



# JAKS RESOURCES BERHAD

(200201017985 [585648-T])



2023



## Annual **REPORT**

TOWARDS  
BETTER  
PERFORMANCE



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# JAKS AT A GLANCE

The business of JAKS was started by our founder Datuk Ang Ken Seng in the 60's from the humble beginning as a plumber providing services to residential premises. Datuk Ang's vision to be a major player in the water reticulation works eventually led to the incorporation of JAKS Sdn Bhd in 1987, which eventually became the core business and subsidiary of JAKS Resources Berhad ("JAKS") for its listing on the Main Market of Bursa Malaysia Securities Berhad on 1 July 2004 under the Construction Sector (Name & Code: JAKS & 4723). JAKS was registered with Construction Industry Development Board with a Grade 7 certification and the National Water Services Commission with Permit In-Principal Approval for water supply and sewerage.

JAKS Group of Companies was initially involved in the water supply and infrastructure of construction projects, supply and trading of building materials and steel related products. The Group, thereafter, in 2011 entered into an independent power project in Vietnam to develop a 2 x 600-megawatt coal-fired build-operate-transfer ("BOT") thermal power plant in Hai Duong Province, Vietnam ("Hai Duong BOT thermal power plant") under a 25-year concession power purchase agreement with Vietnam Electricity. Subsequently JAKS formed a joint venture with China Power Engineering Consulting Group Co Ltd to jointly build and run the Hai Duong BOT thermal power plant valued at US\$1.87 billion. This was a significant milestone for JAKS as it is the Group's first foray into the power generation sector, as well as its

maiden footprint internationally. Leveraging on the experience and capabilities gained in the construction business, the first unit of the Hai Duong BOT thermal power plant was successfully completed in November 2020, while the second unit was completed in January 2021. The investment in Hai Duong BOT thermal power plant has proven to be a rewarding venture for the Group, and is expected to continue generating strong returns to the Group. In tandem with this significant milestone, on the local front, JAKS was one of the companies that successfully secured the Large Scale Solar ("LSS4") programme under Package 2 for 50-megawatt. This will be the launchpad for the Group to grow its business and invest in the renewable energy segment.

The Group also ventured into property development of mixed residential and commercial development projects at Ara Damansara and Section 13 in Petaling Jaya, Selangor in 2013.

Today, JAKS has monetised its non-core assets whilst streamlining its core businesses to 2 key sectors in Construction sector (both locally and overseas) and Power and Renewable Energy Sector. Concurrently, the strategic move to invest internationally is to provide diversification in event of any adverse effects of the cyclical local business activities, especially the construction sector.



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## OUR VISION

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To be an innovative regional leader in the utilities, construction and infrastructure engineering industry.

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## OUR MISSION

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We will strive for excellence in providing highly reliable and cost-efficient service to our customers, without compromising in quality and safety

We will deliver our promises in building value for our organisation in order to contribute sustainable financial achievement and achieve optimum growth

We will take the lead to adopt continuous innovation and best practices to gain market competitiveness

We will provide a nurturing environment for our employees by striking a balance between rewarding performance and allowing for personal enrichment

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## CORPORATE INFORMATION



### BOARD OF DIRECTORS

**TAN SRI DATO' HJ. ABD. KARIM  
B. SHAIKH MUNISAR**  
(Chairman)  
(Independent Non-Executive Director)

**ANG LAM POAH**  
(Chief Executive Officer)

**DATO' RAZALI MERICAN BIN NAINA MERICAN**  
(Executive Director)

**ANG LAM AIK**  
(Executive Director)

**KHOR HUN NEE**  
(Independent Non-Executive Director)

**DATO' OTHMAN BIN SEMAIL**  
(Independent Non-Executive Director)

**LIM GIN GEE**  
(Independent Non-Executive Director)

#### SECRETARY

**Leong Oi Wah**  
(MAICSA 7023802)  
SSM Practicing Certificate No. 201908000717

#### REGISTERED OFFICE

802, 8th Floor  
Block C, Kelana Square  
17, Jalan SS7/26,  
47301 Petaling Jaya,  
Selangor Darul Ehsan  
Tel No : 603-7803 1126  
Fax No : 603-7806 1387  
Email : info@jaks.com.my

#### SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite,  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur,  
Wilayah Persekutuan  
Tel No : 603 -2783 9299  
Fax No : 603 -2783 9222  
Email : is.enquiry@my.tricorglobal.com

#### AUDITORS

**UHY**  
Suite 11.05, Level 11  
The Gardens South Tower,  
Mid Valley City,  
Lingkaran Syed Putra,  
59200 Kuala Lumpur  
Wilayah Persekutuan

#### PRINCIPAL PLACE OF BUSINESS

Unit B-09-28, Tower B,  
Pacific Towers,  
Jalan 13/6, Section 13,  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel No : 603-7660 3333  
Fax No : 603-7660 8993  
Website : www.jaks.com.my

#### PRINCIPAL BANKERS/FINANCIERS

United Overseas Bank (Malaysia) Berhad  
Malayan Banking Berhad  
Great Eastern Life Assurance (Malaysia) Berhad  
AmBank (M) Berhad  
Al Rajhi Banking & Investment Corporation  
(Malaysia) Bhd

#### STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Market)  
Stock Name : JAKS  
Stock Code : 4723



# CORPORATE STRUCTURE



**JAKS RESOURCES BERHAD**  
200201017985 (585648-T)

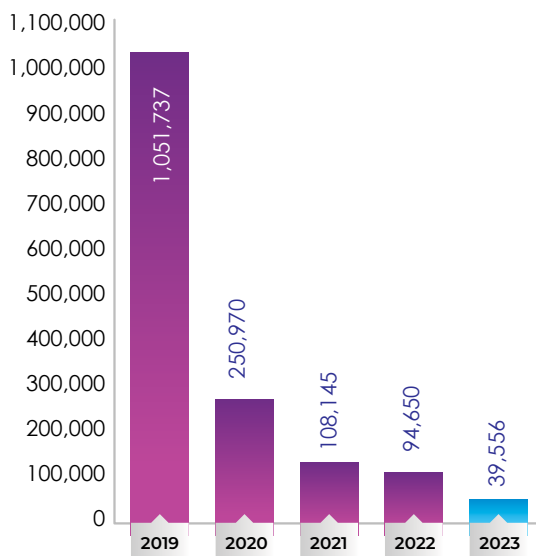




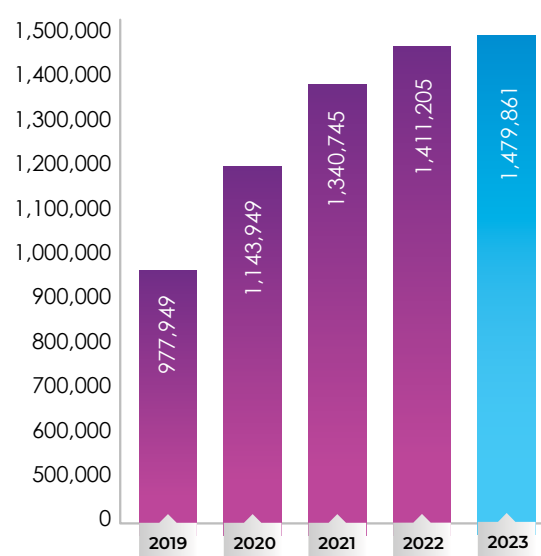
## 5 YEARS FINANCIAL HIGHLIGHTS

Group Five Years Summary	<< ----- Financial Year Ended ----- >>				
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	1,051,737	250,970	108,145	94,650	39,556
Profit / (Loss) before tax	52,630	(110,306)	30,294	37,417	12,090
Profit / (Loss) attributable to owners of the Company	108,050	(84,561)	51,759	53,778	16,744
Share Capital	659,642	924,998	1,061,612	1,074,143	1,125,105
Shareholders' funds	977,949	1,143,949	1,340,745	1,411,205	1,479,861
Number of Shares (units)	643,118	1,755,167	2,042,318	2,090,318	2,369,851
Net assets per share (RM)	1.52	0.65	0.66	0.68	0.62

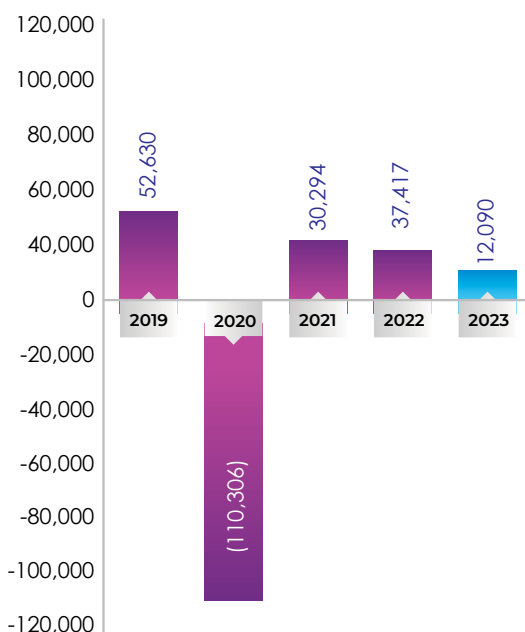
Revenue (RM'000)



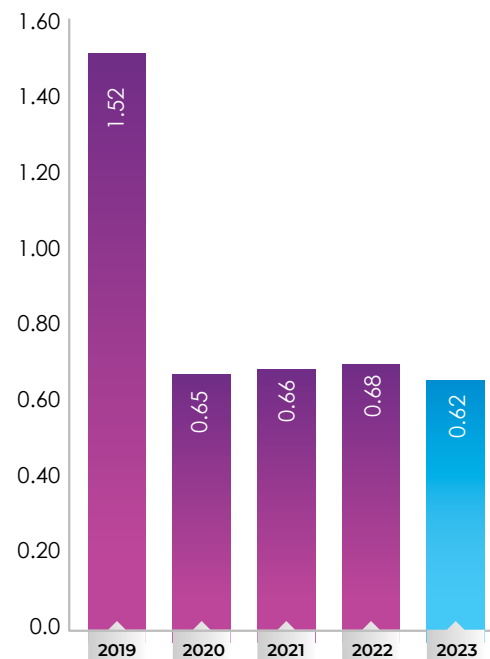
Shareholders' funds (RM'000)



Profit / (Loss) before tax (RM'000)



Net assets per share (RM)



## BOARD OF DIRECTORS



**Tan Sri Dato' Hj. Abd Karim  
Bin Shaikh Munisar**

A Malaysian, aged 73, was appointed to the Board on 17 April 2019 as an Independent Non-Executive Director. He was appointed the Chairman of the Company on 31 May 2023.

He holds a Master in Business Administration (Business Finance) from University of Edinburgh, Advanced Diploma in Economic Development (with Distinction) from University of Manchester, United Kingdom and Bachelor of Economics (Hons) from University of Malaya. He also attended an Advance Course in Urban Planning JICA in Tokyo, Japan.

In 1974, Tan Sri Dato' Hj. Abd Karim was the Assistant Director at the Ministry of Finance, Malaysia. Between 1975 to 1980, he held different position in various districts in the state of Perak as Assistant District Officer, Kinta; Chairman of Kinta District Council; Assistant District Officer 1, Kampar; Chairman of Kampar/Gopeng Municipal Council and also Assistant State Secretary of Perak (UPEN).

He was the Chief Assistant District Officer 1 (Land) of Kuantan District Office and Chief Assistant State Secretary of Pahang (Housing Division) in 1980; Deputy Director of Klang Valley Planning Secretariat, Prime Minister Department in 1982; Chief Assistant State Secretary of Selangor (Local Authority Division) in 1987.

He also served as the President of Ampang Jaya Municipal Council from 1992 to 1996. He had an outstanding career in the government sector and was the President of Petaling Jaya Municipal Council in 2003 and 2004. Prior to that, he was the District Officer cum President of Sepang District Council from 1998 to 2003. In 2005, he opted to join the corporate sector and was appointed as President of Kumpulan Darul Ehsan Berhad. Tan Sri Dato' Hj. Abd Karim was previously the Executive Chairman of various companies listed in Bursa Malaysia such as Kumpulan Perangsang Selangor Berhad, Kumpulan Hartanah Selangor Berhad and Chairman of Taliworks Corporation Berhad from 2004 to 2011.

He was also Chairman of various other companies namely Konsortium Abass Sdn Bhd, Titisan Modal Sdn Bhd, Central Spectrum Sdn Bhd, Cekal Tulin Development Sdn Bhd, JAKS-KDEB Consortium Sdn Bhd, Hydrovest Sdn Bhd and Perangsang Hotel & Properties Sdn Bhd. In addition, Tan Sri Dato' Hj. Abd Karim was also a member of the Board of Directors for Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Syarikat Pengeluaran Air Selangor Holdings Berhad (Splash), Cyberview Sdn Bhd and Alam Flora Sdn Bhd.

He currently sits on the Board of Lion Posim Berhad (formerly known as Lion Forest Industries Berhad).

He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offence within the past five years.





## Board of Directors

(cont'd)



**Ang Lam Poah**

A Malaysian, aged 56, was appointed to the Board on 23 December 2003. He is the Chief Executive Officer ("CEO") of the Company and a member of the Sustainability Committee and LTIP Committee.

He holds a Diploma in Business Administration from Toronto School of Business. Upon obtaining his diploma in 1990, he started his career with JAKS.

As the CEO of the Group, Mr Ang is instrumental in providing the leadership, business strategy and direction for the Group. He brings valuable entrepreneurship experience and business acumen to the Group.

He has been actively involved in the day-to-day operations and management of the Group's business activities that encompass the water and infrastructure construction projects and power plant and renewable energy projects. He also has experience in property development and the setting up of manufacturing plant for mild steel pipes and common clay bricks. He also holds directorships in several other private limited companies.

Ang Lam Poah is the brother to the Director, Ang Lam Aik. Save as disclosed, he does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offence within the past five years.



**Dato' Razali Merican Bin  
Naina Merican**

A Malaysian, aged 53, was appointed to the Board on 23 December 2003. He is an Executive Director of the Company and a member of the Sustainability Committee and LTIP Committee.

He has been actively involved in various businesses after the completion of his University Degree in 1995. Since then, he has acquired extensive experience and expertise especially in water, property construction and steel manufacturing industries.

Dato' Razali does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offence within the past five years.

## Board of Directors

(cont'd)



**Ang Lam Aik**

A Malaysian, aged 50, was appointed to the Board on 23 December 2003. He is an Executive Director of the Company.

He holds a Diploma in Computer Science from Canada and has been involved in project management and construction related fields since 1995.

Ang Lam Aik is the brother to the Director/Chief Executive Officer, Ang Lam Poah. Save as disclosed, he does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offence within the past five years.



**Khor Hun Nee**

A Malaysian, aged 46, was appointed to the Board on 2 December 2019 as an Independent Non-Executive Director of the Company. She is the Chairman of the Sustainability Committee and Audit Committee and a member of the Risk Management Committee, Nomination Committee and LTIP Committee.

Ms Khor Hun Nee has her professional qualifications from the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants. She is also holding the Capital Markets Services Representative's License issued by the Securities Commission Malaysia.

Ms Khor Hun Nee started her career in 2000 in the audit field for about four years. She then moved to various senior finance positions in Intel Technology Sdn Bhd, Computer Systems Adviser and Airbus Helicopters Malaysia Sdn Bhd. She has more than 17 years of experience in finance management, financial reporting, corporate finance, auditing and taxation. She is currently self-employed as a licensed financial planner.

She sits on the Board of Fiamma Holdings Berhad, YKGI Holdings Berhad and Hextar Retail Berhad (formerly known as Classic Scenic Berhad), all public companies listed on the Main Market of Bursa Malaysia Securities Berhad.

Ms Khor Hun Nee does not have any family relationship with any other Director and/or major shareholder of the Company and has no other conflict of interest with the Company. She has no convictions for offence within the past five years.



## Board of Directors

(cont'd)



**Dato' Othman Bin Semail**

A Malaysian, aged 63 was appointed to the Board on 11 July 2023 as an Independent Non-Executive Director of the Company. He is the Chairman of the Nomination Committee and a member of the Audit Committee, Remuneration Committee and Risk Management Committee.

He holds a Master in Business Administration (Finance) from University Kebangsaan Malaysia, Bachelor of Natural Resource Economics from Universiti Pertanian Malaysia, Diploma in Public Administration from the National Institute of Public Administration and Diploma in Agriculture from Universiti Pertanian Malaysia.

Dato' Othman Bin Semail started his career in 1982 with Rubber Industry Smallholders Development Authority (RISDA) as Assistant Agricultural Officer. After serving RISDA for 16 years, he then moved to Ministry of Primary Industries, Malaysia as Assistant Secretary from 1998 until 2003. He then served as Assistant Director at the Public Service Department, Prime Ministers Department for 2 years from 2003 until 2005.

Dato' Othman Bin Semail began his service with the Ministry of Finance, Malaysia in 2005 as Assistant Secretary with the Government Procurement Division. He rose through the ranks in the division with various capacities including Principal Assistant Secretary, Head of Section, Deputy Secretary (Operation) and Under Secretary (Head of Government Procurement Division). In October 2018, he was appointed as the Deputy Secretary General of Treasury (Management) until his retirement in March 2021.

Dato' Othman Bin Semail does not have any family relationship with any other Director and/or major shareholder of the Company and has no other conflict of interest with the Company. He has no convictions for offence within the past five years.



**Lim Gin Gee**

A Malaysian, aged 74 was appointed to the Board on 11 July 2023 as an Independent Non-Executive Director of the Company. He is the Chairman of the Remuneration Committee, Risk Management Committee and LTIP Committee and a member of the Audit Committee and Nomination Committee.

He holds a Bachelor of Economics (majoring in accounting) from University of Malaya. He also attended an Advance Course in Banking at the Asian Institute of Management in Metro Manila, Philippines.

Upon graduation in 1973, Mr Lim Gin Gee joined and held different positions in various departments in United Malayan Banking Corporation Berhad. He then joined Pacific Bank Berhad in 1982 and held senior managerial positions with experience in banking, credit and corporate loans. He left as First Vice President in 2001. In October 2001, he decided to venture into the corporate field and joined JAKS Sdn Bhd as Chief Operating Officer. He left JAKS Group in 2003 to pursue his own business ventures in manufacturing and construction.

Mr Lim Gin Gee does not have any family relationship with any other Director and/or major shareholder of the Company and has no other conflict of interest with the Company. He has no convictions for offence within the past five years.

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### Notes:

- The Executive Directors form the Senior Management and their profile are not presented separately



# CHAIRMAN'S STATEMENT



**On behalf of the Board, it is my privilege to present to you JAKS Resources Berhad's ("JAKS") Annual Report and Audited Financial Statements of the Group and Company for the financial year ended 31 December 2023 ("FYE2023").**

## CHALLENGING YEAR

The Group faced a challenging year in 2023 as it closed the financial year with a profit before tax of RM12.1 million, a decrease of 68% from the profit before tax in the financial year 2022 of RM37.4 million. This was due to the lower revenue achieved of RM39.6 million in FYE2023, 58% lower than the revenue recorded in FYE2022 of RM94.7 million. The decrease in profitability was mainly due to the year end impairment provisions and lower share of profit from the Group's JAKS Hai Doung Vietnam joint venture that dipped by 16% to RM131.1 million, as compared to the previous financial year. The drop in revenue was due to the far from ideal macroeconomics and general operating condition throughout FYE2023 as the Group's Construction division faced a soft market, whilst the Property Investment division faced stiff competitions and oversupply situation.

The Group's basic earnings per share for FYE2023 at 0.75 sen was lower than the basic earnings per share in FYE2022 of 2.62 sen due to lower earnings and the higher weighted average number of ordinary shares in issue of 2,226,032,430 shares as compared to 2,055,316,511 shares in the preceding year. On 29 May 2023, the Company had issued and listed 129,017,000 of new Placement Shares, raising approximately RM23.9 million. A second tranche of 80,014,700 of new Placement Shares were issued and listed on 8 September 2023, raising approximately RM14.4 million. Net assets per share reduced by 6 sen from RM0.68 as at 31 December 2022 to RM0.62 as at 31 December 2023 due to the lower profits achieved in the year and taking into effect, the enlarged share capital base arising from the Private Placement.

## DIVIDEND REINVESTMENT PLAN

The shareholder of the Company had on 27 June 2023 approved the establishment of a dividend reinvestment plan ("DRP") which will provide shareholders of the Company with an option to elect to reinvest in whole or in part, their cash dividend(s) as may be declared, which includes any interim, final, special or other types of cash dividend in new ordinary shares ("New Shares") of the Company ("Proposed DRP"). This will provide our Shareholders with an opportunity to enhance and maximise the value of their shareholdings in the Company by investing in New Shares that may be issued at a discount to the prevailing market prices and potentially improve the liquidity of JAKS Shares on the Main Market of Bursa Securities Malaysia Berhad. Due to the working capital requirements during the year, the Company has yet to implement the DRP and intends to seek a renewal of the DRP at the forthcoming Annual General Meeting. The resolution on the Proposed DRP will be tabled at the forthcoming Annual General Meeting for your approval.



## Chairman's Statement (cont'd)



### POWER-ENERGY SECTOR TO DRIVE PERFORMANCE IN 2024

We are proud to announce the successful commissioning and commencement of commercial operations for our 50MW solar photovoltaic power plant, developed under the Large-Scale Solar ("LSS") 4 Programme, ahead of schedule by four months on 18 August 2023. This early accomplishment has empowered our Power-Energy division to initiate its core business activities, ushering in a new era of renewable energy generation and distribution to our partner, Tenaga Nasional Berhad ("TNB"), pursuant to the Power Purchase Agreement spanning 25 years.

Furthermore, we are delighted to share that our Group has recently clinched a significant bid via the Energy Commission's Corporate Green Power Programme ("CGPP"), securing the development rights for a 29.99 MW solar photovoltaic power plant. Leveraging this momentum, we are committed to amplifying our renewable energy footprint, both through organic growth initiatives and strategic asset acquisitions. At the same time, we are actively engaged in exploring avenues to export renewable energy to Singapore, further solidifying our position as a key player in the regional energy landscape.

Within this strategic framework, we anticipate that the Power-Energy division will continue to be the main driver for the Group as we await the roll-out of new infrastructure construction projects by the government. Additionally, our prudent investment in JAKS Hai Duong Power Company Limited in Vietnam continues to yield consistent returns and dividends. The renewable energy ventures coupled with our joint venture in the JAKS Hai Duong Vietnam power plant, reinforces our income streams, providing resilience against the prevailing softness in the construction sector and the fierce competition for footfall in retail spaces.

### ACKNOWLEDGEMENT

On behalf of the Board, I wish to express my utmost gratitude to our shareholders for the steadfast trust and confidence in JAKS. I also wish to convey my deep appreciation to our employees, as well as the management team and the Boards of all the companies under our Group, for their worthy sacrifices, hard work and loyalty. My sincere thanks to the many external partners that worked with or alongside us. Our heartfelt appreciation also to our valued customers and clients, business associates, bankers, government departments and agencies, vendors, suppliers and all others who have lent us their unwavering confidence, support and cooperation.

I would also like to take this opportunity to thank my fellow Board members for their guidance and counsel. I am grateful that JAKS has a formidable Board with the vision, expertise and experience to provide sound counsel and corporate strategies to propel our Group to greater heights.

**Tan Sri Dato' Hj. Abd. Karim Bin Shaikh Munisar**  
Chairman



# MANAGEMENT DISCUSSION AND ANALYSIS

## Forward-Looking Statement

This Management Discussion and Analysis ("MD&A") contains forward-looking statements with respect to expected financial performance, strategy and business conditions. The words "believe", "estimate", "plan", "expect", "intend", "will" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management's current beliefs with respect to future events and are based on information currently available to the management. Forward-looking statements involve significant known and unknown risks and uncertainties. Many factors could cause actual results, performances or achievements to be materially different from any future forward-looking statements. The Company and management assume no obligation to update or revise them to reflect new events or circumstances except as required by securities laws. The Company and management caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made.

## Introduction

This MD&A dated 30 April 2023, was approved by the Board of Directors of JAKS Resources Berhad ("JAKS" or "Company") and reflects all material events for the financial year 2023. It should be read in conjunction with the Audited Financial Statements of the Group and the Company, including the notes thereof, for the financial year ended 31 December 2023 ("FYE2023").

## Group Financial Review

For 2023, the Group saw a mixed bag in terms of performance with the Construction division facing softer market conditions and a lower share of profit from the joint-venture company, namely JAKS Hai Duong Power Company Limited, set off by lower year on year loss recorded from the Property Investment division. Our LSS4 50MW solar power project in Nibong Tebal, Penang ("LSS4 Project") under the Power-Energy Division had achieved commercial operations on 18 August 2023 and begun generating revenue to the Group. However, the revenue generated in 2023 is largely offset by the annual depreciation charges and interest expense due to the truncated operating period.

The Group saw revenues of RM39.6 million in FYE2023 compared to RM94.7 million in the previous financial year. This represents a 58.2% reduction from the revenue recorded in FYE2022. The decrease was mainly attributed to the lower revenue recognised from ongoing construction works from RM84.39 million in the FYE 2022 to RM18.72 million in the FYE 2023, as most of the Group's construction projects were at advanced stages of completion. Despite the lower revenue achieved, the Group fared better operationally with gross profit of RM31.2 million achieved in 2023 as compared to gross profit of RM15.4 million in FYE2022.

With lower share of profit from the Vietnam joint venture and higher Net loss on impairment of financial instruments, the Group closed the financial year with a lower profit before tax of RM12.1 million, a decrease of 67.7% from the profit before tax in FYE 2022 of RM37.4 million. The decrease in share of profit from the Vietnam joint venture by RM25.13 million was due to higher finance cost incurred by the Vietnam joint venture in FYE 2023. The 2023 result was achieved after making prudent impairment provisions in respect of the Construction division whereas the Property Investment division managed to reduced its losses by more than half, mainly due to reversal of provisions made in previous years, totalling RM24.5 million.



# Management Discussion And Analysis

(cont'd)

## Assets and Liabilities

The Group's total asset in FYE2023 of RM2,389.2 million represents an increase of RM10.4 million (0.43%) from FYE2022 of RM2,378.8 million. The increase in Investment in joint ventures by RM103.7 million was a result of the share of profit of RM131.1 million. The increase in property, plant and equipment (PPE) by RM54.1 million stems from the additional PPE acquired for the LSS4 Project.

For the FYE2023, the total liabilities decreased by RM53.4 million from RM1,024.2 million in FYE2022 to RM970.8 million in FYE2022. The decrease was mainly due to lower trade payables and other payables, recording a decrease of RM33.4 million and RM10.8 million respectively as compared to FYE2022.

Total equity for FYE2023 was at RM1,418.3 million compared to RM1,354.6 million in the previous year with the profit achieved and the increase in share capital following the private placement exercise during the year.

The Group's basic earnings per share for FYE2023 at 0.75 sen was lower than the basic earnings per share in FYE2022 of 2.62 sen due to the higher weighted average number of ordinary shares in issue of 2,226,032,430 shares as compared to 2,055,316,511 shares in the preceding year. On 29 May 2023, the Company had issued and listed 129,017,000 of new Placement Shares, raising approximately RM23.9 million. A second tranche of 80,014,700 of new Placement Shares were issued and listed on 8 September 2023, raising approximately RM14.4 million. On 10 July 2023, the Company had granted and listed 70,500,000 ordinary shares under the Restricted Share Plan of the Company's Long-Term Incentive Plan to eligible directors and employees of the Group ("LTIP Share Issue"). There was also the exercise of Warrant B and the Company issued and listed 1,237 new ordinary shares on 7 December 2023.

The Group's net assets per share was RM0.62 as at 31 December 2023 compared to RM0.68 as at 31 December 2022 due to the profits achieved in the year and taking into effect, the enlarged share capital base arising from the Private Placement, LTIP Share Issue and Warrant B exercise.

The Warrants issued by the Company according to the Deed Poll dated 5 November 2018 constituting 171,487,001 Warrants 2018/2023 expired on 13 December 2023 and correspondingly upon this expiry, the amount of RM22.6 million in the Warrant Reserve account was transferred to the retained earnings.

## Sustainability

The Group remains steadfast in its commitment to sustainability which is the fundamental to how we maintain a healthy momentum of the company's effort to accord value for our stakeholders. In line with global shifts in how Environmental, Social and Governance ("ESG") issues are discussed and in order to further strengthen our commitment, the Group has put in place a cohesive and holistic sustainability programme. The programme is also aligned with the Group's commitment towards the United Nations' Sustainable Development Goals. We acknowledge the importance of transparently and comprehensively sharing information about our actions to address climate-related risks and opportunities. As the Task Force on Climate-Related Financial Disclosure reporting will be mandatory by FYE2025, we are dedicated to furthering this goal moving forward.

Please refer to the Sustainability Statement included in this Annual Report on the specific sustainability targets that we have embraced to measure progress.

## Liquidity and Capital Resources

At the end of FYE2023, the Group's current ratio, a yardstick that measures the state of the Group's financial liquidity, stood at 1.08 times (FYE2022: 1.21 times). A current ratio of more than 1 indicates the Group's ability to meet its short-term obligations. The table below highlights the major cash flow components for FYE2023 and FYE2022.

	FYE2023 RM'000	FYE2022 RM'000	Change RM'000
Cash flows (used in) / from operating activities	(11,260)	(80,946)	69,686
Cash flows from / (used in) investing activities	123	(73,445)	73,568
Cash flows from / (used in) financing activities	9,141	103,573	(94,432)
(Decrease) / Increase in cash and cash equivalents	(1,996)	(50,818)	48,822

## Liquidity and Capital Resources (Cont'd)

The lower cash used in operating activities in FYE2023 was mainly due to reduction in working capital utilised under the construction segment as well as lower payment of sums owing to payables during the year.

The lower cash used in investing activities in FYE2023 was mainly due to lower capital expenditure required for the LSS4 Project in FYE2023 (RM60.6 million) as compared to FYE2022 (RM140.3 million) as the LSS4 Project achieved commercial operations on 18 August 2023.

The lower net cash generated from financing activities in FYE2023 was mainly due to lower drawdown of loan for the LSS4 Project whilst the proceeds raised from the Private Placement exercise provided additional source of cash to fund the Group's activities.

## Borrowings

The Group's total borrowings decreased to RM493.4 million as at 31 December 2023 compared to the borrowings as at 31 December 2022 of RM501.6 million. Consequently, the gearing ratio decreased from 0.36 times to 0.33 times. The decreased in gearing was mainly due to repayment of bank borrowings using the proceeds from the Private Placement and increase in shareholders equity arising from the Private Placement.

## Review of Operating Activities – Power & Energy Division

The Power & Energy division started contribution to the Group from the third quarter of 2023 with revenue of RM7.6 million, representing 19.2% of the total Group revenue. However, the division recorded a loss after tax of RM2.7 million as the revenue generated in 2023 is largely offset by the annual depreciation charges and interest expense due to the truncated operating period.

Our LSS4 Project achieved commercial operations on 18 August 2023, well ahead of the scheduled completion on 31 December 2023 and was the first to complete the 50MW solar photovoltaic project among the 4 recipients of similar size project issued by the EC. It was awarded the following:-

- Best Project Finance Deal of The Year 2022 by Alpha Southeast Asian Facilities for JAKS Solar Nibong Tebal's RM200 million Syndicated Loan
- Renewable Energy deal of the Year by the Asset triple A Awards 2023

JAKS Solar Power also participated in the Corporate Green Power Programme (CGPP) with multiple partners and was successfully selected as a solar power producer with a capacity of 29.99MW on 7 August 2023, together with two other consortium partners. JAKS Group has a 51% stake in the Consortium. At present, the Consortium is undergoing the approval process to participate in Single Buyer's New Enhanced Dispatch Arrangement ("NEDA") programme. The construction works for this project is expected to commence by end 2024 and scheduled for commercial operation by end 2025.

JAKS foray into the power sector started earlier with the joint-venture with China Power Engineering Consulting Group Co Ltd ("CPECC"), an integrated power engineering service provider that have been involved in engineering and construction of approximately 49,000 MW of power plant projects, to jointly build and run the USD1.87 billion Hai Duong BOT Thermal Power Plant in Vietnam. The estimated annual output of the Power Plant is 7.5 billion kilowatt-hours, with an installed capacity of 1,200 megawatt. Under the power purchase agreement, it is guaranteed with fixed capacity payments by the Vietnamese government and will be backed by energy payment to cover variable costs, including fuel and variable operating costs, and will contribute to a sustainable income contribution during the 25-years tenure.

The build-operate-transfer thermal power plant operated by the joint-venture company, namely JAKS Hai Duong Power Company Limited, of which JAKS holds 30% equity interest, achieved the commercial operation for its first unit on November 2020, while the commercial operation for the second unit was achieved in January 2021. In the past three years, the joint venture has continually contributed its share of profit. For FYE2023, the share of profit from the joint venture was RM131.1 million, as compared to RM156.2 million achieved in the previous year as the joint-venture company had to incur higher financing cost. For FYE 2023, the joint-venture company had declared dividend of RM27.4 million (FYE2022: RM70.1 million).





# Management Discussion And Analysis

(cont'd)

## Power & Energy Division – Trend and Outlook

Under the Malaysia Renewable Energy Roadmap (MyRER), the Malaysian Government has set an ambitious target of renewable energy providing 31 percent (13 gigawatts) of the nation's energy needs by 2025 and 40 percent (18 gigawatts) by 2035. The Government has further committed to increase RE capacity to 70% in 2050, to be in line with the national climate aspiration of achieving net zero GHG earliest by 2050. At the same time the Government in May 2023 announced that the ban on renewable energy exports is uplifted. Experts expect that the lifting of the export ban on renewable energy, which had been in place since October 2021 under a previous administration, will spur the power sector to boost investments into renewable energy and benefit neighbouring Singapore. This higher target will require a more than tenfold increase in its capacity from 2023 to 2050. In 2021, the country had set a target to reach 40% of renewable energy in the power mix by 2035.

The above provides the opportunity to Malaysian renewable energy providers like JAKS to generate more revenue, over and above the market rates from the existing PPA system. With the experience garnered from both the Vietnam and LSS4 project, the Group has started feasibility studies in the renewable energy export to Singapore.

Vietnam's National Electricity Development Plan, also known as Power Development Plan 8 (PDP8), sets out the long-term roadmap for the country's energy transition to net zero by 2030. The PDP8 includes plans for increasing electricity generation from various renewable sources, gas-based generation to balance the volatility associated with renewables, and investments in storage and the electricity grid. Vietnam targets generating 30%-39% of power from renewable sources by 2030, from around 12% in 2022, and around 75% of generation capacity from renewables, including hydro, and gas by 2030 (2022: 65%). The increase would be largely driven by additions in wind, gas and hydro capacity. The PDP8 also targets gas-based power generation to rise to around 25% of capacity by 2030 (2022: 9.3%), with liquefied natural gas (LNG) accounting for about 15% and domestic gas 10%. The share of coal-based generation capacity would fall to 20% (2022: 33%). This augurs well for JAKS existing power plant there and also brings opportunities.

The Group will also continue to expand its' RE segment through various means, including participation in local projects such as the upcoming Fifth Large Scale Solar Programme (LSS5), strategic collaborations and mergers and acquisitions to provide substantial long-term growth for its stakeholders.

## Review of Operating Activities - Construction Division

As the key contributor to the Group, the Construction division registered revenue of RM18.7 million, a decrease of 77.8% as compared to RM84.4 million in FYE2022. With the EPC Contract 2 in Vietnam completed in 2022, the construction arm, Golden Keen Holdings Limited, which largely managed the EPC Contract 2 has ceased contribution in 2023 (FYE2022: RM42.8 million). The revenue for the Construction division was contributed by JAKS's wholly-owned subsidiaries, JAKS Sdn Bhd, which predominantly carried out local construction projects. The reduced contribution was mainly due to the lower project revenue recognised from the ongoing local construction works as the projects are at advanced stages of completion.

The local construction projects faced softer market conditions and delays in replenishing its' order book from government infrastructure project roll-outs. With the lower revenue achieved, this division incurred a higher loss after tax RM57.5 million in FYE2023 compared to RM31.8 million loss after tax incurred in FYE2022. The higher operating expenses for the local construction work included the provision for impairment on the carrying value of the goodwill and trade & other receivables.

The construction division provides construction management, with a large portion of the work in FYE2023 focused on infrastructure construction, construction of sewerage treatment plant as well as, power and water related facilities.



# Management Discussion And Analysis

(cont'd)

## Construction Division – Trend and Outlook

In 2024, the construction sector is forecast to increase by 6.8%, following better performance in all subsectors. Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road (CSR), the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan). Furthermore, a new solar power plant project under the Corporate Green Power Programme will support the subsector's growth.

The implementation of New Industrial Master Plan 2030 is expected to further strengthen the performance of non-residential buildings subsector as it will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government's effort to increase more affordable houses as outlined under the MTR of the Twelfth Plan and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

With this, the Group is optimistic and working towards securing for more infrastructure construction jobs to replenish its order book with good and profitable infrastructure projects. As of to-date, tender book stands at approximately RM2.4 billion and will continue to actively bid in new roll-out of infrastructure projects by the Government, particularly related to water, sewerage and pipe treatment, flood mitigation system.

## Review of Operating Activities - Property Investment Division

Additional malls and retail spaces in the Klang Valley has increased competition at the Group's commercial properties, namely Evolve Mall and Pacific Tower Business Hub. The Property Investment division contributed revenue of RM10.3 million in FYE2023, comparable with the previous year. Despite this, the division lowered its loss after tax of RM34.0 million in FYE2022 to a loss after tax of RM6.3 million in FYE2023, an improvement of 81.5%. This was due to the reversal of provision for impairment loss on the property value amounting to RM24.5 million in the current reporting year. Fixed operating expenses and finance cost in FYE2023 could not be defrayed.

The Group's investment properties consist of:

- (i) Pacific Towers Business Hub is a 4-storey retail and office lots building located in Section 13, Petaling Jaya, Selangor, with a total net lettable area ("NLA") of approximately 295,000 square feet. Occupancy rate stands at 54.0%.
- (ii) Evolve Concept Mall, a 4-storey shopping mall with a total NLA of approximately 368,000 square feet. Occupancy rate stands at 75.4%.

Overall, the retail sector has seen an improvement in 2023 but the pace of growth could be affected by the global recession depending on its severity and duration if it does happen. However, it must be noted that higher retail sales may not translate to better profit margins for the tenants in shopping malls, as overall costs of doing business are expected to increase in 2024 due to the impact of the revision of the Employment Act, tight labour market, supply chain disruption, as well as the drastic increase of electricity tariff.

Footfall at shopping malls across the country has picked up and this augur well for the Group's investment properties at Evolve Concept Mall and Pacific Towers Business Hub, enabling the division to attract new tenants to fill the lettable space. The Group is hopeful that this will spur recovery in the retail and commercial sector, and will continue our efforts to improve the occupancy rate and rental yield of these two investment properties. The Group also has plans to capitalise on the right market and consumer groups and putting effective mall management in place to improve the business of the investment properties of the Group.

## Review of Operating Activities – Investment Holding & Others Division

The revenue derived from the investment holding & others division relates mainly to management fees charged by JAKS to the subsidiary companies amounting to RM7.8 million and the dividend income from JAKS Pacific Power Limited of RM27.4 million in FYE2023. These divisions incurred a loss after tax of RM157.9 million in FYE2023 compared to the loss after tax of RM35.80 million in FYE2022. These amounts are eliminated on consolidation at the Group level.



# Management Discussion And Analysis

(cont'd)

## Future Growth

Malaysia's Gross Domestic Product (GDP) growth underperformed in 2023 (3.7% vs consensus: 4.0%), mainly due to weaker export demand and cooler consumption momentum. Despite a relatively healthy start in 1Q 2023, persistent softening in global trade through the year led to a sharp contraction in overall exports, significantly dragging overall GDP growth. At home, elevated price pressures and lapse of large policy support weighed on private consumption, resulting in a lower print of 4.7%. All said, a strong pipeline of infrastructure and public projects as well as private sector capacity expansion helped to pad economic growth in 2023.

Notwithstanding the underwhelming fourth quarter performance, analyst believe there is an upside lift for the economy in 2024 and have maintained our GDP forecast at 4.5%-5.5%. The chance of a 'soft landing' appears to be higher for the global economy, with the International Monetary Fund (IMF) upping its 2024 global growth forecast by 0.2 percentage points to 3.1% last month. Malaysia's export growth also contracted at a slower pace of 6.9% in 4Q 2023 (2Q 2023: -11.1%; 3Q 2023: -15.2%) with the January 2024 print showing a rebound in growth to 8.7%. Coupled with the predicted upcycle in trade and semiconductors, we may be seeing early signs of a turnaround in global trade. The IMF forecasts global trade growth to recover from 0.4% last year to 3.3% this year. Furthermore, the latest inflation print in January 2024 continues to point towards easing of price pressures, which along with a robust job market and supportive financial conditions could propel domestic demand higher this year.

Up ahead, key risks on the horizon remain, with the timing of interest rate cuts in the US exerting potential market volatility and for the domestic market, imported price pressures due to weak ringgit valuation. Escalating geopolitical conflicts could threaten the global commodity market and supply chain again. Domestically, we remain watchful over the execution of RON95 subsidy retargeting in 2H 2024.

Vietnam's GDP growth in 2023 was 5.1% which is lower than earlier expectations. This was on an uneven economic recovery where exports contracted because of soft demand in developed markets, which in turn affected spending by low-income consumers as manufacturing jobs were lost and over-time work was cut. These negatives were partially mitigated by tourism that recovered to approximately 70% of 2019's level, strong foreign direct investments, and government spending. For 2024, Vietnam's consensus GDP growth of 6% is the highest in Southeast Asia. This should be driven by exports and services, which includes tourism. Exports should recover from the low base in 2023, although the expected improvement is predicated on the durability of demand in developed markets, especially the USA and Europe, and China. Tourism should continue to expand, and foreign arrivals could reach 2019 numbers by this year. The property market should see further improvement, but full recovery is not expected until 2025. This is because developers plan to launch projects gradually and buyers remain cautious until new land laws become effective in 2025 and when buyers regain confidence that the economy is on a firmer footing. Inflation is forecast at 3.5% for 2024, which should allow the Vietnamese government to sustain its accommodative monetary and fiscal policies.

The Group will continue to focus its core strategies in growing and diversifying the Power-Energy division particularly in the renewable energy space. Simultaneously, the Group with its track record in infrastructure construction projects, will explore and secure new infrastructure projects to replenish its order book with emphasis on power infrastructure projects. Apart from Malaysia, the Group is also targeting countries around the region, in particular Vietnam and Indonesia which have huge potential for its infrastructure expansion plans.

## Risk Management

In the continuous commitment to optimise shareholders' value, the Enterprise Risk Management ("ERM") Framework adopts a risk assessment process which is in line with ISO 31000:2009. The Company remains focused on the risk profiles of potential vendors and contractors, monitored via an internal vendor risk rating mechanism. This is to ensure smooth implementation of projects and avoid risks due to any third-party dependence. The Company understands the risk environment encompassing its business which are classified broadly below with the risk description together with information on key mitigation strategies and efforts.

### Operational Risks

Risks arising out of inefficiencies, internal failures and/or collusion from regular operations, such as:

- (i) Project opportunity risk through erroneous omission and inadequate or inappropriate assessment of a project opportunity available for development;
- (ii) Bidding risk on account of inadequate or erroneous assumptions made while arriving at the financial bid variable;
- (iii) Financing risk on account of the high capital commitment on the power plant projects;
- (iv) Project implementation risk on account of not meeting the project schedule, quality or budget; and
- (v) Ownership & maintenance risk on account of several risks faced during the operations and maintenance phase of a project.

### Operational Risks – Mitigation Strategies and Efforts

A careful selection and thorough evaluation of prospective projects will minimise the chances of getting into non-profitable projects. The Company undertakes review of project feasibility (technical review) and project financial viability (financial review). Further, the Company follows a risk specific bid/project risk assessment framework to identify key risks associated with various opportunities and projects, along with their mitigation planning and continuous monitoring. The Company has laid down standard operating procedures at the function and department levels to ensure business process productivity, responsibility and accountability at various levels. The standard operating procedures are being further strengthened and supported by adequate checks and balances, including risk-based internal audit, documentation management systems and the introduction of delegation of financial and nonfinancial powers. This will ensure that a culture of proactive risk management is embedded in all levels of the organisation with required support systems in place.

### External Risks

Risks arising out of changes in the external environment, such as:

- (i) Interest rate risk on account of the capital markets' volatile interest rates on outstanding project debts;
- (ii) Competition risk on account of strategies adopted by existing and new entrants in the infrastructure development business; and
- (iii) Natural calamities (Act of God), civil disturbance etc.

### External Risks – Mitigation Strategies and Efforts

The Company pro-actively identifies each significant 'external change' and prepares to deal with it with forward planning. The Company continues to build strategies not only to sustain but thrives owing to its meticulous processes. The Company understands its competition and keeps an update of its contemporaries to stay a notch above them. The Company has a focused strategy for clients, partners, vendors and contract management to mitigate and avoid (if possible) various possible external risks. Though the Company cannot prevent natural calamities, it is adequately geared up with appropriate insurance covers to minimise losses and restore normalcy within a short time.



# SUSTAINABILITY STATEMENT

## ABOUT THIS SUSTAINABILITY STATEMENT

At JAKS Resources Berhad (“JAKS” or “the Company”) and its subsidiaries (“JAKS Group”, the “Group”, or “we” or “our”), we aspire to be an innovative regional leader in the power, construction and property investment sector. As part of our mission, we recognise the significance of environmental stewardship alongside the delivery of exceptional services to our customers and dedicated to fostering innovation in all our endeavours. Driven by our vision and missions, we continuously aim to create a lasting positive impact on the society and environment we inhabit.

This Sustainability Statement (“the Statement”) was developed as a platform for us to disclose our pursuit in achieving sustainable excellence throughout our entire operational landscape for the financial year ended 31 December 2023 (“FY2023”).

## REPORTING SCOPE AND BOUNDARY

The scope and boundary of sustainability disclosures cover JAKS and its subsidiaries (“JAKS Group”). The following diagram represents the business divisions under purview of the Group.



\* Note: Associates over which JAKS does not have full management control are included in this Statement, to the extent possible.

## REPORTING STANDARDS & GUIDELINES

This Statement had been prepared in accordance with the following reporting standards and guidelines:



## Task Force on Climate-Related Financial Disclosure (“TCFD”) Recommendations

We acknowledge the importance of transparently and comprehensively sharing information about our actions to address climate-related risks and opportunities. As TCFD reporting will be mandatory by FY2025, we are dedicated to furthering this goal moving forward.

## FEEDBACK

We welcome and encourage your feedback on this Statement and any aspects of sustainability practices and performance. Kindly address any comments or queries at [ir@jaks.com.my](mailto:ir@jaks.com.my).

## SUSTAINABILITY GOVERNANCE

JAKS Group recognises the integral role of sustainability governance within our business operations. To ensure the comprehensive integration of sustainability across our Group, the responsibilities of our Board of Directors ("Board") and its committee have been expanded to include sustainability elements.

The Board holds ultimate responsibility for the Group's sustainability direction, receives support from Sustainability Committee and Management of JAKS. Sustainability Committee comprises of Independent Non-Executive Director, Chief Executive Officer ("CEO") and Executive Director. Operating under purview of Sustainability Committee is the Management which is represented by various Head of Departments. Tasked with day-to-day implementation of sustainability strategies and plans, the Management plays a pivotal role in translating sustainability goals into actionable initiatives.

The diagram below represents the sustainability governance structure established in 2019 highlighting the key roles and responsibilities of each level of leadership regarding sustainability.



The Board stays informed about sustainability management through training programme as and when there is new development on sustainability requirements, enabling them to make well-informed decisions. Moreover, the Board ensures that sustainability-related competencies are periodically evaluated to enhance leadership and oversight in sustainability matters which include ESG risks.

In FY2023, the Sustainability Committee hold a meeting to review JAKS's sustainability progress and deliberation and approval of the draft Sustainability Statement for the year ending 31 December 2022.



# Sustainability Statement

(cont'd)

## SUSTAINABILITY POLICY

As an integral component of our Group's unwavering commitment to advancing sustainability within the organisation, we established the Sustainability Policy in 2020. This policy serves as a foundational framework, expressly designed to underscore and reinforce our dedication to sustainable practices and responsible business conduct.

It encapsulates the principles and values that guide our approach to economic, environmental and social ("EES") considerations, reflecting our proactive stance towards contributing to a more sustainable and resilient future.

### SUSTAINABILITY POLICY OBJECTIVES

Integrate the principles of sustainability into the Group's strategies, policies, and procedures

Develop and promote sustainable practices within the Economic, Environmental and Social framework

Ensure that the Board and the Management are involved in the implementation of this policy and review the sustainability performance

Create a culture of sustainability within the Group, and the community, with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes.

## Policies and Procedures for Good Governance

The comprehensive integration of JAKS business activities in managing economic, environmental and social matters is encapsulated in the following list of policies and guidelines. Among these essential frameworks are policies and procedures that govern various aspects of our operations, including but not limited to:



Anti-Bribery & Anti-Corruption Policy



Whistleblowing Policy



Company Policy in Eliminating Discrimination in the World of Work



Human Rights Policy



Code of Conduct



Employee's Handbook



Health & Safety Manual



# Sustainability Statement

(cont'd)

## STAKEHOLDER ENGAGEMENT

JAKS prioritises nurturing strong connections with internal and external stakeholders, acknowledging their crucial role in shaping our sustainability initiatives progress. We actively seek feedback to comprehend evolving interests and concerns of our stakeholders through ongoing engagement with stakeholders. These engagements allow us to identify relevant material issues and managing it more effectively.

Key Stakeholder: <b>Shareholders / Investors / Board of Directors</b>		
Engagement Platforms:	Area of Interests or Concerns	Our Response
<b>Annually:</b> - Annual General Meetings  <b>Ongoing:</b> - Bursa Malaysia announcements - Financial performance announcement - Website - Ongoing media release - Investor relation email	- Business strategy - Dividend payout - Financial performance - Good management and corporate governance	- Economic Presence & Sustainability Profitability, page 32 - Indirect Economic Impact, page 33 - Anti-Corruption, page 34 - 35
Key Stakeholder: <b>Customers</b>		
Engagement Platforms:	Area of Interests or Concerns	Our Response
<b>Monthly:</b> - Monthly progress meetings and progress reports  <b>Ongoing:</b> - Corporate events - Correspondences - Brochures - Media announcement, social media and advertisement	- Product quality and services - Customer experience - Health and safety - Customer data and privacy	- Economic Presence & Sustainability Profitability, page 32 - Indirect Economic Impact, page 33 - Anti-Corruption, page 34 - 35
Key Stakeholder: <b>Financiers / Banks / Analysts</b>		
Engagement Platforms:	Area of Interests or Concerns	Our Response
<b>Monthly:</b> - Annual general meetings  <b>Ongoing:</b> - Extraordinary General Meetings - Media and Bursa Malaysia announcements - Corporate interviews and meetings - Banking facility review	- Business and industry outlook - Group's financial performance	- Economic Presence & Sustainability Profitability, page 32





# Sustainability Statement

(cont'd)

## STAKEHOLDER ENGAGEMENT (Cont'd)

Key Stakeholder: <b>Local Authorities / Regulators / Government Ministries</b>		
Engagement Platforms:	<u>Area of Interests or Concerns</u>	<u>Our Response</u>
<p><b>Quarterly &amp; Annually:</b></p> <ul style="list-style-type: none"> <li>- Submission of reports required under regulations</li> <li>- Periodic visits and inspections</li> </ul> <p><b>Ongoing:</b></p> <ul style="list-style-type: none"> <li>- Compliance with rules and regulations</li> <li>- Seminar and training</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with laws and regulations</li> <li>- Corporate governance practices</li> </ul>	<ul style="list-style-type: none"> <li>- Anti-Corruption, page 34 - 35</li> <li>- Environmental Compliance, page 41</li> </ul>
Key Stakeholder: <b>Sub-Contractors/ Suppliers</b>		
Engagement Platforms:	<u>Area of Interests or Concerns</u>	<u>Our Response</u>
<p><b>Annually:</b></p> <ul style="list-style-type: none"> <li>- Suppliers' audit and reviews</li> </ul> <p><b>Ongoing:</b></p> <ul style="list-style-type: none"> <li>- Tenders' exercises and meetings</li> <li>- Emails and phone calls communication</li> <li>- Suppliers' briefing and meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Governance and safety</li> <li>- Health, safety and environment</li> <li>- Efficient procurement process</li> </ul>	<ul style="list-style-type: none"> <li>- Indirect Economic Impact, page 33</li> <li>- Anti-Corruption, page 34 - 35</li> <li>- Procurement &amp; Supply Chain, page 33 - 34</li> <li>- Energy Efficiency, page 35 - 39</li> <li>- Water Management, page 39</li> <li>- Waste Management, page 40</li> <li>- Environmental Compliance, page 41</li> <li>- Occupational Health &amp; Safety, page 42 - 45</li> </ul>
Key Stakeholder: <b>Employees</b>		
Engagement Platforms:	<u>Area of Interests or Concerns</u>	<u>Our Response</u>
<p><b>Annually:</b></p> <ul style="list-style-type: none"> <li>- Performance management</li> </ul> <p><b>Ongoing:</b></p> <ul style="list-style-type: none"> <li>- Emails newsletter</li> <li>- Involvement in community activities</li> <li>- Company annual dinner / festival functions and celebrations</li> <li>- Informal periodic departmental meeting</li> <li>- Training and development</li> </ul>	<ul style="list-style-type: none"> <li>- Opportunities for career progression</li> <li>- Remuneration and benefits</li> <li>- Health and safety</li> <li>- Diversity and inclusivity</li> <li>- Employee satisfaction</li> <li>- Conducive working environment</li> </ul>	<ul style="list-style-type: none"> <li>- Indirect Economic Impact, page 33</li> <li>- Anti-Corruption, page 34 - 35</li> <li>- Energy Efficiency, page 35 - 39</li> <li>- Water Management, page 39</li> <li>- Waste Management, page 40</li> <li>- Environmental Compliance, page 41</li> <li>- Occupational Health &amp; Safety, page 42 - 45</li> <li>- Diversity &amp; Equal Opportunity, page 48 - 51</li> <li>- Employee Management, page 46 - 47</li> <li>- Training &amp; Development, page 51 - 52</li> <li>- Engagement with Internal and External Communities, page 52 - 54</li> </ul>

## STAKEHOLDER ENGAGEMENT (Cont'd)

Key Stakeholder: <b>Media</b>		
Engagement Platforms:	Area of Interests or Concerns	Our Response
<b>Ongoing:</b> <ul style="list-style-type: none"> <li>- Interviews</li> <li>- Advertisements</li> <li>- New project launches</li> </ul>	<ul style="list-style-type: none"> <li>- Products and services offered by JAKS</li> </ul>	<ul style="list-style-type: none"> <li>- Occupational Health &amp; Safety, page 42 - 45</li> <li>- Engagement with Internal and External Communities, page 52 - 54</li> </ul>

Key Stakeholder: <b>Local Communities / Non-Governmental Organisations ("NGOs")</b>		
Engagement Platforms:	Area of Interests or Concerns	Our Response
<b>Ad-hoc:</b> <ul style="list-style-type: none"> <li>- Donations and Financial Aid</li> <li>- Contributions to social enhancement</li> </ul>	<ul style="list-style-type: none"> <li>- Social well-being</li> <li>- Community investment, development and impact</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental Compliance, page 41</li> <li>- Engagement with Internal &amp; External Communities, page 52 - 54</li> </ul>

## MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

The Group recognises the importance of material matters which hold significance for our business, as they have direct and indirect impact on our stakeholders. The assessment of material topics was conducted to identify the key sustainability matters involving the key senior management and facilitated with an analysis by an independent consultant on the Group's business operation and risk areas.

The process of determining the material topics was outlined as follows:



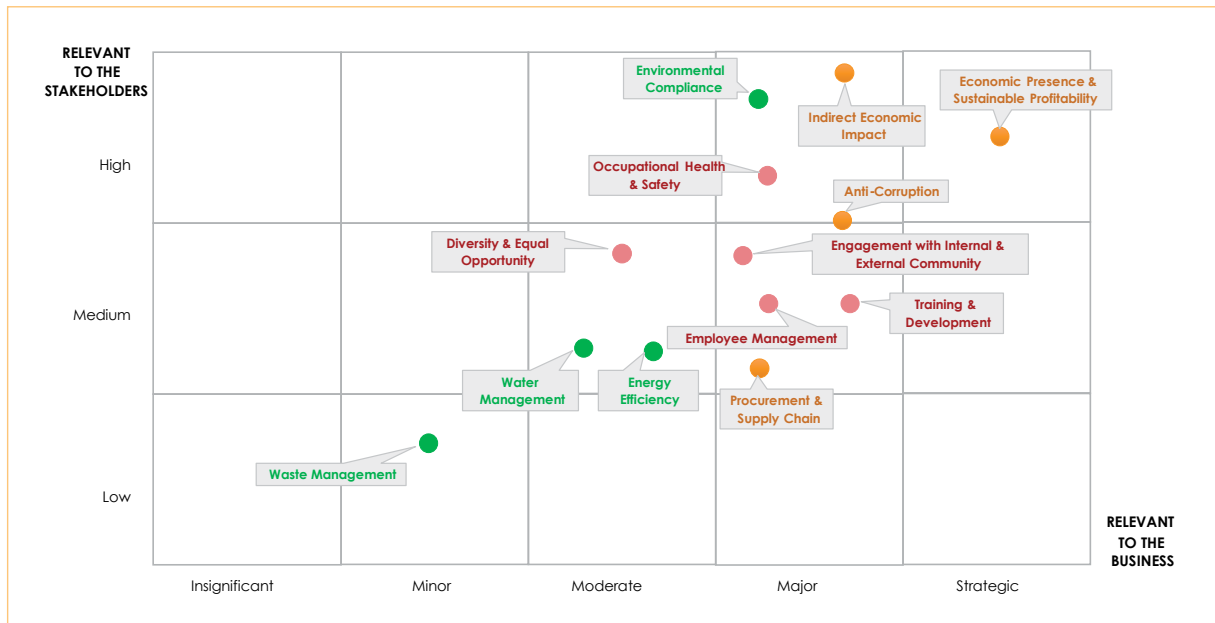
In FY2023, we have reviewed the key sustainability matters to ensure ongoing relevance of these topics by aligning them with JAKS's business plan and other relevant frameworks. This proactive approach strengthens our commitment to sustainable business practices. The positions of other material matters remain unchanged. The regrouped materiality matrix was reviewed by Management and were endorsed by both the Sustainability Committee and the Board. Looking ahead, we aim to review the sustainability matters every year, further reinforcing our commitment to sustainability.



# Sustainability Statement

(cont'd)

## MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (CONT'D)



**Material Matters:**

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Economic Performance &amp; Sustainable Profitability</li> <li>2. Indirect Economic Impact</li> <li>3. Environmental Compliance</li> <li>4. Anti-Corruption</li> <li>5. Occupational Health &amp; Safety</li> <li>6. Training &amp; Development</li> <li>7. Engagement with Internal &amp; External Community</li> </ol> | <ol style="list-style-type: none"> <li>8. Employee Management</li> <li>9. Procurement &amp; Supply Chain</li> <li>10. Diversity &amp; Equal Opportunity</li> <li>11. Energy Efficiency</li> <li>12. Water Management</li> <li>13. Waste Management</li> </ol> |
|---|---|

**Notes:**

1. Labour practices and standards are managed under 'Employee Management'
2. Employment has been renamed to 'Employee Management'
3. Climate Change is managed under 'Energy Efficiency'
4. Biodiversity is managed under 'Environmental Compliance'
5. Data Privacy & Security is managed under 'Engagement with Internal & External Community'
6. Respecting Human Rights is managed under 'Diversity & Equal Opportunity'



# Sustainability Statement

(cont'd)

## RISK & OPPORTUNITIES

As part of our commitment to creating sustainable value, we implement effective risk management practices aligned with ISO 31000:2018 Risk Management Guidelines. This said framework ensures that we manage the risks and capitalise on opportunities in relation to the sustainability material matters.

Material Topics	Risks	Opportunities
<b>Economic Presence &amp; Sustainable Profitability</b>	<ul style="list-style-type: none"> <li>Group funding risk</li> <li>Group liquidity risk</li> <li>Credit default risk</li> </ul>	<ul style="list-style-type: none"> <li>Create a long-term value for stakeholders</li> <li>Cost savings initiative</li> </ul>
<b>Indirect Economic Impact</b>	<ul style="list-style-type: none"> <li>Funding risk</li> <li>Untimely project completion</li> </ul>	<ul style="list-style-type: none"> <li>Stimulate economic growth through jobs creation</li> <li>Foster community development</li> </ul>
<b>Anti-Corruption</b>	<ul style="list-style-type: none"> <li>Non-compliance to rules &amp; regulations</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing oversight and governance structures</li> </ul>
<b>Procurement &amp; Supply Chain</b>	<ul style="list-style-type: none"> <li>Non-performing suppliers and / or vendors</li> </ul>	<ul style="list-style-type: none"> <li>Promote sustainability throughout supply chain</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>Health, safety &amp; environmental hazards</li> </ul>	<ul style="list-style-type: none"> <li>Improve energy performance</li> <li>Lower operating costs</li> <li>Implementing energy efficiency measures in buildings and operations to lower carbon emission</li> </ul>
<b>Water Management</b>	<ul style="list-style-type: none"> <li>Health, safety &amp; environmental hazards</li> </ul>	<ul style="list-style-type: none"> <li>Promote efficient water consumption</li> </ul>
<b>Waste Management</b>	<ul style="list-style-type: none"> <li>Health, safety &amp; environmental hazards</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of 5Rs practice</li> </ul>
<b>Environmental Compliance</b>	<ul style="list-style-type: none"> <li>Health, safety &amp; environmental hazards</li> <li>Non-compliance to rules &amp; regulations</li> </ul>	<ul style="list-style-type: none"> <li>Participating in environmental certifications and initiatives to gain market advantage</li> <li>Integrating biodiversity considerations into urban planning and development processes to support urban biodiversity</li> </ul>
<b>Occupational Health and Safety</b>	<ul style="list-style-type: none"> <li>Health, safety &amp; environmental hazards</li> </ul>	<ul style="list-style-type: none"> <li>Brand and reputation enhancement</li> </ul>
<b>Employee Management</b>	<ul style="list-style-type: none"> <li>Loss of key staff</li> <li>Succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Continuous enhancement of employee benefits to improve well-being and satisfaction of employees</li> </ul>
<b>Diversity and Equal Opportunity</b>	<ul style="list-style-type: none"> <li>Loss of key staff</li> <li>Succession planning</li> <li>Non-compliance to rules &amp; regulations</li> </ul>	<ul style="list-style-type: none"> <li>Better customer and market understanding</li> <li>Ensuring fair labour practices, including non-discrimination and safe working conditions for all employees</li> </ul>
<b>Training and Development</b>	<ul style="list-style-type: none"> <li>Competency gap</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration with educational institutions and training providers to provide relevant skills and knowledge</li> </ul>
<b>Engagement with Internal &amp; External Communities</b>	<ul style="list-style-type: none"> <li>Loss of key staff</li> <li>Cybersecurity risk</li> </ul>	<ul style="list-style-type: none"> <li>Implementing Corporate Social Responsibility ("CSR") programmes and initiatives that support community development aligning with company values</li> <li>Investing in cybersecurity measures to protect against cyber threats and data breaches</li> </ul>



# Sustainability Statement

(cont'd)

## SUSTAINABILITY KPI TARGET AND PROGRESS

The sustainability targets encompass a range of targets aimed at driving progress towards our ESG priorities. In FY2023, we are dedicated to continue achieving measurable outcomes across key areas as follows.

ESG Area	Sustainability Target	Performance (FY2022)	Current progress (FY2023)
<b>Economic &amp; Governance</b>	All construction projects must meet the project timeline	We have met all required milestones for each construction project	The construction projects met the project timeline
	Participate in RM50 million worth per project tender	Participated in tender for multiple construction projects totalling more than RM100 million	3 out of 6 construction projects participated worth RM50 million and above
	Participate in Renewable Energy construction project tender	JAKS continues to source for suitable renewable energy project tender opportunities	Engaged in the tendering process for multiple renewable energy projects
	Maintain zero corruption cases	Zero corruption cases were reported in FY2022	There was no corruption case reported in FY2023
	Promote awareness by providing anti-corruption awareness training to the Board and employees	A total of 4 hours of anti-corruption awareness training was provided to all employees in FY2022	Awareness training on policy including ABAC was conducted to employees
<b>Environmental</b>	Reduce 2% of electricity consumption and diesel consumption as compared to the previous year	<ul style="list-style-type: none"> <li>Electricity consumption in FY2022 increased by 1% compared to FY2021, following the recommencement of work after Covid-19 lockdown</li> </ul> <p><i>Action plan: Management will identify other initiatives to reduce / control electricity consumption</i></p> <ul style="list-style-type: none"> <li>No diesel consumption in FY2022</li> </ul>	Energy consumption in FY2023 increased by 65% compared to FY2022
	Implement energy-saving initiatives: <ul style="list-style-type: none"> <li>Switch off lights during non-operating hours in the office</li> <li>Installation of LED lights within Evolve Concept Mall</li> </ul>	<ul style="list-style-type: none"> <li>Lights switch off during non-operating hours</li> <li>Installation of LED lights is within the parking area</li> </ul>	<ul style="list-style-type: none"> <li>Lights switch off during non-operating hours</li> <li>Installation of LED lights is within the parking area</li> </ul>
	Reduction 5% of water consumption as compared to the previous year	Water consumption in FY2022 decreased by 29% as compared to previous year due to employees travel and relocation to other office locations	Water consumption in FY2023 increased by 18%



# Sustainability Statement

(cont'd)

## SUSTAINABILITY KPI TARGET AND PROGRESS (Cont'd)

ESG Area	Sustainability Target	Performance (FY2022)	Current progress (FY2023)
	Zero cases of non-compliance with environmental regulatory	Zero cases of non-compliance with environmental regulations were reported in FY2022	Zero cases of non-compliance with environmental regulations were reported
	Zero fines imposed by environmental authorities	Zero fines were imposed by environmental authorities in FY2022	Zero fines were imposed by environmental authorities in FY2023
	Reduction 5% of Scope 1 and 2 GHG emissions intensity as compared to the previous year	Scope 1 GHG emission intensity decreased by 86% while Scope 2 GHG intensity increased by 1% in FY2022 as compared to the previous year	Scope 1 GHG emission intensity increased by 15% while Scope 2 GHG intensity increased by 65% in FY2023 as compared to the previous year
<b>Social</b>	At least 1 female at Board Level	Board composition remained unchanged. It comprised of 1 female and 7 male Board Member	1 female at Board level
	Achieve racial diversity at the Board level	Racial equality at Board Level, consists of 50% Bumiputera and 50% Chinese	Racial equality at Board Level, consists of 43% Bumiputera and 57% Chinese
	Maintain age balance ratio between male and female directors <ul style="list-style-type: none"> <li>• 25% - 40 to 49 years old</li> <li>• 25% - 50 to 59 years old</li> <li>• 50% - 60 years old and above</li> </ul>	Board's age balance ratio consists of: <ul style="list-style-type: none"> <li>• 25% - 40 to 49 years old</li> <li>• 25% - 50 to 59 years old</li> <li>• 50% - 60 years old and above</li> </ul>	Board's age balance ratio consists of: <ul style="list-style-type: none"> <li>• 14% - 40 to 49 years old</li> <li>• 43% - 50 to 59 years old</li> <li>• 43% - 60 years old and above</li> </ul> <p><i>Action plan: Any new appointment will be based on suitable experience, expertise and overall contribution to JAKS</i></p>



# Sustainability Statement

(cont'd)

## SUSTAINABILITY KPI TARGET AND PROGRESS (Cont'd)

ESG Area	Sustainability Target	Performance (FY2022)	Current progress (FY2023)
	Achieve average gender ratio at the employee level	Maintained employee gender ratio of 44% Female and 56% Male	Maintained employee gender ratio of 46% Female and 54% Male
	Maintain age balance ratio at the employee level <ul style="list-style-type: none"> <li>• 14% - &lt;30 years old</li> <li>• 58% - 30 to 49 years old</li> <li>• 28% - 50 years and above</li> </ul>	Employees' age balance ratio consisted of: <ul style="list-style-type: none"> <li>• 10% - &lt;30 years old</li> <li>• 53% - 30 to 49 years old</li> <li>• 37% - 50 years and above</li> </ul>	Employees' age balance ratio consisted of: <ul style="list-style-type: none"> <li>• 6% - &lt;30 years old</li> <li>• 54% - 30 to 49 years old</li> <li>• 40% - 50 years and above</li> </ul> <p><i>Action plan: We will assess the age profile of our workforce and will strive to improve next year based on market environment, talent availability and business needs</i></p>
	Achieve zero racial discrimination and maintain racial diversity at the employee level	Achieved racial diversity at the employee level (i.e., 48% Bumiputra, 44% Chinese and 7% Indian)	Achieved racial diversity at the employee level (i.e., 43% Bumiputra, 49% Chinese and 8% Indian)
	Priorities and hire 100% of local employees	100% local employees	100% local employees
	Maintain 15% of employee turnover	Recorded 23% of employee turnover  <i>Action plan: The Company underwent a workforce rationalisation plan which was concluded in FY2022. No specific action plan will be developed as Management is of the opinion that the target can be carried out in FY2023</i>	Recorded 14% of employee turnover
	Maintain zero discrimination cases within JAKS	Zero discrimination cases were reported in FY2022	Zero discrimination cases were reported in FY2023



# Sustainability Statement

(cont'd)

## SUSTAINABILITY KPI TARGET AND PROGRESS (Cont'd)

ESG Area	Sustainability Target	Performance (FY2022)	Current progress (FY2023)
	Maintain zero sexual harassment and take immediate action taken against any sexual harassment case reported	Zero sexual harassment cases were reported in FY2022	Zero sexual harassment cases were reported in FY2023
	Provide an average of 8 hours of training per employee per year for the executive level above	Provided an average of 4.6 hours of training for the executive level above (584 training hour over 126 number of executive levels above employee)	Provided an average of 8 hours of training for the executive level above
	Achieve zero cases of non-compliance with occupational health and safety regulatory	Zero cases of significant non-compliance with occupational health and safety regulatory	Zero cases of significant non-compliance with occupational health and safety regulatory
	Achieve zero cases of fatalities at all worksites	Zero cases of fatalities were reported at all worksites	Zero cases of fatalities were reported at all worksites
	Reduce accident case, incident rate, accident frequency rate and severity rate by comparing with the previous year	Zero cases of incidents/ accidents were reported in FY2022	Zero cases of incidents/ accidents were reported in FY2023
	RM50,000 spend on community engagement activities	Contributed RM119,500 to community engagement activities in FY2022	Contributed RM40,000 to community engagement activities in FY2023  <i>Action plan: We wish to highlight that contributions to the community remains a key priority for the Management and will continue to do so moving forward</i>





# Sustainability Statement

(cont'd)

## MANAGING MATERIAL MATTERS

### ECONOMIC

#### ECONOMIC PRESENCE AND SUSTAINABLE PROFITABILITY

At JAKS, we acknowledge that our ability to achieve sustainable business growth are linked to the well-being of the markets and communities we serve in. We operate in a few industries consisting of power, construction and property investment in Malaysia. Thus, we are cognisant of our role in fostering economic development within the local.

#### Our Approach

In achieving sustainable financial growth, we have developed business plans to ensure our long-term growth in the segments we are investing in. In Power Division, we continuously focus on power and energy by leveraging on global and government initiatives for a green economy mainly on renewable energy. Our 50MW large-scale solar photovoltaic ("LSS4 PV") project achieved commercial operation date on 18th August 2023 and expected to generate positive returns to the Group.

In Construction Division, there has been a slowdown in mega projects announced in the National Budget 2023. Despite this, Management is actively pursuing participation in open tenders and direct proposals that offer better feasibility and financial returns.

The Property Investment Division currently owns two major investment properties, namely Evolve Concept Mall and Pacific Towers Business Hub and several residential and commercial units in Pacific Towers and Pacific 63. Our focus on these investment properties is to enhance business operations and yield while exploring options to monetise or divest these investment properties.

Leveraging the expertise and knowledge of our Board, both Senior Management and Operational Management collaborate closely to effective implementation methods for achieving financial growth. The Management will continuously identify potential risks, focusing on key areas during the execution process and develop relevant action plans.

#### Our Performance

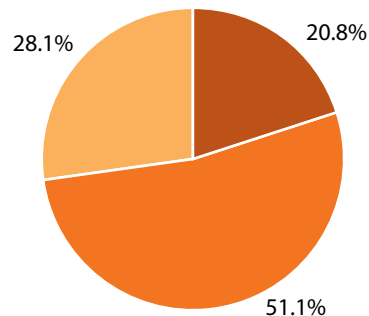
In FY2023, the Group experienced a 58.2% decline in revenue compared to the previous year. This decline was attributed to a 76.4% decrease in project revenue in Construction Division, primarily because construction works were nearing completion or in the final stages.

The diagram below illustrates the revenue breakdown for JAKS in FYE 31 December 2023. The Construction Division is the primary contributor to the Group's revenue, followed by Property Investment and Power Divisions.

The Group achieved a profit before tax of RM12.1 million, a decrease of 67.7% from the profit before tax of RM37.4 million in the prior year. The decline in profitability was mainly due to a lower share of profit in the Vietnam joint venture of RM131.1 million in 2023 as compared to RM156.2 million in 2022. This decline was caused by higher financing costs resulting from interest rate hikes based on London Interbank Offered Rate ("LIBOR") rate. For further details of the Group's financial performance, refer to Management Discussion and Analysis of this Annual Report.

Percentage of Revenue by Segment in FY2023 (%)

■ Power ■ Construction ■ Property Investment





# Sustainability Statement

(cont'd)

## INDIRECT ECONOMIC IMPACT

At JAKS, we recognise that our operations have a significant economic impact beyond the immediate financial transactions within our organisation. Indirectly, our activities contributed to providing benefits through job creation, engagement with local suppliers and fostering a positive business environment to the communities in which we operate.

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### Our Approach

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Through our Power, Construction and Property Investment Division, we make significant contributions to various aspects of economy particularly through job creation and other socio-economic benefits.

In the Power Division, our involvement in LSS4 PV project not only promotes renewable energy adoption but also stimulates economic growth by creating employment opportunities in the renewable energy sector.

The Construction Division plays a vital role in infrastructure development, job creation and skill enhancement within the construction industry. As the division is actively pursuing construction projects through tender participation and direct proposals, the Construction Division aims to replenish the order book. Similarly, Property Investment Division's investments in commercial and residential properties contribute to urban development, attracting businesses and residents to our operation areas. By fostering economic activity through our diverse business segments, we aim to drive sustainable growth while positively impacting local communities.

## PROCUREMENT & SUPPLY CHAIN

We recognise the critical role of our suppliers play in shaping our impact. Thus, we emphasise on the collaboration that aligns with our values, as our suppliers including contractors, service providers, subcontractors and consultants are integral to our sustainability success.

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### Our Approach

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As a responsible corporate entity, we encourage our suppliers to prioritise local sources in their procurement processes. This is not only strengthening the local economy but also contributes to the development of communities. To select the most suitable suppliers, JAKS identifies and evaluates potential suppliers based on their capabilities, quality and pricing.

Supply chain for JAKS involves the sourcing of materials, procuring goods and delivering them to the project sites with the goal of ensuring efficient delivery of materials and services. It is also important to note that subcontractors play a significant role in our supply chain management. At present, the subcontractors are evaluated based on their financial credibility and track record. Additionally, they are required to declare and acknowledge their compliance with Anti-Bribery and Anti-Corruption (ABAC) code at the onboarding stage. We remain committed to ensuring that our subcontractors uphold the same high standards of sustainability and efficiency in their operations.

In the Power Division, we rely on our subcontractors to procure goods or services. We are committed to ensuring that they adhere to the same standards of sustainability and prioritise local suppliers. In the Construction and Property Investment Divisions, we collaborate closely with local suppliers to procure materials and services. Furthermore, JAKS is committed to embed sustainability throughout its supply chain operations, which entails reducing waste and embracing renewable energy sources.



# Sustainability Statement

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## Our Performance

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In FY2023, we dedicated our financial resources to partnering with local suppliers, emphasising our unwavering dedication to bolstering the local suppliers.

Amount Spent in FY2023 <sup>(i)</sup>	Amount (RM'000)	Percentage (%)
Local Supplier	37,213.5	99.94%
Foreign Supplier	22.8	0.06%

### Notes:

<sup>(i)</sup> Includes Power and Property Investment Divisions only

In the Power Division, our local subcontractors handle supplier management, whereas in the Property Investment Division, we mainly procure maintenance and repair services for our property assets. It was noteworthy that 99% of the expenditures were directed towards local suppliers rather than foreign suppliers. This allocation underscores our dedication to empowering local businesses and fostering sustainable economic development within our community. However, no data collection process was conducted for Construction Division in FY2023 as the projects are nearing completion. As part of our commitment to continuous improvement, we are dedicated to enhancing our data tracking capabilities.

## ANTI-CORRUPTION

### Code of Conduct

The Group prioritises ethical conduct through its comprehensive Code of Ethical Conduct and Conflicts of Interest ("the Code"), embedded within the employee handbook. This dedication to economic sustainability and high ethical standards in all business practices has resulted in zero reported complaints of unethical or corrupt behaviour by our employees. The Board oversee matters in relation to the Code. The Code will be reviewed on an annual basis to ensure its relevance and effectiveness. We remain unwavering in our commitment to uphold the high standard of work ethics, honesty and morality.

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## Our Approach

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### Anti-Bribery and Anti-Corruption Policy

Our Anti-Bribery and Anti-Corruption ("ABAC") Policy & Guidelines sets a zero-tolerance stance against corruption, bribery and fraud. The policy outlines the specific protocols for reporting and investigating suspected breaches, as well as a system of due diligence and risk assessment to evaluate the integrity and reputational risks associated with third-party relationships.

The ABAC Policy is available on our corporate website at <http://www.jaks.com.my/investors.php>.

At JAKS, we are committed to conduct business with integrity and in compliance with relevant laws and regulations, including Malaysia Anti-Corruption Commission Act ("MACC"). In FY2023, a 2-hour online training session was held for employees in November 2023.

## Whistleblowing Policy

Whistleblowing Policy established by the Group provides an avenue for stakeholders to report any concerns or suspicions of misconduct or illegal behaviour within JAKS. Any concerns shall be reported to the Chairman of Audit Committee to the following channels:

<p><b>By Email</b>  <a href="mailto:whistleblowing@jaks.com.my" style="color: white;">whistleblowing@jaks.com.my</a></p>	<p><b>By Post:</b>                  To : Chairman of the Audit Committee                  JAKS Resources Berhad:</p> <p><b>JAKS Resources Berhad</b>                  Unit B-09-28, Tower B, Pacific Towers                  Jalan 13/6, Section 13,                  46200 Petaling Jaya</p>
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The Whistle-Blowing Policy is available on our corporate website at <http://www.jaks.com.my/investors.php>. No whistleblowing incidents were reported in FY2023.

## Our Performance

In FY2023, there were zero cases of corruption and non-compliance to the Code were reported. Additionally, an anti-corruption training was undertaken and the table below represents the number and percentage of employees trained by category:

Employee Category	Employees Attending ABAC Training	
	Number of Employees	Percentage of Employees (%)
<b>Management</b>	40	76%
<b>Executive</b>	34	97%
<b>Non-executive</b>	5	24%

Moving forward, we aim to achieve 100% attendance for subsequent trainings. As part of anti-corruption measures, a corruption risk assessment was conducted in April 2023, to identify, evaluate and mitigate the risks associated with corruption within JAKS. The corruption risk assessment covered all divisions under the Group through discussions with Senior Management, Head of Subsidiaries and selected Heads of Department.

## ENVIRONMENT

### ENERGY EFFICIENCY

Responsible energy consumption aligns with our environmental stewardship goals, contributing to both cost savings and mitigating our operations' impact on climate change. At JAKS, we prioritise energy efficiency, recognising its significant role in reducing our carbon footprint.

## Our Approach

In improving energy efficiency, we have implemented several energy saving practices across our operations and facilities. Our energy-saving strategies include initiatives such as turning off air conditioning and lights during lunch hours, seeking opportunities for responsible electricity and diesel consumption and raising awareness among employees, subcontractors, tenants and patrons. Notable projects in this regard include the implementation of PV perimeter lighting around the LSS4 PV plant and the adoption of LED lights at Evolve Concept Mall, contributing significantly to our overall energy efficiency efforts.



# Sustainability Statement

(cont'd)

## Our Performance

We set a target reduction of 2% in electricity and diesel consumption as compared to our baseline year FY2022. In FY2023, the total energy consumption increased to 65% compared to FY2022. This is primarily attributable to the inclusion of Pacific Towers Business Hub to the list of property assets under tracking and monitoring of electricity consumption in FY2023.

	Target	FY2023		FY2022		FY2021	
		Electricity (kWh)	Diesel (Litre)	Electricity (kWh)	Diesel (Litre)	Electricity (kWh)	Diesel (Litre)
<b>Power Division<sup>(i)</sup></b>		25,613	-	-	-	-	-
<b>Construction Division<sup>(ii)</sup></b>		N/A	N/A	N/A	N/A	110,248	8,000
<b>Property Investment Division</b>		8,002,624 <sup>(iii)</sup>	1,344	4,861,595	1,164 <sup>(v)</sup>	4,686,096	485
<b>Total</b>		<b>8,028,237</b>	<b>1,344</b>	<b>4,861,595</b>	<b>1,164</b>	<b>4,796,344</b>	<b>8,485</b>
<b>Energy consumption (MWh)<sup>(iv)</sup></b>		8,043		4,875		4,891	
<b>Percentage of energy consumption as compared to prior year (%)</b>	-2%	65%		1%		N/A	

### Notes:

- (i) Includes LSS4 PV plant which commenced its operation on 18th August 2023
- (ii) No data collection process was conducted in FY2022 and FY2023
- (iii) Includes Pacific Towers Business Hub and Evolve Concept Mall, consuming 2,954,968kWh and 5,047,656kWh respectively
- (iv) Conversion of 1000kWh = 1MWh and 1000 litre=11.17MWh
- (v) The amount of diesel (in litre) in FY2022 has been restated

Moving forward, we are committed to reducing our energy consumption and will continue to enhance our data tracking capabilities for electricity and diesel consumption in the Construction Division.

## CLIMATE CHANGE

Climate change is a global challenge with profound implications. As an organisation, JAKS recognise the effects of high carbon emissions and we understand the urgency of mitigating our impact on the environment. The generation of greenhouse gas emissions is inevitable in our operations, mainly contributed from electricity use. We acknowledge the responsibility to mitigate our carbon footprint and contribute to the collective efforts addressing climate change.

## Our Approach

Our commitment to sustainability is evident in our proactive approach to reducing carbon emissions. At the forefront of our efforts is the Pacific Towers Business Hub in Petaling Jaya, where sustainability is a paramount consideration. The facility prioritised energy efficiency, water efficiency, indoor air quality and features solar panels in alignment with Green Building Index ("GBI") guidelines.

To minimise our carbon footprint, we have implemented various initiatives. LED lights are utilised in Pacific Towers offices and selected construction sites, while energy-saving measures include restricted usage of lighting, air conditioning, escalators, and elevators. All of these initiatives contribute to our overall energy conservation strategy.

As part of our commitment, we have also in place an Environmental Policy Statement which outlines our dedication to sustainable practices, including the minimisation of pollution at the project site and continual improvement in its environmental performance. All project sites are in compliance with the regulations set forth by the Department of Environment ('DoE'), ensuring that our projects are conducted in an environmentally responsible manner.



# Sustainability Statement

(cont'd)

JAKS recognises that climate change carries risks and opportunities for the business and therefore impact the strategic decisions that we make. We have identified the associated risks and opportunities as follows:

## **Risks and opportunities presented by climate change**

<b>RISKS</b>	
<b>Short-term (by 2029)</b>	<b>Long-term (beyond 2029)</b>
Intense flooding due to severe rain patterns may lead to prolonged project delays at construction sites, resulting in revenue loss.	Changes in weather patterns may result in greater occurrence of flash floods with increased severity, which may lead to properties in flood-prone or high-risk areas experience reduced property values, impacting investment returns and loan collateral value.
Our construction workers may be exposed to higher risk of accidents and injuries at work sites due to wet and slippery condition.	Operational costs may increase for all business division due to increased expenditure required to address climate change.
Our Power Division may be affected due to diminished sunlight reaching the solar panel, leading to a decrease in energy production.	
<b>OPPORTUNITIES</b>	
<b>Short-term (by 2029)</b>	<b>Long-term (beyond 2029)</b>
Greater motivation to transition to renewable energy such as solar energy.	Opportunity to reshape the existing business model and strategy to a more sustainability-influenced system that can be utilised for the long term.
Development of sustainable construction methods and designs for long-term feasibility, all of which reduces overall impacts on the climate.	

## **Our Performance**

### **Greenhouse gas emissions**

As climate change has been escalated as a material concern to be addressed by the Group, emissions monitoring and management is therefore pertinent to JAKS given that its business operations potentially produced high levels of GHG emissions.

JAKS adopted operational control for the calculation of Scope 1 and 2 emissions where we account for emissions stemming from sources that are owned or fully controlled by our organisation. Our direct sources of GHG emissions under Scope 1 include direct fuel combustion from our business activities while our indirect sources of GHG emissions, which fall under Scope 2, are listed as electricity consumption of LSS4 PV plant, Evolve Concept Mall and Pacific Towers Business Hub.

JAKS has set a target of achieving Scope 1 and 2 GHG emissions intensity reduction by 5% in FY2023 as compared to baseline year FY2022. This year, we have recorded an increase in Scope 1 and 2 GHG emission by 15% and 65%, respectively as compared to FY2022. The increase in Scope 2 GHG emission was mainly attributable to the inclusion of Pacific Towers Business Hub being tracked and monitored in FY2023. Moving forward, JAKS remained committed to reduce Scope 1 and 2 GHG emission through reduction in diesel and electricity consumption.



## Sustainability Statement

(cont'd)

	Target	FY2023	FY2022	FY2021
		Diesel (Litre)	Diesel (Litre)	Diesel (Litre)
<b>Scope 1 Emission<sup>(i)</sup></b>				
Power Division		-	-	-
Construction Division		-	-	8,000
Property Investment Division		1,344	1,164 <sup>(iii)</sup>	485
<b>Total (litre)</b>		<b>1,344</b>	<b>1,164</b>	<b>8,485</b>
<b>Total (kg)</b>		<b>1,155.84</b>	<b>1,001.04</b>	<b>7,297.1</b>
<b>GHG Emission (kgCO<sub>2</sub>e)</b>		<b>3,093.60</b>	<b>2,679.28</b>	<b>19,530.63</b>
<b>GHG Emission (tCO<sub>2</sub>e)</b>		<b>3.09</b>	<b>2.68</b>	<b>19.53</b>
<b>Percentage of Scope 1 GHG emissions intensity reduction as compared to prior year</b>	-5%	15%	-86%	N/A

	Target	FY2023	FY2022	FY2021
		Electricity (kWh)	Electricity (kWh)	Electricity (kWh)
<b>Scope 2 Emission<sup>(ii)</sup></b>				
Power Division		25,613	-	-
Construction Division		-	-	110,248
Property Investment Division		8,002,624 <sup>(iv)</sup>	4,861,595	4,686,096
<b>Total (kWh)</b>		<b>8,028,237</b>	<b>4,861,595</b>	<b>4,796,344</b>
<b>GHG Emission (kgCO<sub>2</sub>e)</b>		<b>4,736,659.83</b>	<b>2,868,341.05</b>	<b>2,829,842.96</b>
<b>GHG Emission (tCO<sub>2</sub>e)</b>		<b>4,736.66</b>	<b>2,868.34</b>	<b>2,829.84</b>
<b>Percentage of Scope 2 GHG emissions intensity reduction as compared to prior year</b>	-5%	<b>65%</b>	<b>1%</b>	<b>N/A</b>

### Notes:

- (i) Emission factors used to calculate Scope 1 are based on factors published by the IPCC 2006 Guidelines for National Greenhouse Gas Inventories of 2.676492kg/litre. Conversion factor to change litre to kg is 1litre = 0.86kg.
- (ii) Emission factors used to calculate Scope 2 are based on factors published by the Malaysian Green Technology Corporation on Grid Connected Electricity Baselines in Malaysia and 2017 CDM Electricity Baseline for Malaysia of 0.59kgCo<sub>2</sub>/kWh
- (iii) Data collection process for Pacific Towers Business Hub commenced in April 2022
- (iv) Includes Pacific Towers Business Hub and Evolve Concept Mall

	FY2023	
	Distance Travelled (km)	GHG Emission (kgCO <sub>2</sub> e)
<b>Scope 3 Emission<sup>(i)</sup></b>		
Car <sup>(ii)</sup>	595,379	99,213
Motorcycle <sup>(ii)</sup>	241,880	27,495
<b>GHG Emission (kgCO<sub>2</sub>e)</b>	-	<b>126,709</b>
<b>GHG Emission (tCO<sub>2</sub>e)</b>	-	<b>126.71</b>

### Notes:

- (i) Emission factors used to calculate Scope 3 are based on factors published by UK Government GHG Conversion Factors for Company Reporting with emission factor of 0.166639 kgCo<sub>2</sub>e/km for cars and 0.113674 kgCo<sub>2</sub>e/km for motorbike
- (ii) Information disclosed is limited to emission from employee commute only



# Sustainability Statement

(cont'd)

Scope 3 emissions consist of all other indirect emissions (not included in Scope 2) in the value chain. The calculation for Scope 3 emission is based on the distance-based method for employee commuting. We will continue to improve our data collection process to disclose emission from business travel category in future reporting cycles. '

## WATER MANAGEMENT

As a socially responsible entity, we aim to minimise our impact on water resources. Our commitment to sustainable water management reflects our dedication to environmental stewardship and long-term resource conservation.

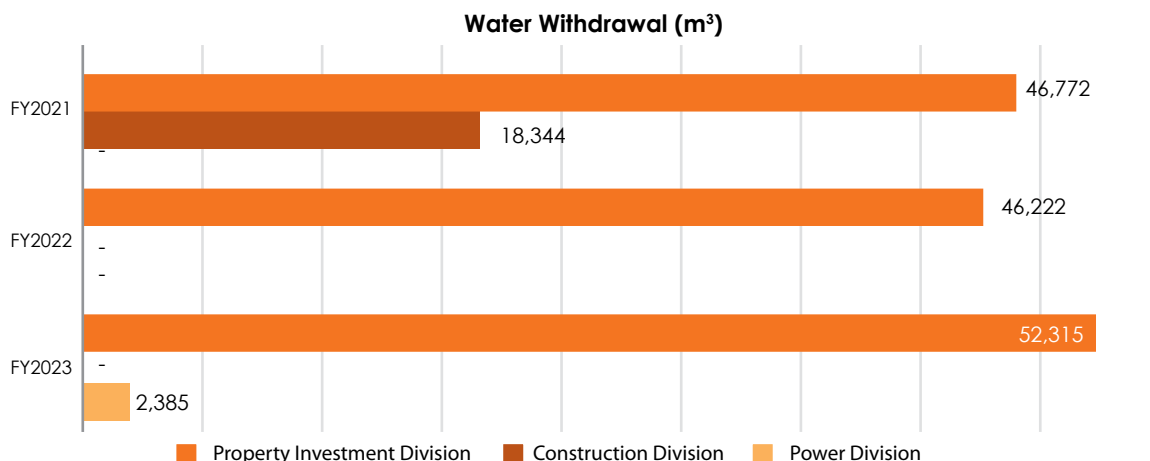
### Our Approach

In pursuit of sustainable practices, we actively implement water-saving strategies across our business operations. We have undertaken initiatives to monitor and reduce the water consumption. Particularly for Evolve Concept Mall, we implemented rainwater harvesting system, consisting of a storage tank to collect rainwater from the roof of the building. This harvested rainwater was utilised for various purposes within the mall. Other strategies include the adoption of responsible water use practice among employees and we continuously exploring ways to reduce the water usage.

### Our Performance

JAKS primarily operates in Malaysia, where, according to the World Resources Institute (WRI) Aqueduct, a global water risk-mapping tool, is not considered to be in a water stressed area. Our primary sources of water used for our operation include municipal potable water and harvested rainwater. JAKS has set a target of reducing water withdrawal by 5% in FY2023 as compared to our baseline year FY2022. We have recorded an increase in water withdrawal by 18% compared to FY2022. This increase was primarily attributed to the inclusion of Pacific Towers Business Hub under tracking and monitoring. For Evolve Concept Mall, the water withdrawal declined by 1% due to the implementation of rainwater harvesting system.

Water withdrawal (m <sup>3</sup> )	Target	FY2023	FY2022	FY2021
Power Division <sup>(i)</sup>		2,385	N/A	N/A
Construction Division <sup>(ii)</sup>		N/A	N/A	18,344
Property Investment Division		52,315 <sup>(iii)</sup>	46,222	46,772
<b>Total</b>		<b>54,700</b>	<b>46,222</b>	<b>65,116</b>
Percentage of reduction as compared to prior year	-5%	18%	-29%	N/A



#### Notes:

- (i) Includes LSS4 PV project which commenced its operation on 18th August 2023
- (ii) No data collection process was conducted in FY2022 and FY2023
- (iii) Includes Pacific Towers Business Hub and Evolve Concept Mall, consuming 6,368m<sup>3</sup> and 4,595m<sup>3</sup> respectively





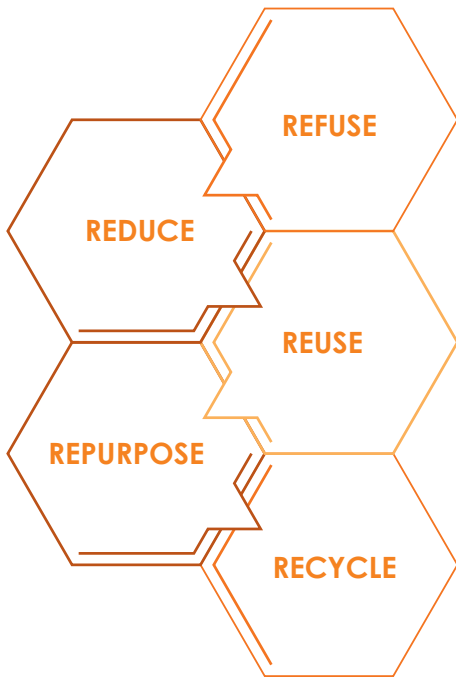
# Sustainability Statement

(cont'd)

## WASTE MANAGEMENT

Effective waste management is essential for minimising environmental impact and promoting sustainable practices. JAKS is dedicated to reducing, reusing and recycling waste to safeguard the environment and contribute to the circular economy.

### Our Approach



In our Power, Construction and Property Investment Divisions, we consistently prioritise waste reduction as a fundamental aspect of our sustainability initiatives. Our commitment extends to adopting sustainable practices that encompass the efficient use of materials and responsible procurement processes.

The concept for 5Rs has been embedded into JAKS business activities as we explored new methods and initiatives to reduce the environmental footprint created by our business activities. 5Rs of Sustainability is a concept for sustainable resource management that highlights the importance of refusing, reducing, reusing, repurposing and recycling in order to create a sustainable future. It is essential for us to minimise the environmental impacts at our operational sites on the natural and surrounding environment and to conserve it for the future generation.

To amplify our impact, we actively engage with approved third-party contractors who share our dedication to environmentally conscious waste management. By adhering to stringent environmental regulations, we ensure the proper handling and disposal of waste, contributing to the overall reduction of our ecological footprint and reinforcing our commitment to sustainable business practices.

### Our Performance

The waste produced by JAKS is mostly unscheduled waste, such as paper, glass and plastic, which comprises of office waste.

Waste Generated (MT) <sup>(iv)</sup>	FY2023	FY2022	FY2021
Power Division <sup>(i)</sup>	12.15	N/A	N/A
Construction Division <sup>(ii)</sup>	N/A	N/A	N/A
Property Investment Division <sup>(iii)</sup>	212.30	N/A	N/A
<b>Total</b>	<b>224.45</b>	<b>N/A</b>	<b>N/A</b>

#### Notes:

- (i) Includes LSS4 PV project which commenced its operation on 18th August 2023
- (ii) No data collection process was conducted in FY2021, FY2022 and FY2023
- (iii) Includes Pacific Towers Business Hub and Evolve Concept Mall
- (iv) 1T=0.907185 MT

JAKS remains committed to waste reduction and will continue to enhance our data tracking methodologies for waste generated in Construction Division. By FY2024, the company aims to reduce waste generation by 5%, benchmarked against the corresponding year. These efforts aim to reduce pollution, waste and carbon footprint for a more sustainable future.



# Sustainability Statement

(cont'd)

## ENVIRONMENTAL COMPLIANCE

Adhering to environmental regulations safeguards biodiversity, minimises ecological impact and fosters long-term sustainability. Compliance is not just a legal obligation but a commitment to responsible corporate citizenship, demonstrating our dedication to environmental stewardship.

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### Our Approach

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We proactively stay abreast of evolving environmental regulations related to Power, Construction and Property Investment Divisions. Through regular environmental impact assessments ('EIA') and compliance audits conducted on project basis, we assessed our operations against local and international environmental standards.

To ensure continuous compliance, we engage in ongoing training and capacity-building programs for our teams. We foster a culture of environmental responsibility, encouraging all employees to be vigilant and proactive in adhering to environmental laws. Our approach extends to collaborative efforts with relevant authorities to address emerging environmental challenges and contribute to the development of sustainable practices in our industries.

We are dedicated to controlling and preventing environmental pollution throughout our business operations to safeguard the ecosystem. To drive this commitment, we adhere to environmental regulations and guidelines for all projects. We recognise the potential environment impacts of our activities and proactively work to mitigate them.

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### Our Performance

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In FY2023, no cases of non-compliance with environmental regulations. We did not receive any fines or penalties. To ensure that we comply with regulations and standards, we review our policies and procedures, and work closely with relevant authorities to address any issues that may arise on project basis. If necessary, we take prompt action to mitigate any potential environmental impacts and maintain a sustainable approach to our operations.

## BIODIVERSITY

JAKS recognises that preserving biodiversity is a fundamental pillar for a sustainable society and hence, reaffirms its commitment to reducing or preventing negative impacts on its surrounding biodiversity. Through our sustainable practices, we aim to minimise our ecological footprint and promote biodiversity conservation in all aspects of our operations.

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### Our Approach

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We ensure that the environment impacts caused by each business division are kept to a bare minimum and within the thresholds set by the DoE. Depending on the project's requirement, we appoint on-site environmental personnel to oversee all environmental aspects of any given projects, which includes implementation of mitigating measures and compliance with environmental laws and regulations. Before the commencement of any work, we will also undertake EIA on our operational site, as outlined in the project scope of work and mandated by the authorities. We will also engage environmental consultants to carry out environmental monitoring plan ('EMP') and monitoring reports as well as station a qualified environmental officer at the project site to ensure compliance with the project's specific environmental requirements. All of these practices will be implemented as necessary based on the requirements of each project.



# Sustainability Statement

(cont'd)

## SOCIAL

### OCCUPATIONAL HEALTH AND SAFETY

We are committed to ensuring the health and safety of our employees through embedding a positive safety culture, strengthening our safety processes, and establishing safe work environments to achieve our goal of zero work-related injuries in FY2023.

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#### Our Approach

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JAKS adheres to Occupational Health and Safety ("OHS") related standards, regulations, laws as well as other regulation orders and Code of Practice such as Malaysian Occupational Safety and Health Act 1944, Environmental Quality Act 1974, Construction Industry Development Board Act 520 (CIDB Act 520), ISO 45001:2018 Occupational Health and Safety Management System, Factories and Machinery Act 1967 (FMA).

Continuous improvement shall be made in any new OHS regulations for construction industry practices. The new regulations are constantly being highlighted during our periodical safety briefings or meetings with the employees to notify them of the potential risks and exposures they are facing.

We give top priority to the well-being and safety of everyone, encompassing employees, subcontractors, visitors, and any other individuals engaged in our operations. We firmly believe that preventing accidents or illnesses in the workplace is a collective responsibility shared by individuals at all levels. This commitment not only safeguards everyone involved but also mitigates the risk of fines / penalties, stop-work orders, and other disruptions that could adversely affect the smooth progress of our construction projects.

Our dedication to a secure work environment is evident in our actions. To reinforce this commitment, we have implemented an OHS Policy Statement and communicated comprehensive Safety Operating Procedures ("SOPs") to all relevant stakeholders. A few notable SOPs include:

- Performance Measurement & Monitoring
- Personal Protective Equipment
- Chemical Handling & Spillage Control
- Emergency Preparedness & Response
- Emergency First Aid & CPR

We are also aligned with ISO 45001:2018, an internationally recognised standard that uses a risk-based approach. We are dedicated to a safe and sustainable workplace for all employees, which implement a safety and health management system for managing risks and enhancing performance. In FY2023, 100% of our operational sites are covered with ISO 45001:2018 certification.

#### OHS Committee

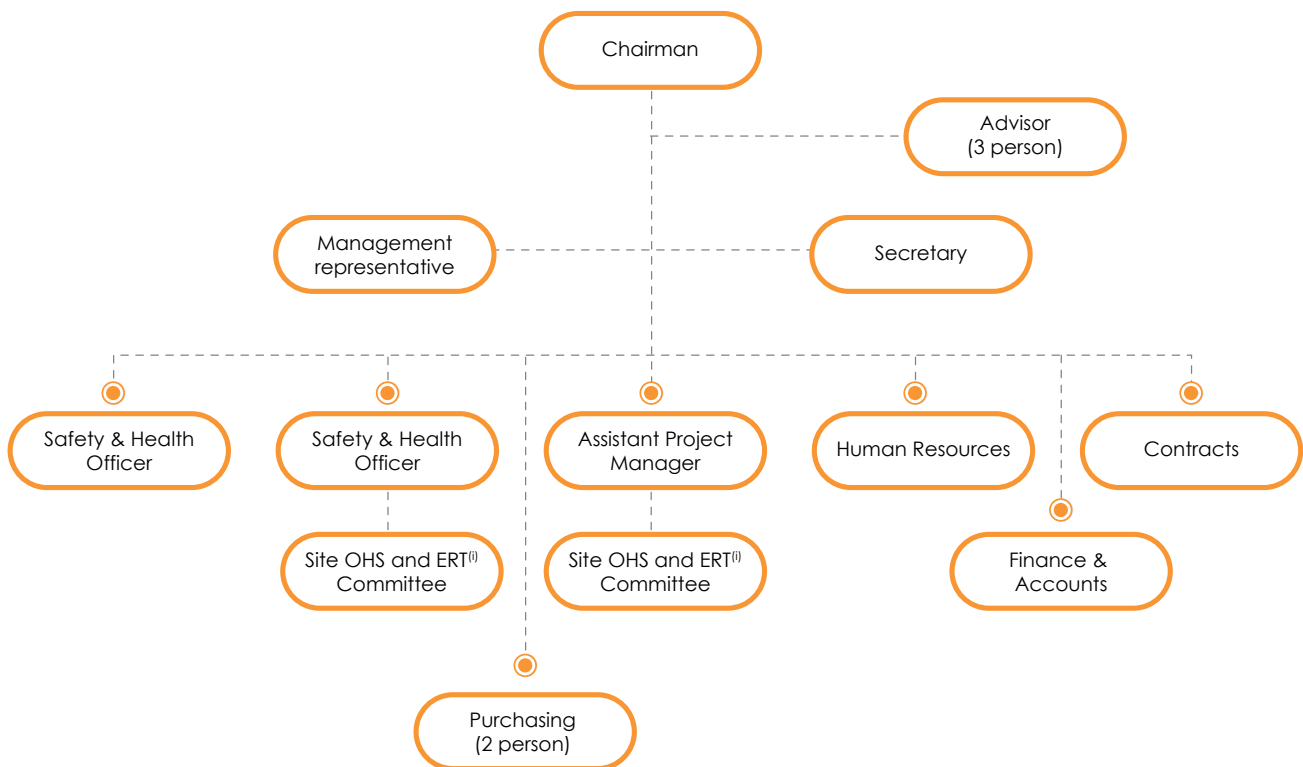
We have also established an OHS Committee comprising 10 employees, accounting for 9% of the total employees. They are responsible for monitoring and expediting the management of OHS related matter. An OHS committee shall meet as often as may be necessary commensurate with the risks attendant on the nature of work at the workplace but shall not meet less than once in three months.

The functions of the OHS Committee at our workplace are:

- To review the safety and health procedures at the workplace;
- To investigate any complaints or other related matters that are raised; and
- To hold regular discussions with the employer on issues relating to health and safety at the workplace.

In FY2023, the OHS Committee has convened a total 4 times, where the committees comprised the employees of different level and departments. The committee discussed matters pertaining to safety and health as well as employee concerns. Following these discussions, comprehensive minutes were recorded for all matters discussed.

The table below stipulates the reporting structure of OHS Committee:



**Note:**

(i) Defined as emergency response team

Our CEO, Ang Lam Poah, who also serves on the Board, acts as the highest governance body on OHS with oversight on pertinent matters. OHS matters including OHS performance improvement, occurrence of OHS incidents as well as preventive action to reduce reoccurrence, are regularly deliberated during Board meetings.

Our CEO has also affirmed the Health and Safety Guidelines. In addition, all Head of Departments are, by default, responsible for the health and safety of all staff in their respective departments.

**OHS Risk Assessment**

In JAKS, our business activities encompass a broad spectrum of associated risks. We perform regular risk assessments for the entire organisation, including the evaluation of OHS risks.

We acknowledge that employees primarily working at project sites inherently face higher risk exposure. To ensure the safety of our workforce, we take a proactive role in identifying potential work-related hazards that could cause high-consequence injuries by conducting Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), covering both existing and new operational sites. We develop specific safety operating procedures and protocols that outline the measures to mitigate these identified hazards. In addition, we establish an emergency response plan that details the procedures to be followed in the event of an accident or emergency.

JAKS also prioritise ongoing safety communication and awareness. Before any work is carried out, we will conduct toolbox / safety briefing / OSH induction to discuss relevant safety information, potential hazards and best practices to our construction workers. Safety Officer at respective project sites performs regular inspections and monitoring, thereafter unsafe practices are informed to Project Manager for their immediate action and rectification.



## Sustainability Statement

(cont'd)

The table below illustrated the health and safety activities conducted by JAKS with the following frequencies:

No.	Activities	Purpose	Frequency
1.	Safety Induction	To provide necessary safety training and information for new workers to ensure they are aware of and adhere to the safety protocols and guidelines	For new workers
2.	Workplace Inspection Checklist	To conduct regular inspections of the workplace to identify and address potential safety hazards or issues	Monthly
3.	Fire Extinguisher Checklist	To ensure that fire extinguishers are in proper working condition and readily available in case of a fire emergency incident	Monthly
4.	First Aid Checklist	To verify the availability and completeness of first aid supplies and equipment, ensuring prompt medical assistance is given in case of injuries or medical emergencies	Monthly
5.	Emergency fire drill	To practice and evaluate the response and evacuation procedures in the event of a fire emergency, ensuring all occupants are familiar with safe reactions	Annually
6.	Emergency Evacuation	Ensure that all occupants are familiar with evacuation procedures and can safely exit the premises in various emergency scenarios	Annually
7.	Trade training for workers	To provide specialised training to workers in their respective trades, ensuring they have the necessary skills and knowledge to perform their tasks safely and effectively	As necessary
8.	Machinery Inspection (Initial)	To ensure the machinery meets safety standards and is safe to operate before any work is commenced	At the point of arrival at the site
9.	Machinery Inspection	To identify and address potential safety issues arising from machinery breakdown, ensuring continued safe operation.	Quarterly

Further, we have implemented safety measures within our properties, namely Evolve Concept Mall and Pacific Towers Business Hub, which includes, the installation of essential firefighting equipment such as fire extinguishers, smoke detectors, and sprinkler systems at designated locations within these building. Additionally, we have enforced a non-smoking policy and prominently placed signage throughout these buildings vicinity to maintain a smoke-free environment.

JAKS has also established a routine maintenance schedule for the emergency equipment such as emergency lights and fire exit doors to ensure that these emergency equipment are always in optimal working condition, ultimately prioritising the safety and well-being of all occupants in the event of an emergency.

## OHS Programmes and Training

Training remains a vital component of our commitment to OHS. In FY2023, 71 employees across different department had attended Health and Safety related training, which collectively amounted to 25 training hours. Such training is designed to raise awareness and increase knowledge of health and safety in the workplace.

Date	Training course	Number of participants	Total training hours
19 September 2023	First Aid, CPR & AED Training	24	7
16 June 2023	Emergency Fire Fighting & Fire Drill	46	4
21 to 22 November 2023	Guidelines on Medical Surveillance Program At The Work Place	1	14



## Our Performance

JAKS continue to strive and prevent any potential harm for the safety of all employees. We continued to achieve our annual target of zero work-related injuries in FY2023 with no incidents or accidents reported (FY2022: 0).

Years	2023	2022	2021
Total worked man-hours	2,305,358	20,336,911	2,245,734
Number of employee fatalities	0	0	0
Number of contractor fatalities	0	0	0
Number of recordable work-related injuries	0	0	0
Number of day lost	0	0	0
Rate of fatalities <sup>(i)</sup>	0	0	0
Rate of recordable work-related injuries <sup>(i)</sup>	0	0	0
Lost time incident rate (LTIR) <sup>(ii)</sup>	0	0	0

### Notes:

- (i) The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks
- (ii) LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period

JAKS monitors its fatality rates in comparison to both local and international standards. In FY2023, we achieve zero fatality rate (per 100,000 workers) (2022: 0) whilst those of the Singapore construction industry stood at 2.9<sup>1</sup> and United States at 9.6<sup>2</sup> in 2022. This ongoing commitment to transparency and accountability ensures that our stakeholders are well-informed about our health and safety performance and progress in line with industry standards.

Note: The industry benchmark data for FY2023 is not available at the time of reporting.

<sup>1</sup> Source: Ministry of Manpower. 'Workplace Safety and Health Report 2022', 4 April 2023. Available at [https://www.mom.gov.sg/newsroom/press-releases/2023/0404-workplace-safety-and-health-report-2022#:~:text=In%202022%2C%20the%20workplace%20fatality,Period%20\(HSP\)%20in%20September](https://www.mom.gov.sg/newsroom/press-releases/2023/0404-workplace-safety-and-health-report-2022#:~:text=In%202022%2C%20the%20workplace%20fatality,Period%20(HSP)%20in%20September)  
<sup>2</sup> Source: U.S. Bureau of Labor Statistics. 'Number and Rate of Fatal Work Injuries by Industry'. Available at <https://www.bls.gov/charts/census-of-fatal-occupational-injuries/number-and-rate-of-fatal-work-injuries-by-industry.htm>



# Sustainability Statement

(cont'd)

## EMPLOYEE MANAGEMENT

Recognising the significant role played by our workforce, we placed a strong emphasis in enhancing our recruiting, talent attraction and retention. Our goal was to cultivate a positive workplace culture, fostering an environment where our employees thrived. Prioritising these aspects was not only a matter of social responsibility but also a commitment to providing equal opportunities and making meaningful contributions to the overall well-being of our employees and the communities.

### Our Approach

#### Talent Attraction & Retention

Our approach to attract and retain talent is by employing fair and inclusive hiring practices. We ensure that our labour practice and standards are according to the local labour and relevant employment laws and regulations. Our recruitment process is transparent, ensuring equal opportunities for all candidates, and aligns with local labour laws and regulations.

To attract and retain talent, we offered a comprehensive rewards system, encompassing both monetary and non-monetary benefits. Competitive salaries, performance bonuses, and recognition programs are tailored to acknowledge and motivate our employees. We believe in providing a holistic benefits package that includes health and wellness initiatives, professional development opportunities and flexible work arrangements.

#### Employee Satisfaction

We regularly review and update our Employee Handbook to adapt to evolving needs and requirements. This includes incorporating changes in policies, benefits and work arrangements, ensuring that our employees have a clear understanding of their rights and responsibilities. In FY2023, employee benefit and handbook were revised in terms of first schedule, working hours, maternity and paternity leave sick leave and hospitalisation and sexual harassment.

#### Leaves



- Annual Leave up to 26 days
- Substitute Leave
- Medical & Hospitalisation Leave
- Maternity Leave
- Compassionate Leave
- Contingency Leave
- Congratulatory Leave
- Examination Leave
- Paternity

#### Allowances



- Meal Allowance
- Parking Reimbursement
- Subsistence Allowance
- Travelling Reimbursement
- Hamper (Hospital Admission)
- Compassionate Token
- Business Travel Allowance
- Accommodation Reimbursement
- Outstation Allowance
- Handphone Reimbursement
- Professional Membership Reimbursement

#### Others



- Long Term Incentive Plan
- Long Service Award Training

#### Medical





- Annual Medical Check-up & Health Screening

#### Insurance



- Hospital & Surgical Insurance
- Group Personal Accident Insurance
- Term-Life Insurance

In FY2023, our steadfast commitment to nurturing young talent and integrating sustainability into our operations continues to be a priority for JAKS. While FY2023 did not see engagement with interns we are continuously planning to revive our internship programme.

Internship Program in JAKS		
Ethnic diversity working environment 	Opportunity to decide whether to pursue career in JAKS 	Exposed to work ethics 
Develop soft skills 	Knowledge sharing 	Practical experience in the field of interest 

### **Zero Tolerance for Harassment**

At JAKS, we established a Company Policy in Eliminating Discrimination In The World Of Work. The policy emphasis on the Group's stance on zero-tolerance position on discrimination applies to all aspect of employment. We have implemented procedures for reporting incidents of harassment, ensuring confidentiality and efficiency in handling each case. Any form of harassment is strictly addressed in accordance with JAKS' human resource procedures and applicable regulations.

We actively encourage employees to report any incidents they experience or witness. In such cases, prompt and appropriate action will be taken, including thorough investigations and the implementation of corrective measures when deemed necessary. This commitment reflects our dedication to maintaining a workplace that upholds the highest standards of safety, respect, and professional conduct.

### **Our Performance**

#### **Talent Attraction and Retention**

As of 31 December 2023, the Group has a total workforce of 109 employees in which comprises of local workforce. Five (5) employees were hired while the Group experienced turnover rate of 14% in FY2023, maintaining below the target set for turnover rate of 15%.

Employee Category	Total Number of New Hires		
	FY2023	FY2022	FY2021
Non-executive	1	5	2
Executive	2	6	0
Management	2	2	0

Employee Category	Total Number of Employee Turnover		
	FY2023	FY2022	FY2021
Non-executive	1	6	5
Executive	11	16	3
Management	3	6	4

	FY2023	FY2022	FY2021
New hire rates (%)	5%	10%	1%
Turnover rates (%)	14%	23%	14%
Number of discrimination cases reported	0	0	0
Number of sexual harassment cases reported and action taken (if any)	0	0	0





# Sustainability Statement

(cont'd)

## DIVERSITY AND EQUAL OPPORTUNITY

At JAKS, we recognise that diversity and equal opportunity are not just ethical imperatives but also essential for innovation and success. Embracing a diverse workforce fosters creativity and reflects our commitment to fairness and social responsibility. We believe that everyone, regardless of their age, race, religion, gender, nationality and belief deserves equal opportunities to thrive and contribute to our shared success.



### Our Approach

We actively promote diversity and inclusivity within our Group by cultivating an inclusive work environment that values and respects differences. This commitment is articulated in our Company Policy on Eliminating Discrimination in the World of Work, ensuring that every employee is treated fairly and with dignity, irrespective of their background, gender, race or other characteristics.

Additionally, our Fit & Proper Policy, which extends to our esteemed Board, reinforces our dedication to fostering a workplace that is free from discrimination and bias. By adhering to these policies, we strive to create a workplace culture that celebrates diversity, encourages collaboration and ensures that each member of our team feels valued and appreciated.

### Our Performance

#### Board Diversity

BOARD COMPOSITION		
Total Number of Board Members in FY2023: 7 Board Members		
Board Diversity by Gender and Ethnicity		
 6 Male Board Members	 1 Female Board Member	43% Bumiputera  57% Chinese

Our Board is composed of a diverse group, consisting of 6 male members (86%) and 1 female member (14%). JAKS acknowledges the importance of achieving a diversity ratio of 30% female at board level, in accordance with MCCG practices. This matter has been highlighted to the Board and new appointments will be determined based on suitable experience, expertise and overall contribution to JAKS.

The ethnic composition is reflective of our commitment to inclusivity, with 43% being Bumiputera and 57% Chinese. The diversity in gender, age and ethnicity enriches the perspectives and experiences brought to the decision-making table. At JAKS, we value the difference of viewpoints that arise from our diverse Board, fostering strategic thinking that align with our commitment to equal opportunities and representation.

	Percentage of Board Composition by Age		
	FY2023	FY2022	FY2021
<29 years	-	-	-
30 – 49 years	14%	25%	25%
50 years and above	86%	75%	75%



# Sustainability Statement

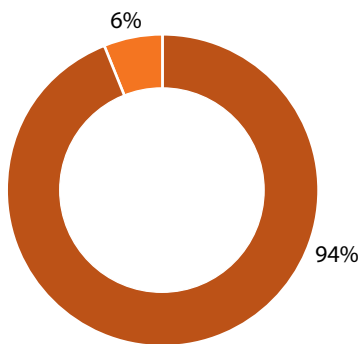
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## Employee Diversity

As of December 31, 2023, our total workforce was 109 employees, showcasing a balanced gender representation of 54% male and 46% female, all of whom were locally hired. 94% of our workforce consists of permanent employees while the remaining 6% consist of contract employees. 1% of our employees are identified as having a disability, highlighting our commitment to equal opportunities within our operations. The age distribution reflected a diverse and experienced team, with the majority falling within the 30 – 49 years age group, constituting 54% of our workforce. Additionally, 40% of our employees were aged 50 and above, bringing valuable experience to the team, while the remaining 6% were individuals below 30 years old, contributing fresh perspectives to JAKS. This diverse age range within our workforce promoted a dynamic and inclusive work environment that aligned with our commitment to equal opportunities. The Group aims to attract more younger employees by advertising job opportunities on JAKS's website, and online platforms used by younger individuals.

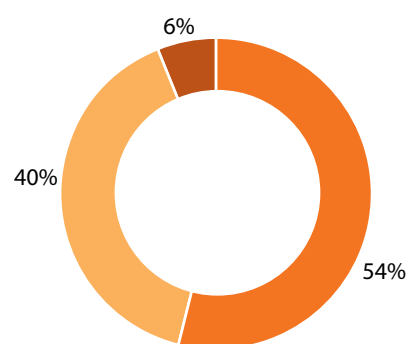
### Employment Type

■ Permanent ■ Contract



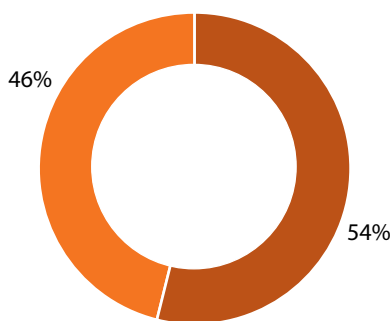
### Age

■ 20-29 years ■ 30-49 years ■ 50 years and above



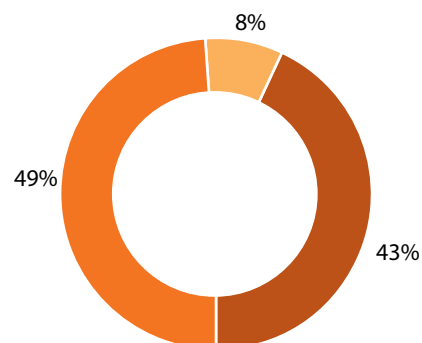
### Gender

■ Male ■ Female



### Ethnicity

■ Bumiputera ■ Chinese ■ Indian



## RESPECTING HUMAN RIGHTS

JAKS firmly upholds and adheres to the principles of human rights to ensure fair treatment throughout its value chain and foster a harmonious workplace. We adhere to internationally recognised human right standards as well as local statutory laws in relation to fair labour practices across the company's operation.



# Sustainability Statement

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## Our Approach

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JAKS has in place a Human Rights Policy aligned with International Labour Organisation. The Human Rights Policy has been uploaded to the company website, available at <https://www.jaks.com.my>. The policy shall be reviewed and amended whenever necessary to ensure its continued adequacy and relevance.

JAKS supports the fair and equitable treatment of its employees and safeguard them against unfair wages and unhealthy working hours. The Group working hours are regulated under the Malaysia Employment Act 1955 and the Employment (Limitation of Overtime Work) Regulations 1980.

We are committed to ensure that there are no children and forced labour are employed by JAKS. Moreover, we maintain a zero-tolerance policy towards any form of violence, discrimination, including harassment, bullying, and retaliation within our company. Our commitment to human right is also extended to the surrounding communities where we operate and suppliers as well as subcontractors involved in the value chain to fulfil their responsibility with respect to human rights.

We do not condone forced, bonded and child labour within our business and operations. Further, we conduct due diligence on new hires to verify their eligibility for employment, ensuring that they are of legal working age and are with full consent to perform the work. Concise and clear written contracts of employment are given to clearly set out their rights and responsibilities with regard to payment of wages, working hours and valid grounds for termination and other related issues.

We have identified the salient human rights risks with the following mitigation measures:

<b>Child labour</b>	JAKS is committed to support the children's rights through its anti-child labour practices, aligned with local laws. The Group has taken action to prevent child labour by implementing monitoring mechanisms to ensure that the recruitment age of employees is in compliance with the Children and Young Persons (Employment) Act 1996.
<b>Forced labour and responsible recruitment</b>	JAKS is committed to maintaining ethical labour practices. The Group has taken action, adhering to local labour laws and immigration laws when employing foreign or migrant workers by rejecting forced, prison, bonded or involuntary labour.
<b>Local employment</b>	JAKS is committed to local employment, where we prioritise the hiring of locals and supporting the local community's growth.

JAKS understands that the impact of human right violation can lead to diminished employee well-being and ethical concerns within organisation. Given its seriousness, the Group continuously monitor the worksite, for possible human rights violations. Strict disciplinary action including warnings, job suspension or termination will be imposed to individual within the Group who violates these standards.

Our CEO serves as the highest governance body overseeing matters related to human rights. The management team is entrusted with the responsibility of overseeing the implementation and adherence to the human rights policy within the company. They are responsible to model appropriate standards of behaviour to further educate and promote awareness of this policy to the employees as well as ensure that employees who raise an issue or make a complaint are not victimised.

Our Human Resources ("HR") Department, on the other hand, oversee the adequacy and effectiveness of the Human Rights Policy. Training or awareness session are provided to ensure all employees are well versed with this policy. Any complaints received or reported will be handled fairly to ensure all relevant parties are heard. The HR Department will take necessary action should there be a breach of the policy.

JAKS consistently communicates its established labour practices and human rights as well as policy updates to all stakeholders through company website, email, posts on the workplaces' bulletin boards, memos and updated employee handbook. The Employee Handbook outlines employees' rights, benefits and ethical workplace protocols, labour standards as well as grievance mechanisms.

In situations where no instances of human rights violations have been reported within our operations, no remediation measures were necessitated. However, should any human rights violations be identified, JAKS will address the reported issues with the utmost seriousness and transparency. Depending on the nature of the violations, we will undertake the corresponding remediation processes and measures to rectify the issues. In FY2023, there were zero reported incidents of human rights violation.



# Sustainability Statement

(cont'd)

## Non-judicial grievance mechanism

To ensure the upholding and respect of human rights across the Group, JAKS's employees can report dissatisfaction or concerns regarding human rights matters through non-judicial grievance mechanism. The grievance mechanism channel is available to both internal and external stakeholders, and all concerns and complaints are addressed in a confidential and safe manner to ensure the privacy and protection of individuals who come forward with their grievances.

At JAKS, we take our commitment to human rights seriously. While employees are encouraged to resolve issue via informal channels, the Group's management explicitly supports employees' rights to initiate these grievance procedures if matters remain unresolved or unsatisfactory at each level. In the event human rights issues are reported, we proactively investigate these incidents to ensure a thorough understanding of the situation. We work diligently to assess the nature and scope of the reported issues, identify any adverse impacts on affected individuals, and take swift corrective actions. Additionally, JAKS has also in place Anti-Sexual Harassment Policy, reinforcing our commitment to the safety and dignity of every employee.

The Group's grievance mechanism is formalised in our Employee Handbook which is provided to all employees. The HR Department oversees the Group's grievance mechanism and processes based on established policies and procedures.

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## Our Performance

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In FY2023, there were zero cases of human rights and labour standards violations reported through the grievance mechanism channels.

## TRAINING AND DEVELOPMENT

We are focused on investing in training and development of our employees to foster a culture of continuous learning within the Group. We empower our employees to adapt to evolving industry trends, cultivate new skills and contribute meaningfully to the company's success.

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## Our Approach

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We nurture the skills and talent of employees through providing training plans covering both technical skills and soft skills relevant to the Group. We reviewed the training plans regularly to address skills gaps and help our employees achieve their career development goals.

In FY2023, we remain committed to investing in training and development programmes utilising for both physical and online channels. Our training and development programme includes webinars, conferences and upskilling programme on technical courses related to job functions. Through these initiatives, we strive to empower our employees with the technical knowledge and skills needed to thrive in their roles and contribute meaningfully to the Group's success.

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## Our Performance

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In our continuous commitment to employee growth, the Group dedicated a total of 914 hours and invested RM26,188 in comprehensive training and development initiatives. These efforts signify our proactive approach to enhancing the skills, knowledge and capabilities of our workforce.

Employee Category	Total Hours of Training		
	FY2023	FY2022	FY2021
Management	206	84	32
Executive	633	408	360
Non-executive	75	92	8



# Sustainability Statement

(cont'd)

	Average Training Hours Per Employee		
	FY2023	FY2022	FY2021
Overall training hours (hours)	914	584	400
Overall average training hours per employee (hours)	8	5	3

## ENGAGEMENT WITH INTERNAL & EXTERNAL COMMUNITIES

### Engagement With Internal Communities

Engaging our employees is crucial not only for boosting productivity but also for providing valuable opportunities for skill development while ensuring due recognition for their contributions. Given that our employees represent our most valuable asset, their well-being naturally takes precedence as our utmost priority. We firmly recognise and appreciate the significance of fostering a positive work environment that instils a sense of belonging in each employee.

#### Our Approach

In pursuit of this commitment, we actively oversee various initiatives through 'Kelab Sukan dan Rekreasi JAKS' to promote a healthy culture and lifestyle among employees. By emphasising employee well-being, we aimed to create a work environment that not only valued professional growth but also placed importance on overall employee satisfaction.

#### Our Performance

In FY2023, the Group successfully executed various initiatives aimed at fostering employee relationships and well-being. Notable events included a Redang Island trip, a celebratory lunch upon the completion of the LSS4 PV plant and a Hari Raya Lunch Party. These activities not only created a sense of unity but also played a vital role in nurturing a positive work environment within JAKS.

#### Redang Island Trip

On March 2023, JAKS embarked on a memorable trip to Redang Island, spanning three days and two nights. The trip included a variety of activities, such as team-building exercises, beachside relaxation, and opportunities to explore the island's natural beauty. Through this experience, our employees bonded over shared experiences and returned with renewed energy for our work.



## Hari Raya Lunch Party

On 15 May 2023, JAKS hosted a Hari Raya Lunch Party at its head office, bringing together employees from all departments for an afternoon of food and fellowship. The Hari Raya Lunch Party not only provided an opportunity to understand and appreciate for each other's cultures and traditions but also served as a platform to reinforce the company's values of teamwork and inclusivity.



## Celebratory Lunch Upon The Completion Of The 50MW LSS4 PV Project

To commemorate the successful completion of the 50MW LSS4 PV project, a celebratory lunch was organised at JAKS's head office. Held on 29 August 2023, the event was a joyful gathering that brought together employees and stakeholders to celebrate this significant milestone. The celebratory lunch provided an opportunity to acknowledge the hard work and dedication of everyone involved in the project.



## Engagement With External Communities

We believe in building the nation through the various industries we have invested in. Engaging with the community has allowed us to understand the needs and expectations of our stakeholders, creating a positive impact on their lives and contribute to overall community development.

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### Our Approach

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In our commitment to being a responsible corporate citizen, we have consistently supported local causes and actively participated in community events. Throughout these initiatives, we have actively encouraged and involved our employees, fostering a profound sense of shared responsibility and pride in contributing to the greater good. This collaborative approach has not only enhanced our brand's credibility but also created a positive ripple effect that extends far beyond our business operations.

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### Our Performance

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In FY2023, the total amount of donations / community investments made to registered not-for-profit organisations amounted to RM40,000. A total of four (4) registered organisations benefited from our community initiatives.

	FY2023	FY2022	FY2021
<b>Total amount invested in the community where the target beneficiaries are external to the listed issuer</b>	RM40,000	RM119,550	RM74,500
<b>Total number of beneficiaries of the investment in communities (by number of entity)</b>	4	4	3



# Sustainability Statement

(cont'd)

## RM5,000 Sponsorship for Klang Chinese Chamber of Commerce and Industry 77th Anniversary Dinner and RM5,000 Donation to Pertubuhan Persahabatan Malaysia Vietnam

JAKS donated RM5,000 to Klang Chinese Chamber of Commerce and Industry ("KCCCI") 77th Anniversary Dinner that was held in August 2023, focusing on fostering collaboration among Chinese businesses and strengthening relationships within the business community. Earlier in March 2023, JAKS contributed RM5,000 to Pertubuhan Persahabatan Malaysia Vietnam to enhance friendship and cooperation between Malaysia and Vietnam on their 50th anniversary of diplomatic relations.

## RM10,000 Donation to Bursa Bull Charge 2023 Charity Run

JAKS contributed RM10,000 to the Bursa Bull Charge 2023 charity run held on 8th October 2023 organised by Bursa Malaysia. With a focus on environmental awareness and climate action under the theme 'Race to Net Zero,' the event aims to support environmental NGOs. In solidarity, four (4) of our employees participated in the 5km run, showcasing our commitment to community engagement and environmental stewardship.



## RM20,000 Donation to 2024 Love Hope Fundraising Dinner for Children's Education

In 2023, JAKS donated RM20,000 to the 2024 Love Hope Fundraising Dinner which was held at HGH Convention Centre Sentul, supporting children's education. This reflects our commitment to empowering underprivileged children by providing educational opportunities. Through initiatives like this, we aim to make a positive impact on society and advance education in our community.

## DATA PRIVACY AND SECURITY

As we witness the widespread adoption of digital technologies in our industry, the risk of cyber threats escalates. This is especially crucial for JAKS, given our commitment to protect sensitive information, including that of our customers. Ensuring data privacy is not just a regulatory requirement but a fundamental aspect of maintaining trust and reliability in our operations.

### Our Approach

The Group strictly adhere to Privacy Policy which was developed in accordance with Personal Data Protection Act ("PDPA") to safeguard customer's data from unauthorised access. The policy encompasses collection of personal information, its confidentiality and access to personal data. In addition, the Group continuously implement various cybersecurity measures and conducted regular review to safeguard customer's data.

### Our Performance

We are pleased to report that there were no complaints received relating to data breaches in FY2023.

	Number of complaints		
	FY2023	FY2022	FY2021
Number of complaints concerning breaches in customer privacy or data loss	0	0	0



# Sustainability Statement

(cont'd)

## MOVING FORWARD

Moving forward, our unwavering commitment lies in aligning our strategies with our vision of becoming a pioneer in the business divisions, while embodying our missions to deliver a reliable service, cultivate sustainable value, innovation and foster a nurturing workplace culture. The following represents JAKS's commitment to proactively address and manage sustainability-related matters while enhancing our reporting practices.



## STATEMENT OF ASSURANCE

JAKS has undertaken independent auditing and assurance for certain financial information presented in this report where the figures can be cross-referenced with the Financial Report. JAKS has not undertaken third-party assurance for non-financial and sustainability-related data.





# Sustainability Statement

(cont'd)

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	-	99.9
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	-	-	75.5
Executive	Percentage	-	-	97.1
Non-executive	Percentage	-	-	23.8
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	100.0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0.0	0.0	0.0
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	4,891.1	4,874.6	8,043.2*
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	19.5	2.7	3.1
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	2,829.8	2,868.3	4,736.7*
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	126.7
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	65.1	46.2	54.7*
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	224.5
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0.0	0.0	0.0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.0	0.0	0.0
Bursa C5(c) Number of employees trained on health and safety standards	Number	28.0	3.0	71.0
<b>Bursa (Employee Management)</b>				
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	4.0	6.0	3.0
Executive	Number	3.0	16.0	11.0
Non-executive	Number	5.0	6.0	1.0



## Sustainability Statement (cont'd)

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	3.2	1.7	1.9
Management Between 30-50	Percentage	43.6	44.8	45.3
Management Above 50	Percentage	53.2	53.5	52.8
Executive Under 30	Percentage	14.3	13.6	8.6
Executive Between 30-50	Percentage	61.2	61.4	60.0
Executive Above 50	Percentage	24.5	25.0	31.4
Non-executive Under 30	Percentage	16.7	22.7	19.0
Non-executive Between 30-50	Percentage	62.5	59.1	66.7
Non-executive Above 50	Percentage	20.8	18.2	14.3
Gender Group by Employee Category				
Management Male	Percentage	68.9	65.5	62.3
Management Female	Percentage	31.1	34.5	37.7
Executive Male	Percentage	38.8	37.2	31.4
Executive Female	Percentage	61.2	62.8	68.6
Non-executive Male	Percentage	56.0	65.2	71.4
Non-executive Female	Percentage	44.0	34.8	28.6
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	87.5	87.5	85.7
Female	Percentage	12.5	12.5	14.3
Under 30	Percentage	0.0	0.0	0.0
Between 30-50	Percentage	25.0	25.0	14.3
Above 50	Percentage	75.0	75.0	85.7
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.7	5.6	5.5
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0.0	0.0	0.0
<b>Bursa (Training and development)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	32.0	84.0	206.0
Executive	Hours	360.0	408.0	633.0
Non-executive	Hours	8.0	92.0	75.0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	74,500.0	119,550.0	40,000.0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3.0	4.0	4.0
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0.0	0.0	0.0

(\*) Restated



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of JAKS Resources Berhad (the "Company" or "JAKS") supports high standards of corporate governance and assumes responsibility in ensuring that principles and practices of the Malaysian Code on Corporate Governance ("the Code") are followed where possible or provide alternatives in meeting them. The Group believes that good governance will help to realise long-term shareholders value, whilst taking into account the interest of other stakeholders.

Set out herewith are the corporate governance principles and recommendations that were applied during the financial year ended 31 December 2023. The Board considers that it has fundamentally applied the principles and practices of the Code and is pleased to report the actions taken by the Company to conform to the Code in the Corporate Governance Report that is available in the Company's website [www.jaks.com.my](http://www.jaks.com.my).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### i. Board Responsibilities

The Board of Directors takes full responsibility for the performance of the Group. The Board provides stewardship to the Group's strategic direction and operations which will ultimately maximise shareholders' value. To fulfill this role, the Board provides advice to the Management in monitoring and achieving the Group's goals.

The Board's most important functions are as follows:

- ensuring that the Group's goals are clearly established, and strategies are in place to achieve them;
- establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build business through innovation, initiative, technology and the development of its business capital;
- monitoring the performance of Management;
- appointing the Chief Executive Officer ("CEO") and setting the terms of his employment contract;
- deciding on steps which are deemed necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and conform with law;
- ensuring that the Company adheres to high standards of ethics and corporate behavior; and
- ensuring that the Company has appropriate risk management or regulatory compliances policies in place.

In discharging its fiduciary duties during the financial year 2023, the Board has delegated specific tasks to six Board Committees namely Audit Committee, Nomination Committee, Remuneration Committee, LTIP Committee, Sustainability Committee and Risk Management Committee. All the Board Committees have its own terms of reference and the authority to act on behalf of the Board within the authorities as lay out in the terms of reference and report to the Board with the necessary recommendation.

The Company has a Board Charter which sets out the Board Governance process and Board-Management relationship. The Board Charter is available on the Company's website at [www.jaks.com.my](http://www.jaks.com.my). A review of the Board Charter was conducted on 28 November 2023.

The Board Charter also has a formal schedule of matters reserved for the Board covering the limits of authority for:

- Acquisition & Disposal of Assets
- Investments in Capital Projects
- Treasury Policies
- Risk Management policies

## Corporate Governance Overview Statement (cont'd)

### ii. Board Composition

The Board of JAKS presently has seven members comprising of the CEO, two Executive Directors and four Independent Non-Executive Directors. The Independent Non-Executive Directors make up more than 50% of the Board to allow for objective independent judgement to be made by the Board.

The Board meetings are presided by the Chairman, who is an Independent Non-Executive Director and whose role is clearly separated from role of the CEO to ensure a balance of power and authority.

The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as managing the development and implementation of business and corporate strategies. The Independent Non-Executive Directors are independent of Management and free from any business relationship which could materially interfere with their independent judgement. Their presence ensures that issues of strategies, performance and resources proposed by the Management are objectively evaluated and thus provide a capable check and balance for the Executive Directors. None of the Independent Directors of JAKS has served more than 9 years.

The Board has taken note of Practice 5.10 of the Code to have a gender diversity policy and has adopted the Board Gender Diversity Policy in the Board Charter on 30 November 2021 setting out that there is to be at least a woman Director on the Board at all times. In seeking potential candidate(s) for new appointments, the Board takes into account ethnicity and age distribution of the Directors to maintain a balanced Board composition and the Board shall also review the participation of women in senior management to ensure there is a healthy talent pipeline. In undertaking the process of reviewing and selecting potential candidates to fill in the vacancies, the Board shall be mindful of various diversity factors to strengthen the Board composition that meets the objectives and strategic goals of the Group.

### Board Meetings

During the financial year ended 31 December 2023, six (6) Board Meetings were held. Besides the routine meeting to discuss on the quarterly financial reports, the Board held a special meeting to discuss on the corporate fund raising exercise. The respective Directors' attendance record is as shown in the table below:

Director	No. of meetings attended
Tan Sri Datuk Hussin Bin Haji Ismail *	4/4
Ang Lam Poah	6/6
Ang Lam Aik	6/6
Dato' Razali Merican Bin Naina Merican	6/6
Dato' Azman Bin Mahmood *	4/4
Liew Jee Min @ Chong Jee Min *	4/4
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar	5/6
Khor Hun Nee	6/6
Dato' Othman Bin Semail #	2/2
Lim Gin Gee #	2/2

\* resigned on 31 May 2023

# appointed on 11 July 2023

The Board meets at least five times a year and as and when it is necessary. Due notice of matters to be discussed are provided to the Board. The proceedings, deliberations and conclusions made by the Board were properly recorded in the minutes of meetings kept by the Company Secretary and was confirmed by the Board and signed by the Chairman of the meeting.



## Corporate Governance Overview Statement (cont'd)

### Supply of Information

The Board is provided with the agenda and board papers prior to Board Meetings with sufficient time to enable the Board to solicit further explanations and/or information, where necessary, to enable them to discharge their duties.

The board papers provided include inter alia, financial results, business plan and budget, status of major projects, minutes of meetings of Board/ Board Committees, circulars from Bursa Malaysia Securities Berhad ("Bursa Securities"), announcements made to Bursa Securities, Directors' resolution in writing that had been passed and other major operational and financial issues for the Board's information and/or approval.

All Directors have access to the advices and services of the Company Secretary and all information in relation to the Group whether as a full Board or in their individual capacity to assist them in discharging their duties. The Board or the individual Director may seek independent advice from independent professional advisers at the Group's expense, if necessary in accordance to the prescribed policy.

### Directors' Training

The Group acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies. The Directors are encouraged to attend continuous education programmes to further enhance their skills and knowledge, where relevant. New directors appointed are required to attend the Mandatory Accreditation Programme pursuant to the Listing Requirements of Bursa Securities and will be briefed by Management on the operations and policies of the Company to familiarise themselves with the Company's business.

During the financial year ended 31 December 2023, the Directors have individually or collectively attended the following courses / seminar set out below:-

Director	Mode of Training	Title of Training	Duration of Training
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar	Webinar	Bursa Malaysia's enhanced climate change reporting – task force on climate related financial disclosures (TCFD)	0.5 day
Ang Lam Poah	Webinar	Bursa Malaysia's enhanced climate change reporting – task force on climate related financial disclosures (TCFD)	0.5 day
Dato' Razali Merican Bin Naina Merican	Webinar	Bursa Malaysia's enhanced climate change reporting – task force on climate related financial disclosures (TCFD)	0.5 day
Ang Lam Aik	Webinar	Bursa Malaysia's enhanced climate change reporting – task force on climate related financial disclosures (TCFD)	0.5 day



## Corporate Governance Overview Statement (cont'd)

Director	Mode of Training	Title of Training	Duration of Training
Khor Hun Nee	Webinar	Bursa Malaysia's enhanced climate change reporting – task force on climate related financial disclosures (TCFD)	0.5 day
	Webinar	Board Oversight of Climate Risks and Opportunities	0.5 day
	Webinar	Anti Bribery & Corruption Training	1.0 day
	Webinar	Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful activities Act and Personal Data Protection Act	1.0 day
	Webinar	Code of Ethics and Rules of Professional Conduct	1.0 day
	Webinar	Compliance and Shariah	1.0 day
	Webinar	EPF & MIS Guidelines	1.0 day
	Webinar	Guidelines on Advertisement	1.0 day
	Webinar	IT Securities Awareness	1.0 day
	Webinar	Integration of Corporate Social Due Diligence Directive	1.0 day
Dato' Othman Bin Semail	Webinar	Sustainability Reporting Requirement for Listed Companies	0.5 day
	Webinar	Board Oversight of Climate Risks and Opportunities	0.5 day
	Webinar	Bursa Malaysia's enhanced climate change reporting – task force on climate related financial disclosures (TCFD)	0.5 day
Lim Gin Gee	Webinar	Sustainability Reporting Requirement for Listed Companies	0.5 day
	Webinar	Board Oversight of Climate Risks and Opportunities	0.5 day
	Webinar	Bursa Malaysia's enhanced climate change reporting – task force on climate related financial disclosures (TCFD)	0.5 day
	Webinar	Integration of Corporate Social Due Diligence Directive	0.5 day

### Appointments and Re-election of Directors

In accordance with the Company's Constitution, all Directors who are appointed by the Board shall hold office only until the next annual general meeting after their appointment and shall then be eligible for re-election. The Articles also provide that at least one-third of the remaining Directors be subject to retirement by rotation at each annual general meeting provided always that all Directors including the CEO shall retire from office at least once every three years but shall be eligible for re-election.

The Board has empowered the Nomination Committee to consider and make their recommendation to the Board for the continuation in service of those Directors who are due for retirement and recommendation of new Directors, if required to enhance the composition of the Board. The Nomination Committee will recommend candidates for all directorships to be filled to the Board. The Nomination Committee also review the composition of the Board to ensure that the Board has the required mix of skills, expertise, attributes and core competencies to discharge their duties efficiently and effectively.



## Corporate Governance Overview Statement (cont'd)

### Sustainability

The responsibility of governance of sustainability in the Group is overseen by the Board and the Sustainability Committee comprising an Independent Director (who is also the Chair) and two Executive Directors. The Sustainability Committee is tasked with integrating sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group's sustainability strategies and plans. The Group has developed its sustainability strategy across the top management till every operational level from the economic, environmental and social perspectives.

The Group's sustainability strategies, priorities as well as targets and performance against these targets are communicated to the internal and external stakeholders. The Group uses various communication channels with our stakeholders, which include conventional and electronic documents, web-based media platforms and face-to-face communications to identify and address sustainability concerns towards our business operations and sustainability performance.

The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Group and its business, to discharge its role effectively. The Group had prioritized and focused on sustainability journey in business operations and areas relevant to them following the emergence of COVID-19 crisis in 2020 that elevated sustainability importance and increased scrutiny on how the Group manages and responds to the immediate impact of the crisis. The materiality assessment in FY2023 reflects the changes to our business and the external environment. These sustainability material matters are reviewed with our top key Senior Management taking into consideration the business environment on the Group's operations and risk areas, covering various internal and external exposures, as well as the degree of impact each sustainability matter has on The Group. The sustainability risks and opportunities are also assessed before major decisions are made by the Board. The Board has included the performance evaluation of the Board and Sustainability Committee on the progress against the achievement of sustainability targets during FY2023. The Board will identify its professional development needs in the new financial year concerning sustainability and ensure these are addressed.

### iii. DIRECTORS' REMUNERATION

#### Level and Make-up

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains the Directors needed to run the Group successfully. The component parts are designed to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

#### Procedure

The Remuneration Committee recommends for the Board's approval on all elements of remuneration and terms of employment for Executive Directors with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration package. The Remuneration Committee met once during the financial year 2023 to review the proposed Directors' fees and the meeting allowance.

The Directors' fees and meeting allowances are determined by the Board as a whole, subject to the approval of shareholders.



## Corporate Governance Overview Statement (cont'd)

### Details of Remuneration

Details of the remuneration received by the Directors from the Group and Company for the financial year ended 31 December 2023 are set out below.

The aggregate remuneration paid/payable to all Directors of the Company are further categorised into the following components.

Directors	Fees (RM)	Salaries & Bonus (RM)	EPF & SOCSO (RM)	Group/Company Benefit- in-kind/ Allowances (RM)	Other Emoluments (RM)	Total (RM)
Tan Sri Datuk Hussin Bin Haji Ismail*	40,000	-	-	10,000	-	50,000
Ang Lam Poah	-	1,980,000	235,159	36,700	7,614,000	9,865,859
Dato' Razali Merican Bin Naina Merican	-	956,000	113,479	36,700	846,000	1,952,179
Ang Lam Aik	-	345,000	40,159	29,400	-	414,559
Dato' Azman Bin Mahmood*	40,000	-	-	17,500	-	57,500
Liew Jee Min @ Chong Jee Min*	40,000	-	-	22,500	-	62,500
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar	96,000	-	-	20,000	-	116,000
Khor Hun Nee	96,000	-	-	33,500	-	129,500
Dato' Othman Bin Semail #	45,419	-	-	10,000	-	55,419
Lim Gin Gee #	45,419	-	-	10,500	-	55,919

\* resigned on 31 May 2023

# appointed on 11 July 2023

Remuneration paid to the top five (5) Senior Management of JAKS Group for the financial year ended 31 December 2023 was RM6,315,000. The remuneration of the top five (5) Senior Management of the JAKS Group is disclosed on an aggregate basis. At this particular juncture, the Board is of the opinion that the disclosure of the Senior Management personnel' names and the remuneration in bands of RM50,000 would not be in the best interest of the Group due to confidentiality and security concerns.

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### i. Financial Reporting

In presenting the annual financial statements and quarterly announcements of its results, the Board of Directors has ensured that the financial statements represent a true and fair assessment of the Company and Group's financial position.

#### ii. Internal Control and Risk Management

The Board acknowledges its responsibility for establishing a sound system of internal control to safeguard shareholders' investment and Group's assets and to provide assurance on the reliability of the financial statements.

While the internal control system is devised to cater for particular needs of the Group, such controls by their nature can only provide reasonable assurance but not absolute assurance against material misstatement or loss. A Statement on Risk Management and Internal Control is set out on pages 73 to 75.





## Corporate Governance Overview Statement (cont'd)

### iii. Relationship with Auditors

The Company maintains a transparent relationship with the auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

### iv. Directors' Responsibility Statement

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the results and cash flows of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 31 December 2023, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of financial statements. The financial statements have been prepared on the going concern basis.

The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose the financial position of the Group with reasonable accuracy and ensure that the financial statements are comply with the Companies Act 2016.

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

The Board believes that it is important to maintain open and constructive relationship with all of our stakeholders – large and small, institutional and private. The Chairman, supported by the Management, has overall responsibility for ensuring that the Group listens to and effectively communicates with our stakeholders.

The Investor Relations function headed by the CEO, facilitates communication between the Group and the investment community, with the Management's support. Pertinent matters that may concern stakeholders include strategic developments, financial results and material business matters affecting the Group.

The Investor Relations function holds regular meetings, conference calls and site visits with investors, intended to keep the investment community abreast of the Group's operations, strategic developments and financial performance.

Every quarter, the Investor Relations function provides the investment community with an up-to-date view of the Group's financial performance and operations via analyst briefing sessions which coincides with the release of the Group's quarterly financial results on Bursa Malaysia Securities Berhad.

The Group maintains a comprehensive website which includes an up-to-date investor centre to communicate with stakeholders. Regular news, announcements, share price updates, investor presentations, events and other relevant information are posted on the website. Shareholders are also welcomed to raise queries by contacting the Group at any time throughout the year. The contact information is available at the Contact Us section of the Group's website at <http://www.jaks.com.my>.

The Annual General Meeting (AGM) provides a platform for the Chairman and CEO to share how the Group has performed during the year.

It provides all shareholders with the opportunity to put forward questions to the Chairman of the Board, the chairman of the Audit, Nomination, Remuneration, Risk Management and Sustainability Committee.

At these meetings, e-polling is conducted on each resolution. Shareholders also have the opportunity to cast their votes by proxy in advance of the meeting. Following the AGM, results of the polls are published on the Group's website and released to Bursa Securities.

## Corporate Governance Overview Statement (cont'd)

### v. ADDITIONAL COMPLIANCE INFORMATION

#### a. Audit and Non-audit Fees

The amount of audit and non-audit fees payable to Messrs UHY for services rendered for the financial year 2023 is as follows:

	Audit fees (RM)	Non- Audit fees (RM)
Company level	82,000	38,000
Group level	249,000	38,000

#### b. Material Contract

There was no material contract entered into by the Company and/or its subsidiary companies which involves Directors' and Major Shareholders' interest during the financial year ended 31 December 2023.

#### c. Employee Share Scheme

The Company has in 2016 implemented a Long Term Incentive Plan (LTIP) comprising the Employee Share Option Scheme (ESOS) and Share Grant Plan (SGP).

(i) Movement in the share options and shares granted during the year

There were no share options issued during the financial year 2023. As at 31 December 2023, there were 141,473,619 share options still outstanding.

(ii) There were no share options granted to Directors during the financial year 2023

Name	No. of share options granted in 2023	Amount of options exercised	Balance of share options outstanding
Ang Lam Poah	-	-	32,000,000
Dato' Razali Merican Bin Naina Merican	-	-	18,000,000
Ang Lam Aik	-	-	14,414,587

(iii) The share grants issued to Directors during the financial year 2023

Name	No. of share granted in 2023	Total shares granted
Ang Lam Poah	42,300,000	109,464,960
Dato' Razali Merican Bin Naina Merican	4,700,000	10,990,800

(iv) The maximum number of JRB Shares allocated to Directors and Senior Management who, either singly or collectively through persons connected with them, holds twenty per centum (20%) or more in the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten per centum (10%) of the total number of JRB Shares to be allocated under the LTIP. The actual percentage granted to them during the financial year 2023 was 2.97% and since the commencement of the LTIP was 7.35%.



## Corporate Governance Overview Statement (cont'd)

### d. Utilisation of Proceeds

The Company undertook a private placement exercise. On 29 May 2023, the first tranche of 129,017,000 Ordinary Shares were issued raising proceeds of approximately RM23.9 million.

The status of utilisation of proceeds as at 31 December 2023 is as follows.

<b>Proposed utilisation of proceeds</b>	<b>Proceed raised RM'000</b>	<b>Utilised as at 31.12.2023 RM'000</b>	<b>Timeframe for utilisation</b>
(i) Repayment of credit facilities	14,062	14,062	Within 12 months
(ii) Working capital requirements	9,148	9,148	Within 12 months
(iii) Estimated expenses for the Private Placement	659	659	Within 3 months
	23,869	23,869	

On 8 September 2023, the second tranche of 80,014,700 of Ordinary Shares were issued raising proceeds of approximately RM14.4 million.

The status of utilisation of proceeds as at 31 December 2023 is as follows.

<b>Proposed utilisation of proceeds</b>	<b>Proceed raised RM'000</b>	<b>Utilised as at 31.12.2023 RM'000</b>	<b>Timeframe for utilisation</b>
(i) Repayment of credit facilities	5,050	5,050	Within 12 months
(ii) Working capital requirements	8,872	8,872	Within 12 months
(iii) Estimated expenses for the Private Placement	481	481	Within 12 months
	14,403	14,403	



# BOARD COMMITTEES REPORT

## A. AUDIT COMMITTEE REPORT

### a. Members

The Audit Committee consists exclusively of Independent Non-Executive Director of the following members:

<b>Chairman</b>	<b>Khor Hun Nee</b>
<b>Members</b>	<b>Dato' Othman Bin Semail</b>
	<b>Lim Gin Gee</b>

### b. Functions and Responsibilities

The key functions and responsibilities of the Audit Committee are:

- To consider the appointment of the External Auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the External Auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
- To review and recommend for Board's approval of the provision of non-audit service by the External Auditor and to ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgement of the External Auditors;
- To review the quarterly and year-end financial statements of the Company, focusing particularly on:
  - Any changes in accounting policies and practices;
  - Significant adjustments arising from the audit;
  - The going concern assumption;
  - Compliance with accounting standards and other legal requirements.
- To discuss problems and reservations arising from the interim and final audits, and any matter the External Auditor may wish to discuss (in the absence of management where necessary);
- To review the External Auditors' management letter and management's response;
- To review any related party transactions and conflict of interest situation that arose, persist or may arise within the Company or the Group including any transaction, procedures or source of conduct that raises questions of conflict and the measures taken to resolve, eliminate or mitigate such conflict;
- To consider the major findings of internal investigations and Management's response;
- To do the following in relation to the internal audit function:
  - Review the adequacy of the scope, functions, competency and resources of the internal audit function and the necessary authority to carry out its work;
  - Review the internal audit programme and results of the internal audit programme and the results of the internal audit process and where necessary ensure that appropriate actions taken on the recommendations of the internal audit function;
  - Review any appraisal or assessment of the performance of members of the outsourced Internal Audit services provider;
  - Approve any appointment or termination of senior staff members of the outsourced Internal Audit services provider; and
  - To consider other topics as defined by the Board.



## Board Committees Report (cont'd)

### c. Summary of Activities of Audit Committee for the financial year ended 31 December 2023

The Audit Committee held five meetings during the financial year ended 31 December 2023.

The attendance record for the financial year ended 31 December 2023 of each member of the Audit Committee is shown in the table below:

Audit Committee Members	Meeting Attendance	
	No of meetings attended	Percentage of attendance %
Dato' Azman Bin Mahmood *	3/3	100
Liew Jee Min @ Chong Jee Min *	3/3	100
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar ^	2/3	66.67
Khor Hun Nee	5/5	100
Dato' Othman Bin Semail #	2/2	100
Lin Gin Gee #	2/2	100

\* resigned on 31 May 2023

^ vacated on 11 July 2023

# appointed on 11 July 2023

The minutes of each Audit Committee Meeting were distributed to the Board members at the subsequent Board Meeting. The Audit Committee Chairman will inform the Directors at Board Meetings, matters and recommendations which the Audit Committee' view ought to be highlighted to the Board.

For the financial year ended 31 December 2023, the Audit Committee:

- i. Reviewed the quarterly results and Audited Financial Statements;
- ii. Reviewed the internal audit report tabled by outsourced Internal Auditors;
- iii. Reviewed the internal audit follow-up reports issued by the outsourced Internal Auditors;
- iv. Reviewed the Audit Review Memorandum and discussed with External Auditors on their findings;
- v. Reviewed the Statement on Risk Management & Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Annual Report;
- vi. Reviewed the Audit Planning Memorandum for the financial year ended 31 December 2023;
- vii. Reviewed the performance of outsourced Internal Auditors;
- viii. Reviewed the performance of External Auditors;
- ix. Recommended the External Auditors' fees and re-appointment of External Auditors;
- x. Update on Whistleblowing Notification;
- xi. Reviewed the profit & loss projections of subsidiary; and
- xii. Reviewed the amendments to Terms of Reference of the Audit Committee.

The Audit Committee held discussions with the External Auditors two (2) times during the year without the presence of the Executive Directors and Senior Management.



## Board Committees Report (cont'd)

### d. Internal Audit Function.

The Group's internal audit function, which reports directly to the Audit Committee, is outsourced to an independent professional firm namely Tricor Axcelasia Sdn Bhd ("Outsourced Internal Auditor").

The Outsourced Internal Auditor serves to assist the Audit Committee by independently evaluating and improving the effectiveness of the system of internal control. The internal audit was conducted using a risk-based approach and was guided by the International Professional Practices Framework ("IPPF") which was issued by the Global Institute of the Internal Auditors.

Besides assessing the internal control systems, organisational governances and risk management capability were also assessed and embedded into the respective audit focus areas. The internal audit assessment has included relevant root-cause analysis results, where applicable has been incorporated in the respective internal audit findings.

The Engagement Executive Director of the Outsourced Internal Auditor, Pn Noor Lilah Wati Abdul Majid has diverse professional experience in internal audit, risk management and corporate governance advisory. She is an Associate Member of the Institute of Internal Auditors Malaysia and an Affiliate Member of the Business Continuity Institute.

The number of staff deployed for the internal audit reviews is 3 to 5 staff per visit including the Engagement Executive Director. The staff involved in the internal audit reviews possess professional qualifications and/or a university degree and some are members of the Institute of Internal Auditors Malaysia. The internal audit staffs on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence.

During the financial year under review, the activities carried out by the internal audit function are as follows:

- (a) Carried out internal audits in accordance with the approved risk based internal audit plan by the Audit Committee.
- (b) Presented the Internal Audit Reports to the Audit Committee highlighting audit findings, recommendations to improve and management responses.
- (c) Performed follow up review on these findings and updated the status to the Audit Committee.

During the financial year, the entities and business processes reviewed were as follows:

Entity	Business Processes
JAKS Solar Nibong Tebal Sdn Bhd	Project Management and Project Tender
JAKS Sdn Bhd	Project Management, Health & Safety Management and Project Tender

Findings from the internal audit reviews conducted were discussed with Senior Management and subsequently presented, together with Management's responses and proposed action plans, to the Audit Committee for their review and notation. The outsourced internal audit function also carries out follow up reviews and reports to the Audit Committee at their scheduled meeting on the status of implementation of action plans by Management pursuant to the recommendations highlighted in the internal audit reports.

The total cost incurred for the outsourcing of the internal audit function for the financial year 31 December 2023 was RM63,730.



## Board Committees Report (cont'd)

### B. NOMINATION COMMITTEE REPORT

#### a. Members

The Nomination Committee comprises exclusively of Independent Non-Executive Directors. The Chief Executive Officer (CEO) attends the meeting on the invitation of the Committee.

**Chairman**                      **Dato' Othman Bin Semail**

**Members**                      **Khor Hun Nee**

**Lim Gin Gee**

#### b. Functions and Responsibilities

The key functions and responsibilities of the Nomination Committee are:

- To review regularly the Board structure, size and composition diversity in gender and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- To review and recommend new nominees for appointment to the Board of Directors.
- To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Committee should consider the candidates
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of independent non-executive directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/ functions as expected from independent non-executive directors.
- To consider, in making its recommendations, candidates for directorships proposed by the CEO and, within the bounds of practicability, by any other senior executive or any director or shareholder.
- To recommend to the Board, Directors to fill the seats on Board Committees.
- To review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board. This should be disclosed in the Annual Report.
- To recommend to the Board for continuation (or not) in service of executive Director(s) and Directors who are due for retirement by rotation.
- On invitation of Chairman or the Board, recommend to the Board for continuation (or not) in service of executive Directors(s) and Directors who are due for retirement by rotation.
- To orient and educate new Directors as the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.



## Board Committees Report (cont'd)

### c. Summary of Activities of Nomination Committee for the financial year ended 31 December 2023

The Nomination Committee met once during the financial year ended 31 December 2023. For the financial year ended 31 December 2023, the following activities were carried out by the Nomination Committee:

- i. Assessed the fitness and probity of Directors;
- ii. Reviewed the size and composition of the Board and Board Committees;
- iii. Reviewed the mix of skill and experience and other qualities of the Board;
- iv. Assessed the effectiveness of the Board as a whole, the Board Committees and the Directors;
- v. Discussed and recommended the re-election of retiring Directors;
- vi. Reviewed the term of office and performance of the Board Committee and each of its members and concluded that the Board Committee members have carried out their duties in accordance with their terms of reference;
- vii. Assessed and confirmed the independence of the Independent Directors; and
- viii. Discussed and recommended to the Board the appointment of two new Independent Directors and changes to members of the Board Committees.

The Nomination Committee upon its annual assessment carried out for financial year 2023, was satisfied that:

- All Directors meet the fit and proper criteria;
- The size and composition of the Company Board is optimum with appropriate mix of knowledge skills, attribute and core competencies;
- The Board has been able to discharge its duties professionally and effectively;
- All the Directors continues to uphold the highest governance standards in discharging their duties and responsibilities;
- All the members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective working experience, academic and professional qualifications, depth of knowledge, skills and experience and their personal qualities;
- The Independent Directors, namely Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar, Ms Khor Hun Nee, Dato' Othman Bin Semail and Mr Lim Gin Gee are demonstrably independent;
- The Directors are able to devote sufficient time commitment to their roles and responsibilities as evidenced by their attendance records; and
- The Directors have received training during the financial year ended 31 December 2023 that is relevant and would serve to enhance their effectiveness in the Board.





## Board Committees Report (cont'd)

### C. REMUNERATION COMMITTEE REPORT

#### a. Member

The Remuneration Committee comprises exclusively of Independent Non-Executive Directors. The Chief Executive Officer (CEO) attends the meeting on the invitation of the Committee.

<b>Chairman</b>	<b>Lim Gin Gee</b>
<b>Members</b>	<b>Dato' Othman Bin Semail</b>
	<b>Khor Hun Nee</b>

#### b. Function and Responsibilities

The Remuneration Committee shall ensure that the levels of remuneration are sufficient to attract and retain Directors of the quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors, by linking their rewards to corporate and individual performance with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration package. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned and is determined by the Board as a whole.

#### c. Summary of Activities of Remuneration Committee for the financial year ended 31 December 2023

The Remuneration Committee held one meeting during the financial year ended 31 December 2023.

The attendance record for the financial year ended 31 December 2023 of each member of the Remuneration Committee is shown in the table below:

Remuneration Committee Members	Meeting Attendance	
	No of meetings attended	Percentage of attendance
Liew Jee Min @ Chong Jee Min*	1/1	100
Dato' Azman Bin Mahmood*	1/1	100
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar^	0/1	0

\* resigned on 31 May 2023

^ vacated on 11 July 2023

The Remuneration Committee carried out the following activities for the financial year ended 31 December 2023:

- Reviewed directors' fees; and
- Reviewed meeting allowance per meeting for attendance of each director.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Introduction

The Board of Directors of JAKS Resources Berhad ("JAKS") is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2023 which has been prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). This statement outlines the nature and state of the risk management and internal control of the Group during the financial year.

## Board Responsibility

The Board acknowledges its responsibility for maintaining a sound and effective systems of risk management and internal controls and for reviewing the adequacy and integrity of the said systems to ensure shareholders' interests and the Group's assets are safeguarded. These responsibilities have been delegated to the Audit Committee, which is empowered by its terms of reference to seek the assurance on the adequacy and effectiveness of the Group's internal controls system through independent reviews conducted by the internal audit function and the annual statutory audits conducted by the external auditors. The Audit Committee reports significant controls matters to the Board at their scheduled meetings.

However, as there are inherent limitations in any system of risk management and internal control, such system can only manage rather than eliminate all possible risks that may impede the achievement of the Group's business objectives or goals. Therefore, the system can only provide reasonable and not absolute assurance against material misstatements or losses.

## Risk Management Framework

In pursue of the Group's continuous commitment in optimising shareholders' value, risk management activities carried out across the Group are guided by the enhanced Enterprise Risk Management ("ERM") Framework. The design of the ERM Framework is guided by ISO 31000, which outlines the risk governance and structure, risk management policies, risk management process and integration of risk management into significant activities and functions. Periodic review is performed on the ERM Framework and the relevant updates are made where necessary.

The risk assessment process provides an integrated and structured approach in identifying, evaluating and managing significant risks that may affect the achievement of the Group's business objectives. It promotes risk ownership and continuous monitoring of significant risks identified by way of assigning accountabilities to the respective Heads of Department and key management staffs. Significant risks identified are maintained in a formal database of risks and controls information i.e., risk registers, which captures the possible root causes, existing key controls and impact. The risks are then assessed on the likelihood of occurrence and criticality of impact with the rating of either low, medium, high or extreme.

A Risk Management Committee ("RMC") which consists of Senior Management and selected Heads of Department have the responsibilities to monitor the risk policy implementation, provide risk education to all staff, ensure accountability of risks identified are assigned and facilitate the risk reporting to the Board.

The above-mentioned risk management practices of the Group serve as the on-going process used to identify, evaluate and managed significant risks of the Group for the year under review and up to the date of approval of this Statement. The Board shall continue to evaluate the Group's risk management process to ensure it remains relevant to the Group's requirements.

## Internal Audit Function

The Group's Internal Audit Function assists the Board and Audit Committee by providing an independent assessment of the adequacy and effectiveness of the Group's internal control system. Further details of the Internal Audit Function are set out in the Audit Committee Report on pages 67 to 69 of this Annual Report.



## Statement On Risk Management And Internal Control (cont'd)

### Others Key Elements of Internal Control

The other key elements of the Group's internal control systems are described below:

- An organisational structure with clearly defined lines responsibility, accountability, and proper segregation of duties.
- Written operational policies and procedures that are established and regularly reviewed and updated to ensure that it maintains its effectiveness and continues to support the Group's business activities as the Group's grows.
- Human resource policies encompassing areas of recruitment, training and development, health and safety, staff performance, appraisal and succession planning with the objective to enhance staff integrity and the development of professionalism and competency of employees in the Group.
- Quality management in the form of policies and objectives as outlined in the Quality Manual issued by the Chief Executive Officer. The Management Review Team periodically reviews this quality management process that is implemented throughout the financial year.
- Monitoring of results by the senior management team on a monthly basis where appropriate management action will be undertaken to address deviations. The Chief Executive Officer also reviews the management accounts covering financial performance, key business indicators on a quarterly basis and the cash flow position on a regular basis.
- Executive Directors are actively involved in the running of the business and operations of the Group and they report to the Board on significant changes in the business and external environment, which affect the operations of the Group.
- The Group's risk management process, internal audit process and internal control system do not apply to jointly controlled operations and joint ventures where the Group does not have full management control. The Group's interest in these jointly controlled operations are closely monitored through periodic receipt of the operations management accounts and representation in the jointly controlled operations' Board.
- A set of Code of Ethics and Code of Conduct setting out expected ethical standards and code of conduct has been established, which is binding on all employees in the Group, and is available in our official website.
- The Group adopted Anti-Bribery & Anti-Corruption Policy & Guidelines and the Board has reviewed and approved the Policy on acts of anti-bribery and anti-corruption policy & guidelines, which provides the specific procedures or instructions regarding the appropriate actions needed to prohibit bribery and corruption in the business conduct within the Group.
- A whistleblowing policy & guidelines have been established to provide an avenue for whistle-blowers to communicate their concerns on matters of integrity in a confidential manner.



## Statement On Risk Management And Internal Control (cont'd)

### Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report for the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- (b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

### Conclusion

At a meeting held on 30 April 2024, the Board obtained assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal controls systems are operating adequately and effectively in all material respects.

The Board is of the view that the risk management and internal control system is satisfactory and have not resulted in any material losses or contingencies that would require disclosure in the Group's annual report. The Board shall continue to take the pertinent measures to improve the Group's risk management and internal control in meeting the Group's corporate objectives.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 30 April 2024.



## PROPERTIES OF THE GROUP

As at 31 December 2023

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
PT No. 35295 No. Lot 92075 Mukim Damansara, Petaling Selangor	Leasehold Property (Duration - 99 years) (Expiry Date: 4/9/2097)	Land area: 182,952 sq. feet	9 Years	Investment Properties with Shopping Mall and Car Parks	279,552	23/8/2013
PN 97384, Lot 141, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor	Leasehold Land (Duration -99 years) (Expire Date : 21/5/2112)	Land area: 24,569 sq. metres	5 Years	Investment Properties Business Hub	232,000	9/8/2017
B-9-28, Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land (Duration - 99 years) (Expiry Date: 21/5/2112)	Build-up area Land area: 32,545 sq. feet	5 Years	Investment Properties Level 9 Tower B	16,468	18/12/2019
P-B1-3, Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land (Duration - 99 years) (Expiry Date: 21/5/2112)	Build-up area 151,141 sq. feet	5 Years	Investment Properties Car Park	49,135	14/10/2019
B-16-13A Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	374 sq. feet	5 Years	Vacant	267	18/12/2019
B-16-16 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	341 sq. feet	5 Years	Vacant	250	18/12/2019
B-12-21 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	521 sq. feet	5 Years	Vacant	362	18/12/2019
B-03A-01 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	600 sq. feet	5 Years	Vacant	413	18/12/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
B-06-01 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	600 sq. feet	5 Years	Vacant	413	18/12/2019
B-07-01 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	600 sq. feet	5 Years	Vacant	413	18/12/2019
B-08-01 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	600 sq. feet	5 Years	Vacant	413	18/12/2019
B-08-22 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	565 sq. feet	5 Years	Vacant	388	18/12/2019
B-10-22 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	600 sq. feet	5 Years	Vacant	413	18/12/2019
B-13A-22 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	600 sq. feet	5 Years	Vacant	413	18/12/2019
B-15-21 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	521 sq. feet	5 Years	Vacant	362	18/12/2019
B-16-02 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	521 sq. feet	5 Years	Vacant	362	18/12/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
B-16-22 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Signature office	600 sq. feet	5 Years	Vacant	413	18/12/2019
L5-01 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Podium office	1,654 sq. feet	5 Years	Vacant	937	18/12/2019
L5-02 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Podium office	1,959 sq. feet	5 Years	Vacant	1,110	18/12/2019
L5-05 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Podium office	1,605 sq. feet	5 Years	Vacant	912	18/12/2019
L5-03 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Podium office	3,140 sq. feet	5 Years	Vacant	1,580	18/12/2019
L5-03A Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Podium office	1,718 sq. feet	5 Years	Vacant	976	18/12/2019
C-10-01 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	1,242 sq. feet	5 Years	Vacant	834	18/12/2019
C-16-02 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	988 sq. feet	5 Years	Vacant	662	18/12/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
C-23-03A Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	988 sq. feet	5 Years	Vacant	662	18/12/2019
C-23-06 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	988 sq. feet	5 Years	Vacant	662	18/12/2019
C-28-03A Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	988 sq. feet	5 Years	Vacant	662	18/12/2019
C-23-02 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	988 sq. feet	5 Years	Vacant	662	18/12/2019
D-15-10 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	622 sq. feet	5 Years	Vacant	430	18/12/2019
E-17-01 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	622 sq. feet	5 Years	Vacant	430	18/12/2019
E-17-05 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	802 sq. feet	5 Years	Vacant	551	18/12/2019
E-17-06 Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	723 sq. feet	5 Years	Vacant	498	18/12/2019





## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
E-22-03, Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	Build-up area Land area: 617 sq. feet	3 Years	Vacant	479	14/12/2021
E-22-03A, Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	Build-up area Land area: 622 sq. feet	3 Years	Vacant	479	14/12/2021
E-22-11, Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	Build-up area Land area: 802 sq. feet	3 Years	Vacant	613	14/12/2021
E-27-01, Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	Build-up area Land area: 622 sq. feet	3 Years	Vacant	479	14/12/2021
E-28-01, Lot 141 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	Leasehold Land Apartment	Build-up area Land area: 622 sq. feet	3 Years	Vacant	489	14/12/2021
09-02 Pacific 63@PJ Centre Jalan 13/6, Seksyen 13 Daerah Petaling, Selangor	Leasehold Land Signature Suite	1,181 sq. feet	5 Years	Vacant	691	31/12/2019
18-06 Pacific 63@PJ Centre Jalan 13/6, Seksyen 13 Daerah Petaling, Selangor	Leasehold Land Signature Suite	1,227 sq. feet	5 Years	Vacant	729	31/12/2019
18-25 Pacific 63@PJ Centre Jalan 13/6, Seksyen 13 Daerah Petaling, Selangor	Leasehold Land Signature Suite	1,012 sq. feet	5 Years	Vacant	616	31/12/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
09-01 Pacific 63@PJ Centre Jalan 13/6, Seksyen 13 Daerah Petaling, Selangor	Leasehold Land Signature Suite	1,181 sq. feet	5 Years	Vacant	691	31/12/2019
PN115285 Pacific 63@PJ Centre Jalan 13/6, Seksyen 13 Daerah Petaling, Selangor	Leasehold Property (Duration - 99 years) (Expiry Date: 15/4/2113)	18,524 sq. feet	5 Years	Investment Properties Car Park	13,373	31/12/2019
No. 924/1F, Storey No.1st Floor, Building No. Block: Front Unit Type 3, Taman Desa Cheras, Kuala Lumpur	Freehold Property 1st Floor of 3 Storey Shophouse	Building area : 64.82 sq. metres (697.72 sq. feet)	21 Years	Vacant	39	23/12/2003
PN 30824, Lot. No. 18503, Mukim of Rawang, District of Gombak, State of Selangor	Leasehold Land (Duration - 99 Years) (Expiry date 11/7/2060)	Land area: 1,496 sq. feet Built up area : 1,280 sq. feet	12 Years	Vacant	169	27/3/2012
H S (D) 224763, Lot No. PTD 42125, Mukim Senai, Kulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold Single-storey Terrace House	Land area: 133.96 sq. metres (1,442 sq. feet)	21 Years	Vacant	85	5/11/2003
H S (D) 224752, Lot No. PTD 42114, Mukim Senai, Kulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold Single-storey Terrace House	Land area: 133.96 sq. metres (1,442 sq. feet)	21 Years	Vacant	88	5/11/2003
B-17-09 Villa Kejora Type A Rilau Penang	Freehold Apartment	700 sq. feet	25 Years	Apartment for investment	64	12/3/1999
GRN 33069 Lot no. 565, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 58.2029 acres	4 Years	Vacant	5,058	13/8/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
GM 610 Lot no. 1212, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 0.5600 acres	4 Years	Vacant	46	13/8/2019
GM 302 Lot no. 1213, Sungai Kechil, Nibong Tebal, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 0.5844 acres	4 Years	Vacant	48	13/8/2019
GM 611 Lot no. 1214, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 0.9869 acres	4 Years	Vacant	81	13/8/2019
GM 612 Lot no. 1215, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 6.0875 acres	4 Years	Vacant	515	13/8/2019
GM 613 Lot no. 1216, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 2.7125 acres	4 Years	Vacant	226	13/8/2019
GM 614 Lot no. 1217, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 2.1750 acres	4 Years	Vacant	181	13/8/2019
GM 615 Lot no. 1220, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 5.8062 acres	4 Years	Vacant	491	13/8/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
GM 616 Lot no. 1221, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 1.1781 acres	4 Years	Vacant	97	13/8/2019
GRN 32742 Lot no. 1264, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 15.8620 acres	4 Years	Vacant	1,368	13/8/2019
GM 656 Lot no. 1287, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 5.0187 acres	4 Years	Vacant	408	13/8/2019
GM 872 Lot no. 1300, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 3.2810 acres	4 Years	Vacant	274	13/8/2019
GM 662 Lot no. 1301, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 6.4250 acres	4 Years	Vacant	545	13/8/2019
GM 665 Lot no. 1304, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 1.5194 acres	4 Years	Vacant	126	13/8/2019
GRN 51899 Lot no. 1305, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 20.4370 acres	4 Years	Vacant	1,768	13/8/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
GRN 32749 Lot no. 1306, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 30.9999 acres	4 Years	Vacant	2,690	13/8/2019
GM 1736 Lot no. 6386, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 0.6415 acres	4 Years	Vacant	53	13/8/2019
GM 1737 Lot no. 6387, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 0.1698 acres	4 Years	Land for investment	14	13/8/2019
GRN 33068 Lot no. 562, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 36.2520 acres	4 Years	Land for investment	3,145	13/8/2019
GRN 51894 Lot no. 735, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 21.5642 acres	4 Years	Land for investment	1,866	13/8/2019
GRN 51895 Lot no. 736, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 6.8469 acres	4 Years	Land for investment	582	13/8/2019
GRN 49254 Lot no. 737, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 42.3869 acres	4 Years	Land for investment	3,684	13/8/2019
GRN 49255 Lot no. 738, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 27.9091 acres	4 Years	Land for investment	2,420	13/8/2019



## Properties Of The Group

As at 31 December 2023

(cont'd)

Location /Address	Tenure	Area	Age of Building Approximate Years	Existing Use	Net Book Value RM'000	Date Of Company Acquisition / Revaluation
GRN 49256 Lot no. 739, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 6.9545 acres	4 Years	Land for investment	575	13/8/2019
GRN 49257 Lot no. 740, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 5.0606 acres	4 Years	Land for investment	422	13/8/2019
GRN 51898 Lot no. 1202, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 1.5630 acres	4 Years	Land for investment	130	13/8/2019
GRN 32748 Lot no. 1289, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 18.5440 acres	4 Years	Land for investment	1,595	13/8/2019
GRN 14033 Lot no. 1298, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 15.0750 acres	4 Years	Land for investment	1,300	13/8/2019
GM 1916 Lot no. 6381, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 0.4895 acres	4 Years	Land for investment	40	13/8/2019
GM 1917 Lot no. 6382, Mukim 07, Seberang Perai Selatan, Pulau Pinang	Freehold Land	Land area: 2.4127 acres	4 Years	Land for investment	201	13/8/2019



# ANALYSIS OF SHAREHOLDINGS

As at 1 April 2024

Total number of issued shares  
and class of shares : 2,369,850,544 Ordinary Shares  
Voting Right : One vote per Ordinary Share held

## ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	(%)	No. of Shares	(%)
1 – 99	1,360	4.82	39,006	0.00
100 – 1,000	6,045	21.42	2,025,950	0.09
1,001 – 10,000	8,141	28.85	48,770,599	2.06
10,001 – 100,000	9,873	34.99	380,896,382	16.07
100,001 – 118,492,526 (*)	2,797	9.91	1,759,858,058	74.26
118,492,527 and above (**)	1	0.00	178,260,549	7.52
	28,217	100.00	2,369,850,544	100.00

NOTES: \* Less than 5% of the issued shares  
\*\* 5% and above of the issued shares

## 30 LARGEST SHAREHOLDERS AS AT 1 APRIL 2024

Names	No. of Shares	(%)
1. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	178,260,549	7.52
2. M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	70,716,807	2.98
3. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	30,050,000	1.27
4. Tee Tiam Lee	26,532,400	1.12
5. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Ang Lam Poah	24,990,000	1.05
6. Liew Moi Fah	23,000,000	0.97
7. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Chin Hock	20,917,900	0.88
8. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Eng Piow	19,295,000	0.81
9. Loo Leong Fatt	18,766,000	0.79
10. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mohamad Zaidee Bin Abang Hipni	13,000,000	0.55
11. Michael Hooi Jee-Onn	13,000,000	0.55
12. Chor Chee Heung	12,540,000	0.53



## Analysis Of Shareholdings

As at 1 April 2024

(cont'd)

### 30 LARGEST SHAREHOLDERS AS AT 1 APRIL 2024 (cont'd)

	<b>Names</b>	<b>No. of Shares</b>	<b>(%)</b>
13.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Leong Kim Fong	12,000,000	0.51
14.	Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	11,920,000	0.50
15.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - AmBank (M) Berhad For Razali Merican Bin Naina Merican	11,730,000	0.49
16.	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lip Chee	11,439,420	0.48
17.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	11,248,000	0.47
18.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Hin Seong	10,751,000	0.45
19.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mat Nasir Bin Mohamed	10,600,000	0.45
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Ken Seng	10,500,000	0.44
21.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Poo Seng	10,500,000	0.44
22.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Growth)	9,387,100	0.40
23.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Khor Kim Hock	9,180,200	0.39
24.	Lembaga Tabung Haji	9,000,000	0.38
25.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Teck Huat	8,687,700	0.37
26.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Tien Sang	8,300,000	0.35
27.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Prem Equity)	8,005,500	0.34
28.	Salcon Berhad	8,000,000	0.34
29.	Teh Poh Guan	8,000,000	0.34
30.	Chow Chzee Wee	7,800,000	0.33





## Analysis Of Shareholdings

As at 1 April 2024

(cont'd)

### DIRECTORS' SHAREHOLDING AS AT 1 APRIL 2024

Names of Directors	No. of Shares	Ordinary Shares	
		Direct Interest (%)	Indirect Interest (%)
Ang Lam Poah	334,365,356	14.11	-
Dato' Razali Merican Bin Naina Merican	11,730,000	0.49	-
Ang Lam Aik	-	-	-
Tan Sri Dato' Haji Abd Karim Bin Shaikh Munisar	-	-	-
Khor Hun Nee	-	-	-
Dato' Othman Bin Semail	-	-	-
Lim Gin Gee	-	-	10,000

Names of Director	Long Term Incentive Plan ("LTIP Option")	
	No. of LTIP Option	(%)
Ang Lam Poah	32,000,000	22.15
Dato' Razali Merican Bin Naina Merican	18,000,000	12.46
Ang Lam Aik	14,414,587	9.98
Tan Sri Dato' Haji Abd Karim Bin Shaikh Munisar	-	-
Khor Hun Nee	-	-
Dato' Othman Bin Semail	-	-
Lim Gin Gee	-	-

### Shares in related corporation

By virtue of Mr Ang Lam Poah and Dato' Razali Merican Bin Naina Merican's interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, they are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

### SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2024

Substantial Shareholders	No. of Shares	Direct Interest (%)		Indirect Interest (%)	
		No. of Shares	(%)	No. of Shares	(%)
1. Ang Lam Poah	334,365,356	14.11	-	-	



# ANALYSIS OF WARRANT C HOLDINGS

As at 1 April 2024

Total number of issued securities	: 525,564,900 Warrants C
Voting Right	: No voting rights
Exercise Price	: RM0.49
Maturity Date	: 18 November 2025

## ANALYSIS OF WARRANT C HOLDINGS

Size of Holdings	No. of Warrant C Holders	(%)	No. of Warrant C	(%)
1 – 99	276	7.20	13,621	0.00
100 – 1,000	383	9.99	168,873	0.03
1,001 – 10,000	1,185	30.92	6,418,663	1.22
10,001 – 100,000	1,390	36.27	54,849,030	10.44
100,001 – 26,278,244 (*)	597	15.58	401,481,066	76.39
26,278,245 and above (**)	1	0.03	62,633,647	11.92
	3,832	100.00	525,564,900	100.00

NOTES: \* Less than 5% of the issued warrants  
\*\* 5% and above of the issued warrants

## 30 LARGEST WARRANT C HOLDERS AS AT 1 APRIL 2024

Names	No. of Warrant C	(%)
1. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	62,633,647	11.92
2. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Eng Piow	14,915,850	2.84
3. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Chin Hock	9,334,100	1.78
4. Liew Moi Fah	8,400,050	1.60
5. Er Soon Puay	7,822,100	1.49
6. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	7,400,000	1.41
7. Choong Kean Leang	5,872,150	1.12
8. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Choon Ping	5,773,200	1.10
9. Ang Ken Seng	5,408,000	1.03
10. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hon Chee Kwan	5,000,000	0.95
11. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Ang Lam Poah	4,920,000	0.94



## Analysis Of Warrant C Holdings

As at 1 April 2024

(cont'd)

### 30 LARGEST WARRANT C HOLDERS AS AT 1 APRIL 2024 (cont'd)

Names	No. of Warrant C	(%)
12. Ong Jian Chyang	4,849,300	0.92
13. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hon Chee Hooi	4,603,100	0.88
14. Leng Thean Paul	4,500,700	0.86
15. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Beh Yong Hock	4,479,800	0.85
16. Chor Chee Heung	4,320,000	0.82
17. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Beh Yong Hock	4,276,000	0.81
18. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Swee War	4,123,300	0.78
19. Teh Poo Seng	3,887,700	0.74
20. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Poo Seng	3,630,000	0.69
21. Regal Establishment Sdn. Bhd.	3,500,000	0.67
22. Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Lam Poah	3,360,000	0.64
23. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Kean Seng	3,100,000	0.59
24. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Swee Sek	3,000,000	0.57
25. Hazim Bin Abdul Halim	2,960,000	0.56
26. Lim Chin Huat	2,900,000	0.55
27. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Teo Kae Shyong	2,621,000	0.50
28. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Choon Tong	2,536,400	0.48
29. Ang Loo Leong	2,500,750	0.48
30. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Bernard Tan Ghim Huat	2,500,050	0.48



## Analysis Of Warrant C Holdings

As at 1 April 2024

(cont'd)

### DIRECTORS' WARRANT C HOLDING AS AT 1 APRIL 2024

Names of Directors	Warrant C		Warrant C	
	Direct Interest No. of Warrant C	(%)	Indirect Interest No. of Warrant C	(%)
Ang Lam Poah	81,737,647	15.55	-	-
Dato' Razali Merican Bin Naina Merican	1,240,000	0.24	-	-
Ang Lam Aik	-	-	-	-
Tan Sri Dato' Haji Abd Karim Bin Shaikh Munisar	-	-	-	-
Khor Hun Nee	-	-	-	-
Dato' Othman Bin Semail	-	-	-	-
Lim Gin Gee	-	-	-	-

### SUBSTANTIAL WARRANT C HOLDERS AS AT 1 APRIL 2024

Substantial Warrant Holders	Warrant C		Warrant C	
	Direct Interest No. of Warrant C	(%)	Indirect Interest No. of Warrant C	(%)
1. Ang Lam Poah	81,737,647	15.55	-	-



# NOTICE OF TWENTY SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Second Annual General Meeting ("22nd AGM") of the Company will be held on a fully virtual basis at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 27 June 2024 at 10.30 a.m. for the purpose of considering the following businesses:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following directors, who are retiring pursuant to the Company's Constitution and who being eligible offer themselves for re-election:
  - (i) Dato' Razali Merican Bin Naina Merican (Article 100(3)) Resolution 1
  - (ii) Ang Lam Aik (Article 100(3)) Resolution 2
  - (iii) Dato' Othman Bin Semail (Article 107) Resolution 3
  - (iv) Lim Gin Gee (Article 107) Resolution 4
3. To approve the payment of Directors' Fees of RM8,000 per month for each of the Non-Executive Directors and additional Directors' Fees of RM3,500 per month for Chairman of the Board with effect from July 2024 until June 2025. Resolution 5
4. To approve the payment of Meeting Attendance Allowances of RM2,000 per meeting for each Director and an additional RM500 per meeting for the Chairman of the meeting with effect from July 2024 until June 2025. Resolution 6
5. To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 7

## SPECIAL BUSINESS

6. To consider and if thought fit, pass the following resolutions:

### ORDINARY RESOLUTION:

#### **Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company ("New Shares") for the time being without first offering the New Shares to the holders of the existing issued shares and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

### ORDINARY RESOLUTION:

#### **Proposed renewal of the authority to issue and allot new ordinary shares in the Company ("JAKS Share(s)") for the purpose of Dividend Reinvestment Plan ("DRP") ("New Share(s)") that provides the shareholders of the Company the option to elect to reinvest their cash dividend ("Proposed Renewal of DRP")**

"THAT pursuant to the DRP as approved by the Shareholders at the Annual General Meeting held on 27 June 2023 and the approvals of all relevant authorities or parties being obtained, where required, approval be and is hereby given to the Board to allot and issue such number of New Shares from time to time as may be required to be allotted and issued pursuant to the Proposed Renewal of DRP to such shareholders and upon such terms and conditions as the Board may, at their sole and absolute discretion, deem fit or proper to impose until the conclusion of the next Annual General Meeting of JAKS;



## Notice Of Twenty Second Annual General Meeting (cont'd)

THAT, the issue price of the said New Shares, which will be determined and fixed by the Board on the price-fixing date to be determined, shall not be at more than 10% discount to the 5-day volume weighted average market price ("VWAP") of JAKS Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price at the material time;

THAT, the New Shares shall, upon issuance and allotment, rank equally in all respects with the existing JAKS Shares in issue, save and except that the holders of New Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the New Shares;

AND THAT, the Board be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of JAKS, all such documents and impose such terms and conditions or delegate all or any part of their powers as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed Renewal of DRP, with full power to assent to any conditions, modifications, variations and/or amendments (if any) including the suspension or termination of the Proposed Renewal of DRP as the Board may, at their sole and absolute discretion, deem fit or proper and in the best interest of JAKS and/or as may be imposed and/or required by any relevant authorities."

**By Order of the Board,**

**LEONG OI WAH (MAICSA 7023802)**  
**SSM PRACTICING CERTIFICATE NO. 201908000717**  
**Company Secretary**

Petaling Jaya  
30 April 2024

### **IMPORTANT NOTICE ON REMOTE PARTICIPATION AND VOTING:**

1. The 22nd AGM will be conducted through live streaming and online voting using Remote Participation and Voting ("RPV") facilities which are available on Tricor's TIH Online website at <https://tih.online>. Please refer to Administrative Guide for the 22nd AGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the 22nd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No Members/Proxy(ies) will be allowed to be physically present at the Broadcast Venue.
3. Shareholders/Proxy(ies) who wish to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") may do so remotely via the RPV facilities. Please follow the procedures provided in the Administrative Guide for the 22nd AGM in order to register, participate and vote remotely.

### **PROXY NOTES**

1. A Member of the Company who is entitled to participate at this meeting via RPV is entitled to appoint a proxy or in the case of a corporation, to appoint a duly authorised representative to participate and to vote in his stead. A proxy need not be a member of the Company.
2. When a Member appoints two or more proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing proxy shall be in writing under the hands of the appointed or of his attorney duly authorised in writing or, if such appointer is a corporation under its common seal, or the hand of its attorney.



## Notice Of Twenty Second Annual General Meeting (cont'd)

4. A Member who has appointed a proxy or attorney or authorized representative to attend, participate, speak and vote at this 22nd AGM via RPV facilities must request his/her proxy to register himself/herself at TIIH Online website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide for Shareholders on the 22nd AGM.

The instrument appointing a proxy together with the power of attorney (as the case may be) must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur at least 48 hours before the time appointed for holding the meeting or adjourned meeting.

5. Depositors who appear in the Record of Depositors as at 20 June 2024 shall be regarded as Members of the Company entitled to attend the 22nd AGM or appoint a proxy to attend and vote on his behalf.

### NOTES ON SPECIAL BUSINESS:

Resolutions 1, 2, 3 & 4:

For the purpose of determining the eligibility of the Directors to stand for re-election at the 22nd AGM, the Board through its Nomination Committee had assessed Dato' Razali Merican Bin Naina Merican, Mr Ang Lam Aik, Dato' Othman Bin Semail and Mr Lim Gin Gee (collectively "the Retiring Directors"). The Retiring Directors were assessed on their performance and understanding of the Group's business. Their active participation at the Board meetings showed that there were prepared and were effective in the discharge of his responsibilities. No circumstances have arisen in the past year to impair the independent judgements of the Retiring Directors on matters brought for Board discussion and they have always acted in the best interest of the Company as a whole.

Based on the wealth of experience of the Retiring Directors and the skills that they can bring to the Company, the Board views that their re-election would bring benefits to the Company.

Based on the above, the Board supports the re-election of the Retiring Directors.

Resolution 8:

The proposed Ordinary Resolution will give powers to the Directors to issue up to a maximum ten per centum (10%) of the total number of issued shares of the Company for the time being ("New Shares") for such purposes as the Directors would consider in the best interest of the Company ("General Mandate"). This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions or the issuance of shares as consideration for the acquisition of assets.

The mandate obtained at the 21st AGM in 2023 for authority to allot shares of the Company up to 10% of the total number of issued shares of the Company was utilised and the Company implemented the Private Placement exercise where first tranche of 129,017,000 new ordinary shares and second tranche of 80,014,700 new ordinary shares ("Placement Share") of the Company were issued at an issue price of RM0.185 and RM0.180 respectively per Placement Share.

Resolution 9:

The proposed Ordinary Resolution will give authority to the Directors to allot and issue such number of New Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next AGM of the Company. A renewal of this authority will be sought at the next AGM.

The authority obtained at the Annual General Meeting of the Company held on 27 June 2023 for the Dividend Reinvestment Plan was not utilised.



# JAKS RESOURCES BERHAD

Registration No. 200201017985 (585648-T)

## PROXY FORM

CDS Account No.:	
Number of Shares Held:	

\*I/We \_\_\_\_\_ (Full Name in Block Letters) \_\_\_\_\_

(NRIC (New)/Registration No.:.) of \_\_\_\_\_

\_\_\_\_\_ (Address) being \*a member / members of JAKS Resources Berhad, hereby appoint

Full Name and Address (in Block Letters)	NRIC/Passport No.	Contact No.	No. of share and % of shareholding
*and			
Full Name and Address (in Block Letters)	NRIC/Passport No.	Contact No.	No. of share and % of shareholding

or failing \*him/\*her/\*them, the Chairman of the Meeting as \*my/our \*proxy/proxies to attend and vote for \*me/us on \*my/our behalf, and if necessary, to demand a poll, at the Twenty Second Annual General Meeting ("22nd AGM") of the Company to be held on a fully virtual basis at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 27 June 2024 at 10.30 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, \*my/our \*proxy/proxies may vote or abstain from voting at his/her discretion.

No.	Resolutions	For#	Against#
1.	Re-election of Dato' Razali Merican Bin Naina Merican as Director		
2.	Re-election of Ang Lam Aik as Director		
3.	Re-election of Dato' Othman Bin Semail as Director		
4.	Re-election of Lim Gin Gee as Director		
5.	Payment of Directors' Fees		
6.	Payment of Meeting Allowance		
7.	Re-appointment of Messrs UHY as Auditors		
8.	Approval to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
9.	Approval to proposed renewal of Dividend Reinvestment Plan		

# Please indicate your vote "For" or "Against" with an "X" within the box provided.

\* Delete if not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature/Common Seal of Shareholder(s)

### NOTES:

- A Member of the Company who is entitled to participate at this meeting via RPV is entitled to appoint a proxy or in the case of a corporation, to appoint a duly authorised representative to participate and to vote in his stead. A proxy need not be a member of the Company.
- When a Member appoints two or more proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing proxy shall be in writing under the hands of the appointed or of his attorney duly authorised in writing or, if such appointer is a corporation under its common seal, or the hand of its attorney.
- A Member who has appointed a proxy or attorney or authorized representative to attend, participate, speak and vote at this 22nd AGM via RPV facilities must request his/her proxy to register himself/herself at TIIH Online website at <https://tiah.online>. Please follow the Procedures for RPV in the Administrative Details for Shareholders on the 22nd AGM.  
The instrument appointing a proxy together with the power of attorney (as the case may be) must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur at least 48 hours before the time appointed for holding the meeting or adjourned meeting.
- Depositors who appear in the Record of Depositors as at 20 June 2024 shall be regarded as Members of the Company entitled to attend the 22nd Annual General Meeting or appoint a proxy to attend and vote on his behalf.



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JAKS RESOURCES BERHAD  
Registration No. 200201017985 (585648-T)  
c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur

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**JAKS RESOURCES BERHAD**  
**[Registration No: 200201017985 (585648-T)]**  
**(Incorporated in Malaysia)**

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**Registered office:**  
**802, 8<sup>th</sup> Floor**  
**Block C, Kelana Square**  
**17, Jalan SS 7/26**  
**47301 Petaling Jaya**  
**Selangor Darul Ehsan**

**Principal place of business:**  
**Unit B-09-28**  
**Tower B, Pacific Towers**  
**Jalan 13/6, Section 13**  
**46200 Petaling Jaya**  
**Selangor Darul Ehsan**

**JAKS RESOURCES BERHAD**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

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**JAKS RESOURCES BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors of JAKS Resources Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

**Principal Activities**

The principal activities of the Company are those of investment holding and general contractor. The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

**Financial Results**

The results of the Group and of the Company for the financial year are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Profit/(Loss) for the financial year	11,797,562	(89,596,220)
Attributable to:		
Owners of the parent	16,744,278	
Non-controlling interests	(4,946,716)	
	11,797,562	

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any items, transactions or events of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements.

**Reserves and Provisions**

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

## **Dividend**

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

## **Issue of Shares and Debentures**

During the financial year, the Company issued:

- (a) 129,017,000 placement shares at an issue price of RM0.185 each under Private Placement; and
- (b) 80,014,700 placement shares at an issue price of RM0.18 each under Private Placement; and
- (c) 1,237 new ordinary shares at an exercise price of RM0.34 each pursuant to the exercise of Warrant B 2018/2023; and
- (d) 70,500,000 new ordinary shares pursuant to Company's Share Grant Plan ("SGP") under Long Term Incentive Plan ("LTIP").

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

There was no issuance of debentures during the financial year.

## **Share Options**

### Long Term Incentive Plan ("LTIP")

On 28 June 2016, the shareholders of the Company have at Extraordinary General Meeting approved the establishment of a LTIP of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any one time for the Directors and employees of the Group and of the Company. The Group's LTIP comprises of the Share Option Plan ("SOP") and Share Grant Plan ("SGP") for its employees.

The salient features and other terms of the LTIP are disclosed in the Note 32 to the financial statements.

**Share Options (Cont'd)**Long Term Incentive Plan (“LTIP”) (Cont'd)

As at 31 December 2023, the options offered to take up unissued ordinary shares and the exercise price are as follows:

Date of offer	Exercise price	Number of options over ordinary shares			
		At 1.1.2023	Granted	Exercised	At 31.12.2023
24.05.2017	0.75	15,673,619	-	-	15,673,619
24.05.2021	0.538	71,800,000	-	-	71,800,000
14.09.2022	0.237	54,000,000	-	-	54,000,000
		<u>141,473,619</u>	-	-	<u>141,473,619</u>

**Warrant B 2018/2023**

On 13 December 2018, the Company allotted and issued 102,428,430 Warrant B 2018/2023 (“Warrants”) at an issue price of RM0.25 each on the basis of 1 Warrant for every 2 existing ordinary shares held in the Company.

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 13 December 2023. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 13 December 2018 to 13 December 2023, at an exercise price of RM0.64 per Warrant in accordance with the Deed Poll dated 5 November 2018. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

On 19 November 2020, the exercise price and the number of Warrant B 2018/2023 have been adjusted in accordance with the provisions of the Deed Poll as a result of the Rights Issue. The exercise price was adjusted from RM0.64 to RM0.34.

During the financial year, 1,237 warrants were exercised at the exercised price of RM0.34 each. On 13 December 2023, 171,487,001 warrants were lapsed, the amount from the reserve is transferred to retained earnings.

As at the end of the financial year, the movement in the Group’s number of shares under warrants are as follows:

	Number of Warrant B 2018/2023			At 31.12.2023
	At 1.1.2023	Exercised	Lapsed	
Number of unissued shares under warrants	<u>171,488,238</u>	<u>(1,237)</u>	<u>(171,487,001)</u>	<u>-</u>

### **Warrant C 2020/2025**

On 19 November 2020, the Company issued 540,050,650 free warrants pursuant to the Rights Issue on the basis of one (1) free warrant for every two (2) Rights Shares subscribed by the entitled shareholders of the Company.

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 18 November 2025. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 19 November 2020 to 18 November 2025, at an exercise price of RM0.49 per warrant in accordance with the Deed Poll dated 13 October 2020. Any warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

There were no movements in the Company's Warrant C 2020/2025 during the financial year. As at 31 December 2023, 525,564,900 warrants remained unexercised.

### **Directors**

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Ang Lam Aik	
Ang Lam Poah*	
Dato' Razali Merican Bin Naina Merican*	
Khor Hun Nee	
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar	
Dato' Othman Bin Semail	(Appointed on 11.07.2023)
Lim Gin Gee	(Appointed on 11.07.2023)
Dato' Azman Bin Mahmood	(Resigned on 31.05.2023)
Liew Jee Min @ Chong Jee Min	(Resigned on 31.05.2023)
Tan Sri Datuk Hussin Bin Ismail	(Resigned on 31.05.2023)

**Directors (Cont'd)**

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report:

Datuk Ang Ken Seng  
 Chen Cheong Fat  
 Goh Theow Hiang  
 Rasli Bin Musamah  
 Noor Azhan Rizaluddin Bin Jamian  
 Ungku Shaharud Zaman Shah Bin Ungku Nazaruddin  
 Zaid Bin Kadershah  
 Haris Fadzilah Bin Abdullah  
 Lim Tiong Jin

\* *Director of the Company and of its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part thereof.

**Directors' Interests in Shares**

The interests and deemed interests in the shares, options over ordinary shares and Warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouse or children) according to the Register of Directors' Shareholdings are as follows:

	<b>Number of ordinary shares</b>			<b>At 31.12.2023</b>
	<b>At 1.1.2023</b>	<b>Acquired</b>	<b>Disposed</b>	
<b>JAKS Resources Berhad</b>				
<b>Direct Interests</b>				
Ang Lam Poah	292,065,356	42,300,000 <sup>(i)</sup>	-	334,365,356
Dato' Razali Merican Bin Naina Merican	7,030,000	4,700,000 <sup>(ii)</sup>	-	11,730,000
<b>Indirect Interests</b>				
Lim Gin Gee*	10,000	-	-	10,000

(i) *Inclusive vesting of 42,300,000 ordinary shares under Share Grant Plan ("SGP") pursuant to the LTIP.*

(ii) *Inclusive vesting of 4,700,000 ordinary shares under Share Grant Plan ("SGP") pursuant to the LTIP.*



**Directors' Interests in Shares (Cont'd)**

	Number of options over ordinary shares				
	At 1.1.2023	Granted	Exercised	Lapsed	At 31.12.2023
<b>JAKS Resources Berhad</b>					
<b>Direct interests</b>					
Ang Lam Poah	32,000,000	-	-	-	32,000,000
Dato' Razali Merican Bin					
Naina Merican	18,000,000	-	-	-	18,000,000
Ang Lam Aik	14,414,587	-	-	-	14,414,587

	Number of Warrant C 2020/2025			
	At 1.1.2023	Acquired	Disposed	At 31.12.2023
<b>JAKS Resources Berhad</b>				
<b>Direct Interests</b>				
Ang Lam Poah	81,737,647	-	-	81,737,647
Dato' Razali Merican Bin				
Naina Merican	1,240,000	-	-	1,240,000

(\*) *Deemed interest by virtue of his spouse's and/or child's direct interests in JAKS Resources Berhad.*

None of the other Directors in office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

**Directors' Benefits**

Since the end of the previous financial year, none of the Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Notes 29 and 33 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those disclosed in Note 35(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than shares granted to certain Directors pursuant to the Company's LTIP as disclosed under Directors' Interests.

**Directors' Remuneration**

The details of the Directors' remuneration paid/ payable to the Directors of the Group and of the Company during the financial year are as follows:

	<b>Group RM</b>	<b>Company RM</b>
<b>Executive Directors</b>		
Salaries, wages and other emoluments	3,321,000	3,321,000
Defined contributions plan	385,320	385,320
Social security contribution	3,476	3,476
Shares granted under LTIP	8,460,000	8,460,000
	<u>12,169,796</u>	<u>12,169,796</u>
<b>Non-executive Directors</b>		
Fees	402,839	402,839
Other emoluments	124,000	124,000
	<u>526,839</u>	<u>526,839</u>
	<u>12,696,635</u>	<u>12,696,635</u>

**Indemnity and Insurance Costs**

During the financial year, the Directors and Officers of JAKS Resources Berhad, together with its subsidiary companies, are covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors' and Officers' Liability Insurance effected for the Directors and Officers of the Group was RM5,000,000. The total amount of premium paid for the Directors' and Officers' Liability Insurance by the Group and the Company was RM35,000. There were no indemnity and insurance costs effected for auditors of the Company during the financial year.

### **Other Statutory Information**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year except as disclosed in the financial statements.

### **Other Statutory Information (Cont'd)**

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the notes to financial statements; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### **Subsidiary Companies**

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

### **Auditors' Remuneration**

The auditors' remuneration of the Group and of the Company for the financial year is RM378,550 and RM120,000.

Registration No. 200201017985 (585648-T)

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**Auditors**

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors, as approved by the Board of Directors in accordance with a resolution of the Directors,

---

ANG LAM POAH

---

DATO' RAZALI MERICAN BIN  
NAINA MERICAN

KUALA LUMPUR

30 April 2024

Registration No. 200201017985 (585648-T)

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**JAKS RESOURCES BERHAD**

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

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

We, Ang Lam Poah and Dato' Razali Merican Bin Naina Merican, being two of the Directors of the Group and of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed in accordance with  
A resolution of the Directors,

---

ANG LAM POAH

---

DATO' RAZALI MERICAN BIN  
NAINA MERICAN

KUALA LUMPUR

30 April 2024

Registration No. 200201017985 (585648-T)

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**JAKS RESOURCES BERHAD**

(Incorporated in Malaysia)

**STATUTORY DECLARATION**

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

I, Lim Tiong Jin (MIA Membership No: 16286), being the Officer primarily responsible for the financial management of JAKS Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the abovenamed at Kuala Lumpur in the )  
Federal Territory on 30 April 2024 )  
)

---

LIM TIONG JIN

Before me,

No. W790  
ZAINUL ABIDIN BIN AHMAD

---

**COMMISSIONER FOR OATHS**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JAKS RESOURCES BERHAD**

[Registration No: 200201017985 (585648-T)]  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of JAKS Resources Berhad, which comprise the statements of financial position as at 31 December 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 financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 20 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Opinion**

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

**Independence and Other Ethical Responsibilities**

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JAKS RESOURCES BERHAD (CONT'D)**

[Registration No: 200201017985 (585648-T)]

(Incorporated in Malaysia)

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

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<p><b>Revenue and cost recognition on construction contracts</b></p> <p>Construction contracts is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.</p> <p>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 by reference to the costs incurred to date as a percentage of the estimated total costs of the project. In making the estimate, management relies on opinion / service of experts, past experience and the continuous monitoring mechanism.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the relevant processes and internal controls in respect of revenue recognition for construction contracts and performed procedures to evaluate the design and implementation of such controls;</li> <li>• Challenged the assumptions in deriving at the estimates of construction contract. This includes comparing the actual margins achieved of previous similar completed projects to estimates and compared the estimated costs to supporting documentation such as approved budgets, quotations, contracts and variation orders with sub-contractors.</li> <li>• Performed test of detail on the selected costs incurred to date to relevant documents such as sub-contractor claim certificates, verified by the quantity surveyor or the employers;</li> <li>• Searched for unrecorded liabilities by inspecting invoices received and payments made after year end to determine completeness of such accruals;</li> <li>• Reviewed management's workings on the computation of percentage-of-completion.</li> <li>• Assessed the adequacy and reasonableness of the disclosures in the financial statements.</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JAKS RESOURCES BERHAD (CONT'D)**

[Registration No: 200201017985 (585648-T)]

(Incorporated in Malaysia)

**Key Audit Matters (Cont'd)**

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<p><b>Impairment assessment of investment properties</b></p> <p>The Group's investment properties are stated at cost. As at 31 December 2023, the carrying amount of investment properties stood at RM591.3 million which represents approximately 25% of the Group's total assets.</p> <p>The Group uses external independent valuers to determine the recoverable amounts of the investment properties.</p> <p>The valuation process involved significant judgements in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Reviewed the management's impairment assessment on the Group's investment properties in accordance with MFRS 136 <i>Impairment of Assets</i>.</li> <li>• Conducted site visit to verify the existence and conditions of the investment properties.</li> <li>• Evaluated the objectivity, independence and capabilities of the professional valuer.</li> <li>• Assessed the appropriateness of the valuation model, property related data, including estimates used by the professional valuer.</li> <li>• Assessed the reasonableness of the assumptions used in the valuation and judgement made.</li> <li>• Reviewed and assessed the appropriateness and adequacy of the disclosures in the financial statements.</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JAKS RESOURCES BERHAD (CONT'D)**

[Registration No: 200201017985 (585648-T)]  
(Incorporated in Malaysia)

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

**Responsibilities of the Directors for the Financial Statements**

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JAKS RESOURCES BERHAD (CONT'D)**

[Registration No: 200201017985 (585648-T)]  
(Incorporated in Malaysia)

**Auditors' Responsibility for the Audit of the Financial Statements**

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JAKS RESOURCES BERHAD (CONT'D)**

[Registration No: 200201017985 (585648-T)]  
(Incorporated in Malaysia)

**Auditors' Responsibility for the Audit of the Financial Statements (Cont'd)**

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JAKS RESOURCES BERHAD (CONT'D)**

[Registration No: 200201017985 (585648-T)]  
(Incorporated in Malaysia)

**Other Matter**

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

UHY

Firm Number: AF 1411

Chartered Accountants

HO SIEW CHAN

Approved Number: 03485/02/2026 J

Chartered Accountant

KUALA LUMPUR

30 April 2024

**JAKS RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	296,599,619	242,453,081	31,666	48,756
Investment properties	5	591,330,787	597,702,940	-	-
Right-of-use assets	6	2,051,230	345,070	1,775,593	55,733
Investment in subsidiary companies	7	-	-	614,997,759	732,215,360
Investment in joint ventures	8	904,451,907	800,778,633	-	-
Goodwill on consolidation	10	-	23,500,000	-	-
Golf club memberships	11	286,840	294,735	-	-
Amount due from subsidiary companies	16	-	-	488,413,020	440,590,559
		<u>1,794,720,383</u>	<u>1,665,074,459</u>	<u>1,105,218,038</u>	<u>1,172,910,408</u>
<b>Current Assets</b>					
Inventories	12	483,400	483,400	-	-
Trade receivables	13	225,673,296	177,389,868	-	-
Contract assets	14	102,030,052	258,494,405	-	-
Other receivables	15	191,919,722	162,440,749	343,560	322,088
Amount due from subsidiary companies	16	-	-	136,873,642	136,798,286
Amount due from joint ventures	17	10,291,373	10,282,279	-	-
Tax recoverable		30,601	61,937	-	-
Deposits placed with licensed banks	18	22,221,624	42,450,740	83,793	385,000
Cash and bank balances	19	41,803,068	62,146,520	27,755,140	7,221,033
		<u>594,453,136</u>	<u>713,749,898</u>	<u>165,056,135</u>	<u>144,726,407</u>
<b>Total Assets</b>		<u>2,389,173,519</u>	<u>2,378,824,357</u>	<u>1,270,274,173</u>	<u>1,317,636,815</u>

**JAKS RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY</b>					
Share capital	20	1,125,104,930	1,074,143,409	1,125,104,930	1,074,143,409
Reserves	21	354,755,876	337,061,654	46,072,843	136,551,101
Equity attributable to owners of the parent		1,479,860,806	1,411,205,063	1,171,177,773	1,210,694,510
Non-controlling interests		(61,513,845)	(56,567,129)	-	-
<b>Total Equity</b>		<b>1,418,346,961</b>	<b>1,354,637,934</b>	<b>1,171,177,773</b>	<b>1,210,694,510</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Bank borrowings	22	419,325,099	432,839,467	-	-
Lease liabilities	23	1,255,927	93,222	1,231,009	-
Deferred tax liabilities	24	29,778	66,774	-	-
		<u>420,610,804</u>	<u>432,999,463</u>	<u>1,231,009</u>	<u>-</u>
<b>Current Liabilities</b>					
Trade payables	25	238,421,953	271,804,303	-	-
Other payables	26	231,693,290	242,535,504	20,798,801	28,671,446
Amount due to subsidiary companies	16	-	-	71,820,316	61,854,785
Bank borrowings	22	74,111,378	68,796,506	-	10,000,000
Lease liabilities	23	467,666	188,576	305,680	48,777
Tax payable		5,521,467	7,862,071	4,940,594	6,367,297
		<u>550,215,754</u>	<u>591,186,960</u>	<u>97,865,391</u>	<u>106,942,305</u>
<b>Total Liabilities</b>		<b>970,826,558</b>	<b>1,024,186,423</b>	<b>99,096,400</b>	<b>106,942,305</b>
<b>Total Equity and Liabilities</b>		<b>2,389,173,519</b>	<b>2,378,824,357</b>	<b>1,270,274,173</b>	<b>1,317,636,815</b>

The accompanying notes form an integral part of the financial statements.



**JAKS RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	27	39,555,794	94,649,768	7,800,000	7,800,000
Cost of sales		(8,335,701)	(79,288,410)	-	-
Gross profit		31,220,093	15,361,358	7,800,000	7,800,000
Other income		9,688,161	8,826,880	18,950,372	30,749,359
Administrative expenses		(100,334,580)	(98,804,553)	(109,443,257)	(24,427,743)
Net loss on impairment of financial instruments		(31,911,020)	(19,770,835)	(6,680,091)	(5,915,095)
(Loss)/Profit from operation		(91,337,346)	(94,387,150)	(89,372,976)	8,206,521
Finance costs	28	(27,632,757)	(24,385,741)	(224,747)	(416,141)
Share of results of joint ventures		131,059,683	156,189,950	-	-
Profit/(Loss) before tax	29	12,089,580	37,417,059	(89,597,723)	7,790,380
Taxation	30	(292,018)	(897,234)	1,503	(32,630)
<b>Profit/(Loss) for the financial year</b>		11,797,562	36,519,825	(89,596,220)	7,757,750

**JAKS RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Other comprehensive income, net of tax</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation		1,831,982	1,991,144	-	-
<b>Total comprehensive income/(expense) for the financial year</b>		13,629,544	38,510,969	(89,596,220)	7,757,750
<b>Profit/(Loss) for the financial year attributable to:</b>					
Owners of the parent		16,744,278	53,778,335	(89,596,220)	7,757,750
Non-controlling interests		(4,946,716)	(17,258,510)	-	-
		11,797,562	36,519,825	(89,596,220)	7,757,750
<b>Total comprehensive income/expense attributable to:</b>					
Owners of the parent		18,576,260	55,769,479	(89,596,220)	7,757,750
Non-controlling interests		(4,946,716)	(17,258,510)	-	-
		13,629,544	38,510,969	(89,596,220)	7,757,750
<b>Earnings per share</b>					
Basic earnings per share (sen)	31(a)	0.75	2.62		
Diluted earnings per share (sen)	31(b)	0.75	2.61		

The accompanying notes form an integral part of the financial statements.

**JAKS RESOURCES BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	-----> Attributable to Owners of the Parent ----->						Total RM	Non- Controlling Interests RM	Total Equity RM
	Share Capital RM	LTIP Reserves RM	Translation Reserves RM	Warrants Reserves RM	Other Reserves RM	Retained Earnings RM			
<b>Group</b>									
At 1 January 2023	1,074,143,409	11,198,100	(7,617,735)	238,088,718	(215,481,610)	310,874,181	1,411,205,063	(56,567,129)	1,354,637,934
Profit for the financial year	-	-	-	-	-	16,744,278	16,744,278	(4,946,716)	11,797,562
Foreign currency translation	-	-	1,831,982	-	-	-	1,831,982	-	1,831,982
Total comprehensive income for the financial year	-	-	1,831,982	-	-	16,744,278	18,576,260	(4,946,716)	13,629,544
<b>Transactions with owners:</b>									
Issuance of shares under share grant plan	12,690,000	-	-	-	-	-	12,690,000	-	12,690,000
Issuance of shares under private placement	38,270,791	-	-	-	-	(881,728)	37,389,063	-	37,389,063
Exercise of warrants	730	-	-	(310)	-	-	420	-	420
Expiraiion of warrants	-	-	-	(22,606,798)	-	22,606,798	-	-	-
<b>Total transactions with owner:</b>	50,961,521	-	-	(22,607,108)	-	21,725,070	50,079,483	-	50,079,483
At 31 December 2023	1,125,104,930	11,198,100	(5,785,753)	215,481,610	(215,481,610)	349,343,529	1,479,860,806	(61,513,845)	1,418,346,961

**JAKS RESOURCES BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	----- Attributable to Owners of the Parent -----							Non- Controlling Interests RM	Total Equity RM
	Share Capital RM	LTIP Reserves RM	Translation Reserves RM	Warrants Reserves RM	Other Reserves RM	Retained Earnings RM	Total RM		
<b>Group</b>									
At 1 January 2022	1,061,612,409	9,038,100	(9,608,879)	238,088,718	(215,481,610)	257,095,846	1,340,744,584	(39,308,619)	1,301,435,965
Profit for the financial year	-	-	-	-	-	53,778,335	53,778,335	(17,258,510)	36,519,825
Foreign currency translation	-	-	1,991,144	-	-	-	1,991,144	-	1,991,144
Total comprehensive income for the financial year	-	-	1,991,144	-	-	53,778,335	55,769,479	(17,258,510)	38,510,969
<b>Transactions with owners:</b>									
Issuance of shares under share grant plan	11,700,000	-	-	-	-	-	11,700,000	-	11,700,000
Share options granted under LTIP	-	2,280,000	-	-	-	-	2,280,000	-	2,280,000
Exercised of LTIP	831,000	(120,000)	-	-	-	-	711,000	-	711,000
<b>Total transactions with owners</b>	12,531,000	2,160,000	-	-	-	-	14,691,000	-	14,691,000
At 31 December 2022	1,074,143,409	11,198,100	(7,617,735)	238,088,718	(215,481,610)	310,874,181	1,411,205,063	(56,567,129)	1,354,637,934

**JAKS RESOURCES BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	<----- Non-Distributable ----->				< Distributable >	Total Equity RM
	Share Capital RM	LTIP Reserves RM	Warrants Reserves RM	Other Reserves RM	Retained earnings RM	
<b>Company</b>						
At 1 January 2023	1,074,143,409	11,198,100	238,088,718	(215,481,610)	102,745,893	1,210,694,510
Loss for the financial year, representing total comprehensive expense for the financial year	-	-	-	-	(89,596,220)	(89,596,220)
<b>Transactions with owners:</b>						
Issuance of shares under share grant plan	12,690,000	-	-	-	-	12,690,000
Issuance of shares under private placement	38,270,791	-	-	-	(881,728)	37,389,063
Exercise of warrants	730	-	(310)	-	-	420
Expiration of warrants	-	-	(22,606,798)	-	22,606,798	-
<b>Total transactions with owners</b>	50,961,521	-	(22,607,108)	-	21,725,070	50,079,483
At 31 December 2023	1,125,104,930	11,198,100	215,481,610	(215,481,610)	34,874,743	1,171,177,773

**JAKS RESOURCES BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	<----- Non-Distributable ----->				< Distributable >	Total Equity RM
	Share Capital RM	LTIP Reserves RM	Warrants Reserves RM	Other Reserves RM	Retained earnings RM	
<b>Company</b>						
At 1 January 2022	1,061,612,409	9,038,100	238,088,718	(215,481,610)	94,988,143	1,188,245,760
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	7,757,750	7,757,750
<b>Transactions with owners:</b>						
Issuance of shares under share grant plan	11,700,000	-	-	-	-	11,700,000
Share options granted under LTIP	-	2,280,000	-	-	-	2,280,000
Exercise of LTIP	831,000	(120,000)	-	-	-	711,000
<b>Total transactions with owners</b>	12,531,000	2,160,000	-	-	-	14,691,000
At 31 December 2022	1,074,143,409	11,198,100	238,088,718	(215,481,610)	102,745,893	1,210,694,510

The accompanying notes form an integral part of the financial statements.

**JAKS RESOURCES BERHAD**

(Incorporated In Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Cash Flows From Operating Activities</b>				
Profit/(Loss) before tax	12,089,580	37,417,059	(89,597,723)	7,790,380
Adjustments for:				
Amortisation of golf club memberships	7,895	7,895	-	-
Bad debts written off	1,854	3,002,460	-	-
Depreciation of:				
- Property, plant and equipment	6,515,728	2,079,892	25,585	46,871
- Investment properties	13,497,211	13,560,182	-	-
- Right-of-use asset	396,664	248,898	239,521	83,601
Dividend income	-	-	-	-
Gain on disposal of property, plant and equipment	(506,779)	(205,493)	(192,000)	-
Gain on modification on lease contract	-	(39,136)	-	-
Impairment losses on:				
- Contract assets	4,363,440	-	-	-
- Goodwill on consolidation	23,500,000	29,000,000	-	-
- Investment in subsidiary companies	-	-	86,000,000	18,689
- Amount due from subsidiary company	-	-	6,680,091	5,915,095
- Trade receivables	8,701,306	5,099,410	-	-
- Other receivables	27,668,257	18,737,258	-	-
Interest expense	27,632,757	24,385,741	224,747	416,141
Interest income	(735,244)	(1,425,395)	(42,668)	(377,524)
LTIP expenses	12,690,000	13,980,000	12,690,000	13,980,000

**JAKS RESOURCES BERHAD**

(Incorporated In Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Cash Flows From Operating</b>				
<b>Activities (Cont'd)</b>				
Reversal of accrual development expenditure	(24,500,000)	-	-	-
Reversal of impairment losses on:				
- Trade receivables	(2,098,125)	(3,718,245)	-	-
- Other receivables	(2,360,418)	(347,588)	-	-
- Investment properties	(7,125,058)	(5,125,058)	-	-
Share of result of joint venture	(131,059,683)	(156,189,950)	-	-
Unrealised loss/(gain) on foreign exchange	3,314,420	2,811,298	(18,715,704)	(30,371,835)
Operating loss before working capital changes	(28,006,195)	(16,720,772)	(2,688,151)	(2,498,582)
Change in working capital				
Contract asset	109,986,548	(51,029,319)	-	-
Receivables	(66,235,631)	(19,669,404)	(21,472)	49,535
Payables	(21,454,990)	13,449,327	(7,872,645)	(3,499,810)
	22,295,927	(57,249,396)	(7,894,117)	(3,450,275)
Cash used in operations	(5,710,268)	(73,970,168)	(10,582,268)	(5,948,857)
Interest paid	(2,911,175)	(2,572,781)	-	-
Tax paid	(2,638,282)	(4,490,176)	(1,425,200)	(2,133,931)
Tax refunded	-	86,808	-	26,808
	(5,549,457)	(6,976,149)	(1,425,200)	(2,107,123)
Net cash used in operating activities	(11,259,725)	(80,946,317)	(12,007,468)	(8,055,980)



**JAKS RESOURCES BERHAD**

(Incorporated In Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Cash Flows From Investing Activities</b>				
Net advance to subsidiary companies	-	-	(23,360,307)	(69,576,487)
Proceeds from disposal of:				
- property, plant and equipment	506,800	205,500	192,000	-
Advance to joint venture	(9,094)	(12,073)	-	-
Dividend received from joint venture	27,386,409	70,131,737	-	-
Interest received	735,244	1,425,395	42,668	377,524
Purchase of property, plant and equipment	(60,640,334)	(140,319,153)	(8,495)	(10,044)
Purchase of right-of-use	(309,381)	-	(309,381)	-
Decrease/(Increase) in deposit pledged, debt service, reserve account and revenue account	32,453,730	(4,876,592)	301,207	65,000
Net cash from/(used in) investing activities	<u>123,374</u>	<u>(73,445,186)</u>	<u>(23,142,308)</u>	<u>(69,274,007)</u>
<b>Cash Flows From Financing Activities</b>				
Net advance from subsidiary companies	-	-	9,965,531	7,340,300
Exercise of LTIP	-	711,000	-	711,000
Proceeds from exercise of warrants	420	-	420	-
Proceeds from private placement	38,270,791	-	38,270,791	-
Interest paid	(24,721,582)	(21,812,960)	(224,747)	(416,141)
Net movement of bill payables	(2,716,361)	(15,245,826)	-	-
Net movement of trade commodity financing	-	21,301	-	-
Repayments of lease liabilities	(351,648)	(228,405)	(162,088)	(80,945)
Share issuance expenses	(881,728)	-	(881,728)	-
Net movement of revolving credit	(10,000,000)	8,000,000	(10,000,000)	8,000,000
Net movement of term loans	9,540,700	132,128,523	-	-
Net cash from/(used in) financing activities	<u>9,140,592</u>	<u>103,573,633</u>	<u>36,968,179</u>	<u>(15,554,214)</u>

**JAKS RESOURCES BERHAD**

(Incorporated In Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,995,759)	(50,817,870)	1,818,403	(61,775,773)
<b>Exchange translation differences on cash and cash equivalents</b>	(1,099,244)	1,931,467	18,715,704	30,371,835
<b>Cash and cash equivalents at the beginning of the financial year</b>	<u>29,718,831</u>	<u>78,605,234</u>	<u>7,221,033</u>	<u>38,624,971</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u>26,623,828</u>	<u>29,718,831</u>	<u>27,755,140</u>	<u>7,221,033</u>
<b>Cash and cash equivalents comprise:</b>				
Deposits placed with licensed banks	22,221,624	42,450,740	83,793	385,000
Cash and bank balances	41,803,068	62,146,520	27,755,140	7,221,033
Bank overdrafts	(5,910,951)	(10,934,786)	-	-
	<u>58,113,741</u>	<u>93,662,474</u>	<u>27,838,933</u>	<u>7,606,033</u>
Less: Deposits pledged				
Deposits held as security values	(22,221,624)	(42,450,740)	(83,793)	(385,000)
Debt service reserve account	(8,363,897)	(11,239,691)	-	-
Revenue account	(904,392)	(10,253,212)	-	-
	<u>26,623,828</u>	<u>29,718,831</u>	<u>27,755,140</u>	<u>7,221,033</u>

The accompanying notes form an integral part of the financial statements.

**JAKS RESOURCES BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**1. Corporate Information**

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

The principal place of business of the Company is located at Unit B-09-28, Tower B, Pacific Towers, Jalan 13/6, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at 802, 8<sup>th</sup> Floor, Block C, Kelana Square, 17, Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and general contractor. The principal activities of the subsidiary companies are disclosed in Note 7. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

**2. Basis of Preparation**

**(a) Statement of compliance**

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

**Adoption of amended standards**

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

**Adoption of amended standards (Cont'd)**

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year: (Cont'd)

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

The adoption of the new MFRSs and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company except as disclosed below:

Amendments to MFRS 101 Disclosure of Accounting Policies

The Group and the Company adopted Amendments to MFRS 101 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of material accounting policy information rather than significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in any material changes to the accounting policies of the Group and of the Company.

## 2. Basis of Preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above amendments to MFRSs when they become effective.

These amendments to MFRSs will be adopted on the respective effective dates. The Group and the Company has started a preliminary assessment on the effects of the above amendments to MFRSs and the impact is still being assessed.

## 2. **Basis of Preparation (Cont'd)**

### (b) 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 RM except when otherwise stated.

### (c) Significant accounting judgements, estimates and assumptions

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

### **Judgements**

The following are the judgements made by management in the process of applying the Group’s and of the Company’s accounting policies that have the most significant effect on the amounts recognised in the financial statements:

#### Joint ventures

The Group has interest in an investment which it regards as a joint venture although the Group owns less than half of the ownership interest in this entity as disclosed in Note 8. This entity has not been regarded as associate of the Group as management have assessed that the contractual arrangement with the respective joint venture party has given rise to joint control over this entity in accordance with MFRS 11 *Joint Arrangements*.

#### Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. 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 significant that a property does not qualify as investment property.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

**Judgements (Cont'd)**

Satisfaction of performance obligations in relation to contracts with customers

The Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group and the Company recognise revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group and the Company perform;
- (b) the Group and the Company do not create an asset with an alternative use to the Group and to the Company and have an enforceable right to payment for performance completed to date; and
- (c) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and the Company under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply 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 and the Company reassess 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.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

**Key sources of estimation uncertainty**

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

Useful lives of property, plant and equipment, investment properties and right-of-use (“ROU”) assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, investment properties and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU assets. The carrying amount of the property, plant and equipment, investment properties and ROU assets are disclosed in Notes 4, 5 and 6 respectively.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use and fair value less costs of disposal of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. When fair value less costs of disposal calculation is used, management estimate the expected selling price of the assets or cash generating unit less its estimated cost to sell. The key assumptions used to determine the value-in-use is disclosed in Note 10.

Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 7.



2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

**Key sources of estimation uncertainty (Cont'd)**

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2023, the Group and the Company have tax recoverable of RM30,601 and RMNil (2022: RM61,937 and RMNil) and tax payable of RM5,521,467 and RM4,940,594 (2022: RM7,862,071 and RM6,367,297) respectively.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 12.

Employee share options and Share Grant Plan ("SGP")

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 32.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

**Key sources of estimation uncertainty (Cont'd)**

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 14.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables, and amounts due from subsidiary companies and joint ventures at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 13, 14, 15, 16 and 17 respectively.

## 2. **Basis of Preparation (Cont'd)**

### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

#### **Key sources of estimation uncertainty (Cont'd)**

##### Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

##### Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities and material litigation are disclosed in Notes 34 and 41 respectively.

## 3. **Material Accounting Policies**

### **Changes in material accounting policies**

#### Global minimum top-up tax

The Amendments to MFRS112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (“OECD”), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2023 in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements

### 3. **Material Accounting Policies (Cont'd)**

#### **Changes in material accounting policies (Cont'd)**

##### Material accounting policy information

The Group adopted Amendments to MFRS101, *Presentation of Financial Statements – Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

The accounting policies set out in note 3(a) to (w) have been applied consistently to all periods presented in these financial statements, except as explained above, which addresses changes in material accounting policies.

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

#### (a) Basis of consolidation

##### (i) Subsidiary companies

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less accumulated impairment losses.

##### (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.

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.

**3. Material Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(ii) Business combinations (Cont'd)

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(iii) Goodwill on consolidation

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses.

(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.

### 3. **Material Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(v) **Interests in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in joint ventures.

Investments in joint ventures are accounted for under the equity method. The cost of the investment includes transaction costs, adjusted for hyperinflationary effects as described in Note 2(a), where applicable. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(b) **Investments in joint ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in a joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of joint venture's profit or loss for the period in which the investment is acquired.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture. Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the joint venture after the date of acquisition. When the Group's share of losses in a joint venture equal or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Profits or losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

### 3. Material Accounting Policies (Cont'd)

#### (b) Investments in joint ventures (Cont'd)

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

The requirement of MFRS 136 *Impairment of Assets* is applied determines whether it is necessary to recognise any impairment loss with respect to its investment in the joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the carrying amount of the investment in the joint venture is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

In the Company's separate financial statements, investments in joint ventures are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i).

#### (c) Foreign currency translation

##### (i) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

### 3. Material Accounting Policies (Cont'd)

#### (c) Foreign currency translation (Cont'd)

##### (i) Foreign currency transactions and balances (Cont'd)

Non-monetary assets and liabilities denominated in foreign currencies are not translated at the end of the reporting date, except for those that are measured at fair value which are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are generally recognised in profit or loss, except for foreign currency differences arising from the translation of the following items which are recognised in other comprehensive income:

- equity instruments designated as fair value through other comprehensive income;
- financial liabilities designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

##### (ii) Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding the foreign operations in hyperinflationary economy, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.



### 3. **Material Accounting Policies (Cont'd)**

(d) **Property, plant and equipment**

(i) **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

(ii) **Depreciation**

Depreciation is based on the cost of an asset, less its residual value.

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. Freehold land is not depreciated. Property, plant and equipment under construction (construction-in-progress) are not depreciated until the assets are ready for their intended use.

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

	Rate
Freehold buildings	2%
Plant and machineries	2% - 10%
Motor vehicles	10% - 20%
Furniture, fittings, office equipment and renovation	10% - 33.3%
Power plant	4%

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

**3. Material Accounting Policies (Cont'd)****(e) Leases**

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

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

	Rate
Buildings	2%, or over the lease term, if shorter
Motor vehicles	10% - 20%

The Group has elected not to recognise right-of-use assets ("ROU 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.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

**(f) Investment properties**

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Buildings under construction are not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

	Rate
Building	2%
Leasehold land	Over the remaining lease period

### 3. **Material Accounting Policies (Cont'd)**

#### (f) Investment properties (Cont'd)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets.

#### (g) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit & Loss (“FVTPL”), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary companies and joint ventures and deposits, cash and bank balances.

#### Financial assets at amortised cost

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

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

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

The Group and the Company have not designated any financial assets as Fair Value Through Other Comprehensive Income (“FVOCI”) and FVTPL.

### 3. **Material Accounting Policies (Cont'd)**

#### (g) Financial assets (Cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

#### (h) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

### 3. **Material Accounting Policies (Cont'd)**

#### (i) Financial guarantee contracts

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

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

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

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

#### (j) Offsetting of financial instruments

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

#### (k) Inventories

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

##### (i) Completed properties

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and applicable selling expenses.

### 3. Material Accounting Policies (Cont'd)

#### (l) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

#### (m) Contract assets and Contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

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

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

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

### 3. Material Accounting Policies (Cont'd)

#### (n) Impairment of assets

##### (i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

3. **Material Accounting Policies (Cont'd)**

(n) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 only if there has been a change in the estimates used to determine the 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 or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. 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”).

For trade receivables, other receivables, contract assets and inter-company balances, 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 its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



### 3. Material Accounting Policies (Cont'd)

(o) Share capital

(i) Issue expenses

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

(ii) Ordinary Shares

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

(iii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period. Distributions to holders of an equity instrument is recognised directly in equity.

(iv) Warrant

Warrants are classified as equity instruments. The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of the warrants, the proceeds are credited to share capital and the related warrant reserves are reversed. The warrant reserves in relation to unexercised warrants at the expiry of the warrants will be reversed into retained earnings.

(p) Provisions

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

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

### 3. Material Accounting Policies (Cont'd)

#### (p) Provisions (Cont'd)

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

#### (q) Revenue recognition

##### (i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation (“PO”) by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

##### (a) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

3. **Material Accounting Policies (Cont'd)**

(q) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(a) Revenue from construction contracts (Cont'd)

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

(b) Sale of goods

Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer.

Following delivery of the goods to the customer's specific location, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. Under the Group's standard contract terms, customers have a right of return within 7 days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return, so consequently recognises a right to returned goods asset and a corresponding adjustment to the cost of inventories recognised in profit or loss. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 14 to 90 days, which is consistent with market practice.

### 3. Material Accounting Policies (Cont'd)

#### (q) Revenue recognition (Cont'd)

##### (ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

##### (iii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

##### (iv) Management fee

Management fee is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

#### (r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, 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, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss 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.

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.

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.

### 3. Material Accounting Policies (Cont'd)

#### (s) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to 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 financial 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 years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for temporary differences in the initial recognition of goodwill, 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 measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. 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 liabilities and assets 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.

#### Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of MFRS 112 *Income Taxes*. The Group has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

### 3. Material Accounting Policies (Cont'd)

(t) Employee benefits

(i) Short term employee benefits

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

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

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group have no further payment obligations.

(iii) Equity-settled share-based payment transaction

The Group operates an equity-settled, share-based long-term incentive plan which comprises the Share Option Plan (“SOP”) and Share Grant Plan (“SGP”) for its employees.

Share Option Plan (“SOP”)

Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company’s financial statements.

**3. Material Accounting Policies (Cont'd)**

(t) Employee benefits (Cont'd)

(iii) Equity-settled share-based payment transaction (Cont'd)

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

Share Grant Plan ("SGP")

The share grant are settled by way of issuance and transfer of new shares upon vesting. The total fair value of shares granted is recognised as an employee cost with a corresponding increase in the share grant reserve within equity over the vesting period after taking into account the probability that the share grant will vest.

At each reporting date, the Group revises its estimates of the number of share grant that are expected to vest on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

(u) 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.

### 3. Material Accounting Policies (Cont'd)

#### (u) Contingencies (Cont'd)

##### (ii) Contingent assets

Where it is not possible that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as contingent asset, unless the probability of inflow 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 assets unless the probability of inflow of economic benefits is remote.

#### (v) Fair value measurement

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

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 uses 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 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 recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



3. **Material Accounting Policies (Cont'd)**

(w) Interests in joint operations

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

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

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

4. **Property, Plant and Equipment**

	<b>Freehold buildings RM</b>	<b>Freehold land RM</b>	<b>Plant and machineries RM</b>	<b>Motor vehicles RM</b>	<b>Furniture, fittings, office equipment and renovation RM</b>	<b>Capital Work-in- Progress RM</b>	<b>Power Plant RM</b>	<b>Total RM</b>
<b>Group 2023 Cost</b>								
At 1 January	71,886,562	29,949,776	1,644,521	5,348,376	10,096,496	141,794,710	-	260,720,441
Additions	-	-	-	4,662	225,625	60,410,047	-	60,640,334
Reclassification	-	-	-	-	-	(202,204,757)	202,204,757	-
Disposals	-	-	-	(2,326,416)	-	-	-	(2,326,416)
Exchange differences	-	-	-	22,832	-	-	-	22,832
At 31 December	<u>71,886,562</u>	<u>29,949,776</u>	<u>1,644,521</u>	<u>3,049,454</u>	<u>10,322,121</u>	<u>-</u>	<u>202,204,757</u>	<u>319,057,191</u>

4. **Property, Plant and Equipment (Cont'd)**

	<b>Freehold buildings RM</b>	<b>Freehold land RM</b>	<b>Plant and machineries RM</b>	<b>Motor vehicles RM</b>	<b>Furniture, fittings, office equipment and renovation RM</b>	<b>Capital Work-in- Progress RM</b>	<b>Power Plant RM</b>	<b>Total RM</b>
<b>Group 2023</b>								
<b>Accumulated depreciation</b>								
At 1 January	4,635,252	-	1,439,478	4,794,889	7,397,741	-	-	18,267,360
Charge for the financial year	1,435,394	-	128,888	73,365	496,262	-	4,381,819	6,515,728
Disposals	-	-	-	(2,326,395)	-	-	-	(2,326,395)
Exchange differences	-	-	-	879	-	-	-	879
At 31 December	<u>6,070,646</u>	<u>-</u>	<u>1,568,366</u>	<u>2,542,738</u>	<u>7,894,003</u>	<u>-</u>	<u>4,381,819</u>	<u>22,457,572</u>
<b>Carrying amount</b>								
At 31 December	<u>65,815,916</u>	<u>29,949,776</u>	<u>76,155</u>	<u>506,716</u>	<u>2,428,118</u>	<u>-</u>	<u>197,822,938</u>	<u>296,599,619</u>

4. **Property, Plant and Equipment (Cont'd)**

<b>Group</b>	<b>Freehold buildings RM</b>	<b>Freehold land RM</b>	<b>Plant and machineries RM</b>	<b>Motor vehicles RM</b>	<b>Furniture, fittings, office equipment and renovation RM</b>	<b>Capital Work-in- Progress RM</b>	<b>Total RM</b>
<b>2022</b>							
<b>Cost</b>							
At 1 January	71,886,562	29,949,776	1,644,521	5,297,664	9,311,820	2,824,688	120,915,031
Additions	-	-	-	564,455	784,676	138,970,022	140,319,153
Disposals	-	-	-	(513,743)	-	-	(513,743)
At 31 December	<u>71,886,562</u>	<u>29,949,776</u>	<u>1,644,521</u>	<u>5,348,376</u>	<u>10,096,496</u>	<u>141,794,710</u>	<u>260,720,441</u>
<b>Accumulated depreciation</b>							
At 1 January	3,199,856	-	1,311,746	5,297,613	6,891,989	-	16,701,204
Charge for the financial year	1,435,396	-	127,732	11,012	505,752	-	2,079,892
Disposals	-	-	-	(513,736)	-	-	(513,736)
At 31 December	<u>4,635,252</u>	<u>-</u>	<u>1,439,478</u>	<u>4,794,889</u>	<u>7,397,741</u>	<u>-</u>	<u>18,267,360</u>
<b>Carrying amount</b>							
At 31 December	<u>67,251,310</u>	<u>29,949,776</u>	<u>205,043</u>	<u>553,487</u>	<u>2,698,755</u>	<u>141,794,710</u>	<u>242,453,081</u>

4. **Property, Plant and Equipment (Cont'd)**

	<b>Office equipment and renovation RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Company</b>			
<b>2023</b>			
<b>Cost</b>			
At 1 January	589,988	1,217,030	1,807,018
Additions	3,833	4,662	8,495
Disposals	-	(1,217,030)	(1,217,030)
At 31 December	<u>593,821</u>	<u>4,662</u>	<u>598,483</u>
<b>Accumulated depreciation</b>			
At 1 January	541,232	1,217,030	1,758,262
Charge for the financial year	25,196	389	25,585
Disposals	-	(1,217,030)	(1,217,030)
At 31 December	<u>566,428</u>	<u>389</u>	<u>566,817</u>
<b>Carrying amount</b>			
At 31 December	<u>27,393</u>	<u>4,273</u>	<u>31,666</u>
<b>2022</b>			
<b>Cost</b>			
At 1 January	579,944	1,217,030	1,796,974
Additions	10,044	-	10,044
At 31 December	<u>589,988</u>	<u>1,217,030</u>	<u>1,807,018</u>
<b>Accumulated depreciation</b>			
At 1 January	494,361	1,217,030	1,711,391
Charge for the financial year	46,871	-	46,871
At 31 December	<u>541,232</u>	<u>1,217,030</u>	<u>1,758,262</u>
<b>Carrying amount</b>			
At 31 December	<u>48,756</u>	<u>-</u>	<u>48,756</u>

**4. Property, Plant and Equipment (Cont'd)**

- (a) The net carrying amount of property, plant and equipment of the Group that in the progress of issuance of strata title is as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Freehold buildings	65,603,500	67,035,500

- (b) Property, plant and equipment pledged as securities to licensed banks

The property, plant and equipment of the Group of RM29,949,776 (2022: RM29,949,776) have been pledged to secure the bank borrowings granted to the Group as disclosure in Note 22.

- (c) Capital work-in progress

Included in additions to capital work-in-progress of the Group are borrowing costs capitalised during the year of RM3,702,167 (2022: RM2,067,107) as per disclosed in Note 28.

**5. Investment Properties**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Carrying amount</b>		
<b>Investment properties</b>		
- freehold land and buildings	232,466	238,446
- leasehold podium retail, office lots and apartment	253,706,713	252,204,333
- leasehold shopping mall and car park podium	337,391,608	345,260,161
	591,330,787	597,702,940

5. **Investment Properties (Cont'd)**

## (a) Investment properties

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 January/31 December	<u>703,964,173</u>	<u>703,964,173</u>
<b>Accumulated depreciation</b>		
At 1 January	94,448,057	80,887,875
Depreciation for the financial year	<u>13,497,211</u>	<u>13,560,182</u>
At 31 December	<u>107,945,268</u>	<u>94,448,057</u>
<b>Accumulated impairment losses</b>		
At 1 January	11,813,176	16,938,234
Impairment loss reversed	<u>(7,125,058)</u>	<u>(5,125,058)</u>
At 31 December	<u>4,688,118</u>	<u>11,813,176</u>
<b>Carrying amount</b>		
At 31 December	<u>591,330,787</u>	<u>597,702,940</u>
Fair value	<u>612,427,040</u>	<u>607,499,040</u>

## (i) Fair value of investment properties

(a) Freehold land and buildings

The fair values of the investment properties of freehold land and buildings of the Group were estimated at RM581,040 (2022: RM581,040) respectively at Directors' valuation which were made based on current prices in an active market for the said properties. The most significant input into this valuation approach is price per square foot of comparable properties. The fair value is within level 2 of the fair value hierarchy.

5. **Investment Properties (Cont'd)**

(a) Investment properties (Cont'd)

(i) Fair value of investment properties (Cont'd)

(b) Leasehold podium retail, office lots and apartment

The fair values of the investment properties of leasehold podium retail, office lots and apartment of the Group were estimated at RM255,846,000 (2022: RM252,818,000) by an independent professional valuer, registered with Board of Valuers, Appraisers and Estate Agents, based on both the comparison method and the income approach.

The comparison method was derived from sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as time, tenure, location, property condition and size. The most significant input into this valuation approach is price per square foot of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

The income approach was derived from an estimate of the market rental which the investment properties can reasonably be let for. Outgoings are deducted from the annual rental income and thereafter, the net annual rental income is capitalised at an appropriate current market yield to arrive at its fair value. The fair values are within Level 3 of the fair value hierarchy.

(c) Leasehold shopping mall and car park podium

The fair values of the investment properties of leasehold shopping mall and car park podium, of the Group were estimated at RM356,000,000 (2022: RM354,100,000) by an independent professional valuer, registered with Board of Valuers, Appraisers and Estate Agents, based on both the comparison method and the income approach.

The comparison method was derived from sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as time, tenure, location, property condition and size. The most significant input into this valuation approach is price per square foot of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

The income approach was derived from an estimate of the market rental which the investment properties can reasonably be let for. Outgoings are deducted from the annual rental income and thereafter, the net annual rental income is capitalised at an appropriate current market yield to arrive at its fair value. The fair values are within Level 3 of the fair value hierarchy.



5. **Investment Properties (Cont'd)**

(a) Investment properties (Cont'd)

(i) Fair value of investment properties (Cont'd)

The Level 3 inputs (unobservable inputs) include:

Income approach

- |                     |   |
|---------------------|---|
| Term rental         | - the expected rental that the investment properties are expected to achieve and is derived from the current passing rental, including revision upon renewal of tenancies during the year;                          |
| Reversionary rental | - the expected rental that the investment properties are expected to achieve upon expiry of term rental;  |
| Outgoings           | - comprising assessment and quit rent, utilities costs, repair and maintenance, insurance premium and management expenses;  |
| Capitalisation rate | - based on actual location, size condition of the investment properties and taking into account market data at the valuation date based on the valuer's knowledge of the factors specific to investment properties; |
| Allowance for void  | - refers to allowance provided for vacancy periods, marketing and rent-free periods; estimated price per square feet for which a property should exchange on the date of valuation.                                 |

Comparison approach

- |                       |   |
|-----------------------|---|
| Price per square feet | - between a willing buyer and a willing seller. |
|-----------------------|---|

(ii) Investment properties under leases

The Group has entered into commercial property leases on its shopping mall and car parks. Most of the leases contain a non-cancellable period from 2 years to 3 years. Subsequent renewals are negotiated with the lessees on an average renewal period of 2 years to 3 years. No contingent rents are charged.

**5. Investment Properties (Cont'd)**

- (b) Investment properties pledged as securities to licensed banks

The investment properties of the Group of RM591,330,787 (2022: RM597,702,940) respectively have been pledged to secure the bank borrowings granted to the Group as disclosed in Note 22.

- (c) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Lease income	11,309,103	11,057,122
Direct operating expenses		
- Income generating investment properties	12,629,582	13,451,178
- Non-income generating investment properties	<u>820</u>	<u>758</u>

- (d) The impairment is provided using the fair value calculation by comparing the carrying amount of the investment property with its fair value which estimated by an independent professional valuer.

The impairment loss was recognised in administrative expenses in the statements of profit or loss and other comprehensive income.

6. **Right-of-Use Assets**

	<b>Land and buildings RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>2023</b>			
<b>Cost</b>			
At 1 January	1,531,281	848,396	2,379,677
Additions	143,443	1,959,381	2,102,824
Expiration of lease agreements	<u>(1,511,621)</u>	-	<u>(1,511,621)</u>
At 31 December	<u>163,103</u>	<u>2,807,777</u>	<u>2,970,880</u>
<b>Accumulated depreciation</b>			
At 1 January	1,488,896	545,711	2,034,607
Charge for the financial year	91,289	305,375	396,664
Expiration of lease agreements	<u>(1,511,621)</u>	-	<u>(1,511,621)</u>
At 31 December	<u>68,564</u>	<u>851,086</u>	<u>919,650</u>
<b>Carrying amount</b>			
At 31 December	<u>94,539</u>	<u>1,956,691</u>	<u>2,051,230</u>
<b>2022</b>			
<b>Cost</b>			
At 1 January	1,492,145	848,396	2,340,541
Lease modification	39,136	-	39,136
At 31 December	<u>1,531,281</u>	<u>848,396</u>	<u>2,379,677</u>
<b>Accumulated depreciation</b>			
At 1 January	1,389,453	396,256	1,785,709
Charge for the financial year	99,443	149,455	248,898
At 31 December	<u>1,488,896</u>	<u>545,711</u>	<u>2,034,607</u>
<b>Carrying amount</b>			
At 31 December	<u>42,385</u>	<u>302,685</u>	<u>345,070</u>

6. **Right-of-Use Assets (Cont'd)**

	<b>Motor vehicles RM</b>
<b>Company</b>	
<b>2023</b>	
<b>Cost</b>	
At 1 January	418,000
Additions	<u>1,959,381</u>
At 31 December	<u>2,377,381</u>
<b>Accumulated depreciation</b>	
At 1 January	362,267
Charge for the financial year	<u>239,521</u>
At 31 December	<u>601,788</u>
<b>Carrying amount</b>	
At 31 December	<u>1,775,593</u>
<b>2022</b>	
<b>Cost</b>	
At 1 January/ 31 December	<u>418,000</u>
<b>Accumulated depreciation</b>	
At 1 January	278,666
Charge for the financial year	<u>83,601</u>
At 31 December	<u>362,267</u>
<b>Carrying amount</b>	
At 31 December	<u>55,733</u>

**6. Right-of-Use Assets (Cont'd)****(a) Purchase of right-of-use assets**

The aggregate additional cost for the right-of-use assets of the Group during the financial year acquired under lease liability and cash payment are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Aggregate costs	2,102,824	-	1,959,381	-
Less: Lease recognised	(1,793,443)	-	(1,650,000)	-
Cash payments	<u>309,381</u>	<u>-</u>	<u>309,381</u>	<u>-</u>

**7. Investment in Subsidiary Companies**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>In Malaysia:</b>		
Unquoted shares, at cost	237,776,705	237,776,705
Less: Accumulated impairment losses	(167,222,255)	(81,222,255)
	<u>70,554,450</u>	<u>156,554,450</u>
<b>Outside Malaysia:</b>		
Unquoted shares, at cost	10	10
	<u>70,554,460</u>	<u>156,554,460</u>
Capital contribution to a subsidiary company	544,443,299	575,660,900
	<u>614,997,759</u>	<u>732,215,360</u>

Capital contribution to a subsidiary company refers to advance amount of which the Company does not expect repayment in the foreseeable future and is considered as part of the Company's investment in a subsidiary company.

**7. Investment in Subsidiary Companies (Cont'd)**

Movements in the allowance for impairment losses are as follows:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At 1 January	81,222,255	81,203,566
Impairment during the financial year	86,000,000	18,689
At 31 December	167,222,255	81,222,255

During the year, the Company conducted a review of the recoverable amount of its investment in subsidiary companies. The recoverable amounts are determined using the fair value less cost of disposal approach, and they are derived using adjusted net assets of the subsidiary company as at the end of the reporting period. The fair value is within level 3 of the fair value hierarchy. The review led to the recognition of an impairment loss of RM86,000,000 (2022: RM18,689), which was recognized as other expenses in the statements of the profit or loss and other comprehensive income.

(a) Details of the subsidiary companies are as follows:

<b>Name of Company</b>	<b>Place of business/ Country of incorporation</b>	<b>Effective interest</b>		<b>Principal activities</b>
		<b>2023</b>	<b>2022</b>	
		<b>%</b>	<b>%</b>	
<b><i>Direct holding:</i></b>				
JAKS Sdn. Bhd. *	Malaysia	100	100	General contractor, supplier of building materials and car park operators
Pipe Technology System Sdn. Bhd. *	Malaysia	70	70	Pipe manufacturer. However, temporarily ceased operation
JAKS Steel Industries Sdn. Bhd. *	Malaysia	98.05	98.05	General trading of building materials and other steel related products
Empire Deluxe Sdn. Bhd. *	Malaysia	100	100	Investment holding
Golden Keen Holdings Limited	British Virgin Islands	100	100	General contractor

7. **Investment in Subsidiary Companies (Cont'd)**

(a) Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
<b>Direct holding: (Cont'd)</b>				
JAKS Power Holding Limited	British Virgin Islands	100	100	Investment holding
JAKS Offshore Sdn. Bhd. *	Malaysia	51	51	Offshore drilling, oil, gas and general trading. However, not commenced operation
Harbour Town Sdn. Bhd.	Malaysia	100	100	Investment holding
Premier Place Property Sdn. Bhd.	Malaysia	100	100	Property development However, temporarily ceased operation
Harbour Front Development Sdn. Bhd.	Malaysia	100	100	Property development. However, not commenced operation
JAKS Solar Power Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding
<b>Indirect holding: Subsidiary companies of JAKS Sdn. Bhd.</b>				
JAKS Consortium Sdn. Bhd.	Malaysia	100	100	Investment holding and supply of products for water supply industry. However, temporarily ceased operation in supply of products for water supply industry
JAKS Marketing Sdn. Bhd. *	Malaysia	100	100	General trading of steel and construction related products. However, temporarily ceased operation

7. **Investment in Subsidiary Companies (Cont'd)**

(a) Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective interest 2023 %	Effective interest 2022 %	Principal activities
<i>Indirect holding: (Cont'd)</i>				
<i>Subsidiary companies of</i>				
<i>JAKS Sdn. Bhd. (Cont'd)</i>				
JAKS Power Sdn. Bhd.	Malaysia	100	100	Investment holding
Fortress Pavilion Sdn. Bhd.	Malaysia	51	51	Investment holding and property asset management
<i>Subsidiary company of</i>				
<i>JAKS- Consortium Sdn. Bhd.</i>				
Integrated Pipe Industries Sdn. Bhd.	Malaysia	70	70	Manufacturing and trading of water pipes. However, temporarily ceased manufacturing operation
<i>Subsidiary company of</i>				
<i>Empire Deluxe Sdn. Bhd.</i>				
Wing Tiek Ductile Iron Pipe Sdn. Bhd. *	Malaysia	100	100	Manufacturing and trading of butt welding pipe fitting products and steel elbow joints. However, temporarily ceased operation
<i>Subsidiary company of</i>				
<i>Harbour Town Sdn. Bhd.</i>				
MNH Global Assets Management Sdn. Bhd. Δ	Malaysia	51	51	Investment holding and management of mall



7. **Investment in Subsidiary Companies (Cont'd)**

(a) Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective interest 2023 %	2022 %	Principal activities
<b><i>Indirect holding: (Cont'd)</i></b>				
<i>Subsidiary company of MNH Global Assets Management Sdn. Bhd.</i>				
Evolve Concept Mall Sdn. Bhd.	Malaysia	51	51	Operation of mall
<i>Subsidiary companies of JAKS Solar Power Holdings Sdn. Bhd.</i>				
JAKS Solar Power Sdn. Bhd.	Malaysia	100	100	Renewable energy and investment holding
JAKS Solar Land Sdn. Bhd.	Malaysia	100	100	General trading and construction. However, temporarily ceased operation
<i>Subsidiary compay of JAKS Solar Power Sdn. Bhd.</i>				
JAKS Solar Nibong Tebal Sdn. Bhd. Δ	Malaysia	100	100	Construction of power plants and operation of generation facilities that produce electric energy
JANS Solar Holdings Sdn Bhd **	Malaysia	51	-	Dormant

**7. Investment in Subsidiary Companies (Cont'd)**

(a) Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	

***Indirect holding: (Cont'd)***

*Subsidiary company of  
JANS Solar Holdings  
Sdn. Bhd. (Cont'd)*

JANS Solar (Nibong Tebal) Sdn. Bhd.**	Malaysia	51	-	Dormant
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\* Not audited by UHY.

\*\* Newly incorporated, consolidated based on management account.

△ The shares held in this subsidiary company are pledged to bank for bank borrowings granted to the Group as disclosed in Note 22.

(b) Material partly-owned subsidiary companies

Financial information of subsidiary companies that have material non-controlling interest are provided below:

Proportion of equity interest held by non-controlling interest in:

Name of Company	Place of business/ Country of incorporation	Proportion of ownership interest	
		2023 %	2022 %
MNH Global Assets Management Sdn. Bhd. ("MNH")	Malaysia	49	49
Fortress Pavilion Sdn. Bhd. ("FP")	Malaysia	49	49

**7. Investment in Subsidiary Companies (Cont'd)****(b) Material partly-owned subsidiary companies (Cont'd)**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Accumulated balances of material non-controlling interest:		
MNH	(34,806,931)	(34,444,175)
FP	(26,150,315)	(22,891,820)
Other individually immaterial non-controlling interest	<u>(556,599)</u>	<u>768,866</u>
	<u>(61,513,845)</u>	<u>(56,567,129)</u>
Total comprehensive loss allocated to material non-controlling interest:		
MNH	(315,255)	(13,464,757)
FP	(3,258,495)	(3,707,187)
Other individually immaterial non-controlling interest	<u>(1,372,966)</u>	<u>(86,566)</u>
	<u>(4,946,716)</u>	<u>(17,258,510)</u>

**7. Investment in Subsidiary Companies (Cont'd)****(b) Material partly-owned subsidiary companies (Cont'd)**

Summarised financial information for these subsidiary companies that have material non-controlling interest (amounts before intra-group eliminations) is as follows:

Summarised statements of profit or loss and other comprehensive income for the financial year ended 31 December 2023:

	<b>FP RM</b>	<b>MNH RM</b>	<b>Total RM</b>
Revenue	4,167,025	6,096,978	10,264,003
Expenses including taxation	<u>(10,817,016)</u>	<u>(6,740,356)</u>	<u>(17,557,372)</u>
Net loss for the financial year, representing total comprehensive loss for the financial year	<u>(6,649,991)</u>	<u>(643,378)</u>	<u>(7,293,369)</u>
Attributable to:			
Non-controlling interest	(3,258,495)	(315,255)	(3,573,750)
Other individually immaterial non-controlling interest			<u>(1,372,966)</u>
Total non-controlling interest			<u>(4,946,716)</u>

Summarised statements of profit or loss and other comprehensive income for the financial year ended 31 December 2022:

	<b>FP RM</b>	<b>MNH RM</b>	<b>Total RM</b>
Revenue	5,466,632	4,783,890	10,250,522
Expenses including taxation	<u>(13,032,319)</u>	<u>(32,262,985)</u>	<u>(45,295,304)</u>
Net loss for the financial year, representing total comprehensive loss for the financial year	<u>(7,565,687)</u>	<u>(27,479,095)</u>	<u>(35,044,782)</u>
Attributable to:			
Non-controlling interest	(3,707,187)	(13,464,757)	(17,171,944)
Other individually immaterial non-controlling interest			<u>(86,566)</u>
Total non-controlling interest			<u>(17,258,510)</u>

**7. Investment in Subsidiary Companies (Cont'd)****(b) Material partly-owned subsidiary companies (Cont'd)**

Summarised statements of financial position as at 31 December 2023:

	<b>FP RM</b>	<b>MNH RM</b>	<b>Total RM</b>
Non-current assets	232,040,920	324,605,814	556,646,734
Current assets	910,656	5,764,090	6,674,746
Total assets	<u>232,951,576</u>	<u>330,369,904</u>	<u>563,321,480</u>
Current liabilities	221,684,498	204,961,046	426,645,544
Non-current liabilities	64,635,068	196,443,411	261,078,479
Total liabilities	<u>286,319,566</u>	<u>401,404,457</u>	<u>687,724,023</u>
Total equity	<u>(53,367,990)</u>	<u>(71,034,553)</u>	<u>(124,402,543)</u>
Attributable to:			
Non-controlling interest	(26,150,315)	(34,806,931)	(60,957,246)
Other individually immaterial non-controlling interest			<u>(556,599)</u>
Total non-controlling interest			<u>(61,513,845)</u>

Summarised statements of financial position as at 31 December 2022:

	<b>FP RM</b>	<b>MNH RM</b>	<b>Total RM</b>
Non-current assets	230,013,775	332,332,266	562,346,041
Current assets	4,581,618	17,641,667	22,223,285
Total assets	<u>234,595,393</u>	<u>349,973,933</u>	<u>584,569,326</u>
Current liabilities	205,013,392	203,849,675	408,863,067
Non-current liabilities	76,300,000	216,418,493	292,718,493
Total liabilities	<u>281,313,392</u>	<u>420,268,168</u>	<u>701,581,560</u>
Total equity	<u>(46,717,999)</u>	<u>(70,294,235)</u>	<u>(117,012,234)</u>
Attributable to:			
Non-controlling interest	(22,891,820)	(34,444,175)	(57,335,995)
Other individually immaterial non-controlling interest			<u>768,866</u>
Total non-controlling interest			<u>(56,567,129)</u>

**7. Investment in Subsidiary Companies (Cont'd)****(b) Material partly-owned subsidiary companies (Cont'd)**

Summarised statements of cash flows for the financial year ended 31 December 2023:

	<b>FP RM</b>	<b>MNH RM</b>
Operating activities	(8,093,204)	(5,295,672)
Investing activities	2,967,155	12,029,606
Financing activities	4,598,374	(6,386,970)
Net (decrease)/increase in cash and cash equivalents during the financial year	<u>(527,675)</u>	<u>346,964</u>

Summarised statements of cash flows for the financial year ended 31 December 2022:

	<b>FP RM</b>	<b>MNH RM</b>
Operating activities	(5,117,088)	(5,717,293)
Investing activities	-	11,176,287
Financing activities	5,193,702	(5,506,494)
Net increase/(decrease) in cash and cash equivalents during the financial year	<u>76,614</u>	<u>(47,500)</u>

**(c) Incorporation of subsidiary companies**

On 12 September 2023, JAKS Solar Power Holdings Sdn Bhd (“JSPHSB”), a wholly-owned subsidiary company of the Company, had subscribed 100 ordinary shares in JANS Solar Holdings Sdn Bhd (“JSHSB”) for a total consideration of RM100 only. On 31 October 2023, JAKS Solar Power Sdn Bhd (“JSPSB”), a wholly-owned subsidiary company of the JSPHSB, had acquired 100 shares in JSHSB from JSPHSB for a total consideration of RM100 only. Consequently, JSHSB became an indirect wholly-owned subsidiary company of the JSPHSB.

On 20 September 2023, JSHSB had subscribed 100 ordinary shares of JANS Solar (Nibong Tebal) Sdn Bhd (“JS(NT)SB”), for a total consideration of RM100 only. Consequently, JS(NT)SB became an indirect wholly-owned subsidiary company of the JSPSB.

**7. Investment in Subsidiary Companies (Cont'd)****(d) Additional investment in a subsidiary company**

On 21 November 2023, JANS Solar Holdings Sdn Bhd ("JSHSB") had increased its share capital from RM100 to RM1,000. JSPSB had subscribed for an additional 410 shares in JSHSB for a total cash consideration of RM410. Consequently, JSPSB holds 510 ordinary shares in JSHSB. The remaining shares of 390 and 100 are held by Ann Joo Green Energy Sdn Bhd and Fabulous Sunview Sdn Bhd respectively.

**8. Investment in Joint Ventures ("JV")**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost		
- Outside Malaysia	577,957,598	577,957,598
Share of post-acquisition reserve	333,872,563	230,199,289
Exchange differences	<u>(7,378,254)</u>	<u>(7,378,254)</u>
	<u>904,451,907</u>	<u>800,778,633</u>

Details of the joint ventures are as follows:

<b>Name of JV</b>	<b>Place of business/ Country of Incorporation</b>	<b>Effective Economic Interest</b>		<b>Principal activities</b>
		<b>2023</b>	<b>2022</b>	
		<b>%</b>	<b>%</b>	
<b>JV held through JAKS Power Holding Limited ("JPH")</b>				
JAKS Pacific Power Limited* ("JPP")	Hong Kong	30	30	Investment holding
<b>Indirect JV held through JAKS Pacific Power Limited</b>				
JAKS Hai Duong Power Company Limited* ("JHDP")	Vietnam	30	30	Develop and operate coal-fired thermal power plant

\* Not audited by UHY

**8. Investment in Joint Ventures (“JV”) (Cont’d)**

Summarised financial information of the Group’s material joint venture i.e. JAKS Pacific Power Limited and its subsidiary company (“JPP Group”) is set out below:

**(a) Summarised adjusted statements of financial position**

	<b>JPP Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Cash and cash equivalent	557,171,146	548,393,700
Other current assets	744,836,036	760,743,244
Non-current assets	7,281,486,434	7,281,260,678
Current financial liabilities (excluding trade and other payables and provisions)	(711,609,518)	(597,039,267)
Other current liabilities	(585,176,629)	(740,728,872)
Non-current financial liabilities (excluding trade and other payables and provisions)	(3,972,787,018)	(4,401,923,432)
Net assets	<u>3,313,920,451</u>	<u>2,850,706,051</u>
Interest in joint venture	30%	30%
Group’s share of net assets	994,176,135	855,211,815
Share of other net asset changes	(93,550,290)	(58,259,244)
Goodwill	<u>3,826,062</u>	<u>3,826,062</u>
Carrying value of Group’s interest in joint ventures	<u>904,451,907</u>	<u>800,778,633</u>



**8. Investment in Joint Ventures (“JV”) (Cont’d)**

(b) Summarised adjusted statements of profit or loss and other comprehensive income

	<b>JPP Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Adjusted profit for the financial year, representing total comprehensive income for the financial year	436,865,607	520,633,162
Included in total comprehensive income are:		
Revenue	2,615,472,587	2,553,073,558
Amortisation/Depreciation	(327,852,531)	(317,750,163)
Interest income	3,176,777	3,493,288
Interest expense	(469,976,824)	(265,209,747)
Taxation	(6,504)	(17,199)

**9. Interest in Joint Operations**

The details of the joint operations are as follows:

<b>Name of joint operations</b>	<b>Place of business/ Country of incorporation</b>	<b>Effective Economic interest</b>		<b>Principal activities</b>
		<b>2023</b>	<b>2022</b>	
		<b>%</b>	<b>%</b>	
KACC-JAKS Joint Venture	Malaysia	50	50	Construction
JAKS-KACC Joint Venture	Malaysia	50	50	Construction
JAVEL-JAKS Joint Venture	Malaysia	50	50	Construction

**10. Goodwill on Consolidation**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 January/31 December	<u>211,092,762</u>	<u>211,092,762</u>
<b>Accumulated impairment loss</b>		
At 1 January	187,592,762	158,592,762
Impairment for the financial year	<u>23,500,000</u>	<u>29,000,000</u>
At 31 December	<u>211,092,762</u>	<u>187,592,762</u>
<b>Carrying amount</b>		
At 31 December	<u>-</u>	<u>23,500,000</u>

Impairment testing for goodwill is done annually. The carrying values were allocated to Nil (2022: 1) of the Group's cash generating units ("CGUs"), for impairment testing as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Construction	<u>-</u>	<u>23,500,000</u>

**10. Goodwill on Consolidation (Cont'd)**Key assumptions used in value-in-use and fair value less costs of disposal calculations

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

**(i) Construction**

Cash flow projections used in these calculations were based on financial budgets approved by the management covering five (5) years.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Gross profit margin	N/A	9% - 11%
Pre-tax discount rate	N/A	8.1%

A reasonable possible change in the key assumptions would not result in any impairment.

**(ii) Impairment loss**

Based on management's impairment review:

- (a) for the construction CGU, the recoverable amount is lower than the carrying amount of the CGU. An impairment loss of RM23,500,000 (2022: RM29,000,000) was recognised during the financial year.

The impairment loss was recognised in administrative expenses in the statements of profit or loss and other comprehensive income.

**11. Golf Club Memberships**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current</b>		
<b>At cost</b>		
At 1 January/31 December	600,000	600,000
<b>Less: Accumulated amortisation</b>		
At 1 January	134,214	126,319
Amortisation for the financial year	7,895	7,895
At 31 December	142,109	134,214
<b>Less: Accumulated impairment loss</b>		
At 1 January/31 December	171,051	171,051
<b>Carrying amount</b>		
At 31 December	286,840	294,735

The golf club membership is amortised over the period of 78 years which expires on 31 December 2082.

**12. Inventories**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Current</b>		
Completed properties	483,400	483,400

**13. Trade Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade receivables				
- Third parties	147,596,046	99,058,540	8,772,286	8,772,286
- Retention sum	134,350,606	128,001,503	-	-
	<u>281,946,652</u>	<u>227,060,043</u>	<u>8,772,286</u>	<u>8,772,286</u>
Less: Accumulated impairment losses	(56,273,356)	(49,670,175)	(8,772,286)	(8,772,286)
	<u>225,673,296</u>	<u>177,389,868</u>	<u>-</u>	<u>-</u>

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2022: 14 to 90 days) term. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The Group and the Company have other credit term and assessed and approved on a case to case basis, no concentration of credit risk except for the amounts owing by five (2022: five) and one (2022: one) which constituted approximately 67% (2022: 29%) and 85% (2022: 85%) of its trade receivables respectively as at the end of the reporting period.

Included in trade receivables of the Group is an amount of RM20,138,981 (2022: RM21,785,509) due from a former subsidiary company. The amount is unsecured and interest free.

Included in trade receivables of the Group is an amount of RM1,521,184 (2022: RM1,919,276) due from one (2022: one) receivable jointly controlled by Directors of a subsidiary company. The amount is unsecured and interest free.

Included in trade receivable of the Group is an amount of RM914,993 (2022: RM2,113,849) due from one (2022: one) receivable which is a non-controlling interest of certain subsidiary companies. The amount is unsecured and interest free.

**13. Trade Receivables (Cont'd)**

Movements in the allowance for impairment losses are as follows:

	<b>Credit Impaired RM</b>	<b>Lifetime Allowance RM</b>	<b>Net amount RM</b>
<b>Group</b>			
<b>2023</b>			
At 1 January	24,226,559	25,443,616	49,670,175
Reclassification	24,851,270	(24,851,270)	-
Impairment losses recognised	6,764,107	1,937,199	8,701,306
Impairment losses reversed	(2,098,125)	-	(2,098,125)
At 31 December	<u>53,743,811</u>	<u>2,529,545</u>	<u>56,273,356</u>
<b>2022</b>			
At 1 January	24,361,578	23,927,432	48,289,010
Impairment losses recognised	2,280,418	2,818,992	5,099,410
Impairment losses reversed	(2,415,437)	(1,302,808)	(3,718,245)
At 31 December	<u>24,226,559</u>	<u>25,443,616</u>	<u>49,670,175</u>
<b>Company</b>			
<b>2023</b>			
At 1 January/31 December	<u>8,772,286</u>	<u>-</u>	<u>8,772,286</u>
<b>2022</b>			
At 1 January/31 December	<u>8,772,286</u>	<u>-</u>	<u>8,772,286</u>

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

## 13. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of the reporting period:

	<b>Gross amount RM</b>	<b>Loss allowance RM</b>	<b>Net amount RM</b>
<b>Group</b>			
<b>2023</b>			
Neither past due nor impaired	136,211,946	-	136,211,946
Past due not impaired:			
Less than 30 days	1,470,600	(562)	1,470,038
31 to 60 days	172,602	(1,484)	171,118
61 to 90 days	428,949	(1,841)	427,108
More than 90 days	89,918,744	(2,525,658)	87,393,086
	91,990,895	(2,529,545)	89,461,350
<b>Credit impaired:</b>			
Individual impaired	53,743,811	(53,743,811)	-
	<u>281,946,652</u>	<u>(56,273,356)</u>	<u>225,673,296</u>
<b>2022</b>			
Neither past due nor impaired	90,069,317	-	90,069,317
Past due not impaired:			
Less than 30 days	1,541,509	(562)	1,540,947
31 to 60 days	220,739	(1,484)	219,255
61 to 90 days	51,128,166	(1,841)	51,126,325
More than 90 days	59,873,753	(25,439,729)	34,434,024
	112,764,167	(25,443,616)	87,320,551
<b>Credit impaired:</b>			
Individual impaired	24,226,559	(24,226,559)	-
	<u>227,060,043</u>	<u>(49,670,175)</u>	<u>177,389,868</u>
<b>Company</b>			
<b>2023</b>			
<b>Credit impaired:</b>			
Individual impaired	8,772,286	(8,772,286)	-
<b>2022</b>			
<b>Credit impaired:</b>			
Individual impaired	8,772,286	(8,772,286)	-

**13. Trade Receivables (Cont'd)**

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 December 2023, trade receivables of the Group and of the Company RM89,461,350 and Nil (2022: RM87,320,551 and Nil) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM53,743,811 and RM8,772,286 (2022: RM24,226,559 and RM8,772,286) respectively, related to customers that are in financial difficulties and have defaulted on payments.

**14. Contract Assets**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Contract costs incurred to date	3,600,311,219	3,403,124,782
Attributable profits	623,889,598	686,886,902
	<u>4,224,200,817</u>	<u>4,912,253,258</u>
Less: Progress billings	(4,119,348,273)	(3,834,855,402)
Exchange differences	1,540,948	3,338,123
Less : Accumulated impairment losses	<u>(4,363,440)</u>	<u>-</u>
	<u>102,030,052</u>	<u>258,494,405</u>
Presented as:		
Contract assets	<u>102,030,052</u>	<u>258,494,405</u>
Advances received from customer (included in other payables)	<u>25,377,230</u>	<u>34,427,900</u>
Retention sums on contracts (included in trade receivables)	<u>58,465,582</u>	<u>57,284,661</u>



**14. Contract Asset (Cont'd)**

As of the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) is RM95,310,549 (2022: RM193,273,793). The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 12 - 36 months.

Movements in the allowance for impairment losses are as follows:

	<b>Lifetime Allowance RM</b>
<b>Group</b>	
<b>2023</b>	
At 1 January	-
Impairment losses recognised	4,363,440
At 31 December	4,363,440

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

**15. Other Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other receivables	244,518,946	223,179,845	-	-
Deposits	45,890,299	23,117,728	276,796	276,796
Prepayments	11,289,524	614,384	66,764	45,292
	301,698,769	246,911,957	343,560	322,088
Less: Accumulated impairment losses				
- Other receivables	(109,779,047)	(84,471,208)	-	-
	191,919,722	162,440,749	343,560	322,088

Included in other receivables of the Group are an amount of RM37,242,200 (2022: RM37,242,200) due from a former related company. The amount is unsecured, interest free and repayable on demand.

**15. Other Receivables (Cont'd)**

Movements in the allowance for impairment losses are as follows:

	<b>Credit Impaired RM</b>	<b>Lifetime Allowance RM</b>	<b>Net amount RM</b>
<b>Group</b>			
<b>2023</b>			
At 1 January	37,315,848	47,155,360	84,471,208
Reclassification	46,753,178	(46,753,178)	-
Impairment losses recognised	25,156,754	2,511,503	27,668,257
Impairment losses reversed	(1,201,340)	(1,159,078)	(2,360,418)
At 31 December	108,024,440	1,754,607	109,779,047
<b>2022</b>			
At 1 January	37,581,829	28,499,710	66,081,539
Impairment losses recognised	73,648	18,663,610	18,737,258
Impairment losses reversed	(339,629)	(7,960)	(347,589)
At 31 December	37,315,848	47,155,360	84,471,208

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

**16. Amount Due from/(to) Subsidiary Companies**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Amount due from subsidiary companies:</b>		
<u>Non-interest bearing</u>		
Non-trade	811,117,847	756,539,939
Less: Accumulated impairment losses	(185,831,185)	(179,151,094)
	625,286,662	577,388,845
 Presented as:		
Non-current	488,413,020	440,590,559
Current	136,873,642	136,798,286
	625,286,662	577,388,845

**16. Amount Due from/(to) Subsidiary Companies (Cont'd)**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Amount due to subsidiary companies:</b>		
<u>Non-interest bearing</u>		
Non-trade	<u>(71,820,316)</u>	<u>(61,854,785)</u>

Amount due from/(to) subsidiary companies are unsecured and repayable on demand.

Movements in the allowance for impairment losses are as follows:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
As at 1 January	179,151,094	173,235,999
Impairment losses recognised	<u>6,680,091</u>	<u>5,915,095</u>
At 31 December	<u>185,831,185</u>	<u>179,151,094</u>

The loss allowance account in respect of amount due from subsidiary companies is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

**17. Amount Due from Joint Ventures**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<u>Non-interest bearing</u>		
Non-trade	10,617,274	10,608,180
Less: Accumulated impairment losses	<u>(325,901)</u>	<u>(325,901)</u>
	<u>10,291,373</u>	<u>10,282,279</u>

Amount due from joint ventures are unsecured and repayable on demand.

**17. Amount Due from Joint Ventures (Cont'd)**

Movements in the allowance for impairment losses are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
As at 1 January/31 December	325,901	325,901

**18. Deposits Placed with Licensed Banks**

Deposits placed with licensed banks are pledged to the banks to secure bank borrowings granted to the Group as disclosed in Note 22.

The effective interest rates for the Group's deposits range from 1.3% to 2.75% (2022: 1.3% to 2.55%) per annum respectively.

**19. Cash and Bank Balances**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Housing development accounts	221,052	221,052	-	-
Project development accounts	8,801	8,801	-	-
Debt service reserve accounts	8,363,897	11,239,691	-	-
Revenue accounts	904,392	10,253,212	-	-
Cash and bank balances	32,304,926	40,423,764	27,755,140	7,221,033
	41,803,068	62,146,520	27,755,140	7,221,033
Less: Deposits pledged with licensed banks	(9,268,289)	(21,492,903)	-	-
	32,534,779	40,653,617	27,755,140	7,221,033

**19. Cash and Bank Balances (Cont'd)**

- (a) Housing Development Accounts are maintained pursuant to the Housing Development (Control and Licensing) Act, 1966 in connection with the Group's property development projects. The utilisation of these balances is restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchasers and therefore restricted from use in other operations.
- (b) Project Development Account and Debt Service Reserve Account are pledged as security for bank borrowings as disclosed in Note 22.
- (c) Included in cash and bank balances of the Group is RM8,363,897 (2022: RM11,239,691) relating Escrow Account and Operating Account pledged for bank borrowings as disclosed in Note 22.

**20. Share Capital**

	<b>Group and Company</b>			
	<b>Number of shares</b>		<b>Amount</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Unit</b>	<b>Unit</b>	<b>RM</b>	<b>RM</b>
Ordinary share with no par value				
<b>Issued and fully paid:</b>				
At 1 January	2,090,317,607	2,042,317,607	1,074,143,409	1,061,612,409
Exercise of warrants	1,237	-	730	-
Issuance of shares under private placement	209,031,700	-	38,270,791	-
Issuance of shares under share grant plan	70,500,000	45,000,000	12,690,000	11,700,000
Exercise of LTIP	-	3,000,000	-	831,000
At 31 December	<u>2,369,850,544</u>	<u>2,090,317,607</u>	<u>1,125,104,930</u>	<u>1,074,143,409</u>

**20. Share Capital (Cont'd)**

During the financial year, the Company issued:

- (a) 129,017,000 placement shares at an issue price of RM0.185 each under Private Placement; and
- (b) 80,014,700 placement shares at an issue price of RM0.18 each under Private Placement; and
- (c) 1,237 new ordinary shares at an exercise price of RM0.34 each pursuant to the exercise of Warrant B; and
- (d) 70,500,000 new ordinary shares pursuant to Company's Share Grant Plan ("SGP") under Long Term Incentive Plan ("LTIP").

In the previous financial year, the Company issued:

- (a) 45,000,000 new ordinary shares pursuant to Company's Share Grant Plan ("SGP") under Long Term Incentive Plan ("LTIP"); and
- (b) 3,000,000 new ordinary shares through exercise of LTIP at issue price of cash RM0.237 for a total cash consideration of RM711,000.

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company.

**21. Reserves**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-distributable</b>					
Translation reserves	(a)	(5,785,753)	(7,617,735)	-	-
LTIP reserves	(b)	11,198,100	11,198,100	11,198,100	11,198,100
Warrants reserves	(c)	215,481,610	238,088,718	215,481,610	238,088,718
Other reserves		<u>(215,481,610)</u>	<u>(215,481,610)</u>	<u>(215,481,610)</u>	<u>(215,481,610)</u>
		5,412,347	26,187,473	11,198,100	33,805,208
<b>Distributable</b>					
Retained earnings		<u>349,343,529</u>	<u>310,874,181</u>	<u>34,874,743</u>	<u>102,745,893</u>
		<u>354,755,876</u>	<u>337,061,654</u>	<u>46,072,843</u>	<u>136,551,101</u>

## 21. Reserves (Cont'd)

### (a) Foreign currency translation reserves

Foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

### (b) Long Term Incentive Plan ("LTIP") reserves

The LTIP reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the reserve is transferred to share capital. When the share options expire, the amount from the reserve is transferred to retained earnings. Share option is disclosed in Note 32.

### (c) Warrants reserves

#### (i) Warrant B 2018/2023

On 13 December 2018, the Company allotted and issued 102,428,430 new Warrant B 2018/2023 ("Warrants") at an issue price of RM0.25 per Warrant on the basis of 1 Warrant for every 2 existing ordinary shares held in the Company ("Right Issue of Warrants").

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 13 December 2023. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 13 December 2018 to 13 December 2023, at an exercise price of RM0.64 per Warrant in accordance with the Deed Poll dated 5 November 2018. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

On 19 November 2020, the exercise price and the number of Warrant B 2018/2023 have been adjusted in accordance with the provisions of the Deed Poll as a result of the Rights Issue. The exercise price was adjusted from RM0.64 to RM0.34.

During the financial year, 1,237 warrants were exercised at the exercised price of RM0.34 each. As at 13 December 2023, 171,487,001 warrants were lapsed, the amount from the reserve is transferred to retained earnings.

**21. Reserves (Cont'd)****(c) Warrants reserves****(i) Warrant B 2018/2023**

The movements in the Company's Warrant B 2018/2023 are as follows:

	<b>Number of Warrant B 2018/2023 (Unit)</b>
At 1 January 2023	171,488,238
Exercised	(1,237)
Lapsed	<u>(171,487,001)</u>
At 31 December 2023	<u>-</u>

**(ii) Warrant C 2020/2025**

On 19 November 2020, the Company issued 540,050,650 free warrants pursuant to the Rights Issue on the basis of one (1) free warrant for every two (2) Rights Shares subscribed by the entitled shareholders of the Company.

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 18 November 2025. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 19 November 2020 to 18 November 2025, at an exercise price of RM0.49 per warrant in accordance with the Deed Poll dated 13 October 2020. Any warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

There were no movements in the Company's Warrant C 2020/2025 during the financial year. As at 31 December 2023, 525,564,900 warrants remained unexercised.



**22. Bank Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Secured</b>				
<b>Non-current liability</b>				
Term loans	419,325,099	432,839,467	-	-
<b>Current liabilities</b>				
Term loans	41,101,427	18,046,359	-	-
Trade commodity financing	25,000,000	25,000,000	-	-
Bill payables	2,099,000	4,815,361	-	-
Revolving credits	-	10,000,000	-	10,000,000
Bank overdrafts	5,910,951	10,934,786	-	-
	<u>74,111,378</u>	<u>68,796,506</u>	<u>-</u>	<u>10,000,000</u>
<b>Total borrowings</b>				
Term loans	460,426,526	450,885,826	-	-
Trade commodity financing	25,000,000	25,000,000	-	-
Bill payables	2,099,000	4,815,361	-	-
Revolving credits	-	10,000,000	-	10,000,000
Bank overdrafts	5,910,951	10,934,786	-	-
	<u>493,436,477</u>	<u>501,635,973</u>	<u>-</u>	<u>10,000,000</u>

The maturity of bank borrowings is as follows: -

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Within one year	74,111,378	68,796,506	-	10,000,000
Later than one year and not later than two years	41,754,154	54,390,084	-	-
Later than two years and not later than five years	261,874,177	302,077,596	-	-
Later than five years	115,696,768	76,371,787	-	-
	<u>493,436,477</u>	<u>501,635,973</u>	<u>-</u>	<u>10,000,000</u>

**22. Bank Borrowings (Cont'd)**

The range of interest rates per annum at the reporting date for borrowings were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	%	%	%	%
Term loans	3.50 - 7.65	6.25 - 7.70	-	-
Trade commodity financing	4.63 - 6.12	5.32 - 6.12	-	-
Bill payables	3.50 - 5.18	3.50 - 5.18	-	-
Revolving credits	-	6.25 - 7.70	-	6.25 - 7.70
Bank overdrafts	4.37 - 6.36	4.37 - 6.36	-	-

The term loans, bill payables, trade commodity financing, revolving credits, factoring payables and bank overdrafts of the Group and of the Company are secured by the following:

- (i) fixed charges over certain agricultural land and investment properties as disclosed in Note 4 and 5;
- (ii) legal assignment of all cashflows, sale or tenancy agreements, insurance policies, construction contracts, construction guarantees and performance bonds in relation to a project developed by certain subsidiary companies;
- (iii) fixed and floating charge over the present and future assets of certain subsidiary companies;
- (iv) first legal charge over the equity acquired in a subsidiary company;
- (v) facilities agreements together with interest, commission and all other charges thereon;
- (vi) assignment over proceeds under certain invoices, contracts, Letter of Notification and Letter of Instruction;
- (vii) assignment of all dividends and/or distribution from a subsidiary company's shares;
- (viii) negative pledge over certain subsidiary companies' assets both present and future;
- (ix) corporate guarantees provided by the Company, a subsidiary company, and a non-controlling interest;
- (x) personal guarantee by certain Directors of subsidiary company;
- (xi) deposits, debt service reserve, housing development account, project development account, escrow, operating account and revenue account as indicated in Notes 18 and 19;

**22. Bank Borrowings (Cont'd)**

The term loans, bill payables, trade commodity financing, revolving credits, factoring payables and bank overdrafts of the Group and of the Company are secured by the following: (Cont'd)

- (xii) specific debenture by way of fixed and floating charge over investment properties as disclosed in Note 5;
- (xiii) lodgement of private caveat over strata titles of the investment properties as disclosed in Note 5;
- (xiv) legal assignment of the present and future proceeds from the car parks' and investment properties' rental income of certain subsidiary companies; and
- (xv) first legal charge over all its unencumbered shares of a non-controlling interest of a subsidiary company.

**23. Lease Liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 January	281,798	510,203	48,777	129,722
Additions	1,793,443	-	1,650,000	-
Payments	<u>(351,648)</u>	<u>(228,405)</u>	<u>(162,088)</u>	<u>(80,945)</u>
At 31 December	<u>1,723,593</u>	<u>281,798</u>	<u>1,536,689</u>	<u>48,777</u>
Presented as:				
Non-current	1,255,927	93,222	1,231,009	-
Current	<u>467,666</u>	<u>188,576</u>	<u>305,680</u>	<u>48,777</u>
	<u>1,723,593</u>	<u>281,798</u>	<u>1,536,689</u>	<u>48,777</u>

**23. Lease Liabilities (Cont'd)**

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Within one year	535,328	180,578	368,304	49,454
Later than one year and not later than two years	395,904	111,822	368,304	-
Later than two years and not later than five years	963,440	-	963,440	-
	<u>1,894,672</u>	<u>292,400</u>	<u>1,700,048</u>	<u>49,454</u>
Less: Future finance charges	<u>(171,079)</u>	<u>(10,602)</u>	<u>(163,359)</u>	<u>(677)</u>
Present value of lease liabilities	<u>1,723,593</u>	<u>281,798</u>	<u>1,536,689</u>	<u>48,777</u>

The Group leases land and building and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

**24. Deferred Tax Liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 January	66,774	87,381	-	-
Recognised in profit or loss	(36,826)	(20,815)	-	-
(Over)/Under provision in prior years	<u>(170)</u>	<u>208</u>	<u>-</u>	<u>-</u>
At 31 December	<u>29,778</u>	<u>66,774</u>	<u>-</u>	<u>-</u>

**24. Deferred Tax Liabilities (Cont'd)**

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follow:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Deferred tax liabilities	28,176,724	104,653	37,630	5,805
Deferred tax assets	(28,146,946)	(37,879)	(37,630)	(5,805)
	<u>29,778</u>	<u>66,774</u>	<u>-</u>	<u>-</u>

The movements and components of the deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Deferred tax liabilities</b>				
<b>Accelerated capital allowances</b>				
At 1 January	104,653	89,819	5,805	-
Recognised in profit or loss	28,084,022	12,760	34,217	1,929
(Over)/Under provision in prior years	(11,951)	2,074	(2,392)	3,876
At 31 December	<u>28,176,724</u>	<u>104,653</u>	<u>37,630</u>	<u>5,805</u>
<b>Deferred tax assets</b>				
<b>Unabsorbed capital allowances</b>				
At 1 January	(32,074)	(2,438)	-	-
Recognised in profit or loss	(28,084,562)	(31,646)	2,069	-
Under/(Over) provision in prior years	7,320	2,010	(2,069)	-
At 31 December	<u>(28,109,316)</u>	<u>(32,074)</u>	<u>-</u>	<u>-</u>

**24. Deferred Tax Liabilities (Cont'd)**

The movements and components of the deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Deferred tax assets</b>				
<b>Unutilised tax losses</b>				
At 1 January	(5,805)	-	(5,805)	-
Recognised in profit or loss	(36,286)	(1,929)	(36,286)	(1,929)
Under/(Over) provision in prior years	4,461	(3,876)	4,461	(3,876)
At 31 December	<u>(37,630)</u>	<u>(5,805)</u>	<u>(37,630)</u>	<u>(5,805)</u>
	<u>(28,146,946)</u>	<u>(37,879)</u>	<u>(37,630)</u>	<u>(5,805)</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unabsorbed capital allowances	8,805,852	6,591,801	-	-
Unutilised tax losses	286,712,487	260,302,912	200,572	848,746
Other deductible temporary differences	120,124,835	96,734,848	-	-
	<u>415,643,174</u>	<u>363,629,561</u>	<u>200,572</u>	<u>848,746</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

**25. Trade Payables**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Trade payables		
- Third parties	162,536,929	201,087,452
- Retention sum	75,885,024	70,716,851
	<u>238,421,953</u>	<u>271,804,303</u>

The normal trade credit terms granted to the Group range from 1 to 90 (2022: 1 to 90) days from date of invoice.

**26. Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	86,132,661	87,093,357	873,642	807,465
Advance payment on construction contract	25,377,230	34,427,900	-	-
Deposits received	23,764,518	31,282,366	18,366,000	26,478,000
Liquidated ascertained damages and disputed performance liability	1,815,648	1,815,648	-	-
Accruals	94,603,233	87,916,233	1,559,159	1,385,981
	<u>231,693,290</u>	<u>242,535,504</u>	<u>20,798,801</u>	<u>28,671,446</u>

Included in other payables of the Group is an amount of RM3,147,061 (2022: RM3,300,401) due to one (2022: one) payables which are jointly controlled by Directors of a subsidiary company. The amount is unsecured, interest free and repayable on demand.

Included in accruals of the Group is an amount of accrued development expenditure of RM37,378,921 (2022: RM61,878,921).

**26. Other Payables (Cont'd)**

The movements in provision for liquidated ascertained damages and disputed performance liability are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
As at 1 January/31 December	1,815,648	1,815,648

Provision for liquidated ascertained damages refers to liquidated ascertained damages expected to be claimed by the customers based on the terms of the applicable sale and purchase agreements.

**27. Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Revenue from contract with customer:</b>				
Construction contract works	20,403,450	82,970,013	-	-
Sale of electricity	7,602,292	-	-	-
Management fees	-	-	7,800,000	7,800,000
	28,005,742	84,399,246	7,800,000	7,800,000
<b>Revenue from other sources:</b>				
Property investment	11,550,052	11,679,755	-	-
	11,550,052	10,250,522	-	-
	39,555,794	94,649,768	7,800,000	7,800,000
<b>Timing of revenue recognition:</b>				
Over time	39,555,794	94,649,768	7,800,000	7,800,000



**27. Revenue (Cont'd)**

Breakdown of the Group's revenue from contract with customers:

	<b>Construction RM</b>	<b>Power energy RM</b>	<b>Total RM</b>
<b>2023</b>			
<b>Major goods and services:</b>			
Sale of electricity	-	7,602,292	7,602,292
Construction contract revenue	<u>20,403,450</u>	<u>-</u>	<u>20,403,450</u>
Total revenue from contract with customers	<u>20,403,450</u>	<u>7,602,292</u>	<u>28,005,742</u>
<b>2022</b>			
<b>Major goods and services:</b>			
Construction contract revenue	<u>84,399,246</u>	<u>-</u>	<u>84,399,246</u>
Total revenue from contract with customers	<u>84,399,246</u>	<u>-</u>	<u>84,399,246</u>

**28. Finance Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Interest expenses on:</b>				
Bank overdrafts	461,739	559,057	-	-
Bill payables	1,492,611	800,294	-	-
Lease liabilities	38,627	16,474	28,867	3,919
Term loans	28,423,749	23,202,565	-	-
Bank guarantee	424,687	472,550	-	-
Revolving credits	195,880	412,222	195,880	412,222
Trade commodity financing	<u>297,631</u>	<u>989,686</u>	<u>-</u>	<u>-</u>
	31,334,924	26,452,848	224,747	416,141
Less: Amount capitalised into property, plant and equipment (Note 4)	<u>(3,702,167)</u>	<u>(2,067,107)</u>	<u>-</u>	<u>-</u>
	<u>27,632,757</u>	<u>24,385,741</u>	<u>224,747</u>	<u>416,141</u>

**29. Profit Before Tax**

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Auditors' remuneration (Note 29a)	378,550	327,750	120,000	112,000
Amortisation of golf club memberships	7,895	7,895	-	-
Bad debts written off	1,854	3,002,460	-	-
Non-Executive Directors' remuneration:				
- Fees	402,839	480,000	402,839	480,000
- Other emoluments	124,000	143,000	124,000	143,000
Depreciation of:				
- Property, plant and equipment	6,515,728	2,079,892	25,585	46,871
- Investment properties	13,497,211	13,560,182	-	-
- Right-of-use assets	396,664	248,898	239,521	83,601
Gain on disposal of property, plant and equipment	(506,779)	(205,493)	(192,000)	-
Gain on modification on lease contract	-	(39,136)	-	-
Unrealised loss/(gain) on foreign exchange	3,314,420	2,811,298	(18,715,704)	(30,371,835)
Net loss on impairment of financial instruments:				
- Impairment loss on:				
- Amounts due from subsidiary companies	-	-	6,680,091	5,915,095
- Trade receivables	8,701,306	5,099,410	-	-
- Other receivables	27,668,257	18,737,258	-	-
- Reversal of impairment loss on:				
- Trade receivables	(2,098,125)	(3,718,245)	-	-
- Other receivables	(2,360,418)	(347,588)	-	-
	31,911,020	19,770,835	6,680,091	5,915,095

## 29. Profit Before Tax (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Impairment loss on non-financial assets:				
- Contract asset	4,363,440	-	-	-
- Goodwill on consolidation	23,500,000	29,000,000	-	-
- Investment in subsidiary companies	-	-	86,000,000	18,689
Reversal of impairment loss on non-financial assets:				
- Investment properties	(7,125,058)	(5,125,058)	-	-
Interest income	(735,244)	(1,425,395)	(42,668)	(377,524)
Lease expenses relating to short-term leases	(1,500)	61,542	-	-
Lease income	(1,045,100)	(806,600)	-	-
LTIP expenses	12,690,000	13,980,000	12,690,000	13,980,000
Management fees	498,887	577,424	(7,800,000)	(7,800,000)
Wages subsidy	-	(63,600)	-	-
Share of result of joint venture	(131,059,683)	(156,189,950)	-	-
Reversal of accrued development expenditure	(24,500,000)	-	-	-

## (a) Auditors' remuneration

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- Audit fee				
- Current year	343,050	297,250	82,000	82,000
- (Over)/Under provision in prior years	(2,500)	500	-	-
- Non-audit fee				
- Current year	38,000	30,000	38,000	30,000
	<u>378,550</u>	<u>327,750</u>	<u>120,000</u>	<u>112,000</u>

30. **Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Tax expenses recognised</b>				
<b>in profit or loss</b>				
Current income tax:				
Current tax provision				
- in Malaysia	93,720	113,146	49,120	60,246
- outside Malaysia	219,370	246,799	-	-
Under/(Over) provision				
in prior years	15,924	557,896	(50,623)	(27,616)
	<u>329,014</u>	<u>917,841</u>	<u>(1,503)</u>	<u>32,630</u>
Deferred tax (Note 24):				
Relating to origination and				
reversal of temporary				
differences	(36,826)	(20,815)	-	-
(Over)/Under provision				
in prior years	(170)	208	-	-
	<u>(36,996)</u>	<u>(20,607)</u>	<u>-</u>	<u>-</u>
Tax expenses for				
the financial year	<u>292,018</u>	<u>897,234</u>	<u>(1,503)</u>	<u>32,630</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

**30. Taxation (Cont'd)**

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit/(Loss) before tax	12,089,580	37,417,059	(89,597,723)	7,790,380
At Malaysian statutory rate of 24% (2022: 24%)	2,901,499	8,980,094	(21,503,454)	1,869,691
Effect of different tax rates in other countries	638,925	(1,876,602)	-	-
Income not subject to tax	(8,349,017)	(8,635,223)	(4,544,302)	(7,378,179)
Expenses not deductible for tax purposes	24,267,171	23,855,537	26,252,438	5,647,302
Deferred tax assets not recognised	12,638,828	15,579,480	-	-
Utilisation of previously unrecognised deferred tax assets	(155,562)	(78,568)	(155,562)	(78,568)
Share of result of joint venture	(31,454,324)	(37,485,588)	-	-
Share of partnership loss	(211,256)	-	-	-
Under/(Over) provision of taxation in prior years	15,924	557,896	(50,623)	(27,616)
(Over)/Under provision of deferred tax in prior years	(170)	208	-	-
<b>Tax expenses for the financial year</b>	<b>292,018</b>	<b>897,234</b>	<b>(1,503)</b>	<b>32,630</b>

**30. Taxation (Cont'd)**

The Group is in the process of assessing the exposure to the Pillar Two income taxes arising from legislation in the jurisdictions in which the Group operates in. Due to the complex nature of the legislation and the calculations including the determination of the adjustments required under the Pillar Two legislation, the Group assessed that the quantitative impact of the potential top-up tax arising from the enacted/substantively enacted legislation is not yet reasonably estimable. The Group continues to assess the impact of the Pillar Two legislation on its financials.

The Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances available to carry forward to offset against future taxable profit. The said amounts are subject to approval by the tax authorities.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unabsorbed capital allowances	124,889,933	5,671,752	-	8,620
Unutilised tax losses	162,597,268	128,577,649	357,365	854,345
	<u>287,487,201</u>	<u>134,249,401</u>	<u>357,365</u>	<u>505,016</u>

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilised tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Unutilised tax losses to be carried forward until:</b>				
- 2028	27,147,037	27,644,017	357,365	854,345
- 2029	46,790,134	46,790,134	-	-
- 2030	7,937,112	7,937,112	-	-
- 2031	23,086,366	23,086,366	-	-
- 2032	23,120,020	23,120,020	-	-
- 2033	34,516,599	-	-	-
	<u>162,597,268</u>	<u>128,577,649</u>	<u>357,365</u>	<u>854,345</u>

**31. Earnings per Share****(a) Basic earnings per share**

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net profit for the financial year, attributable to owners of the parent	16,744,278	53,778,335
Weighted average number of ordinary shares in issue	2,226,032,430	2,055,316,511
Basic earnings per share (in sen)	0.75	2.62

**(b) Diluted earnings per share**

The diluted earnings per share has been calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net profit attributable to owners of the parent	16,744,278	53,778,335
Weighted average number of ordinary shares used in the calculation of basic earnings per share	2,226,032,430	2,055,316,511
Adjustment for incremental shares from assumed exercise of:		
- LTIP	-	1,261,967
Weighted average number of ordinary shares at 31 December (diluted)	2,226,032,430	2,056,578,478
Diluted earnings per share (in sen)	0.75	2.61

**31. Earnings per Share (Cont'd)**

(b) Diluted earnings per share (Cont'd)

There have been no other transaction involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

**32. Long Term Incentive Plan ("LTIP")**

On 28 June 2016, the shareholders of JRB have at Extraordinary General Meeting approved the establishment of a LTIP of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any one time for the Directors and employees of JRB and its subsidiary companies. The Group's LTIP comprises of the Share Option Plan ("SOP") and Share Grant Plan ("SGP") for its employees.

The salient terms of the LTIP are as follows:

- (a) The maximum number of Shares to be allotted and issued pursuant to the LTIP shall not at any point in time in aggregate exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any one time.
- (b) The basis of allocation of the number of shares which may be offered to an Eligible Person pursuant to LTIP shall be determined entirely at the discretion of the LTIP Committee. The LTIP Committee will ensure that there should be equitable allocation to the Eligible Persons, after taking into consideration, amongst others, the appraised performance, seniority and/or length of service, contributions to the success and development as well as such other criteria as the LTIP Committee may deem fit and relevant. The LTIP Committee has the discretion in determining whether the allocation available shall be staggered over the duration of the LTIP period.
- (c) A person who fulfils the following criteria as at the date of an LTIP Grant shall be eligible to be considered by the LTIP Committee as an Eligible Person:
  - (i) has attained the age of eighteen (18) years;
  - (ii) has not been adjudicated a bankrupt;
  - (iii) has entered into a full-time or fixed-term contract of service/employment with any company within the Group;
  - (iv) whose service/employment has been confirmed in writing;
  - (v) a Director or Senior Management of JRB Group; and
  - (vi) has fulfilled any other eligibility criteria to be determined by the LTIP Committee from time to time at its discretion, as the case may be.



**32. Long Term Incentive Plan (“LTIP”) (Cont’d)**

The salient terms of the LTIP are as follows: (Cont’d)

- (d) The LTIP shall be in force for a duration of five (5) years from the effective date of the implementation. The LTIP may be extended or renewed for a further period of five (5) years, at the sole discretion of the Board upon recommendation of the LTIP Committee.
- (e) All the new shares to be issued pursuant to the LTIP shall upon allotment and issue, rank pari passu in respects with the existing shares except that the new shares shall not be entitled to any dividends, rights, allotment and/or other distributions which entitlements date precedes the date of allotment of the said shares.
- (f) In the case of the share grant, the shares will be vested with the grantee at no consideration on the vesting date. While in the case of share option, the option price shall be based on the 5 day weighted average market price of the underlying shares at the time the option is offered, with a discount of not more than 10%.

**Share Option Plan (“SOP”)**

Movements in the number of share options and the exercise price are as follows:

	<b>Group and Company</b>	
	<b>Number of share option</b>	
	<b>2023</b>	<b>2022</b>
	<b>Unit</b>	<b>Unit</b>
At 1 January	141,473,619	87,473,619
Additions	-	57,000,000
Exercised	-	(3,000,000)
At 31 December	141,473,619	141,473,619
Exercise price (RM)	0.24 - 0.75	0.24 - 0.75
Options exercisable at 31 December	141,473,619	141,473,619

During the financial year, no share options were exercised.

**32. Long Term Incentive Plan (“LTIP”) (Cont’d)****Share Option Plan (“SOP”) (Cont’d)**

The fair value of share options granted to eligible employees and Directors, was determined using Black-Scholes Option Pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at the grant date and the input assumed by the Company in arising the fair value are as follows:

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
Fair value (RM)	0.04	0.04
Share price (RM)	0.24	0.24
Exercise price (RM)	0.24 - 0.75	0.24 - 0.75
Expected volatility (%)	45.34%	45.34%
Expected life (years)	5 years	5 years
Risk-free interest rate (%)	3.10%	3.10%

**Share Grant Plan (“SGP”)**

Movements in the number of shares granted and vested are as follows:

	<b>Group and Company</b>	
	<b>Number of shares</b>	
	<b>2023</b>	<b>2022</b>
	<b>Unit</b>	<b>Unit</b>
At 1 January	-	-
Granted	70,500,000	45,000,000
Vested	(70,500,000)	(45,000,000)
At 31 December	-	-

The closing share price at the date of granting was RM0.18 (2022: RM0.26) per ordinary share.

**33. Staff Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fees	402,839	480,000	402,839	480,000
Salaries, wages and other emoluments	16,798,275	16,109,088	5,323,971	5,052,525
Defined contributions plan	1,414,960	1,465,707	597,654	602,254
Social security contribution	98,722	91,967	12,552	10,547
Shares granted under LTIP	12,690,000	11,700,000	12,690,000	11,700,000
Shares option under LTIP	-	2,280,000	-	2,280,000
	<u>31,404,796</u>	<u>32,126,762</u>	<u>19,027,016</u>	<u>20,125,326</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and of the Company during the financial year as below:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Executive Directors</b>				
Salaries, wages and other emoluments	3,321,000	3,321,000	3,321,000	3,321,000
Defined contributions plan	385,320	385,320	385,320	385,320
Social security contribution	3,476	3,006	3,476	3,006
Shares granted under LTIP	8,460,000	7,800,000	8,460,000	7,800,000
Shares option under LTIP	-	1,200,000	-	1,200,000
	<u>12,169,796</u>	<u>12,709,326</u>	<u>12,169,796</u>	<u>12,709,326</u>
<b>Non-Executive Directors</b>				
Fees	402,839	480,000	402,839	480,000
Other emoluments	124,000	143,000	124,000	143,000
	<u>526,839</u>	<u>623,000</u>	<u>526,839</u>	<u>623,000</u>
	<u>12,696,635</u>	<u>13,332,326</u>	<u>12,696,635</u>	<u>13,332,326</u>

The estimated monetary value of Directors' benefit-in-kind is RM62,800 (2022: RM62,800).

**34. Contingent Liability**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Unsecured</b>				
Bank guarantees issued for execution of contracts of the subsidiary companies	40,813,828	90,913,828	-	-
Corporate guarantees given to licensed banks to secure credit facilities granted to the subsidiary companies	-	-	549,397,782	501,547,973
	<u>40,813,828</u>	<u>90,913,828</u>	<u>549,397,782</u>	<u>501,547,973</u>

**35. Related Party Disclosures****(a) Identifying 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 joint 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. The key management personnel comprise the Directors and certain members of senior management of the Group.

**35. Related Party Disclosures (Cont'd)****(b) Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
Rental expense paid to a non-controlling interest of a subsidiary company	55,200	55,200
Dividend income received/receivable from joint venture	27,386,409	70,131,737
General expenses charged by related party	1,884,747	2,908,294
Progress billed to joint venture	69,210,568	-
Progress claimed from joint operation	<u>4,398,100</u>	<u>9,518,700</u>
<b>Company</b>		
Management fees received/receivable from subsidiary companies	<u>7,800,000</u>	<u>7,800,000</u>

**35. Related Party Disclosures (Cont'd)**

## (c) Compensation of key management personnel

Compensation of key management personnel is as follow:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Short term employees benefits	8,809,792	9,090,003	5,410,068	5,645,354
Defined contribution plans	781,599	807,719	569,838	586,688
Shares granted under LTIP	12,690,000	11,700,000	8,460,000	8,580,000
Shares option under LTIP	-	2,280,000	-	1,440,000
	<u>22,281,391</u>	<u>23,877,722</u>	<u>14,439,906</u>	<u>16,252,042</u>

Included in compensation of key management personnel is remuneration of Directors as disclosed in Notes 29 and 33.

**36. Commitment**

## (a) Commitment

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Capital expenditure authorised and contracted for property, plant and equipment	<u>32,385,024</u>	<u>43,925,163</u>

**36. Commitment (Cont'd)****(b) Operating lease commitments – as lessor**

The Group leases out its investment properties (Note 5(a)). The future minimum lease receivables under non-cancellable leases are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Less than 1 year	4,993,464	3,693,986
Between 1 and 5 years	8,314,384	1,032,224
	<u>13,307,848</u>	<u>4,726,210</u>

**37. Segment Information**

For management purposes, the Group is organised into business units based on their products and services, and has six (6) reportable segments as follows:

**Manufacturing** : Comprise mainly manufacturing of pipes.

**Trading** : Comprise mainly trading in sheet piles, steel bars, mild steel and special pipes, other steel related products, building materials and supply of products for water supply industry.

**Construction** : Comprise mainly provision of sub-contracting activities, general contractor, supplier of building materials and also construction.

**Property Investment** : Management of shopping mall.

**Power Energy** : Engage in the business of renewable energy.

**Others** : Investment holding.

There are varying levels of integration between the segments such as the transfer of raw materials and shared distribution and administrative services. Inter-segment pricing is determined on negotiated basis.

Segment performance is evaluated based on segment profit/(loss) before tax and is measured consistently with profit or loss in the consolidated financial statements.

Segment assets and liabilities information are not regularly provided to the chief operating decision-maker. Hence, no disclosure is made on segment assets and liabilities.

## 37. Segment Information (Cont'd)

	Trading RM	Construction RM	Property Investment RM	Others RM	Manufacturing RM	Power Energy RM	Adjustment/ Elimination RM	Total RM
<b>Group</b>								
<b>2023</b>								
<b>Revenue</b>								
External revenue	-	18,718,829	10,264,003	-	-	7,602,292	2,970,670	39,555,794
Inter-company	-	-	-	35,186,409	-	-	(35,186,409)	-
	-	18,718,829	10,264,003	35,186,409	-	7,602,292	(32,215,739)	39,555,794
<b>Results</b>								
Segment results	(70,062,640)	(56,865,865)	5,591,739	(87,095,076)	(30,654)	2,250,172	105,186,817	(101,025,507)
Other income	5,447	1,538,364	7,464,650	436,727	-	242,973	-	9,688,161
Finance costs - (net)	(10,217)	(1,975,408)	(19,333,843)	(1,217,990)	-	(5,095,299)	-	(27,632,757)
Share of results of joint ventures	-	-	-	-	-	-	131,059,683	131,059,683
(Loss)/Profit before tax	(70,067,410)	(57,302,909)	(6,277,454)	(87,876,339)	(30,654)	(2,602,154)	236,246,500	12,089,580
Tax expense	-	(182,374)	-	4,018	-	(113,662)	-	(292,018)
(Loss)/Profit for the financial year	(70,067,410)	(57,485,283)	(6,277,454)	(87,872,321)	(30,654)	(2,715,816)	236,246,500	11,797,562



37. **Segment Information (Cont'd)**

Group	Trading RM	Construction RM	Property Investment RM	Others RM	Manufacturing RM	Adjustment/ Elimination RM	Total RM
<b>2022</b>							
<b>Revenue</b>							
External revenue	-	84,399,246	10,250,522	-	-	-	94,649,768
Inter-company	87,555	-	-	77,931,737	-	(78,019,292)	-
	<u>87,555</u>	<u>84,399,246</u>	<u>10,250,522</u>	<u>77,931,737</u>	<u>-</u>	<u>(78,019,292)</u>	<u>94,649,768</u>
<b>Results</b>							
Segment results	(4,298,373)	(30,657,709)	(19,826,574)	41,200,291	(29,123)	(89,602,542)	(103,214,030)
Other income	2,689	2,431,949	5,506,533	885,709	-	-	8,826,880
Finance costs - (net)	(59,496)	(2,891,848)	(19,707,039)	(1,727,358)	-	-	(24,385,741)
Share of results of joint ventures	-	-	-	-	-	156,189,950	156,189,950
(Loss)/Profit before tax	<u>(4,355,180)</u>	<u>(31,117,608)</u>	<u>(34,027,080)</u>	<u>40,358,642</u>	<u>(29,123)</u>	<u>66,587,408</u>	<u>37,417,059</u>
Tax expense	-	(720,345)	-	(176,889)	-	-	(897,234)
(Loss)/Profit for the financial year	<u>(4,355,180)</u>	<u>(31,837,953)</u>	<u>(34,027,080)</u>	<u>40,181,753</u>	<u>(29,123)</u>	<u>66,587,408</u>	<u>36,519,825</u>

**37. Segment Information (Cont'd)****Geographical Segments**

Segment information is presented in respect of the Group's geographical segments. The geographical segments are based on the Group's management and internal reporting structure.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on the geographical location of assets. The Group's principal geographical areas for its operations are located in Malaysia and Vietnam.

	<b>Malaysia</b>	<b>Vietnam</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2023</b>			
Revenue from external customer by location of customer	39,555,794	-	39,555,794
Segment non-current assets	<u>1,794,217,963</u>	<u>502,420</u>	<u>1,794,720,383</u>
<b>2022</b>			
Revenue from external customer by location of customer	51,822,351	42,827,417	94,649,768
Segment non-current assets	<u>1,664,521,016</u>	<u>553,443</u>	<u>1,665,074,459</u>

**Major customers**

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

	<b>Revenue</b>		<b>Segment</b>
	<b>2023</b>	<b>2022</b>	
	<b>RM</b>	<b>RM</b>	
Customer A	-	42,827,417	Construction
Customer B	16,757,067	-	Construction
Customer C	<u>7,602,292</u>	<u>-</u>	Power Energy

**38. Financial Instruments****(a) Classification of financial instruments**

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>2023</b>			
<b>Financial Assets</b>			
Trade receivables	225,673,296	-	225,673,296
Other receivables	180,630,198	-	180,630,198
Amount due from joint ventures	10,291,373	-	10,291,373
Fixed deposits with licensed banks	22,221,624	-	22,221,624
Cash and bank balances	41,803,068	-	41,803,068
	<b>480,619,559</b>	<b>-</b>	<b>480,619,559</b>
<b>Financial Liabilities</b>			
Trade payables	-	238,421,953	238,421,953
Other payables	-	231,693,290	231,693,290
Bank borrowings	-	493,436,477	493,436,477
Lease liabilities	-	1,723,593	1,723,593
	<b>-</b>	<b>965,275,313</b>	<b>965,275,313</b>

**38. Financial Instruments (Cont'd)****(a) Classification of financial instruments (Cont'd)**

<b>Group</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2022</b>			
<b>Financial Assets</b>			
Trade receivables	177,389,868	-	177,389,868
Other receivables	161,826,365	-	161,826,365
Amount due from joint ventures	10,282,279	-	10,282,279
Fixed deposits with licensed banks	42,450,740	-	42,450,740
Cash and bank balances	62,146,520	-	62,146,520
	<u>454,095,772</u>	<u>-</u>	<u>454,095,772</u>
<b>2022</b>			
<b>Financial Liabilities</b>			
Trade payables	-	271,804,303	271,804,303
Other payables	-	242,535,504	242,535,504
Bank borrowings	-	501,635,973	501,635,973
Lease liabilities	-	281,798	281,798
	<u>-</u>	<u>1,016,257,578</u>	<u>1,016,257,578</u>

38. **Financial Instruments (Cont'd)**

## (a) Classification of financial instruments (Cont'd)

	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Company</b>			
<b>2023</b>			
<b>Financial Assets</b>			
Other receivables	276,796	-	276,796
Amount due from subsidiary companies	625,286,662	-	625,286,662
Fixed deposits with licensed banks	83,793	-	83,793
Cash and bank balances	27,755,140	-	27,755,140
	<u>653,402,391</u>	<u>-</u>	<u>653,402,391</u>
<b>Financial Liabilities</b>			
Other payables	-	20,798,801	20,798,801
Amount due to subsidiary companies	-	71,820,316	71,820,316
Lease liabilities	-	1,536,689	1,536,689
	<u>-</u>	<u>94,155,806</u>	<u>94,155,806</u>
<b>2022</b>			
<b>Financial Assets</b>			
Other receivables	276,796	-	276,796
Amount due from subsidiary companies	577,388,845	-	577,388,845
Fixed deposits with licensed banks	385,000	-	385,000
Cash and bank balances	7,221,033	-	7,221,033
	<u>585,271,674</u>	<u>-</u>	<u>585,271,674</u>
<b>Financial Liabilities</b>			
Other payables	-	28,671,446	28,671,446
Amount due to subsidiary companies	-	61,854,785	61,854,785
Bank borrowings	-	10,000,000	10,000,000
Lease liabilities	-	48,777	48,777
	<u>-</u>	<u>100,575,008</u>	<u>100,575,008</u>

**38. Financial Instruments (Cont'd)**

**(b) Financial risk management objectives and policies**

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

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

**(i) Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks and financial institutions for credit facilities granted to certain subsidiary companies. There are no significant changes as compared to prior periods.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. It also provides unsecured financial guarantees to banks and financial institutions for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

**38. Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk except for bank guarantee issued for execution of contracts of the subsidiary companies and financial guarantees provided to banks and financial institutions for banking facilities granted to certain subsidiary companies. The Group's maximum exposure in this respect is RM40.8 million (2022: RM90.9 million) while the Company's maximum exposure in this respect is RM549.4 million (2022: RM501.6 million), representing the bank guarantee issued and outstanding banking facilities of the subsidiary companies at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

The Group's has no significant concentration to credit risk except as disclosed in Notes 13 and 37. The Company has no significant concentration of credits risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

38. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk (Cont'd)

	<b>On demand or within 1 year RM</b>	<b>2 to 5 years RM</b>	<b>After 5 years RM</b>	<b>Total contractual cash flows RM</b>	<b>Total carrying amount RM</b>
<b>Group</b>					
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	238,421,953	-	-	238,421,953	238,421,953
Other payables	231,693,290	-	-	231,693,290	231,693,290
Bank borrowings	102,077,491	372,245,093	305,576,578	779,899,162	493,436,477
Lease liabilities	535,328	1,359,344	-	1,894,672	1,723,593
Financial guarantee*	40,813,828	-	-	40,813,828	-
	<u>613,541,890</u>	<u>373,604,437</u>	<u>305,576,578</u>	<u>1,292,722,905</u>	<u>965,275,313</u>
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	271,804,303	-	-	271,804,303	271,804,303
Other payables	242,535,504	-	-	242,535,504	242,535,504
Bank borrowings	140,280,505	354,033,824	112,182,337	606,496,666	501,635,973
Lease liabilities	180,578	111,822	-	292,400	281,798
Financial guarantee*	90,913,828	-	-	90,913,828	-
	<u>745,714,718</u>	<u>354,145,646</u>	<u>112,182,337</u>	<u>1,212,042,701</u>	<u>1,016,257,578</u>



38. **Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk (Cont'd)

Company	On demand or within 1 year RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	20,798,801	-	-	20,798,801	20,798,801
Amount due to subsidiary company	71,820,316	-	-	71,820,316	71,820,316
Lease liabilities	368,304	1,331,744	-	1,700,048	1,536,689
Financial guarantee*	549,397,782	-	-	549,397,782	-
	<b>642,385,203</b>	<b>1,331,744</b>	<b>-</b>	<b>643,716,947</b>	<b>94,155,806</b>
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	28,671,446	-	-	28,671,446	28,671,446
Amount due to subsidiary company	61,854,785	-	-	61,854,785	61,854,785
Bank borrowings	10,000,000	-	-	10,000,000	10,000,000
Lease liabilities	49,454	-	-	49,454	48,777
Financial guarantee*	501,547,973	-	-	501,547,973	-
	<b>602,123,658</b>	<b>-</b>	<b>-</b>	<b>602,123,658</b>	<b>100,575,008</b>

\* Being bank guarantees issued for execution of contracts of the subsidiary companies and corporate guarantee granted for banking facilities of certain subsidiary companies which will only be encashed in the event of default by these companies.

**38. Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk****(a) Foreign currency risk**

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>Denominated in United States Dollar</b>		
Cash and bank balances	14,906,738	28,075,995
Other payables and accruals	<u>(43,995,485)</u>	<u>(61,669,049)</u>
	<u>(29,088,747)</u>	<u>(33,593,054)</u>
<b>Company</b>		
<b>Denominated in United States Dollar</b>		
Cash and bank balances	13,417,541	85,483
Capital contribution to a subsidiary company	544,443,299	575,660,900
Other payables and accruals	<u>(17,844,000)</u>	<u>(26,478,000)</u>
	<u>540,016,840</u>	<u>549,268,383</u>

**38. Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk (Cont'd)****(a) Foreign currency risk (Cont'd)**Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's and of the Company's profit before tax to a reasonably possible change in USD exchange rate against RM, with all other variables held constant.

		<b>2023</b>	<b>2022</b>
	<b>Change in</b>	<b>Effect</b>	<b>Effect</b>
	<b>currency rate</b>	<b>on profit</b>	<b>on profit</b>
	<b>RM</b>	<b>before tax</b>	<b>before tax</b>
		<b>RM</b>	<b>RM</b>
<b>Group</b>			
USD	Strengthened 10%	(2,908,875)	(3,359,305)
	Weakened 10%	2,908,875	3,359,305
<b>Company</b>			
USD	Strengthened 10%	54,001,684	54,926,838
	Weakened 10%	(54,001,684)	(54,926,838)

**(b) Interest rate risk**

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in market interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in market interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

**38. Financial Instruments (Cont'd)**

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (b) Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
Deposits placed with licensed banks	22,221,624	42,450,740
<i>Financial liabilities</i>		
Lease liabilities	(1,723,593)	(281,798)
Term loans	(216,418,493)	(226,418,493)
	<u>(195,920,462)</u>	<u>(184,249,551)</u>
<b>Floating rate instruments</b>		
<i>Financial liabilities</i>		
Bank overdrafts		
- secured	(5,910,951)	(10,934,786)
Bills payables	(2,099,000)	(4,815,361)
Revolving credits	-	(10,000,000)
Term loans	(244,008,033)	(224,467,333)
Trade commodity financing	(25,000,000)	(25,000,000)
	<u>(277,017,984)</u>	<u>(275,217,480)</u>

**38. Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
Deposits placed with licensed banks	83,793	385,000
<i>Financial liabilities</i>		
Lease liabilities	(1,536,689)	(48,777)
	(1,452,896)	336,223
<b>Floating rate instruments</b>		
<i>Financial liabilities</i>		
Revolving credits	-	(10,000,000)

**Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for floating rate instruments

An increase in 0.5% (2022: 0.5%) interest rate at the end of the reporting period would have decreased the Group's and Company's profit before tax by RM1,385,090 and RMNil (2022: RM1,376,087 and RM50,000). A decrease in 0.5% (2022: 0.5%) interest rate at the end of the reporting period would have had equal but opposite effect to the aforesaid amounts. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**38. Financial Instruments (Cont'd)**

(c) Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

39. **Reconciliation of Liabilities Arising from Financing Activities**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	<b>At 1 January 2023 RM</b>	<b>Financing cash flow (i) RM</b>	<b><u>Non-cash</u> <u>changes</u> New lease RM</b>	<b>At 31 December 2023 RM</b>
<b>Group</b>				
Lease liabilities	281,798	(351,648)	1,793,443	1,723,593
Term loans	450,885,826	9,540,700	-	460,426,526
Trade commodity financing	25,000,000	-	-	25,000,000
Bill payables	4,815,361	(2,716,361)	-	2,099,000
Revolving credits	10,000,000	(10,000,000)	-	-
	<u>490,982,985</u>	<u>(3,527,309)</u>	<u>1,793,443</u>	<u>489,249,119</u>
<b>Company</b>				
Lease liabilities	48,777	(162,088)	1,650,000	1,536,689
Revolving credits	10,000,000	(10,000,000)	-	-
Amount due to subsidiary companies	61,854,785	9,965,531	-	71,820,316
	<u>71,903,562</u>	<u>(196,557)</u>	<u>1,650,000</u>	<u>73,357,005</u>

(i) The cash flows make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

39. **Reconciliation of Liabilities Arising from Financing Activities (Cont'd)**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	<b>At 1 January 2022 RM</b>	<b>Financing cash flow (i) RM</b>	<b><u>Non-cash changes</u> New lease RM</b>	<b>At 31 December 2022 RM</b>
<b>Group</b>				
Lease liabilities	510,203	(228,405)	-	281,798
Term loans	318,757,303	132,128,523	-	450,885,826
Trade commodity financing	24,978,699	21,301	-	25,000,000
Bill payables	20,061,187	(15,245,826)	-	4,815,361
Revolving credits	2,000,000	8,000,000	-	10,000,000
	366,307,392	124,675,593	-	490,982,985
<b>Company</b>				
Lease liabilities	129,722	(80,945)	-	48,777
Revolving credits	2,000,000	8,000,000	-	10,000,000
Amount due to subsidiary companies	54,514,485	7,340,300	-	61,854,785
	56,644,207	15,259,355	-	71,903,562

(i) The cash flows make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.



**40. Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a debt-to-equity ratio. The Group's policy is to maintain a prudent level of debt-to-equity ratio that complies with debt covenants and regulatory requirements. The debt-to-equity ratio at end of the reporting period are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Total loans and borrowings	495,160,070	501,917,771	1,536,689	10,048,777
Less: Fixed deposits, cash and bank balances	(64,024,692)	(104,597,260)	(27,838,933)	(7,606,033)
Net debts	<u>431,135,378</u>	<u>397,320,511</u>	<u>(26,302,244)</u>	<u>2,442,744</u>
Total equity	<u>1,418,346,961</u>	<u>1,354,637,934</u>	<u>1,171,177,773</u>	<u>1,210,694,510</u>
Debt-to-equity ratio	<u>0.30</u>	<u>0.29</u>	<u>N/A</u>	<u>N/A</u>

There were no changes in the Group's approach to capital management during the financial year.

#### 41. **Material Litigation**

(a) Star Media Group Berhad (“STAR”) Claim

STAR had on 30 April 2019 served a Writ of Summons and Statement of Claim dated 19 April 2019 against the Company claiming that our Company as the corporate guarantor of JAKS Island Circle Sdn Bhd (“JIC”) is liable for JIC’s purported default of obligations under the Sale and Purchase Agreement entered into on 19 August 2011 between JIC and STAR (“Sale and Purchase Agreement”) to purchase a leasehold land located at Seksyen 13, Petaling Jaya for a purchase consideration of RM135.00 million. The claim is for inter alia specific relief and damages for the total amount of approximately RM177.72 million.

For information purposes only, JIC is no longer an indirect subsidiary of the Company following its disposal by JAKS Sdn Bhd (“JSB”) on 29 September 2020.

On 27 May 2019, the Company filed its Defence and Counterclaim against STAR for inter alia damages arising from injury to its reputation and business.

STAR then filed its Reply and Defence to Counterclaim on 20 June 2019.

On 6 August 2019, the Company filed its Amended Defence and Counterclaim against STAR and on 10 September 2019, the Company filed its Reply to Defence to Counterclaim. Various litigation proceedings have been and are still ongoing between STAR and the Company.

The hearing of 3 motions for leave to appeal to the Federal Court filed by STAR was held on 23 February 2023. The Federal Court has granted leave to STAR to appeal against the decision of the Court of Appeal dated 27 July 2021.

The Board of Directors are of the opinion that the Company’s Amended Defence and Counterclaim are meritorious.

**41. Material Litigation (Cont'd)**

**(b) Claim against STAR at Kuala Lumpur High Court**

On 30 May 2019, the Company and JIC filed a Suit against STAR for breach of the Sale and Purchase Agreement and claimed inter alia the following relief:-

- a) a declaration that the Completion Period for JIC to deliver STAR's entitlement under the Sale and Purchase Agreement is on 20 June 2020;
- b) a declaration that STAR has breached the Sale and Purchase Agreement;
- c) a declaration that STAR is unjustly enriched;
- d) the sum of RM248,242,987.62 to be paid to JIC as liquidated and ascertained damages;
- e) the sum of RM297,035,481.00 to be paid to the Company as loss of proceeds;
- f) the sum of RM50,000,000.00 together with all interests and all related costs incurred thereto pursuant to the Bank Guarantees to be refunded and/or returned to JIC within 7 days from the date of the Court order; and
- g) damages

On 5 July 2019, STAR filed its Defence.

On 7 March 2024, the Federal Court unanimously found no merits in Star Media Group Berhad ("STAR")'s appeals against the Company and Jaks Island Circle Sdn Bhd (In Liquidation) and dismissed the Appeals with costs of RM150,000.00 to be paid by STAR.

Currently, the main Suit is fixed for trial from 25 August 2025 to 28 August 2025. The next case management is fixed on 8 May 2024.

Various litigation proceedings have been and are still ongoing between the parties.

The Board of Directors are of the opinion that the claims filed by JRB and JIC are substantiated.

Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group as at the date of this report since the trials have yet to commence. There is a reasonable prospect for the Company to defend STAR's claim, succeed in its counterclaim against STAR and succeed in its claim against STAR.

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**42. Date of Authorisation for Issue**

The financial statements of were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 April 2024.



## **JAKS RESOURCES BERHAD**

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