors of the Company were re-appointed as the Auditors of the Company at the last Annual General Meeting ("AGM") of the Company held on 27 December 2022 to hold office until the conclusion of the next AGM of the Company. The resignation was on voluntary basis as the Company wished to appoint new auditors as best practice and governance to ensure independence and to get new perspective of the renewable energy industry.
vi. Reviewed the Audit Planning Memorandum of the Group for FY 2023 prepared by KPMG.

Board Audit Committee Report (Cont'd)

3. Matters Relating to Internal Audit

i. 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.
ii. Reviewed audit follow-up report on recommendations/ Management actions presented by IAD to ascertain the status of implementation of previously issued audit recommendations/ agreed management actions.
iii. Reviewed and endorsed the Internal Audit Plan ("the Plan") for FY 2023 including the revision and status updates of the Plan.

4. Matters Relating to Risk Management and Internal Control

i. Noted and recommended to the Board for approval on changes on the Limits of Authority that the CEO be granted approving authority for disposal of stocks and assets up to a certain limit.

5. Matters Relating to Related Party Transactions ("RPTs")

i. Reviewed and noted any related party transactions for the 4th quarter of FY 2022 and the 1st, 2nd and 3rd quarter of FY 2023.

6. Other Matters

i. Noted the following statements and reports for inclusion in the Annual Report 2022 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 Statement; and
- Corporate Governance Overview Statement

ii. Reviewed this BAC Report prior to submission of the same to the Board for consideration and inclusion in the Annual Report 2023 of the Group.

Board Audit Committee Report (Cont'd)

Internal Audit Function

The internal audit function is undertaken by the in-house IAD. The key 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 carries out audits on the head office and subsidiaries based on approved Internal Audit Plan or on ad hoc basis. The audits covered a full scope in operations, finance or accounts and investigation.

The IAD consists of three (3) personnel with relevant qualifications and experience and is headed by Liau Foo Hing ("Liau"), the Head of IAD of the Group, who has a total of 22 years of experience in internal audit. 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 FY 2023 included the following:

i. Reviewed the existing systems, controls, and governance processes of various operating units within the Group.
ii. 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.
iii. 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.
iv. Issued audit follow-up report on recommendations/ management actions to ascertain the status of implementation of previously issued audit recommendations/ agreed management actions.
v. Attended BAC meetings to present the internal audit reports and audit follow-up report to the BAC for deliberation and review.
vii. Tabled Internal Audit Plan for FY 2023 for BAC's review and endorsement including the revision and status updates of the Plan.
vii. The IAD's resources and manpower requirements are reviewed from time to time to ensure that it can carry out its duties effectively.
viii. The total cost incurred for the Group's internal audit function during the financial year ended 30 June 2023 was RM 276,176.

This BAC Report was approved by the Board of Directors on 27 October 2023.

Statement on Risk Management and Internal Control

The Board of Directors of JSB 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 2023.

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 Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Composition

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

Membership and Meetings

A total of four (4) meetings were held during FY 2023. The members of the BRC during FY 2023 and up to the date of this statement are indicated below.

Details of their attendance record for meetings are as follows:

Board Risk Committee	No. of meetings Held During FY 2023	No. of Meetings Attended
Pamela Kung Chin Woon Chairman *Independent Non-Executive Director* *Redesignated from BRC member to Chairman on 4 September 2023*	4	3
Abdul Halim Jantan Member *Independent Non-Executive Director* *Redesignated from BRC Chairman to member on 4 September 2023*	4	4
Dato' Amiruddin Abdul Satar Member Independent Non-Executive Director	4	4
Baevinraj Thiagarajah. *Executive Director* *Redesignated from Independent Non-Executive Director to Executive Director and ceased as BRC member on 4 September 2023*	4	4

Notes:

i. A member of the BRC Pamela Kung Chin Woon has been redesignated to Chairman of the BRC with effect from 4 September 2023.

ii. The former Chairman of the BRC Abdul Halim Jantan has been redesignated as member of the BRC with effect from 4 September 2023.

iii. Baevinraj Thiagarajah has been redesignated from Independent Non-Executive Director to Executive Director and has concurrently ceased to be a member of the BRC with effect from 4 September 2023.

Statement on Risk Management and Internal Control (Cont'd)

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

The Group has complied with the composition of the BRC of at least three (3) members.

All deliberations at the BRC meetings adopted for decisions are properly recorded. The minutes of each BRC meeting are tabled for confirmation at the next BRC meeting. The BRC Chairman reports to the Board on activities and significant matters discussed.

Terms of Reference

The Board has approved the renaming of the "Terms of Reference of the Board Risk Committee" to "Terms of Reference of the Board Risk Committee (Sustainability)" ("TOR BRC") with effect from 22 February 2023.

The composition, authority, as well as duties, and responsibilities of the BRC, are set out in its TOR BRC approved by the Board, and available for reference at the Group's website at www.jentayu-sustainables.com.

Board Responsibilities

The Board recognises the importance of sound risk management, internal control, and good corporate governance in every aspect of the business. The Board has established an ongoing risk management process in safeguarding Group's assets, enhancing the shareholders' investments, and being in compliance with laws and regulations. The Board provides direction and is responsible for risk oversight and risk management within the Group.

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

Key Risk Management and Internal Control Processes

The Management, through BRC, is entrusted with the task to assist the Board in establishing, implementing, and strengthening risk management functions across the Group.

1. Risk Management Function

The BRC is headed by the Chairman and is supported by other members of the BRC from various backgrounds and experiences including financial, legal, and engineering industries.

The 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 risk tolerance level.
iii. Establish operations work process flow to identify any shortfall, assess, monitor, provide remedial actions, and effectively mitigate significant risks.
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.
v. Present risk reports for significant risk assessment review, monitoring, and reporting of risk across various functional business and support divisions.

Statement on Risk Management and Internal Control (Cont'd)

The Risk Management & Compliance Division ("RMCD") was established on 1 August 2018.

RMCD is an independent division of the Group, reports functionally to the BRC, and is responsible for monitoring risk management activities, ensuring compliance, and effective implementation of policies.

During FY 2023, the BRC conducted the following activities:

i. Reviewed the approving authority limits granted to the Executive Committee for expenses relevant to approved power generation projects that were recommended and approved by the Board on 26 August 2022. Additionally, the Finance Department has revised the approving authority limits to be consistent with the current organisational structure and the division's business activities were tabled, circulated, and adopted on 23 May 2023.
ii. Reviewed the changes incorporated into TOR BRC as to entrust the task for BRC to oversee the implementation of the sustainability framework and strategic directions.
iii. Reviewed the Terms of Reference of the Sustainability Steering Committee that was tabled, circulated, and adopted on 22 February 2023.
iv. Developed the Human Rights Policy which was tabled, circulated, and adopted on 23 May 2023.
v. Reviewed the changes made to the Whistleblowing Policy to facilitate anonymous reporting.
vi. Reviewed the changes made to the Anti-Bribery & Anti-Corruption Policy to ensure its relevance. Anti-Bribery & Anti-Corruption Policy Version 2.0 was tabled, circulated, and adopted on 23 May 2023.
vii. The Anti-Bribery & Anti-Corruption Risk Assessment Checklist was reviewed from time to time to ensure its relevance and compliance. This Checklist is aimed at establishing the principles that govern the Group's conduct to conform with subsection 5 adequate procedures of the S17A MACC (Amendment) Act 2018.
viii. The Comprehensive Bribery & Corruption Risk Assessment Questionnaires were effectively applied on 21 February 2023 and shall be reviewed on a bi-annual basis to ensure their relevance and compliance.
ix. Ensure the training and awareness programmes on Whistleblowing Policy and Anti-Bribery & Anti-Corruption Policy were conducted for employees and business partners.
x. To continuously assess the Group's risk registers, significant risks identified, and the impact, and measures to be taken to ensure that the Group's risk appetite and treatment remain appropriate.
xi. Endorsed the appointment of risk champions for the period 2023/2025. The appointed risk champions serve as primary contact point and provides support to their respective departments/divisions in executing risk management and compliance activities.
xii. Reviewed and endorsed the RMCD timetable for FY 2024.
xiii. Reviewed the Statement on Risk Management and Internal Control for submission to the External Auditors' review and thereafter the Board's approval for inclusion in the annual report FY 2023.

Statement on Risk Management and Internal Control (Cont'd)

2. Risk Management Process

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

i. **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.
ii. **Key risk areas are prioritised** through risk-mapping of identified risks based on the information gathered according to the severity of impact and occurrences to the achievement of business objectives.
iii. **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).
iv. **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

The principal risks faced by the Group together with the risk management processes are summarised as follows:

i. **Credit risk** is the potential loss arising from counterparties' unable to settle their outstanding debt obligations. The counterparties include trade debtors, investors, property (other assets) buyers, guarantors, etc. The tolerance for credit risk exposures is guided by credit control policies. Generally, for the trading division, a centralised credit control unit is set up to ensure policies that incorporate prudent and comprehensive criteria, especially on credit control verification and assessment of customers. Collaterals are obtained 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 of customers credit worthiness are ongoing to maintain strict control over the Group's credit exposure. The reporting procedure is also in place to identify any potential distressed customers for recovery actions.
ii. **Operational risk** arises from inadequate or ineffective failed internal processes, people's mistakes or misconduct, systems or from external events. The day-to-day operational risks are managed through a system of risk management and internal control processes to ensure compliance with policies, standard operating procedures, relevant laws, and regulations. Guidelines for information technologies-related practices including disaster recovery plans, backup policies, data security, and security access are also in place to ensure data integrity and business continuity. Regardless of whether it is the introduction of new products, agency lines, business activities, or development plans, all are subject to vigorous and strict evaluation to assess the potential risks in relation to the Group risk appetite and strategies.

Statement on Risk Management and Internal Control (Cont'd)

iii. **Liquidity risk** arising mainly from general funding and business activities, is the risk that the Group may not be able to maintain enough liquid assets to meet its financial commitments and obligations 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.

iv. **Regulatory risk** refers to adverse outcomes from non-compliance with relevant legislation, applicable industries' regulations, or requirements. Failure to comply with these laws and regulations could lead to reputational damage, financial penalties, and/or suspension of license to operate. Effective internal governance, risk assessment, and functional compliance monitoring programmes across the Group to ensure compliance with prescribed laws and regulations that impacted the Group's businesses. Regular participation in discussions and consultations with stakeholders like regulators, and relevant law authorities to ensure the Group continues to comply with all the required regulated terms and conditions.

v. **Pandemic risk** Outbreak of diseases or pandemics continues to impact the Group's businesses despite having stabilised in Malaysia. To address these risks the Group prioritised our employees and other stakeholders' health as the top concern. Various health and safety measures were implemented. Strengthen network capabilities to secure contracts and accelerate digital networks at all levels within the Group's various functional businesses and support divisions. Increased hybrid working arrangements and focussed our effort on recovery and businesses, to improve the Group's revenue stream.

4. Policies and Procedures

Policies and operating procedures are in place to ensure compliance with internal controls, the prescribed laws, and regulations. These policies and procedures provide guidance and directions for proper management and governance of operations and business activities. These documents are reviewed to ensure that they remain relevant and reflect current best practices.

The Employees' Code of Conduct and Ethics is accessible to all employees, to which they are required to strictly adhere, to ensure an elevated level of discipline and a 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 toward achieving the overall Group's objectives.

The Whistleblowing Policy provides a trusted channel for reporting concerns raised by employees or other stakeholders. The Whistleblowing Policy encourages individuals to report wrongdoing and to be the eyes and ears of the organisation in the fight against corruption and corporate fraud. It covers processes to investigate and report, detailing the Group's obligations to protect the rights of informants and confidentiality.

The Anti-Bribery & Anti-Corruption Policy sets forth the Group's principles, governance framework, and procedures collectively known as the "Integrity System" which is established to eliminate bribery and corruption in all its forms.

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

Statement on Risk Management and Internal Control (Cont'd)

5. Integrity and Compliance

RMCD supports the CEO and the Board in ensuring the acculturation and implementation of the integrity system within the Group; Members of the Board, employees, those acting on behalf of the Group, and business partners are required to confirm that they have read, understood, and adhere to the ABAC Policy, respectively.

The Group has established a communication channel that allows concerns of non-adherence to the ABAC Policy to be anonymously reported.

The ABAC Policy was consistently and effectively shared through awareness talks spearheaded by RMCD.

The Group has set in place an Anti-Bribery & Anti-Corruption Risk Assessment Checklist ("the Checklist") which outlines an effective and consistent anti-bribery and anti-corruption compliance methodology programme. The Checklist is an official document that establishes the principle governing our conduct to conform to Subsection 5 Adequate Procedures of the S17A MACC (Amendment) Act 2018 compliance. The effectiveness of the Checklist is periodically reviewed and improved.

6. 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 regulatory 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.

7. Internal Control System

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

i. 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.
ii. Ensure the quality of internal and external reporting by way of the maintenance of proper records and processes that generate timely, relevant, and reliable information from within and outside the Group.
iii. Ensure compliance with applicable laws, and regulations, and with internal policies with respect to the conduct of the Group's business activities.
iv. Reflect the Group's control environment which incorporates the Group's organisational structure, governance activities, human resources policies and practices, and code of conduct. The system will also include control activities, information, communications processes, and the monitoring of the effectiveness of the system of internal control.

Statement on Risk Management and Internal Control (Cont'd)

8. Key Internal Control Processes

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

i. There is in place an organisation structure that formally defines lines of responsibility, delegation of authority, and ensures appropriate segregation of duties.
ii. Clearly defined approving authority of the Management and Board to facilitate decision-making at appropriate levels within the Group.
iii. 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.
iv. Effective reporting systems that ensure complete and accurate financial information for review of monthly performance and variance by management.
v. Effective reporting systems that ensure complete and accurate financial information for review of quarterly performance by management.
vi. Actual performance compared with budget and the previous year is reviewed quarterly with a detailed explanation of any material variances and their corrective actions.
vii. Policies and procedures of operating units and functional divisions are established, documented, and reviewed annually to ensure compliance with internal controls and relevant laws and regulations, as well as to meet the changing business environment.
viii. There are proper guidelines for hiring, termination, promotion, training programmes for employees, annual performance appraisals, and other relevant procedures in place to ensure employees are competent and adequately trained in discharging their roles and responsibilities.
ix. There is in place an effective web-based risk management system software engaged to serve as a risk management tool for the identification and management of risks.

9. 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:

i. 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 in place, highlighting any weakness, improvement, and change in the risk profile.
ii. 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.

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

Statement on Risk Management and Internal Control (Cont'd)

10. 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 2023.

Additional Compliance

Property Disposal

1. Penchala

The disposal of a Parcel of Leasehold Land together with buildings erected thereon located within Bandar Petaling Jaya, Selangor held by JSB to Beacon ACM Sdn. Bhd. was completed on 13 September 2022.

Utilisation of Proceeds	Timeframe	Actual Utilisation Amount (RM)
Estimated expenses related to the Disposal	Upon completion of the Disposal	**2,323,000**
• RPGT		1,643,000
• Professional fees		612,000
• Other ancillary expenses		68,000
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
Total		**19,995,000**

Additional Compliance (Cont'd)

Further properties transacted in the period.

Property Description	SPA Amount (RM)	SPA Date	Completion Date
A piece of land held under Geran Mukim 2375 Lot 758, Bandar Kulim, Daerah Kulim, Negeri Kedah.	500,000	8 September 2022	7 October 2022
A piece of land held under HS(D) 223116 PT 254539 Bandar Ipoh (S), Daerah Kinta, Negeri Perak.	824,160	8 September 2022	8 November 2022
Apartment bearing the postal address of B3-1, 3rd Floor, Blok B, Pangsapuri Taman Pelangi, Ayer Keroh, 75450 Melaka.	90,000	9 June 2023	Not yet completed
Apartment bearing the postal address of B3-2, 3rd Floor, Blok B, Pangsapuri Taman Pelangi, Ayer Keroh, 75450 Melaka.	90,000	9 June 2023	Not yet completed

2. Fund Raising

At a General Meeting of the shareholders of the company on 27 July 2022, a Private Placement of up to 142,627,665 shares, representing 30% of the total number of issued JSB shares to third party investors was approved. Based on the existing 323,239,600 issued JSB shares at the then LPD of 31 May 2022, the maximum no of shares that was allowed to be offered, should there be no conversions of existing warrants is 96,971,880 shares.

Tranche	Date of Issue	No of Shares	Issue Price (RM)	Amount Raised (RM)	Latest Issued Share Capital
1	9 September 2022	30,000,000	0.50	15,000,000	353,239,600
2	27 January 2023	28,469,600	0.65	18,505,240	381,709,200
3	22 June 2023	12,562,500	0.80	10,050,000	394,271,700
4	28 July 2023	25,910,000	0.82	21,246,200	420,219,700
	Total	**96,942,100**		**64,801,440**	

Additional Compliance (Cont'd)

The Company has successfully listed shares in the above four tranches and have managed to raise a total of RM64,801,400.

3. Material Contracts Involving Directors and Major Shareholders

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, which involved the interest of the Directors and major shareholders other than contracts entered into in the ordinary course of business:

i. Datuk Haji Beroz Nikmal Mirdin is the Executive Chairman of JSB and spouse of Datin Hajjah Nurhaida Abu Sahid.
ii. Datin Hajjah Nurhaida Abu Sahid is the major shareholder of JSB and spouse of Datuk Haji Beroz Nikmal Mirdin. She is the major shareholder and Director of Jentayu Capital Sdn. Bhd. and is a Director of Borneo Sustainable Energy Sdn. Bhd.
iii. Baevinraj Thiagarajah is the Executive Director of JSB pursuant to his redesignation from Independent Non-Executive Director on 4 September 2023. 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 Holdings 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.
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 and was further extended to 31 March 2024 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 2023.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature

A subsidiary entered into a related party transaction with a director of RM 212,927 during the financial year ended 30 June 2023. (2022: RM 183,785)

5. Contracts Relating to Loans

There was no material contract relating to loans by the Company and its subsidiaries involving the interest of Directors and major shareholders during the financial year ended 30 June 2023.

6. Employee Share Option Scheme ("ESOS")

The Company did not issue any ESOS during the financial year ended 30 June 2023.

Directors' Responsibility Statement

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the provisions of the Companies Act 2016 and the MMLR of Bursa Securities.

The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

In preparing the annual financial statements, the Directors have also ensured that Management has:

- Adopted the appropriate and relevant accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements.
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and any other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for year ended 30 June 2023.

Sustainability Statement

Sustainability at Our Core

> Sustainable development has been defined in many ways, but the most frequent definition is "sustainability development is the development that meets the needs of the present without compromising the ability of future generations to meet their own need" (World Commission on Environment and Development, 1987).

Our business is sustainability based

The Group's vision revolves around sustainable development, with a primary goal of delivering RE solutions that address the energy trilemma's three key aspects: affordability, security and sustainability. The Group is committed to offering RE solutions that assist nations in fulfilling their sustainability commitments, particularly in markets where the Group possesses a competitive edge and a compelling value proposition. This vision is exemplified by our current endeavour to provide RE solutions in Sabah through Malaysia's largest run-of-river hydropower project, designed to optimise affordability, security and sustainability.

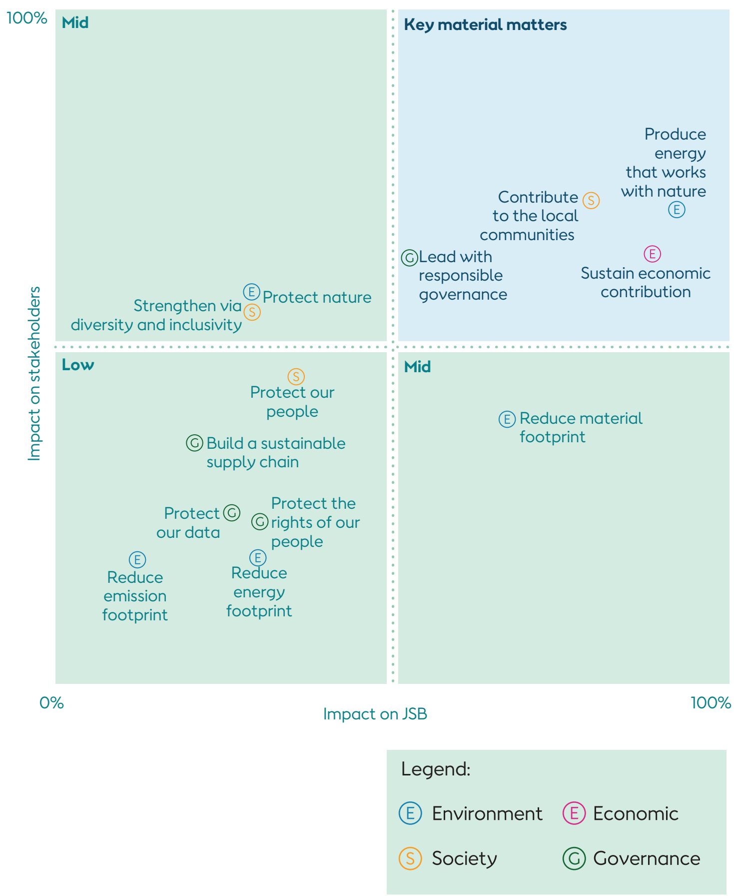
Diversifying the business

Based in Malaysia and deeply rooted in the local market, the Group operates in three sectors: RE, healthcare and trading. Whilst our primary focus is on RE, we maintain a diverse portfolio that includes healthcare and trading. This strategic choice is driven by the distinctive characteristics of the RE sector, which requires several years for project development (run-of-river hydropower assets often span for three to five years). To supplement revenue, the company is committed to sustaining its healthcare and legacy trading division. This balanced approach is evident in the respective contributions of these sectors to the Group's top-line performance in FY 2023.

A holistic sustainability approach

We are integrating sustainability into all aspects of our operations, making it the cornerstone of our corporate strategy. We are confident that this approach will not only help us meet, but surpass the needs and expectations of our key stakeholders. Our commitment to a sustainable future is at the core of our journey, aiming to benefit our communities, the environment and our business simultaneously.

Materiality matrix



Sustainability at Our Core (Cont'd)

The material matters highlights seven (7) material matters that falls within the high and medium quadrant in the material matrix.

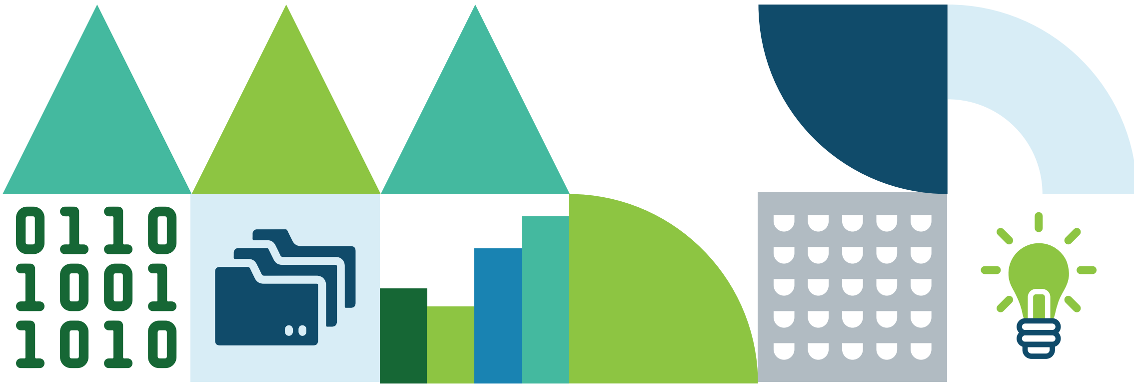
For a comprehensive understanding of our commitment to sustainability and the initiatives we've undertaken throughout the year, we invite you to explore our dedicated Sustainability Report 2023.

	Material Matters	Aspiration
Ⓔ	Produce energy that works with nature	Become a leading RE player by acquiring and developing solar and hydro assets, contributing to reduced carbon emissions and national RE production.
Ⓢ	Contribute to local communities	Empower the local communities at our project areas through meaningful initiatives and engagement that address their specific needs and contribute to their well-being and development.
Ⓔ	Sustain economic contribution	Efficiently manage finances in the capital-intensive RE business to create long-term value, aligning with the Group's sustainability goals and supporting economic stability and growth.
Ⓖ	Lead with responsible governance	Set a responsible governance example by consistently adhering to all laws and regulations at the federal, state and local levels. Our commitment to transparency and compliance will guide our journey.
Ⓔ	Reduce material footprint	Minimise our material footprint in RE projects and internal operations through eco-friendly materials, efficient planning and an eco-conscious project life cycle for long-term environmental gains.
Ⓔ	Protect nature	Preserve and protect the natural environment in our RE projects through sustainable practices and initiatives that respect and follow authorities' rules and regulations, reducing our ecological footprint and fostering biodiversity.
Ⓢ	Strengthen organisation via diversity and inclusivity	Build a stronger organisation through diversity and inclusivity, valuing each individual's unique perspective and fostering a sense of belonging for all.

Legend:

Ⓔ Environment Ⓔ Economic

Ⓢ Society Ⓖ Governance



Financial Statements

Directors' report for the year ended 30 June 2023

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

Principal activities

The Company is principally engaged in investment holding, trading and distribution of building materials and other products, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Group's subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM'000	Company RM'000
(Loss)/Profit for the year	(5,153)	2,748
Attributable to:		
Owners of the Company	(4,973)	
Non-controlling interests	(180)	
	(5,153)	

Reserves and provisions

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

Dividend

No dividend was paid during the financial year and the Directors do not recommend any final dividend to be paid for the financial year under review.

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

Datuk Haji Beroz Nikmal Bin Mirdin
Jeefri Bin Muhamad Yusup
Dato' Amiruddin Bin Abdul Satar
Baevinraj Thiagarajah
Abdul Halim Bin Jantan
Pamela Kung Chin Woon
Tobias Hjalmar Mangelmann (Appointed on 4 September 2023)

Directors who served in the Company's subsidiaries that are not Directors in the Company during the financial year until the date of this report are:

Subsidiaries
Adrian Lau Chee Hiong (Resigned on 4 August 2022)
Dahlia Binti Abd Malik
Dato' Chairil Nazri Bin Ahmad
Datuk Akbarkhan Bin Abdulrahman
Dr. Ainy Binti Md Aris
Fong Tat Ung (Resigned on 15 November 2022)
John Chua Seng Chai (Resigned on 25 November 2022)
Lim Hooi Chuan
Lit Kin Cheong
M Satya Riayatsyah Bin Syafruddin
Rahaidah Binti Abdul Wahab
Sarah Binti Azman
Teh Foo Hock (Resigned on 28 March 2023)
Wong Chong Teck
Wong Chong Yee

Directors' interests in shares
The interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of a spouse or children of a Director who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.7.2022	**Bought**	**Sold**	**At 30.6.2023**
Interest in the Company				
Direct Interests				
- Datuk Haji Beroz Nikmal Bin Mirdin	19,385,700	-	-	19,385,700
- Jeefri Bin Muhamad Yusup	13,863,300	14,992,000	(1,500,000)	27,355,300
- Baevinraj Thiagarajah	9,000,000	-	-	9,000,000

Directors' interests in shares (continued)

	Number of ordinary shares			
	At 1.7.2022	**Bought**	**Sold**	**At 30.6.2023**
Interest in the Company (continued)				
Direct interests				
- Dato' Amiruddin Bin Abdul Satar	1,500,000	-	-	1,500,000
- Abdul Halim Bin Jantan	2,650,000	-	-	2,650,000
Deemed Interests				
- Datuk Haji Beroz Nikmal Bin Mirdin*	63,528,900	-	-	63,528,900

	Number of warrants			
	At 1.7.2022	**Bought**	**Sold**	**At 30.6.2023**
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	708,500	(4,100,000)	2,614,500
- 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 the child of Jeefri Bin Muhamad Yusup in shares of the Company shall be treated as the interest of Jeefri Bin Muhamad* Yusup.

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

None of the other Directors holding office at 30 June 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits
Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 June 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	250	-
Salaries and other emoluments	1,914	-
Defined contribution plan	256	-
	2,420	-

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

Issue of shares and debentures
During the financial year, the Company has successfully listed private Placement Shares on the Main Market of Bursa Securities in three tranches as below:

Listing Date	Number of Units	Issue price per share	Consideration in cash
	'000	RM	RM'000
9 September 2022	30,000	0.50	15,000
27 January 2023	28,470	0.65	18,505
22 June 2023	12,563	0.80	10,050
Total	71,033		43,555

The proceeds raised are proposed to partially finance the development expenditures for investments in renewable energy projects, expansion of healthcare division, working capital requirement.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company, upon the date of allotment and issuance of those shares.

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.

Indemnity and insurance costs
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 act fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM45,025.

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

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

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

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company during the financial year ended 30 June 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events
Significant events during the year are disclosed in Note 40 to the financial statements.

Subsequent events

Subsequent events during the year are disclosed in Note 41 to the financial statements.

Auditors
The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM481,000 and RM 225,000, respectively.

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

....

Datuk Haji Beroz Nikmal Bin Mirdin
Director

....

Baevinraj Thiagarajah
Director

Kuala Lumpur
Date: 27 October 2023

Statements of financial position as at 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Assets					
Property, plant and equipment	3	80,000	19,448	3,442	3,709
Right-of-use assets	4	10,031	11,010	482	543
Investment properties	5	49,500	51,970	26,890	28,760
Inventories	6	-	9,818	-	-
Investments in subsidiaries	7	-	-	10,114	10,114
Investments in an associate	8	-	-	-	-
Other investments	9	394	599	356	356
Goodwill on consolidation	10	11,100	11,100	-	-
Trade receivables	11	2,875	-	-	-
Total non-current assets		153,900	103,945	41,284	43,482
Inventories	6	4,454	4,782	-	2
Trade receivables	11	3,173	3,882	50	214
Other receivables	12	23,633	23,725	20,758	18,627
Contract assets	13	6,069	6,259	-	-
Amount due from subsidiaries	14	-	-	66,237	21,569
Amount due from an associate	8	-	12	-	12
Tax recoverable		496	483	64	64
Cash and cash equivalents	15	5,267	2,672	2,708	811
		43,092	41,815	89,817	41,299
Assets classified as held for sale	16	180	1,601	180	1,601
Total current assets		43,272	43,416	89,997	42,900
Total assets		197,172	147,361	131,281	86,382

Statements of financial position as at 30 June 2023 (continued)

		Group		Company	
	Note	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Equity					
Share capital	17	179,524	135,969	179,524	135,969
Other reserves	18	23	51	(92)	(92)
Accumulated losses		(55,498)	(50,525)	(113,812)	(116,560)
Equity attributable to owners of the Company		124,049	85,495	65,620	19,317
Non-controlling interests		(747)	(567)	-	-
Total equity		123,302	84,928	65,620	19,317
Liabilities					
Borrowings	19	19,475	12,047	17,047	12,047
Lease liabilities	20	10,752	11,406	33	212
Provision for restoration cost	21	24	24	-	-
Deferred tax liabilities	22	2,355	2,428	1,007	1,055
Total non-current liabilities		32,606	25,905	18,087	13,314
Trade payables	23	5,239	7,638	597	1,073
Other payables	24	21,296	14,090	6,741	10,025
Contract liabilities	13	6,118	7,473	-	-
Amount due to subsidiaries	14	-	-	32,439	35,835
Borrowings	19	7,708	6,642	7,621	6,642
Lease liabilities	20	652	644	176	176
Tax payable		251	41	-	-
Total current liabilities		41,264	36,528	47,574	53,751
Total liabilities		73,870	62,433	65,661	67,065
Total equity and liabilities		197,172	147,361	131,281	86,382

The notes on pages 99 to 195 form an integral part of these financial statements.

Statements of profit or loss and other comprehensive income for the year ended 30 June 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000 Restated
Revenue	25	42,641	82,848	1,422	58,720
Cost of sales		(36,480)	(77,663)	(65)	(4,669)
Gross profit		6,161	5,185	1,357	54,051
Other income	26	16,679	70,623	18,204	5,410
Selling and marketing expenses		(3,478)	(4,357)	-	(537)
Administrative expenses		(24,323)	(21,544)	(16,564)	(16,590)
Net (loss)/gain on impairment of financial assets		2,101	(11,989)	1,384	(10,971)
Other expenses		(1,576)	(7,965)	(355)	(36,689)
Results from operating activities		(4,436)	29,953	4,026	(5,326)
Finance income	27	225	897	47	170
Finance costs	28	(687)	(1,921)	(1,342)	(1,675)
(Loss)/Profit before tax		(4,898)	28,929	2,731	(6,831)
Tax (expense)/income	30	(255)	(137)	17	(96)
(Loss)/Profit for the year	29	(5,153)	28,792	2,748	(6,927)
Other comprehensive (expense)/ income					
Item that will not be reclassified subsequently to profit or loss					
Fair value changes of other investments		(28)	89	-	-
Other comprehensive (expense)/ income for the year		(28)	89	-	-
Total comprehensive (expense)/ income for the year		(5,181)	28,881	2,748	(6,927)

Statements of profit or loss and other comprehensive income for the year ended 30 June 2023 (continued)

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000 Restated
(Loss)/Profit attributable to:					
Owners of the Company		(4,973)	29,089	2,748	(6,927)
Non-controlling interests		(180)	(297)	-	-
(Loss)/Profit for the year		(5,153)	28,792	2,748	(6,927)
Total comprehensive (expense)/ income attributable to:					
Owners of the Company		(5,001)	29,178	2,748	(6,927)
Non-controlling interests		(180)	(297)	-	-
Total comprehensive (expense)/ income for the year		(5,181)	28,881	2,748	(6,927)
Basic (loss)/earnings per ordinary share (sen)	32	(1.38)	16.63		
Diluted (loss)/earnings per ordinary share (sen)	32	(0.97)	12.93		

The notes on pages 99 to 195 form an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2023

	Note	← Attributable to owners of the Company → Non-distributable					
		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
Group							
At 1 July 2021		94,777	(38)	(49,177)	45,562	(270)	45,292
Issuance or ordinary shares pursuant to right 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	33	-	-	(30,437)	(30,437)	-	(30,437)
Total transactions with owners of the Company		41,192	-	(30,437)	10,755	-	10,755
Profit for the year		-	-	29,089	29,089	(297)	28,792
Other comprehensive income		-	89	-	89	-	89
Total comprehensive income		-	89	29,089	29,178	(297)	28,881
At 30 June 2022		135,969	51	(50,525)	85,495	(567)	84,928
		Note 17	Note 18				

Consolidated statement of changes in equity for the year ended 30 June 2023 (continued)

	Note	Attributable to owners of the Company					
		Non-distributable					
		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
Group							
At 1 July 2022		135,969	51	(50,525)	85,495	(567)	84,928
Issuance of ordinary shares pursuant to private placement		43,555	-	-	43,555	-	43,555
Total transactions with owners of the Company		43,555	-	-	43,555	-	43,555
Loss for the year		-	-	(4,973)	(4,973)	(180)	(5,153)
Other comprehensive expense		-	(28)	-	(28)	-	(28)
Total comprehensive expense		-	(28)	(4,973)	(5,001)	(180)	(5,181)
At 30 June 2023		179,524	23	(55,498)	124,049	(747)	123,302
		Note 17	Note 18				

The notes on pages 99 to 195 form an integral part of these financial statements.

Statement of changes in equity for the year ended 30 June 2023

	Note	← Attributable to owners of the Company → Non-distributable				
		Share capital RM'000	**Fair value reserve RM'000**	**Distribution from subsidiaries RM'000**	**Accumulated losses RM'000**	**Total equity RM'000**
Company						
At 1 July 2021		94,777	(92)	6,209	(79,196)	21,698
Issuance of ordinary shares pursuant to right issue		30,437	-	-	-	30,437
Issuance of ordinary shares pursuant to acquisition of a subsidiary		10,755	-	-	-	10,755
Dividend paid	33	-	-	-	(30,437)	(30,437)
Total transactions with owners of the Company		41,192	-	-	(30,437)	10,755
Loss and total comprehensive expense for the year		-	-	-	(6,927)	(6,927)
Transfer of distribution from subsidiaries		-	-	(6,209)	-	(6,209)
At 30 June 2022		135,969	(92)	-	(116,560)	19,317
		Note 17	Note 18			

Statement of changes in equity for the year ended 30 June 2023 (continued)

	Note	← Attributable to owners of the Company → ← *Non-distributable* → Share capital	Fair value reserve	Distribution from subsidiaries	Accumulated losses	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000
Company						
At 1 July 2022		135,969	(92)	-	(116,560)	19,317
Issuance of ordinary shares pursuant to private placement		43,555	-	-	-	43,555
Total transactions with owners of the Company		43,555	-	-	-	43,555
Profit and total comprehensive income for the year		-	-	-	2,748	2,748
At 30 June 2023		179,524	(92)	-	(113,812)	65,620
		Note 17	Note 18			

The notes on pages 99 to 195 form an integral part of these financial statements.

Statements of cash flows for the year ended 30 June 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Cash flows from operating activities					
(Loss)/Profit before tax Adjustments for :		(4,898)	28,929	2,731	(6,831)
Changes in fair value of investment properties		-	(2,268)	-	(2,075)
Depreciation of property, plant and equipment		889	1,253	296	909
Depreciation of right-of-use assets		887	316	61	66
Dividend income		-	(1,025)	(20)	(55,024)
(Gain)/Loss on disposal of property, plant and equipment		12	(23)	-	(23)
(Gain)/Loss on disposal of assets held for sale		(16,970)	(65,138)	(16,970)	462
Loss on disposal of investment properties		420	-	305	-
Inventories written down		136	24	-	-
Gain on disposal of inventories - land		(839)	-	-	-
Reversal of inventories written down		-	(1,190)	-	(13)
Interest expenses		687	1,921	1,342	1,675
Interest income		(225)	(897)	(47)	(170)
Net (gain)/loss on impairment of financial assets		(2,101)	11,989	(1,384)	10,971
Impairment loss on investment in subsidiaries		-	-	-	35,252
Property, plant and equipment written off		-	57	-	-
Remeasurement loss of assets classified as held for sale		70	-	70	-
Impairment losses on goodwill		-	5,130	-	-
Operating loss before changes in working capital		(21,932)	(20,922)	(13,616)	(14,801)

Statements of cash flows for the year ended 30 June 2023 (continued)

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000 Restated	RM'000	RM'000 Restated
Operating loss before changes in working capital (continued)		(21,932)	(20,922)	(13,616)	(14,801)
Changes in working capital:					
Land held for property development		-	(388)	-	-
Inventories		415	510	2	13
Contract assets		190	(6,259)	-	-
Contract liabilities		(1,356)	7,374	-	-
Receivables		2,902	(16,062)	(1,577)	(15,566)
Subsidiaries		-	-	(47,070)	920
Associate		12	-	12	-
Payables		4,804	9,386	(3,760)	4,358
Cash used in operations		(14,965)	(26,361)	(66,009)	(25,076)
Interest received		225	837	47	151
Interest paid		-	(723)	(4)	(539)
Tax paid		(131)	(5)	(31)	-
Net cash used in operating activities		(14,871)	(26,252)	(65,997)	(25,464)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		-	24	-	23
Proceeds from disposal of inventories -land		7,560	-	-	-
Proceeds from disposal of assets classified as held for sale		18,571	78,578	18,571	3,504
Proceeds from disposal of investment properties		1,800	-	1,315	-
Proceeds from disposal of other investments		180	-	-	-
Net cash outflows on acquisition of subsidiaries	10	-	(6,654)	-	(6,679)
Purchase of property, plant and equipment	A	(59,829)	(14,749)	(29)	(1,525)
Purchase of right-of-use assets	B	-	(66)	-	(66)
Purchase of investment properties		-	(2,047)	-	-
Interest received		-	60	-	19
Dividend received		-	1,025	20	1,024
Repayment from subsidiaries		-	-	-	65,346
Advances to an associate		-	(3)	-	(3)
Net cash (used in)/from investing activities		(31,718)	56,168	19,877	61,643

Statements of cash flows for the year ended 30 June 2023 (continued)

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000 Restated
Cash flows from financing activities					
Interest paid		(2,219)	(1,198)	(1,338)	(1,012)
Dividend paid		-	(30,437)	-	(30,437)
Repayment to subsidiaries		-	-	-	(7,796)
Finance service reserve account		-	1,237	-	1,237
Issuance of shares pursuant to private placement		43,555	-	43,555	-
Issuance of shares pursuant to right issue		-	30,437	-	30,437
Payment of lease liabilities	C	(646)	(167)	(179)	(149)
Drawdown/(Repayment) of term financing loan		7,515	(24,544)	5,000	(24,544)
Repayment of overdraft facilities		-	(12,580)	-	(10,161)
Net cash (used in)/from financing activities		48,205	(37,252)	47,038	(42,425)
Net increase/(decrease) in cash and cash equivalents		1,616	(7,336)	918	(6,246)
Cash and cash equivalents at 1 July		(3,970)	3,366	(5,831)	415
Cash and cash equivalents at 30 June	D	(2,354)	(3,970)	(4,913)	(5,831)

Notes to the statement of cash flows

A. Purchase of property, plant and equipment

	Group 2023 RM'000	Group 2022 RM'000 Restated
Purchase of property, plant and equipment in cash flows	59,829	14,749
Interest expense capitalised	1,532	-
Additions to property, plant and equipment	61,361	14,749

Statements of cash flows for the year ended 30 June 2023 (continued)

Notes to the statement of cash flows (continued)

B. Purchase of right-of-use assets

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	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

C. Cash outflows for leases as a lessee

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Included in net cash (used in)/from operating activities:					
Payment relating to short-term leases		654	433	463	345
Payment of lease liabilities		646	167	179	149
Payment on interest lease liabilities		577	189	4	3
Total cash outflows for leases		1,877	789	646	497

D. Cash and cash equivalents

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

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents	15	5,267	2,672	2,708	811
Overdraft facilities	19	(7,621)	(6,642)	(7,621)	(6,642)
		(2,354)	(3,970)	(4,913)	(5,831)
Cash and cash equivalents in the statements of cash flows		(2,354)	(3,970)	(4,913)	(5,831)

Statements of cash flows for the year ended 30 June 2023 (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1.7.2021	Acquisition of a subsidiary	Additions	Net changes from financing cash flows	At 30.6.2022/ 1.7.2022	Additions	Net changes from financing cash flows	At 30.6.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Term loans	36,591	-	-	(24,544)	12,047	7,515	-	19,562
Lease liabilities	-	10,832	1,385	(167)	12,050	-	(646)	11,404
	36,591	10,832	1,385	(24,711)	24,097	7,515	(646)	30,966
Company								
Term loans	36,591	-	-	(24,544)	12,047	5,000	-	17,047
Lease liabilities	-	-	537	(149)	388	-	(179)	209
	36,591	-	537	(24,693)	12,435	5,000	(179)	17,256

The notes on pages 99 to 195 form an integral part of these financial statements.

Notes to the financial statements

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

Principal place of business
Unit 25-01, Level 25
Menara Felda
11 Persiaran KLCC
50450 Kuala Lumpur

Registered office
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 30 June 2023 do not include other entities.

The Company is principally engaged in investment holding, trading and distribution of building materials and other products, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 27 October 2023.

1. Basis of preparation

(a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

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

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information

1. **Basis of preparation (continued)**

(a) **Statement of compliance (continued)**

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023 (continued)

- Amendments to MFRS 101, Presentation of Financial Statements –Disclosures 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 and International Tax Reform – Pillar Two Model Rules

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendment to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 July 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

1. Basis of preparation (continued)

(b) Basis of measurement (continued)

The financial statements have been prepared on the historical cost basis other than those disclosed in Note 2.

The Group incurred a net loss of RM5,153,000 for the year ended 30 June 2023 and has net current assets of RM2,008,000 as of 30 June 2023.

As of the reporting date, and as disclosed in Note 40, the Group has embarked on several proposed acquisitions which will require significant financial resource. Subsequently, on 28 July 2023, the Group has successfully listed 25,910,000 ordinary shares amounting to RM21,246,200 through a private placement, which improved the Group's working capital position.

The Directors believe that there is sufficient cashflow from its current operation and future funding exercises to enable the Group to fulfill its obligations as at when they fall due.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 – extension options
- Note 5 – valuation of investment properties
- Note 10 – measurement of the recoverable amount of cash-generating unit
- Note 11 – allowance for expected credit losses of receivables

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

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.

2. Significant accounting policies

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

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.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

(v) Loss of control

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

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale or distribution). The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

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 investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

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

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Non-controlling interests

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

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

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

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

(b) Financial instruments

(i) Recognition and initial measurement

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

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

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

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.

(a) Amortised cost

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

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.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(i)(i)) where the effective interest rate is applied to the amortised cost.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through other comprehensive income

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

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.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(i)(i)).

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(b) Amortised cost

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

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.

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

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Offsetting

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

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated 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 asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Freehold land with an indefinite life is not depreciated.

The estimated useful lives for the current and comparative periods 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%

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

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.

2. Significant accounting policies (continued)

(d) Leases

(i) Definition of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

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

(ii) Recognition and initial measurement

(a) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

2. Significant accounting policies (continued)

(d) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

2. Significant accounting policies (continued)

(d) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

The amortisation period for the current and comparative periods is as follow:

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%

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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 lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

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.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "rental income".

2. Significant accounting policies (continued)

(e) Investment property

(i) Investment property carried at fair value

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

Investment properties initially and subsequently measured at cost including transaction price are accounted for similarly to property, plant and equipment.

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.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss. 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.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2. Significant accounting policies (continued)

(f) Non-current assets held for sale

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.

2. Significant accounting policies (continued)

(g) Inventories

Inventories comprise land held for property development, completed properties held for sale, and trading goods.

(i) Land held for development

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

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

Land is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs are measured at the lower of cost and net realisable value and are recognised as an expense to profit or loss when the control of the inventory is transferred to the customer.

(iii) Other inventories

Consumables and saleable merchandise are measured 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 is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2. **Significant accounting policies (continued)**

(h) **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments.

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

(i) **Impairment**

(i) **Financial assets**

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.

2. Significant accounting policies (continued)

(i) Impairment (continued)

(i) Financial assets (continued)

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.

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.

(ii) 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.

2. Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Non- financial assets (continued)

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.

(iii) Other assets

The carrying amounts of the other assets (except for inventories, investment property measured at fair value, non-current assets held for sale, deferred tax asset and contract assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(iii) Accumulated losses

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.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group 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.

2. Significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) 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.

(l) Provisions

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

i) **Provision for restoration cost**

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.

(m) Revenue and other income

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognise revenue when (or as) they transfer control over a product or service to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company transfer control of a good or service at a point in time unless one of the following over-time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform;

2. Significant accounting policies (continued)

(m) Revenue and other income (continued)

Revenue from contracts with customers (continued)

(b) the Group and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or

(c) the Group and the 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.

(i) 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.

(ii) 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.

2. Significant accounting policies (continued)

(m) Revenue and other income (continued)

(iii) 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, construction of solar plant and hydro plant, renewable energy generation business, 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).

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.

(iv) 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.

(v) 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.

(vi) Management fee income

Management fee income are recognised when services are rendered.

2. Significant accounting policies (continued)

(m) Revenue and other income (continued)

(vii) 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.

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.

(viii) 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.

(n) 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.

(o) Contract assets

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.

2. Significant accounting policies (continued)

(p) 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.

(q) Borrowing costs

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

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

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

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) Income tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

2. Significant accounting policies (continued)

(r) Income tax (continued)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Fair value measurement

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

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

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

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

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

2. Significant accounting policies (continued)

(t) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the Executive Director of the Group, along with the management, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(v) Contingencies

(i) 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.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3. Property, plant and equipment

Group	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
Cost								
At 1 July 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 July 2022	1,712	-	1,731	1,079	8,705	6,437	14,343	34,007
Reclassification to prepayment (Note 42)	-	-	-	-	-	-	(1,429)	(1,429)
At 30 June 2022/1 July 2022, restated	1,712	-	1,731	1,079	8,705	6,437	12,914	32,578
Additions	2,803	-	75	-	53	25	58,405	61,361
Disposals	-	-	-	(193)	(10)	(157)	-	(360)
Reclassification from right-of-use assets	154	-	-	-	-	-	-	154
At 30 June 2023	4,669	-	1,806	886	8,748	6,305	71,319	93,733

3. Property, plant and equipment (continued)

Group (continued)	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
Accumulated depreciation								
At 1 July 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 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 2022/1 July 2022	604	-	1,148	923	4,383	6,072	-	13,130
Charge for the year	52	-	133	40	553	111	-	889
Disposals	-	-	-	(191)	(5)	(152)	-	(348)
Reclassification from right-of-use assets	62	-	-	-	-	-	-	62
At 30 June 2023	718	-	1,281	772	4,931	6,031	-	13,733
Carrying amounts								
At 1 July 2021	1,121	226	6	25	1,487	802	-	3,667
At 30 June 2022/1 July 2022, restated	1,108	-	583	156	4,322	365	12,914	19,448
At 30 June 2023	3,951	-	525	114	3,817	274	71,319	80,000

3. Property, plant and equipment (continued)

Company	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
Cost								
At 1 July 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 July 2022	1,000	-	13	98	5,123	4,509	1,429	12,172
Reclassification to prepayment (Note 42)	-	-	-	-	-	-	(1,429)	(1,429)
At 30 June 2022/1 July 2022, restated	1,000	-	13	98	5,123	4,509	-	10,743
Additions	-	-	-	-	4	25	-	29
At 30 June 2023	1,000	-	13	98	5,127	4,534	-	10,772

3. Property, plant and equipment (continued)

Company (continued)	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
Accumulated depreciation								
At 1 July 2021	22	386	11	228	2,339	3,657	-	6,643
Charge for the year	7	2	-	-	212	688	-	909
Disposals	-	-	-	(130)	-	-	-	(130)
Transfer to assets classified as held for sale	-	(388)	-	-	-	-	-	(388)
At 30 June 2022/ 1 July 2022	29	-	11	98	2,551	4,345	-	7,034
Charge for the year	7	-	1	-	242	46	-	296
At 30 June 2023	36	-	12	98	2,793	4,391	-	7,330
Carrying amounts								
At 1 July 2021	978	226	2	-	1,335	776	-	3,317
At 30 June 2022/1 July 2022, restated	971	-	2	-	2,572	164	-	3,709
At 30 June 2023	964	-	1	-	2,334	143	-	3,442

3. Property, plant and equipment (continued)

Included in addition of capital work in progress during the financial year are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense capitalised at 5.5% per annum	1,532	-	-	-
Personnel expenses:				
- Salaries and other emoluments	1,569	915	-	-
- Defined contribution plan	191	109	-	-

4. Right-of-use assets

	Leasehold land RM'000	Building# RM'000	Motor vehicle RM'000	Staff hostel RM'000	Hospital equipment RM'000	Total RM'000
Group						
Cost						
At 1 July 2021	2,532	154	-	-	-	2,686
Acquisition of a subsidiary	-	11,191	-	175	200	11,566
Additions	-	872	603	-	-	1,475
Transfer to assets classified as held for sale	(2,532)	-	-	-	-	(2,532)
At 30 June 2022/ 1 July 2022	-	12,217	603	175	200	13,195
Reclassification to property, plant and equipment	-	(154)	-	-	-	(154)
At 30 June 2023	-	12,063	603	175	200	13,041
Accumulated depreciation						
At 1 July 2021	1,149	59	-	-	-	1,208
Acquisition of a subsidiary	-	1,672	-	69	75	1,816
Charge for the year	6	230	60	10	10	316
Transfer to assets classified as held for sale	(1,155)	-	-	-	-	(1,155)
At 30 June 2022/ 1 July 2022	-	1,961	60	79	85	2,185
Reclassification to property, plant and equipment	-	(62)	-	-	-	(62)
Charge for the year	-	736	61	50	40	887
At 30 June 2023	-	2,635	121	129	125	3,010

4. Right-of-use assets (continued)

	Leasehold land	Building#	Motor vehicle	Staff hostel	Hospital equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group (continued)						
Carrying amounts						
At 1 July 2021	1,383	95	-	-	-	1,478
At 30 June 2022/ 1 July 2022	-	10,256	543	96	115	11,010
At 30 June 2023	-	9,428	482	46	75	10,031

Included in the Group's renovation is the provision for restoration costs to restore the leased premises at the end of the lease term.

4. **Right-of-use assets (continued)**

	Leasehold land RM'000	Motor vehicle RM'000	Total RM'000
Company			
Cost			
At 1 July 2021	2,532	-	2,532
Additions	-	603	603
Transfer to assets classified as held for sale	(2,532)	-	(2,532)
At 30 June 2022/1 July 2022/30 June 2023	-	603	603
Accumulated depreciation			
At 1 July 2021	1,149	-	1,149
Charge for the year	6	60	66
Transfer to assets classified as held for sale	(1,155)	-	(1,155)
At 30 June 2022/1 July 2022	-	60	60
Charge for the year	-	61	61
At 30 June 2023	-	121	121
Carrying amounts			
At 1 July 2021	1,383	-	1,383
At 30 June 2022/1 July 2022	-	543	543
At 30 June 2023	-	482	482

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.

5. Investment properties

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 July	51,970	47,655	28,760	26,685
Additions	-	2,047	-	-
Disposal	(2,220)	-	(1,620)	-
Transfer to assets classified as held for sale	(250)	-	(250)	-
Fair value adjustments	-	2,268	-	2,075
At 30 June	49,500	51,970	26,890	28,760

The investment properties comprise the following:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Freehold land and buildings	48,850	51,320	26,690	28,560
Leasehold land and buildings	650	650	200	200
	49,500	51,970	26,890	28,760

The strata title of the Group's and of the Company's buildings with the net carrying amounts of RM160,000 and RM 40,000 (2022: RM160,000 and RM40,000) respectively are yet to be issued by the relevant authorities.

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.

5. Investment properties (continued)

Income and expenses recognised in the profit or loss

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Rental income	295	481	250	187
Direct operating expenses for investment properties:				
- income generating investment properties	19	92	19	10
- non-income generating investment properties	32	41	6	10

Investment properties pledged as securities to financial institutions

Net carrying amount of investment properties pledged as securities for bank borrowings is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Freehold land	48,480	45,000	26,650	25,000

The details of the bank borrowings are disclosed in Note 19 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 propertied 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.

6. Inventories

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Land held for property development	6.1	-	9,818	-	-
Current					
Trading goods		2,118	2,446	-	2
Completed properties		2,336	2,336	-	-
		4,454	4,782	-	2

6.1 Land held for property development

	Group 2023 RM'000	Group 2022 RM'000
Leasehold land at cost	6,825	6,825
Property development costs at cost	2,993	2,605
At 1 July	9,818	9,430
Disposal	(9,818)	-
Property development costs incurred during the financial year	-	388
At 30 June	-	9,818

6.2 Recognised in profit or loss

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Inventories recognised as cost of sales	22,509	19,413	65	4,682
Write-down to net realisable value	136	24	-	-
Reversal of write-down	-	(1,190)	-	(13)

7. Investments in subsidiaries

	Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost		
Unquoted shares, at cost	43,809	43,809
Quasi loans	29,085	29,085
Less: Accumulated impairment losses	(62,780)	(62,780)
	10,114	10,114

The movement of accumulated impairment losses during the financial year is as follows:

	2023	2022
	RM'000	RM'000
At 1 July	62,780	27,528
Recognised during the financial year	-	35,252
At 30 June	62,780	62,780

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 fair value, the higher the value of net assets

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Effective ownership Interest and voting interest 2023 %	Effective ownership Interest and voting interest 2022 %
Armor Master Sdn. Bhd. #	Malaysia	Dormant	100	100
Better Living Grand Sdn. Bhd. #	Malaysia	Dormant	100	100

7. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Effective ownership Interest and voting interest 2023	2022
			%	%
Eager Vest Sdn. Bhd. #	Malaysia	Dormant	100	100
Glorious Future Sdn. Bhd. #	Malaysia	Dormant	100	100
Homemart Distribution Centre Sdn. Bhd. #	Malaysia	Provision of warehousing services	100	100
Ipmuda Architectural Products Sdn. Bhd.	Malaysia	Trading in locksets and architectural hardware products	100	100
Ipmuda Borneo Sdn. Bhd. #	Malaysia	Trading and distribution of building materials	100	100
Ipmuda Buildermart Sdn. Bhd.	Malaysia	Trading in building materials	100	100
Ipmuda Development Sdn. Bhd. #	Malaysia	Trading in building materials	100	100
Ipmuda Edar Sdn. Bhd.	Malaysia	Trading and distribution of lubricants and fuel	100	100
Ipmuda Lanco Sdn. Bhd. #	Malaysia	Dormant	51	51
Ipmuda Oil & Gas Sdn. Bhd. #	Malaysia	Dormant	100	100
Ipmuda Properties Sdn. Bhd. #	Malaysia	Property development	100	100
Ipmuda Construction & Engineering Sdn. Bhd.	Malaysia	Contractors to the construction industry and trading in construction materials	100	100
Oriole Power Sdn. Bhd.	Malaysia	Operation of generation facilities that produce electric energy	79	79
Oriole Hydro Maligan Sdn. Bhd.	Malaysia	Renewable energy and generation of power plants	55	55
Oriole Hydro Padas Sdn. Bhd.	Malaysia	Renewable energy and generation of power plants	55	55
Ipmuda Selatan Sdn. Bhd.	Malaysia	Trading in building materials	100	100

7. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Effective ownership Interest and voting interest 2023	2022
			%	%
Ipmuda Tiles & Sanitarywares Sdn. Bhd. #	Malaysia	Trading and distribution of tiles, marble and sanitaryware products	100	100
Ipmuda Timuran Sdn. Bhd. #	Malaysia	Trading in building materials	100	100
Ipmuda Tradelink Sdn. Bhd. #	Malaysia	Dormant	90	90
Ipmuda Utara Sdn. Bhd.	Malaysia	Trading in building materials	100	100
Jentayu Life Sdn. Bhd. #	Malaysia	Dormant	100	100
Jentayu (MM2H) Sdn. Bhd. #	Malaysia	Dormant	100	100
Modular Equity Sdn. Bhd. #	Malaysia	Dormant	100	100
Mudacare Sdn. Bhd. #	Malaysia	Dormant	100	100
Perak Metal Industries Sdn. Bhd. #	Malaysia	Dormant	100	100
Roset-BLG Sdn. Bhd.	Malaysia	Letting of properties	100	100
Roset Properties Sdn. Bhd. #	Malaysia	Dormant	100	100
Sitolly Co. Sdn. Bhd. #	Malaysia	Dormant	80	80
Toriki Metal Engineering Sdn. Bhd. #	Malaysia	Dormant	100	100
Uniherbal Sdn. Bhd. #	Malaysia	Dormant	100	100
Victory Rally Sdn. Bhd. #	Malaysia	Dormant	100	100
Jentayu Power Sdn. Bhd. #	Malaysia	Dormant	100	100
Jentayu Green Initiatives Sdn. Bhd. (formerly known as Jentayu Sustainables Capital Sdn. Bhd.)#	Malaysia	Dormant	100	100
EST Tradeventures Sdn. Bhd. #	Malaysia	Dormant	85	85

7. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Effective ownership Interest and voting interest 2023	2022
			%	%
Roset Interiors Sdn. Bhd. #	Malaysia	Engaged as distributor and retailer for the supply and installation of kitchen cabinets, wardrobes, electrical appliances, sinks and tap fittings	100	100
Ultimate Forte Sdn. Bhd.	Malaysia	Private hospital	100	100

 # Not audited by member firms of KPMG International

Subscription in shares and dilution of interest in a subsidiary without loss of control

i) On 8 February 2022, Oriole Power Sdn. Bhd. ("OPSB"), a subsidiary of the Company 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, Oriole Hydro Maligan Sdn. Bhd. ("OHMSB") 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% indirectly, thus the Company's equity interest decreased from 79% to 55%.

iii) On 21 March 2022, Oriole Hydro Padas Sdn. Bhd. ("OHPSB") 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% indirectly, thus the Company's equity interest decreased from 79% to 55%.

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.

7. Investments in subsidiaries (continued)

Non-controlling interests

The Group's subsidiaries have non-controlling interests from 10% to 49% at the end of the financial year.

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2023	Oriole Power Sdn. Bhd.	Oriole Hydro Padas Sdn. Bhd	Oriole Hydro Maligan Sdn. Bhd
	RM'000	RM'000	RM'000
Summarised financial information before intra-group elimination			
As at 31 December			
Non-current assets	201	45,838	7,193
Current assets	70,025	37	37
Non-current liabilities	-	-	-
Current liabilities	(72,151)	(46,437)	(7,338)
Net liabilities	(1,925)	(562)	(108)
Year ended 31 December			
Revenue	-	-	-
Profit for the year	(546)	(598)	(143)
Total comprehensive income	(546)	(598)	(143)
Dividends paid to NCI	-	-	-

The summarised financial information of non-controlling interests for the previous financial year have not been presented as the non-controlling interests are immaterial to the Group.

8. Investments in an associates/Amount due from an associate

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	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)
	-	-	-	-

8. Investments in an associates/Amount due from an associate (continued)

Details of the associates are as follows:

Name of Company	Principal place of business	Nature of relationship	Effective ownership interest and voting interest	
			%	%
Budimex Sdn. Bhd.	Malaysia	Supply building materials	49	49

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 the associate is no longer in operation and is dormant.

	Group/Company	
	2023	2022
	RM'000	RM'000
Amount due from an associate		
Non-trade	-	12

9. Other investments

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Quoted shares in Malaysia	38	243	-	-
Club membership	356	356	356	356
	394	599	356	356
Represented by:				
At fair value	394	599	356	356
Market value:				
- Quoted shares	38	243	-	-
- 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.

9. Other investments (continued)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fair value				
Ajiya Berhad	-	199	-	-
Globatec Formation Berhad	1	1	-	-
Eonmetall Group Berhad	-	6	-	-
Hume Industries Berhad	11	11	-	-
Oka Corporation Berhad	26	26	-	-
	38	243	-	-

10. Goodwill on consolidation

	Group	
	2023	2022
	RM'000	RM'000
Goodwill arising from business combination	16,230	16,230
Less: Accumulated impairment losses	(5,130)	(5,130)
	11,100	11,100

Initial recognition

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 of the Company at fair value of RM0.57 each which amounted to RM10,755,000, whereby the fair value of the share of the company is the published price of the share on the acquisition date. The fair value of net assets of Ultimate Forte Sdn. Bhd. as at the acquisition date were 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 cash equivalents	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)

10. Goodwill on consolidation (continued)

Cash flows on acquisition date

Purchase consideration settled in cash	6,679
Cash and cash equivalents acquired	
- Cash and cash equivalents	(25)
Net cash outflows on acquisition of a subsidiary	6,654

The movement of accumulated impairment losses during the financial year is as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 July	5,130	-
Addition	-	5,130
At 30 June	5,130	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.

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. No further impairment is recognised during the year.

Impairment losses on goodwill on consolidation is included in other expenses.

Impairment test for goodwill

Key assumption used in value-in-use

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. The values assigned to key assumptions is in respect of management's assessment of future trends in the industry and historical average input.

The key assumptions used for value-in-use are as follows:

	Group	
	2023	2022
	%	%
Patients per month	100	80
Inflation rate	3.00%	3.00%
Gross profit margin	50.00%	50.00%
Pre-tax discount rate	14.00%	6.76%

10. Goodwill on consolidation (continued)

Sensitivity to changes in assumptions

The above estimates are particularly sensitive to the following assumption:

i) a decrease in 3% in GP margin will result in an impairment of the goodwill of RM49,000; and
ii) a reduction of 10% in number of patients per month will result in an impairment of the goodwill of RM 1,171,000.

11. Trade receivables

		Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Non-current					
Trade receivables	11.1	2,875	-	-	-
Current					
Trade receivables					
- secured		13,906	13,906	13,906	13,906
- unsecured		46,376	48,433	20,959	21,270
Retention sums, unsecured		-	183	-	-
		60,282	62,522	34,865	35,176
Less: Accumulated impairment losses		(57,109)	(58,640)	(34,815)	(34,962)
		3,173	3,882	50	214
		6,048	3,882	50	214

11.1 Non-current trade receivables

This relates to a disposal of land where the repayment term is based on an agreed repayment schedule.

11. Trade receivables (continued)

The movement of accumulated losses during the financial year is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 July	58,640	48,185	34,962	24,437
Addition during the financial year	189	14,943	-	11,753
Reversal of impairment losses	(1,639)	(4,461)	(147)	(1,216)
Written off	(81)	(27)	-	(12)
At 30 June	57,109	58,640	34,815	34,962

The Group's and the Company's normal trade credit term ranges from cash term to 120 days (2022: 120 days). Other credit terms are assessed and approved on a case-by-case basis.

12. Other receivables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000 Restated	RM'000	RM'000 Restated
Non-trade receivables				
- Third parties	4,910	4,965	81	356
Deposits	17,818	20,750	16,813	16,651
Prepayments	4,791	1,896	4,087	1,843
	27,519	27,611	20 ,981	18,850
Less: Accumulated impairment losses				
At 1 July	(3,886)	(16,752)	(223)	(13,514)
Addition	-	(1,507)	-	-
Written off	-	14,373	-	13,291
At 30 June	(3,886)	(3,886)	(223)	(223)
	23,633	23,725	20,758	18,627

Included in the deposits are the refundable deposits paid by the Group and the Company to acquire new subsidiaries amounting to RM16,000,000 (2022: RM16,000,000) in relation to the Proposed Acquisition as disclosed in Note 40 to the financial statements.

12. Other receivables (continued)

The components of accumulated impairment losses of non-trade receivables are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Third parties	3,680	3,680	55	55
Deposits	206	206	168	168
	3,886	3,886	223	223

13. Contract assets/(Contract liabilities)

	Group	
	2023	2022
	RM'000	RM'000 Restated
Contract assets		
- Hospital services	-	19
- Construction contracts	6,069	6,240
	6,069	6,259
Contract liabilities		
- Construction contracts	(6,070)	(6,206)
- Advances received from customers	(48)	(1,267)
	(6,118)	(7,473)

Hospital services

The contract assets primarily relates to the right to the 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 related to the advances consideration received from 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.

13. Contract assets/(Contract liabilities) (continued)

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 nil (2022: RM21,662,000).

	Group	
	2023	2022
	RM'000	RM'000
Contract liabilities at the beginning of the year recognised as revenue	7,473	99

14. Amounts due from/(to) subsidiaries

		Company	
	Note	2023	2022
		RM'000	RM'000
Current asset			
Amount due from subsidiaries			
- Trade related	14.1	-	-
Less: Accumulated impairment losses			
At 1 July		-	(920)
Reversal		-	920
At 30 June		-	-
		-	-
- non-trade related	14.2	87,173	44,579
Less: Accumulated impairment losses			
At 1 July		(23,010)	(21,656)
Addition		(6,277)	(2,931)
Reversal		8,351	1,577
At 30 June		(20,936)	(23,010)
		66,237	21,569
Total amount due from subsidiaries		66,237	21,569
Current liabilities			
Amount due to subsidiaries			
- Non-trade related	14.2	(32,439)	(35,835)

14.1 The trade balances due from subsidiaries is subject to the normal trade credit terms ranging from 30 to 90 days (2022: 30 to 90 days).

14.2 The non-trade balances due from/to subsidiaries is unsecured, bear no interest and repayable on demand.

15. Cash and cash equivalents

	Group		Group	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	5,267	2,672	2,708	811

Included in cash and cash equivalents of the Group is an amount of RM412,636 (2022: RM459,000) which is maintained in the designated Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and 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.

16. Assets classified as held for sale

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Assets classified as held for sale		180	1,601	180	1,601
At 1 July		1,601	13,865	1,601	3,966
Disposals	16.1	(1,601)	(13,440)	(1,601)	(3,966)
Transfer from property, plant and equipment		-	224	-	224
Transfer from right-of-use assets		-	1,377	-	1,377
Transfer from investment properties	16.2	250	-	250	-
Termination of disposal		-	(425)		-
Loss on remeasurement		(70)	-	(70)	-
At 30 June		180	1,601	180	1,601

16.1 Disposals

On 5 September 2021, the management of the Company has agreed to dispose a piece of land with building amounting RM1,601,000 at cost, and 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.

16.2 Transfer from investment properties

On 22 February 2023, the management of the Company has agreed to dispose 2 units of apartment of RM180,000 in which the Company has found a purchaser. The transaction has yet to be completed as at year end.

17. Share capital

		2023		2022	
		Number of shares	Amount	Number of shares	Amount
Group and Company	**Note**	**'000**	**RM'000**	**'000**	**RM'000**
Issued and fully paid shares with no par value classified as equity instruments:					
Ordinary shares:					
At 1 July		323,239	135,969	101,457	94,777
- Private placement	17.1	71,033	43,555	-	-
- Rights issue		-	-	101,457	30,437
- Acquisition of a subsidiary		-	-	18,868	10,755
- Bonus issue		-	-	101,457	-
At 30 June		394,272	179,524	323,239	135,969

17.1 Private placements

During the financial year, the Company has successfully listed private placement shares on the Main Market of Bursa Securities in three tranches as below:

Listing Date	Number of Units	Issue price per share	Consideration in cash
	'000	**RM**	**RM'000**
9 September 2022	30,000	0.50	15,000
27 January 2023	28,470	0.65	18,505
22 June 2023	12,563	0.80	10,050
Total	71,033		43,555

The proceeds raised were to partially finance the development expenditures for investments in renewable energy projects, expansion of healthcare division, working capital and expenses in relation to the private placement exercises.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company, upon the date of allotment and issuance of those shares.

18. 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.

19. Borrowings

		Group		Company	
	Note	2023	2022	2023	2022
Secured		RM'000	RM'000	RM'000	RM'000
Non-current					
Term loans		19,475	12,047	17,047	12,047
Current					
Term loans		87	-	-	-
Overdraft facilities		7,621	6,642	7,621	6,642
		7,708	6,642	7,621	6,642
Term loan		19,562	12,047	17,047	12,047
Overdraft facilities		7,621	6,642	7,621	6,642
Total borrowings		27,183	18,689	24,668	18,689

19.1 Term loans

Term loans are secured by a freehold land of the Company (2022: a subsidiary's leasehold land and building) as disclosed in Note 5 to the financial statements.

The Group and the Company set up a finance service reserve account for term loans wherein an equivalent of 3 monthly instalments shall be maintained at all times.

19.2 Overdraft facilities

The overdraft facilities are secured against the Group's and the Company's freehold land as disclosed in Note 5 to the financial statements.

19. Borrowings (continued)

The range of effective interest rates of the financial year are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Term loan				
Secured	6.76 – 7.05	4.96 - 4.99	6.97	4.96 - 4.99
Overdraft facilities				
Secured	7.72	6.47 - 6.72	7.72	6.47 - 6.72

20. Lease liabilities

Lease liabilities included in the statements of financial positions are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current	10,752	11,406	33	212
current	652	644	176	176
	11,404	12,050	209	388

The maturity analysis of lease liabilities is disclosed in Note 35.5 to the financial statements.

The effective interest rate of lease liabilities of the Group and of the Company range from 1.49% to 6.89% and 1.49% (2022: 1.49% to 6.89% and 1.49%) 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.

21. Provision for restoration cost

	Group	
	2023	2022
	RM'000	RM'000
Non-current	24	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	
	2023	2022
	RM'000	RM'000
At 1 July	24	-
Addition	-	24
At 30 June	24	24

22. Deferred tax liabilities

22.1 Recognised deferred tax liabilities

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 July	2,428	2,370	1,055	959
Recognised in profit or loss	(73)	58	(48)	96
At 30 June	2,355	2,428	1,007	1,055

22. Deferred tax liabilities (continued)

22.1 Recognised deferred tax liabilities (continued)

Movement in temporary differences during the financial year

	At 1.7.2021	Recognised in profit or loss (Note 30)	At 30.6.2022/ 1.7.2022	Recognised in profit or loss (Note 30)	At 30.6.2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Property, plant and equipment	117	(112)	5	-	5
Fair value gain on investment properties	2,369	54	2,423	(73)	2,350
Unabsorbed capital allowances	(89)	89	-	-	-
Unutilised tax losses	(27)	27	-	-	-
	2,370	58	2,428	(73)	2,355
Company					
Property, plant and equipment	87	(87)	-	-	-
Fair value gain on investment properties	959	96	1,055	(48)	1,007
Unutilised tax losses	(87)	87	-	-	-
	959	96	1,055	(48)	1,007

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 at 10%. 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.

22. Deferred tax liabilities (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	178,104	156,606	103,879	89,032
Unabsorbed capital allowances	4,770	7,381	1,183	2,595
Property, plant and equipment	-	2	-	-
Lease liabilities	209	388	209	388
Impairment loss on financial assets	36,935	39,404	21,172	23,064
Inventories written down	836	735	-	18
	220,854	204,516	126,443	115,097

The unabsorbed capital allowances do not expire under current tax legislation. Unutilised tax losses which no deferred tax asset was recognised expire in year of assesment ("YA") as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
YA 2028	69,331	68,869	32,246	32,246
YA 2029	32,156	31,948	19,857	19,857
YA 2030	37,435	35,335	20,274	20,274
YA 2031	11,354	10,491	7,928	7,928
YA 2032	10,648	9,963	9,985	8,727
YA 2033	17,180	-	13,589	-
	178,104	156,606	103,879	89,032

Any amounts not utilised upon expiry period of the above year of assessment will be disregarded.

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 unutilised tax losses 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.

23. Trade payables

Trade payables are non-interest bearing and the normal trade terms credit terms granted to the Group and the Company range from 14 to 120 days (2022: 14 to 120 days).

24. Other payables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000 Restated	RM'000	RM'000
Non-trade				
Other payables	7,304	10,888	5,429	8,281
Accruals	2,246	2,464	1,312	1,744
Provision	11,746	738	-	-
	21,296	14,090	6,741	10,025

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 July	738	130	-	130
Addition	-	738	-	-
Reversal	-	(130)	-	(130)
At 30 June	738	738	-	-

25. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000 Restated	RM'000	RM'000
Revenue from contracts with customers				
- Sales of goods	12,969	19,387	115	4,720
- Property development	10,480	-	-	-
- Services rendered	6,901	2,328	1,307	-
- Construction contracts revenue	11,996	60,839	-	-
Total revenue	42,346	82,554	1,422	4,720
Revenue from other sources				
- Rental income from investment properties	295	294	-	-
- Dividend income	-	-	-	54,000
Total revenue	42,641	82,848	1,422	58,720

25. Revenue (continued)

	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000
Timing of recognition				
- At a point in time	23,745	19,681	1,422	58,720
- Over time	18,896	63,167	-	-
Total revenue	42,641	82,848	1,422	58,720

25.1 Disaggregation of revenue

	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000
Primary geographical market				
Malaysia	42,641	82,848	1,422	58,720

25.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds
Sales of goods	Revenue is recognised at a point in time when the customer obtains control of goods.	Credit period of 30 to 45 days from invoice date.	Not applicable.	The Group allows returns for exchange with new goods.
Property development	Revenue is recognised upon delivery of properties where the control of the properties has passed to the buyer.	Credit period as determined in each individual contract.	Not applicable.	Not applicable.
Services rendered	Revenue is recognised at a point in time when the services are provided to patients.	Credit period of 30 to 45 days from invoice date.	Not applicable.	Not applicable.
Construction contracts revenue	Revenue is recognised overtime if meet the no alternative use and the Group have enforceable rights to payment for work performed.	Credit period of 30 to 45 days from invoice date.	Not applicable.	Not applicable.

There was no warranty in the provision of the goods and services by the Group.

26. Other income

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Gain from disposal of assets held for sale	16,970	65,600	16,970	-
Loss on disposal of in investment properties	(420)	-	(305)	-
Gain on revaluation of investment properties	-	2,268	-	2,075
Others	129	2,755	1,539	3,335
	16,679	70,623	18,204	5,410

27. Finance income

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- Bank and deposits	-	60	-	19
- Overdue trade receivables	225	837	47	151
	225	897	47	170

28. Finance costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss				
- Overdraft facilities	594	257	526	246
- Term loans	1,003	1,302	812	1,302
- Lease liabilities	577	189	4	3
- Overdue trade payables	45	173	-	124
	2,219	1,921	1,342	1,675
Recognised in profit or loss	687	1,921	1,342	1,675
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:	-	-	-	-
-Property, plant and equipment	1,532	1,921	1,342	1,675
	2,219	1,921	1,342	1,675

29. Profit/(Loss) before tax

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):					
Auditors' remuneration					
Audit fees					
- KPMG PLT		331	-	75	-
- Other auditor		78	255	-	54
Non-audit fees					
- KPMG PLT		150	-	150	-
Material expenses/(income)					
Directors' fees		250	220	250	220
Dividend income:					
- unquoted shares in Malaysia		-	(1,024)	-	(55,024)
Lease income		(347)	(656)	(250)	(367)
Short-term leases		654	433	463	345

30. Tax expense

Recognised in profit or loss

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current tax expense				
- Current year	244	76	-	-
- Under provision in prior year	84	3	31	-
Total current tax recognised in profit or loss	328	79	31	-
Deferred tax expense				
- Current year	(48)	58	(48)	96
- Over provision in prior year	(25)	-	-	-
Total deferred tax recognised in profit or loss	(73)	58	(48)	96
Total income tax expense	255	137	(17)	96

30. Tax expense (continued)

Reconciliation of tax expense

	Group		Group	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	(4,898)	28,929	2,731	(6,831)
Income tax calculated using Malaysian tax rate of 24%	(1,176)	6,943	655	(1,639)
Non-deductible expenses	2,361	4,649	1,096	1,561
Non-taxable income	(4,862)	(25,412)	(4,474)	(13,206)
Deferred tax assets not recognised	3,921	14,520	2,723	13,878
Effects of Real Property Gains Tax	-	(30)	-	-
Changes in fair value of investment properties	(48)	(536)	(48)	(498)
Under provision in prior years	59	3	31	-
	255	137	(17)	96

31. Employee benefits expense

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, wages and other emoluments (excluding directors)	14,151	10,450	7,616	4,720
Defined contribution plan	1,501	972	820	506
	15,652	11,422	8,436	5,226
Directors' remuneration				
Executive				
- Salaries and other emoluments	1,914	2,280	1,914	2,280
- Benefits-in-kind	25	25	25	25
- Defined contribution plan	256	274	256	274
	2,195	2,579	2,195	2,579
Non-executive				
- Allowances	50	47	50	47

31. Employee benefits expense (continued)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Analysis excluding benefits-in-kind				
Total executive Directors' remuneration	2,170	2,554	2,170	2,554
Total non-executive Directors' remuneration	50	47	50	47
	2,220	2,601	2,220	2,601

32. (Loss)/Earnings per ordinary share

Basic (loss)/earnings per ordinary share

The calculation of basic (loss)/earnings per ordinary share is based on the (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2023	2022
	RM'000	RM'000
Profit/(Loss) attributable to ordinary shareholders	(4,973)	29,089
Weighted average of ordinary shares in issue	359,851	174,889
Basic earnings per share (sen)	(1.38)	16.63

Diluted (loss)/earnings per ordinary share

The calculation of diluted (loss)/earnings per ordinary share as at 30 June 2023 and 2022 are calculated as follows:

	Group	
	2023	2022
	'000	'000
Profit/(Loss) attributable to ordinary shareholders	(4,973)	29,089
Weighted average of ordinary shares in issue*	512,037	224,923
Diluted (loss)/earnings per share (sen)	(0.97)	12.93

* Taking into effect warrants outstanding of 152,185,950 (2022: 152,185,950).

33. Dividends

Dividends recognised by the Group and Company:

	Per share	Total amount	Date of payment
	RM	RM'000	
2022			
Interim 2022 ordinary	0.30	30,437	10 February 2022

The Directors did not recommend any final dividend to be paid for the current financial year.

34. Operating segments

The Group has five reportable segments, as described below, which are the Group's strategic business units. The following summary describes the operations in each of the Group's reportable segments:

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	Private healthcare facilities.
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.

34. Operating segments (continued)

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.e. 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	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
Malaysia	42,641	82,848	153,900	103,945

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2023	**2022**	
	RM'000	**RM'000**	
Customer A	11,996	60,839	Renewable energy
Customer B	10,480	-	Property development

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. Segment revenue, expenses and results include transfers between business segments. Those transfers are eliminated on consolidation.

34. Operating segments (continued)

	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
2023								
Revenue								
Revenue from external customers		13,264	11,996	10,480	6,901	-	-	42,641
Inter-segment revenue	(a)	1,309	-	-	-	-	(1,309)	-
Total revenue		14,573	11,996	10,480	6,901	-	(1,309)	42,641
Results								
Finance income		219	-	6	-	-	-	225
Finance costs		(85)	-	(64)	(538)	-	-	(687)
Tax (expense)/ income		(41)	-	(224)	-	10	-	(255)
Depreciation of property, plant and equipment		(376)	(34)	(56)	(423)	-	-	(889)
Depreciation of right-of-use assets		(235)	-	-	(652)	-	-	(887)
Remeasurement loss of assets classified as held for sale		(70)	-	-	-	-	-	(70)
Other non-cash income	(b)	1,828	-	102	-	23	-	1,953
Segment (loss)/ profit	(c)	(2,182)	(1,037)	(169)	(1,146)	(157)	-	(4,691)

34. Operating segments (continued)

	Note	Trading	Renewable energy	Property development	Healthcare	Others	Adjustments and eliminations	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023 (continued)								
Assets								
Segments assets	(d)	74,164	77,148	32,611	12,155	597	-	196,675
Included in segment assets are:								
Additional to non-current assets other than financial instruments	(e)	75	56,311	2,803	640	-	1,532	61,361
Liabilities								
Segment liabilities	(f)	14,052	17,099	796	11,758	376	-	44,081

34. Operating segments (continued)

	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
2022								
Revenue								
Revenue from external customers, restated		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

34. Operating segments (continued)

	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
2022 (continued)								
Assets								
Segments 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

34. Operating segments (continued)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(a) Inter-segment revenue 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:

	2023	2022
	RM'000	RM'000
Inventories written down	136	24
Reversal of inventories written down	-	(1,190)
Net impairment (gain)/loss on financial assets	(2,101)	11,989
Gain on disposal of property, plant and equipment	12	-
Property, plant and equipment written off	-	57
Impairment losses on goodwill	-	5,130
	(1,953)	16,010

(c) The following items are added to/(deducted from) segment loss to arrive at profit/(loss) presented in the statements of profit or loss:

	2023	2022
	RM'000	RM'000
Segment (loss)/profit	(4,691)	29,816
Finance income	225	897
Finance costs	(687)	(1,921)
	(5,153)	28,792

(d) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	2023	2022
	RM'000	RM'000
Segment assets	196,675	146,878
Tax recoverable	496	483
	197,171	147,361

34. Operating segments (continued)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (continued):

(e) Additions to non-current assets consist of:

	2023 RM'000	2022 RM'000 Restated
Purchase of property, plant and equipment	61,361	14,749
Purchase of right-of-use assets	-	1,475
Purchase of investment properties	-	2,047
Inventories	-	388
Goodwill on consolidation, net of impairment losses	-	11,100
	61,361	29,759

(f) The following items are added to segment liabilities to arrive at total liabilities reported in the statement of financial position:

	2023 RM'000	2022 RM'000
Segments liabilities	44,081	41,275
Deferred tax liabilities	2,355	2,428
Borrowings	27,183	18,689
Tax payable	251	41
	73,870	62,433

35. Financial instruments

35.1 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")

	AC RM'000	FVTOCI RM'000
2023		
Financial assets		
Group		
Other investments	-	394
Trade receivables	6,048	-
Other receivables	23,633	-
Cash and cash equivalents	5,267	-
	34,948	394

35. Financial instruments (continued)

35.1 Categories of financial instruments (continued)

	AC RM'000	FVTOCI RM'000
2023		
Financial assets		
Company		
Other investments	-	356
Trade receivables	50	-
Other receivables	20,758	-
Amount due from subsidiaries	66,237	-
Cash and cash equivalents	2,708	-
	89,753	356
2022		
Financial assets		
Group		
Other investments	-	599
Trade receivables	3,882	-
Other receivables, *restated*	23,725	-
Amount due from an associate	12	-
Cash and cash equivalents	2,672	-
	30,291	599
Company		
Other investments	-	356
Trade receivables	214	-
Other receivables, *restated*	18,627	-
Amount due from subsidiaries	21,569	-
Amount due from an associate	12	-
Cash and cash equivalents	811	-
	41,233	356

Financial liabilities	2023 RM'000	2022 RM'000 Restated
Amortised cost		
Group		
Trade payables	5,239	7,638
Other payables	21,296	14,090
Borrowings	27,183	18,689
	53,718	40,417
Company		
Trade payables	597	1,073
Other payables	6,741	10,025
Borrowings	24,668	18,689
Amount due to subsidiaries	32,439	35,835
	64,445	65,622

35. Financial instruments (continued)

35.2 Net gains and (losses) arising from financial instruments

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	2,326	(11,092)	1,431	(10,801)
Financial liabilities at amortised cost	(687)	(1,921)	(1,342)	(1,675)
	1,639	(13,013)	89	(12,476)

35.3 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.

35.4 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.

Trade receivables

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position of the Group and of the Company.

Concentration of credit risk

The Group has major concentration of credit risk related to the amounts owing by one customer (2022: four customers) which constituted approximately 48% (2022: 24%) of total trade receivables.

35. Financial instruments (continued)

35.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses

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.

35. Financial instruments (continued)

35.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk and expected credit losses ("ECLs") for trade receivables and contract assets as at the end of the reporting period, which are grouped together as they are expected to have similar risk nature:

	Gross carrying amount RM'000	Expected credit loss RM'000	Net balance RM'000
Group			
2023			
Trade receivables			
Not past due	4,629	(633)	3,996
1 – 30 days past due	1,075	(147)	928
31 – 60 days past due	852	(117)	735
61 – 90 days past due	451	(62)	389
More than 90 days past due	56,150	(56,150)	-
	63,157	(57,109)	6,048
2022			
Trade receivables			
Not past due	1,995	(340)	1,655
1 – 30 days past due	1,610	(555)	1,055
31 – 60 days past due	1,349	(684)	665
61 – 90 days past due	414	(136)	278
More than 90 days past due	57,154	(56,925)	229
	62,522	(58,640)	3,882

35. Financial instruments (continued)

35.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Expected credit loss RM'000	Net balance RM'000
Company			
2023			
Trade receivables			
Not past due	50	-	50
1 – 30 days past due	-	-	-
31 – 60 days past due	-	-	-
61 – 90 days past due	-	-	-
More than 90 days past due	34,815	(34,815)	-
	34,865	(34,815)	50
2022			
Trade receivables			
Not past due	85	(8)	77
1 – 30 days past due	32	(4)	28
31 – 60 days past due	56	(8)	48
61 – 90 days past due	69	(12)	57
More than 90 days past due	34,934	(34,930)	4
	35,176	(34,962)	214

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

	Group RM'000	Company RM'000
Balance at 1 July 2021	48,185	24,437
Amounts written off	(27)	(12)
Net remeasurement of loss allowance	10,482	10,537
Balance at 30 June 2022/1 July 2022	58,640	34,962
Amounts written off	(81)	-
Net remeasurement of loss allowance	(1,450)	(147)
Balance at 30 June 2023	57,109	34,815

35. Financial instruments (continued)

35.4 Credit risk (continued)

Cash and cash equivalents

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.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from tender deposits and utilities deposits.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting year, there was no indication that other receivables are not recoverable except for those disclosed in Note 12 to the financial statements.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group amounts to RM3,829,000 (2022: RM4,175,000) representing the outstanding performance guarantee as at the end of the reporting period.

35. Financial instruments (continued)

35.4 Credit risk (continued)

Financial guarantees (continued)

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligations to the bank in full or the subsidiary is continuously loss making and is having a deficit shareholders' fund. The Company determines the probability of default of the guaranteed loans individually using internal information available.

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.

Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statement 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 8 and 14 to the financial statements.

35.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings and lease liabilities.

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 it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

35. Financial instruments (continued)

35.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Within 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2023						
Non-derivative financial liabilities						
Trade payables	5,239	-	5,239	5,239	-	-
Other payables	21,296	-	21,296	21,296	-	-
Lease liabilities	11,404	1.49 - 6.89	18,393	1,181	3,307	13,905
Borrowings	27,183	6.76 - 7.72	39,875	10,442	11,704	17,729
	65,122		84,803	38,158	15,011	31,634
2022						
Non-derivative financial liabilities						
Trade payables	7,638	-	7,638	7,638	-	-
Other payables, *restated*	14,090	-	14,090	14,090	-	-
Lease liabilities	12,050	1.49 - 6.89	19,617	1,224	3,792	14,601
Borrowings	18,689	6.76 - 7.72	30,246	7,593	7,330	15,323
	52,467		71,591	30,545	11,122	29,924

35. **Financial instruments (continued)**

35.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Within 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2023						
Non-derivative financial liabilities						
Trade payables	597	-	597	597	-	-
Other payables	6,741	-	6,741	6,741	-	-
Amount due to subsidiaries	32,439	-	32,439	32,439	-	-
Lease liabilities	209	1.49	214	184	30	-
Borrowings	24,668	6.97 – 7.72	35,890	9,893	10,674	15,323
	64,654		75,881	49,854	10,704	15,323
Financial guarantee	-	-	3,829	3,829	-	-
2022						
Non-derivative financial liabilities						
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	- 1.49	397	183	214	-
Borrowings	18,689	4.96 – 6.72	30,246	7,593	7,330	15,323
	66,010		77,576	54,709	7,544	15,323
Financial guarantee	-	-	4,175	4,175	-	-

35. Financial instruments (continued)

35.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and Company's financial position or cash flows.

35.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk on income and expenses that are denominated in a currency other than the respective functional currencies of the Group and of the Company. The currencies giving rise to this risk are primarily United States Dollar ("USD").

Any reasonable 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 material impact on the profit/loss after tax and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

35.6.2 Interest rate risk

Risk management objectives, policies and processes for managing the risk

The Group's investment in fixed rate loans and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate loans and borrowings are exposed to a 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.

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.2 Interest rate risk (continued)

Exposure to interest rate risk (continued)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2023	2022
	RM'000	RM'000
Fixed rate instruments		
Financial liabilities		
Lease liabilities	11,404	12,050
Floating rate instruments		
Financial liabilities		
Term loans	19,562	12,047
Overdraft facilities	7,621	6,642
	27,183	18,689

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Company	
	2023	2022
	RM'000	RM'000
Fixed rate instruments		
Financial assets		
Lease liabilities	209	388
	209	388
Floating rate instruments		
Financial liabilities		
Term loans	17,047	12,047
Overdraft facilities	7,621	6,642
	24,668	18,689

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.2 Interest rate risk (continued)

(a) *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have (decreased)/increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Post-tax profit/(loss)	
	50 bp increase	**50 bp decrease**
Group	**RM'000**	**RM'000**
2023		
Floating rate instruments	1,033	(1,033)
2022		
Floating rate instruments	710	(710)

Interest rate risk sensitivity analysis (continued)

	Post-tax profit/(loss)	
	50 bp increase	**50 bp decrease**
Company	**RM'000**	**RM'000**
2023		
Floating rate instruments	937	(937)
2022		
Floating rate instruments	710	(710)

35.7 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.

35. Financial instruments (continued)

35.8 Fair value information

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short-term borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments. The carrying amounts of hire purchase liabilities also approximate their fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities. The table below analyses other financial instruments at fair value:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value		Total fair value	Carrying amount
Group	**Level 1**	**Level 2**	**Total**	**Level 3**	**Total**		
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets							
Other investments							
- quoted shares	38	-	38	-	-	38	38
- club membership	-	356	356	-	-	356	356
	38	356	394	-	-	394	394
Financial liabilities							
Borrowings	-	-	-	25,235	25,235	25,235	27,183
2022							
Financial assets							
Other investments							
- quoted shares	243	-	243	-	-	243	243
- club membership	-	356	356	-	-	356	356
	243	356	599	-	-	599	599
Financial liabilities							
Borrowings	-	-	-	17,512	17,512	17,512	18,689

35. Financial instruments (continued)

35.8 Fair value information (continued)

The table below analyses other financial instruments at fair value (continued):

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value		Total fair value	Carrying amount
Company	**Level 1**	**Level 2**	**Total**	**Level 3**	**Total**		
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets							
Other investments							
- club membership	-	356	356	-	-	356	356
Financial liabilities							
Borrowings	-	-	-	22,900	22,900	22,900	24,668
2022							
Financial assets							
Other investments							
- club membership	-	356	356	-	-	356	356
Financial liabilities							
Borrowings	-	-	-	17,512	17,512	17,512	18,689

Level 2 fair value

Other investments

The fair value of other investments is determined based on the net assets value as stipulated in the statements provided by the counterparties of the investments.

35. Financial instruments (continued)

35.8 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either directions).

Level 3 fair value

Valuation process applied by the Group for Level 3 fair value

For financial instruments not carried at fair value, the Group has applied discounted cash flows valuation technique using a rate based on the current market rate of borrowings of respective Group entities at the reporting date in determination of fair values within Level 3.

36. 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 shareholder's 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. The debt-to-equity ratio is calculated as total debt divided by total equity less goodwill. Total debt is including banker's acceptances, overdraft 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.

The debt-to-equity ratios at the end of the reporting periods were as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Total debt	38,587	30,739	24,877	19,077
Total equity	123,302	85,495	65,260	19,317
Debt-to-equity ratio	0.31	0.36	0.38	0.99

37. Capital commitment

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Contracted but not provided for:				
- Acquisition of a property	-	2,523	-	-
- Construction of solar project	1,300	-	-	-
- Acquisition of Solar Asset and Hydro Asset via issuance of shares (Note 40)	171,407	171,407	171,407	171,407

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 was to have its first trial in March 2024. The management has represented that the claim amount will be covered by the malpractice insurance.

As there is no outcome yet arising from the case, 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. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its subsidiaries and key management personnel.

39. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 8 and 14.

	Company	
	2023	2022
	RM'000	RM'000
Sales to subsidiaries	3	2,986
Purchases from subsidiaries	-	800
Management fees received from subsidiaries	1,307	1,415
Rental charged to subsidiaries	-	48
Selling and distribution charges charged by a subsidiary	-	463
Dividend received from a subsidiary	-	54,000

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.

The transactions with key management personnel are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Remuneration of other key management personnel		
- Short-term employee benefits	2,547	1,503
- Defined contribution plan	336	181
Renovation services provided to a Director	213	184
	3,096	1,868

40. Significant events

(a) On 22 September 2021, the Company has entered into the following share sales agreement ("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.

(b) On 3 and 4 April 2023, it was announced that the Company and the respective vendors for the Proposed Acquisitions of both Hydro Assets and Solar Assets have mutually agreed to extend the CP Fulfilment Date of the SSAs to 31 March 2024. It was also mutually agreed by all parties that the Solar Assets and Hydro Assets being transferable or transferred (as the case may be) to and in the name of Jentayu Sustainables Berhad or its elected nominee, which shall be a wholly-owned subsidiary of Jentayu Sustainables Berhad, if it so chooses.

40. Significant events (continued)

(c) The Company has successfully listed shares in four tranches amounting to 30,000,000, 28,469,600, 12,562,500 and 25,910,000 representing 30% of the total number of issued shares on 9 September 2022, 27 January 2023 and 22 June 2023, and 28 July 2023 respectively. The proceeds are to be utilised as follows:

	Utilisation of proceeds	Indicative amount of utilisation *RM'000*		Intended timeframe for utilisation
		Min.	Max.	
(i)	Partially finance the pre-development expenditures for the Project Oriole	20,000	31,000	Within 12 months
(ii)	Future viable investment in renewable energy projects	4,000	8,000	Within 12 months
(iii)	Working Capital	13,358	17,077	Within 3 months
(iv)	Expansion of healthcare division	1,000	1,000	Within 6 months
(v)	Estimated expenses in relation to the private placement	1,400	1,400	Within 3 months
	Total estimated proceeds	**39,758**	**58,477**	

(d) On 6 April 2023, the Company announced that Ohana Specialist Hospital ("Ohana") which is managed by Ultimate Forte Sdn Bhd, a wholly owned subsidiary of the Company has been closed temporarily as the licence was revoked due to non-compliance of mandated operating procedures. The Company was served the notice on 5 April 2023.

On 16 June 2023 the Company announced that Ohana, has on 15 June 2023 received the license from the Ministry of Health for the reopening of the Hospital.

40. Significant events during the financial year and subsequent to the reporting period (continued)

(e) On 15 December 2021, the Company announced that Oriole Power Sdn Bhd, a wholly-owned subsidiary of Jentayu Sustainables Berhad had entered into shareholders' agreement with Inno Hydropower (M) Sdn Bhd to regulate the relationship inter se of the shareholders of a joint venture company known as "Oriole Hydro Maligan Sdn Bhd" to jointly develop of a run-of-river hydropower cascading scheme in Sungai Maligan, Sipitang, Sabah with a proposed installed capacity of up to 31MW, and shareholders' agreement with Elopura Power Sdn Bhd to regulate the relationship interest of the shareholders of a joint venture company known as "Oriole Hydro Padas Sdn Bhd" to jointly develop of a run-of-river hydropower cascading scheme in Ulu Padas, Sipitang, Sabah with a proposed installed capacity of up to 129MW.

The State Government of Sabah has awarded the right to develop these 2 run-of-river hydroelectric cascading schemes. These small hydropower plants will be designed and constructed based on a run-of-the-river hydropower design, and are scheduled for completion by end 2027. The estimated project cost to set up these small hydropower plants will amount to approximately RM2.77 billion. The Group has as at 30 June 2023 already incurred approximately RM69.2 million towards the development of these 2 small hydropower plants.

41. Subsequent events

(a) On 21 July 2023, the Company announced that it has entered into a Memorandum of Understanding with Sumitomo Corporation at its headquarters in Tokyo, Japan to enter into a detailed discussion and due diligence process to solidify a potential collaboration on the following:

(i) Joint development and investment into the Company's existing projects;
(ii) Joint operation of company conducting business related to power plant projects; and
(iii) Joint development and investment into other potential renewable power plant projects.

(b) On 26 July 2023, it was announced that the Company and Hydro SSA 1 vendors have entered into a second supplementary agreement. This supplementary agreement clarifies the intention of the Company to acquire 100% of the Preference Shares and Junior Bonds of the Hydro Assets as part of the ultimate acquisition of the Hydro Assets.

(c) On 28 July 2023, the Company has successfully listed shares for the last tranche of 25,910,000 ordinary shares amounting RM21,246,200. The new ordinary shares issued represent 8% of the total number of the Proposed Private Placement of up to 142,627,665 shares, and not more than 30% of the total number of issued Jentayu Sustainables shares to third party investor(s), which was approved at a General Meeting of the shareholders of the Company on 27 July 2022.

42. Comparatives

Certain reclassification were made to comparative figures to conform with current year presentation as below:

	2022		
Group	**As previously reported RM'000**	**Re-classification RM'000**	**As restated RM'000**
(i) Reclassification of capital work in progress to prepayment			
Statement of financial position			
Property, plant and equipment	20,877	(1,429)	19,448
Other receivables	22,296	1,429	23,725
Statement of cash flows			
Receivables	(14,633)	(1,429)	(16,062)
Purchase of property, plant and equipment	(16,178)	1,429	(14,749)
(ii) Reclassification of other payables to contract liabilities			
Statement of financial position			
Other payables	20,296	(6,206)	14,090
Contract liabilities	1,267	6,206	7,473
Statement of cash flows			
Contract liabilities	1,168	6,206	7,374
Payables	15,592	(6,206)	9,386
(iii) Reclassification of fees paid to doctors			
Statement of profit or loss and other comprehensive income			
Revenue	83,908	(1,060)	82,848
Cost of sales	(78,723)	1,060	(77,663)

42. Comparatives (continued)

Company	2022 As previously reported RM'000	Re-classification RM'000	As restated RM'000
(i) Reclassification of capital work in progress to prepayment			
Statement of financial position			
Property, plant and equipment	5,138	(1,429)	3,709
Other receivables	17,198	1,429	18,627
Statement of cash flows			
Receivables	(14,137)	(1,429)	(15,566)
Purchase of property, plant and equipment	(2,954)	1,429	(1,525)

The above reclassifications do not have any impact on the earnings/(loss) for ordinary shares of the Group.

Jentayu Sustainables Berhad
(Registration No. 197501000834 (22146-T))
(Incorporated in Malaysia)
and its subsidiaries

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 86 to 195 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 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

....

Baevinraj Thiagarajah
Director

Kuala Lumpur
Date: 27 October 2023

Jentayu Sustainables Berhad
(Registration No. 197501000834 (22146-T))
(Incorporated in Malaysia**)**
and its subsidiaries

Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016

I, **Noor Erni Surya Binti Noordin**, the officer primarily responsible for the financial management of Jentayu Sustainables Berhad, do solemnly and sincerely declare that the financial statements set out on pages 86 to 195 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Noor Erni Surya Binti Noordin, NRIC: 720502-02-5060, MIA CA 46318, at Kuala Lumpur, Wilayah Persekutuan on 27 October 2023.

....
Noor Erni Surya Binti Noordin

Before me,
Commissioner for Oaths
Siti Nurbaya binti Mohd Bisharuddin
(No: W738)

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
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47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JENTAYU SUSTAINABLES BERHAD

(Registration No. 197501000834 (22146-T))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jentayu Sustainables Berhad, which comprise the statements of financial position as at 30 June 2023 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 195.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

i) Impairment consideration related to the intangible assets of the Group's hospital cash generating unit ("CGU")

Refer to Note 2(a)(ii) – Significant accounting policy: Business combinations, Note 2(i)(ii) Non-financial assets and Note 10 Goodwill on consolidation.

The key audit matter

As at 30 June 2023, the carrying amount of the intangible assets related to the hospital CGU of the Group mainly consist of goodwill amounting RM11.1 million representing 5.6% of the Group's total assets. Goodwill acquired in a business combination is required to be tested for impairment annually.

The Group estimated the recoverable amount of the hospital CGU assets based on the value in use (VIU) method.

We identified this as a key audit matter because of the significance of the balances, the inherent uncertainties in the key assumptions used by the Group, and the level of judgement required by us in evaluating the Group's impairment assessments.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the reasonableness of the Group's VIU model and key assumptions used, in particular those relating to the projected revenue, gross profit margin and discount rate, with reference to internally and externally derived sources of information and taking into account the Group's historical forecasting accuracy.
- Performed sensitivity analysis on the different key assumptions of the cash flow projections to understand which judgements and assumptions were most sensitive in impairment assessment.
- Assessed the adequacy of the Group's disclosures in the financial statements in respect of the key assumptions that reflect the risks inherent in the impairment assessment.

ii) Impairment consideration of trade receivables

Refer to Note 2(i)(i) – Significant accounting policy: Impairment – financial assets, Note 11 – Trade receivables, and Note 35.4 – Financial instruments – Credit risk – Trade receivables.

The key audit matter

As at 30 June 2023, the Group has gross trade receivables of RM63.1 million prior to impairment and net trade receivables of RM6.0 million after impairment, representing 3.1% of the Group's assets.

The impairment of trade receivables is estimated by the Group using the expected credit loss ("ECL") model.

We identified this as a key audit matter because of the significance of the balances and the related estimation uncertainty involved in the impairment assessment.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the management's assessments on indicators of impairment or reversal of impairment.
- Evaluated the reasonableness of the Group's ECL model and adequacy of allowance for impairment loss by assessing the Group's transaction history with the customers and checking subsequent receipts from the customers. .
- Tested the accuracy and reliability of the trade receivables ageing report used in the Group's ECL model.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 annual report 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 annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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 internal control of the Group and of the Company.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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 gives a true and fair view.

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matters(s)

1. The financial statements of the Group and of the Company as at and for the year ended 30 June 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 28 October 2022.

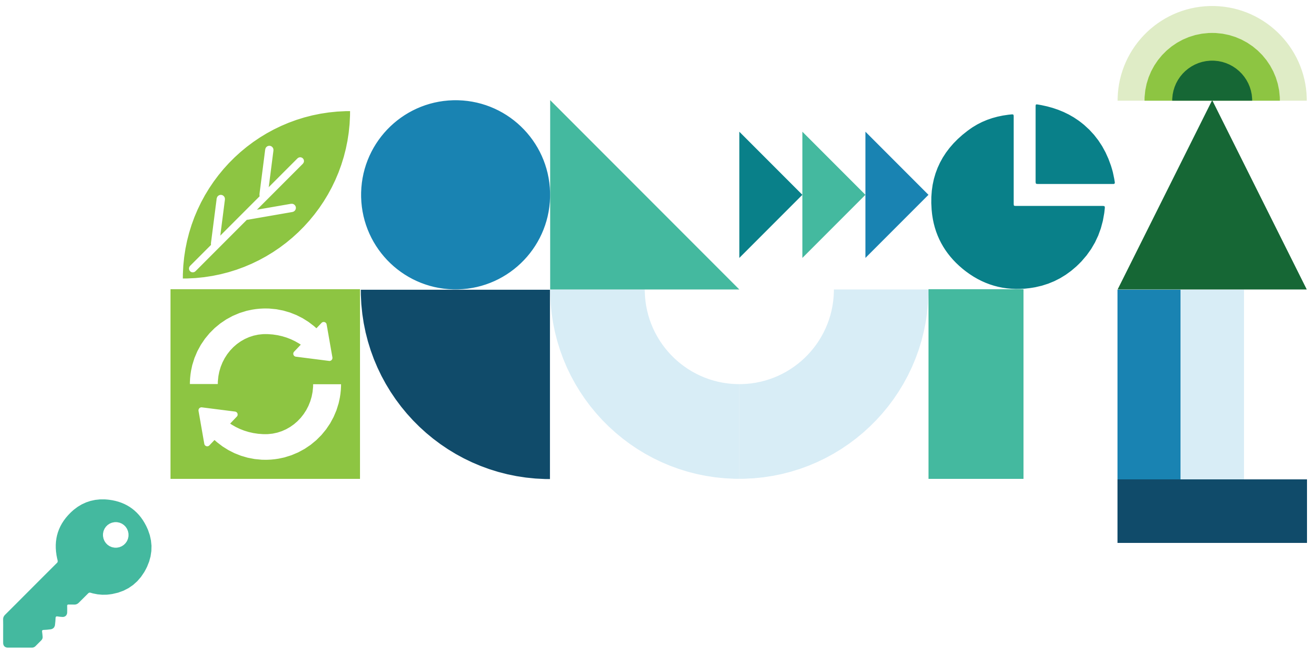
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Muhammad Azman Che Ani
Approval Number: 02922/04/2024 J
Chartered Accountant

Petaling Jaya

Date: 27 October 2023



Additional Information

Analysis of Shareholdings as at 29 September 2023

Issued Shares.. **420,219,700**

Class of Shares .... **Ordinary Shares**

Voting Rights .... **One Vote Per Ordinary Share Held**

Analysis by Size of Shareholdings as at 29 September 2023

Directors	No. of Shareholders	%	No. of Shares	%
1 – 99	47	1.51	816	0.00
100 - 1,000	206	6.63	114,344	0.03
1,001 - 10,000	2,024	65.10	8,097,530	1.93
10,001 - 100,00	572	18.40	18,298,242	4.35
100,001 – 21,010,984 (*)	259	8.33	352,908,768	83.98
21,010,985 and above (**)	1	0.03	40,800,000	9.709
TOTAL	**3,109**	**100.00**	**420,219,700**	**100.00**

Notes:

* Less than 5% of Issued Holdings

** 5% and above of Issued Holdings

Thirty Largest Shareholders Based on Record of Depositors as at 29 September 2023

This list of thirty largest (30) shareholders is without aggregating securities from different securities accounts belonging to the same persons.

No.	Name of Shareholders	No. of Shares	%
1.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Nurhaida Abu Sahid (JCSB)	40,800,000	9.71
2.	Nurhaida Binti Abu Sahid	20,028,900	4.77
3.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Beroz Nikmal Bin Mirdin (MGN-BNM0001M)	18,731,700	4.46
4.	Yap Swee Sang	17,640,000	4.20
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jeefri Bin Muhamad Yusup	14,867,500	3.54
6.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chai Chan Tong	14,100,000	3.36
7.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jeefri Bin Muhamad Yusup (MI0075)	13,481,800	3.21
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jinata Bin Muhamad Yusup	9,385,000	2.23
9.	Baevinraj Thiagarajah	9,000,000	2.14
10.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Abdullah Faroff Bin Husain	8,244,800	1.96

Thirty Largest Shareholders Based on Record of Depositors as at 29 September 2023 (Cont'd)

This list of thirty largest (30) shareholders is without aggregating securities from different securities accounts belonging to the same persons.

No.	Name of Shareholders	No. of Shares	%
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Foong Choong Heng (PB)	8,085,100	1.92
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Lee Sze Suen (PW-M00650)(419672)	7,708,000	1.83
13.	Gerald Nicholas Tan Eng Hoe	6,495,900	1.55
14.	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gerald Nicholas Tan Eng Hoe	6,103,000	1.45
15.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Siew Mun Chuang (PB)	5,709,300	1.36
16.	BIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Abdullah Faroff Bin Husain (MGNM84101)	5,676,600	1.35
17.	Citigroup Nominees (Asing) Sdn. Bhd. UBS AG	5,651,400	1.35
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Kin Lip (MY0502)	4,600,000	1.10
19.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Abdullah Faroff Bin Husain (STF)	4,495,000	1.07
20.	Lim Meng Hong	3,735,800	0.89

Thirty Largest Shareholders Based on Record of Depositors as at 29 September 2023 (Cont'd)

This list of thirty largest (30) shareholders is without aggregating securities from different securities accounts belonging to the same persons.

No.	Name of Shareholders	No. of Shares	%
21.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chiau Beng Teik	3,714,000	0.88
22.	Chan Wey Han	3,575,000	0.85
23.	Jean-Michel Marie Gathy	3,300,000	0.79
24.	M Satya Riayatsyah Bin Syafruddin	3,296,300	0.78
25.	Foo Chu Jong	3,260,000	0.78
26.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Hun Seng	3,250,000	0.77
27.	Leong Kok Cheng	3,000,000	0.71
28.	Teoh Ko Chuan	2,900,000	0.69
29.	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Beow Soon	2,860,000	0.68
30.	Law Kok Thye	2,830,000	0.67

Substantial Shareholders as at 29 September 2023

This list of substantial shareholders is based on the register of substantial shareholders' shareholdings belonging to the same persons.

Substantial Shareholders	Direct	%	Indirect	%
Datin Hajjah Nurhaida Binti Abu Sahid	63,528,900	15.12	-	-
Datuk Haji Beroz Nikmal Bin Mirdin	19,385,700	4.61	63,528,900(1)	15.12

Notes

(1) Deemed interested by virtue of his spouse's shareholding in the Company.

Statement of Directors' Shareholdings as at 29 September 2023

This list of statement of Directors' shareholdings is based on the register of directors' shareholdings.

Directors	Direct	%	Indirect	%
Datuk Haji Beroz Nikmal Bin Mirdin	19,385,700	4.61	63,528,900 (a)	15.12
Abdul Halim Bin Jantan	2,650,000	0.63	-	-
Baevinraj Thiagarajah	9,000,000	2.14	-	-
Dato' Amiruddin Bin Abdul Satar	1,800,000	0.43	-	-
Jeefri Bin Muhamad Yusup	20,349,300	4.84	-	-
Pamela Kung Chin Woon	-	-	-	-
Tobias Hjalmar Mangelmann	-	-	-	-

Notes:

(a) Deemed interested by virtue of his spouse's shareholding in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

Analysis of Warrant Holdings as at 29 September 2023

Number of outstanding Warrants B issued **152,147,950**

Exercise price **RM0.66**

Expiry date .... **20 February 2032**

Analysis by Size of Warrant Holdings as at 29 September 2023

Size of Warrant B Holdings	No. of Warrant B Holders	%	No. of Warrants B	%
1 - 99	121	5.12	4,520	0.00
100 - 1,000	107	4.52	43,983	0.03
1,001 - 10,000	1,733	73.28	5,080,432	3.34
10,001 - 100,000	290	12.26	9,282,115	6.10
100,001 – 7,609,296 (*)	110	4.65	81,370,750	53.48
7,609,297 and above (**)	4	0.17	56,366,150	37.05
Total	**2,365**	**100.00**	**152,147,950**	**100.00**

Notes:

* - Less than 5% of Issued Holdings

** - 5% and above of Issued Holdings

Statement of Directors' Warrant Holdings as at 29 September 2023

The statement of Directors' warrant holdings is based on the register of Directors' shareholdings of JSB as at 29 September 2023 are as follows:

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	2,614,500	1.72	550,000#	0.36
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	-	-	-	-
Tobias Hjalmar Mangelmann	-	-	-	-

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

Thirty Largest Warrant Holders as at 29 September 2023

This list of thirty (30) largest warrant holders is without aggregating securities from different securities accounts belonging to the same persons.

No.	Name of Warrant Holders	No. of Warrants	%
1.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Nurhaida Binti Abu Sahid (JCSB)	20,400,000	13.40
2.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jinata Bin Muhamad Yusup	16,585,850	10.90
3.	Nurhaida Binti Abu Sahid	10,014,450	6.58
4.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Beroz Nikmal Bin Mirdin (MGN-BNM0001M)	9,365,850	6.16
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Shaffrina Binti Ibrahim	6,526,500	4.29
6.	Baevinraj Thiagarajah	4,500,000	2.96
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Abdullah Faroff Bin Husain	4,186,000	2.75
8.	Dutariang Sdn. Bhd.	3,860,250	2.54
9.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Lee Sze Suen (PW-M00650)(419672)	3,766,500	2.48
10.	BIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Abdullah Faroff Bin Husain (MGNM84101)	2,988,300	1.96

Thirty Largest Warrant Holders as at 29 September 2023 Cont'd)

This list of thirty (30) largest warrant holders is without aggregating securities from different securities accounts belonging to the same persons.

No.	Name of Warrant Holders	No. of Warrants	%
11.	Virginia Mandy De Silva	2,300,000	1.51
12.	Azra Bin Kamarudin	2,250,000	1.48
13.	Lim Meng Hong	2,000,000	1.32
14.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jeefri Bin Muhamad Yusup	1,906,000	1.25
15.	Zakaria Rakesh Bin Abu Bakkar Seddek	1,876,000	1.23
16.	Lim Meng Hong	1,854,300	1.22
17.	Jean-Michel Marie Gathy	1,650,000	1.08
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Vincent Wong Soon Choy	1,500,000	0.99
19.	Leong Kok Cheng	1,500,000	0.99
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Azman Bin Kamaruddin	1,350,500	0.89

Thirty Largest Warrant Holders as at 29 September 2023 (Cont'd)

This list of thirty (30) largest warrant holders is without aggregating securities from different securities accounts belonging to the same persons.

No.	Name of Warrant Holders	No. of Warrants	%
21.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Nurhaida Binti Abu Sahid (MGN-BNM0001M)	1,350,000	0.89
22.	Mok Check Chee	1,322,400	0.87
23.	Goh Siew Tee	1,319,300	0.87
24.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Meow Ling (MF00411)	1,283,200	0.84
25.	Abdul Halim Bin Jantan	1,125,000	0.74
26.	Anis Bin Affandi	935,400	0.62
27.	Noor Azrina Binti Mohd Azmi	882,000	0.58
28.	Chan Wey Han	850,000	0.56
29.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB For Lee Kok Chuan (PB)	850,000	0.56
30.	Koh Mun Wai	850,000	0.56

List of Properties as at 30 June 2023

No.	Property Location	Unit	Size (m²)	Tenure	Owner Name	Net Book Value (RM)
Kedah						
1	No 3, Jalan Sutera Jaya 2/1, Taman Sutera Jaya, 06000 Sungai Petani, Kedah.	Shop Office	149	Leasehold (1/12/2092)	JSB	200,000
Pulau Pinang						
2	Lot 487 & 509, Jalan Bagan Dalam, 12100, Butterworth, Pulau Pinang.	Land	12,291	Freehold	Roset BLG Sdn. Bhd.	20,000,000
3	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
WP Kuala Lumpur						
4	CG09 Block C, Plaza Pekeliling, 50400 Kuala Lumpur.	Shop Office	103	Freehold	JSB	550,000
	CG10 Block C, Plaza Pekeliling, 50400 Kuala Lumpur.	Shop Office	171	Freehold	JSB	1,100,000
5	Lot 199 Seksyen 43, Jalan Mayang, 50450 Kuala Lumpur.	Land	1,197	Freehold	JSB	25,000,000
6	13A-10, Residensi V, No 8, Jalan Sepadu 5, 58200 Kuala Lumpur.	Apartment	60	Freehold	Roset BLG Sdn. Bhd.	530,000
Melaka						
7	B4-22-31B, 22nd Foor Tower 4, Villa D'Savoy Condo Park A Famosa Resort, 78000 Alor Gajah, Melaka.	Apartment	101	Freehold	Ipmuda Selatan Sdn. Bhd.	120,000
8	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
Johor						
9	PTD 129839, Masai, Mukim Plentong, 81700 Johor.	Land	816	Freehold	Ipmuda Selatan Sdn. Bhd.	130,000

List of Properties as at 30 June 2023 (Cont'd)

No.	Property Location	Unit	Size (m²)	Tenure	Owner Name	Net Book Value (RM)
Selangor						
10	A4-4, Apartment Seri Kembangan, Jalan Bukit Beruntung 1, 48300 Rawang, Selangor.	Low Cost Apartment	61.3	Freehold	JSB	40,000
11	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.	88,749
Perak						
12	1, Jalan Hala Dato 2, 30000, Ipoh, Perak.	Shop office	339	Freehold	JSB	963,500
Negeri Sembilan						
13	No 44, Jalan TSJ 8/1B, Taman Seremban, Negeri Sembilan.	Shop Office	164	Freehold	Ipmuda Selatan Sdn. Bhd.	133,230
Sabah						
14	Lot No. R-10-02 (DBKK No. B2-10-02), Block B, Level Tenth, Kota Kinabalu, Sabah	Business /Office Suite	372.13	Leasehold (31/12/2096)	Ipmuda Properties Sdn. Bhd.	2,766,120
15	Unit A-7-8, Block Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	152.36	Leasehold (17/5/2908)	Ipmuda Properties Sdn. Bhd.	512,714
16	Unit A-3A-5, Block Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	184	Leasehold (17/5/2908)	Ipmuda Properties Sdn. Bhd.	773,586
17	Unit A-3A-4, Block Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	184	Leasehold (17/5/2908)	Ipmuda Properties Sdn. Bhd.	792,148
18	Unit C-5-3, Block Kondominium Kristal 88450 Kota Kinabalu, Sabah	Apartment	143	Leasehold (17/5/2908)	Ipmuda Properties Sdn. Bhd.	257,139

Corporate Directory

JENTAYU Sustainables Berhad
Company Reg No. : 197501000834 (22146-T)
(Headquarters @ Kuala Lumpur)
Unit 25-01, Level 25, Menara Felda,
11 Persiaran KLCC, 50088 Kuala Lumpur.
Tel : +603 9212 7878

JENTAYU Sustainables Berhad
Company Reg No. : 197501000834 (22146-T)
(Headquarters @ Kota Kinabalu)
Lot No. R-10-02, Block B, Level 10,
Riverson Suites, Off Coastal Highway,
88100 Kota Kinabalu, Sabah.
Tel : +6088 335 338

IPMUDA Buildermart Sdn. Bhd.
Company Reg.No. : 198201014812 (94576-T)
IPMUDA Edar Sdn. Bhd.
Company Reg. No. : 198301005622 (100829-X)
No. 3 Jalan Kartunis U1/47,
Taman Perindustrian Temasya,
Hicom-Glenmarie Industrial Park,
40150 Shah Alam, Selangor.
Tel : +603 9212 7879

OHANA Specialist Hospital
(Ultimate Forte Sdn. Bhd.)
Company Reg No. : 201201029805 (1014292-D)
No 9, 11, 13-1 and 13-2, Jln Seri Rejang,
Rampai Business Park South, Setapak,
53300 Kuala Lumpur
Tel : +603 9212 7878

IPMUDA Buildermart Sdn. Bhd.
Company Reg. No. : 198201014812 (94576-T)
(Branch Office)
No. 1 Hala Datoh 2, 30000 Ipoh, Perak.
Tel : +605 253 8030
IPMUDA Edar Sdn. Bhd.
Company Reg. No. : 198301005622 (100829-X)
(Store)
No. 3, Laluan Perindustrian Silibin 1,
Jalan Jelapang, 30020,
Ipoh, Perak

IPMUDA Properties Sdn. Bhd.
Company Reg. No. : 198801000648 (168005-V)
Kristal Kondominium, Block A, Jalan Kepayan,
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