Aneka Jaringan Holdings Berhad
(Registration No. 201801030681 (1292707-D))

ANNUAL REPORT **2023**

CONSTRUCTING RESILIENCE.
REBUILDING STRONGER.

ABOUT ANEKA JARINGAN HOLDINGS BERHAD

SCAN QR CODE
to obtain a softcopy of Annual Report 2023

INSIDE THIS REPORT

SECTION 1
OUR CORPORATE OVERVIEW

SECTION 2
OUR LEADERSHIP

Aneka Jaringan is a group of construction companies specialising in basement and foundation construction. Combining valuable work experience and technical knowledge, Aneka Jaringan is fully committed to providing a total innovative solution to our clients' needs, proven with our 20-year track record.

SECTION 3
SUSTAINABILITY

SECTION 4
CORPORATE GOVERNANCE

SECTION 5
FINANCIAL

SECTION 6
OTHER INFORMATION

CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Designation
Dato' Ir. Tan Gim Foo	Independent Non-Executive Chairman
Pang Tse Fui	Managing Director
Ir. Chong Ngit Sooi	Executive Director
Loke Kien Tuck	Executive Director
Dato' Noraini binti Abdul Rahman	Independent Non-Executive Director
Wee Kee Hong	Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation
Wee Kee Hong	Chairman
Dato' Ir. Tan Gim Foo	Member
Dato' Noraini binti Abdul Rahman	Member

REMUNERATION COMMITTEE

Name	Designation
Dato' Ir. Tan Gim Foo	Chairman
Dato' Noraini binti Abdul Rahman	Member
Wee Kee Hong	Member

NOMINATION COMMITTEE

Name	Designation
Dato' Noraini binti Abdul Rahman	Chairman
Dato' Ir. Tan Gim Foo	Member
Wee Kee Hong	Member

COMPANY SECRETARIES

Name	Membership No.
Tan Fong Shian @ Lim Fong Shian	MAICSA 7023187
Liew Chak Hooi	MAICSA 7055965

CORPORATE INFORMATION

REGISTERED OFFICE

Lot 5, Level 10, Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur
WP Kuala Lumpur
Telephone No. : (03) 2031 1988
Facsimile No. : (03) 2031 9788
Email : archer@archer.com.my

HEAD OFFICE

K-2-1, Pusat Perdagangan
Bandar Bukit Jalil
Persiaran Jalil 2
57000 Kuala Lumpur
Telephone No. : (03) 8657 5150
Facsimile No. : (03) 2771 3827
Email : info@ajgroup.my
Website : www.anekajaringan.com

AUDITORS

Baker Tilly Monteiro Heng PLT (201906000600)
(LLP0019411-LCA & AF 0117)
Baker Tilly Tower, Level 10
Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Telephone No. : (03) 2297 1000
Facsimile No. : (03) 2282 9980

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Telephone No. : (03) 7890 4700
Facsimile No. : (03) 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

CIMB Bank Berhad
1st Floor, 12 & 13 Jalan Kenari 1
Bandar Puchong Jaya
47100 Puchong
Selangor
Telephone No. : (03) 5891 6838
Facsimile No. : (03) 5891 6843

United Overseas Bank (Malaysia) Berhad
Level 26, UOB Plaza 1 KL
7 Jalan Raja Laut
50350, Kuala Lumpur
WP Kuala Lumpur
Telephone No. : (03) 2692 4511
Facsimile No. : (03) 2698 8189

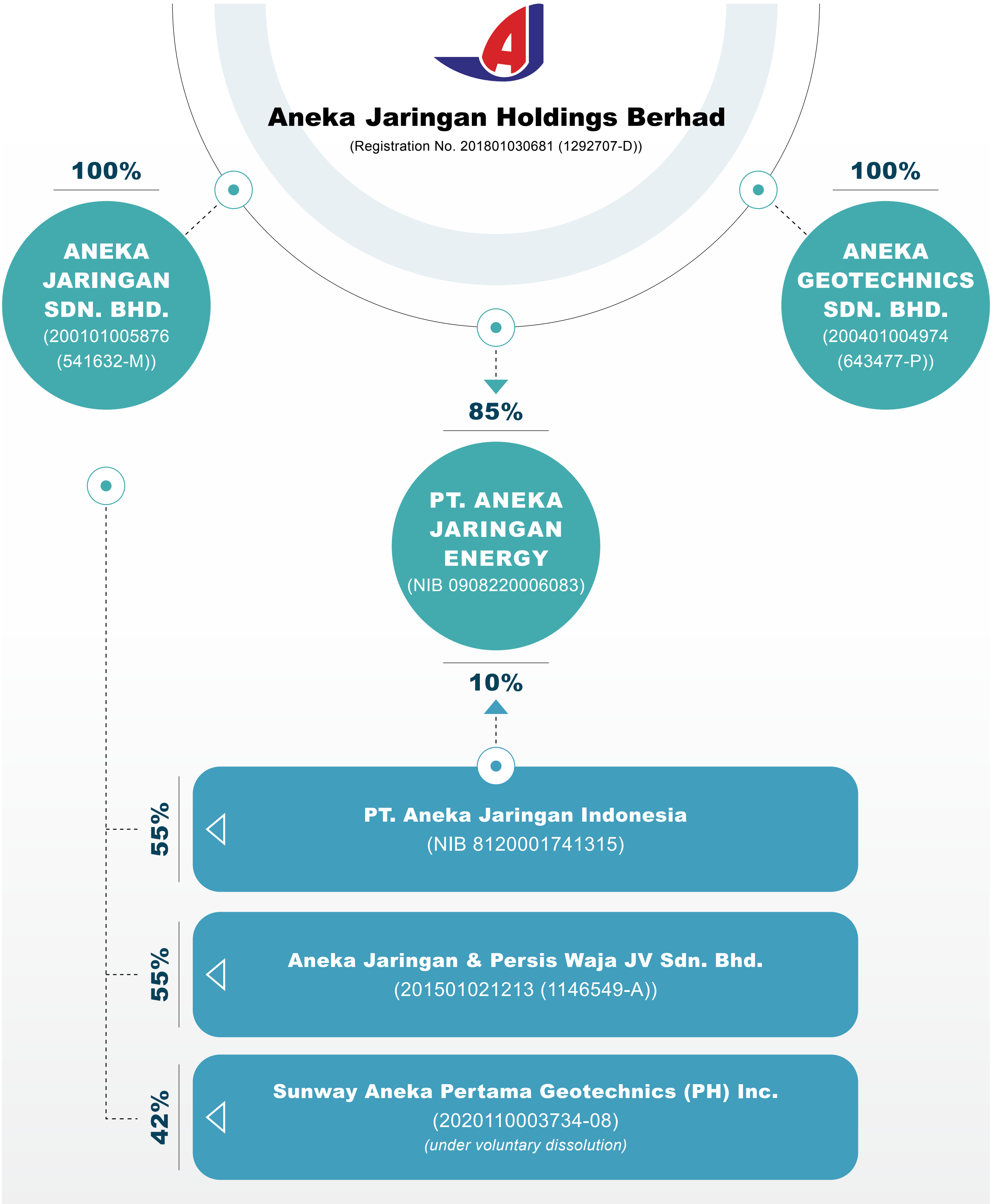
STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : ANEKA
Stock Code : 0226

SPONSOR

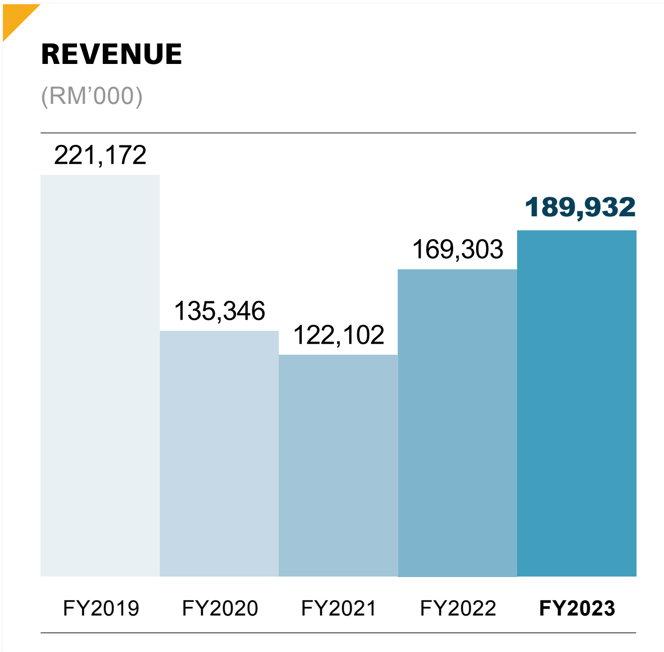
Alliance Islamic Bank Berhad
Level 3, Menara Multi Purpose
Capital Square
8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : (03) 2604 3333
Facsimile No. : (03) 2691 9028

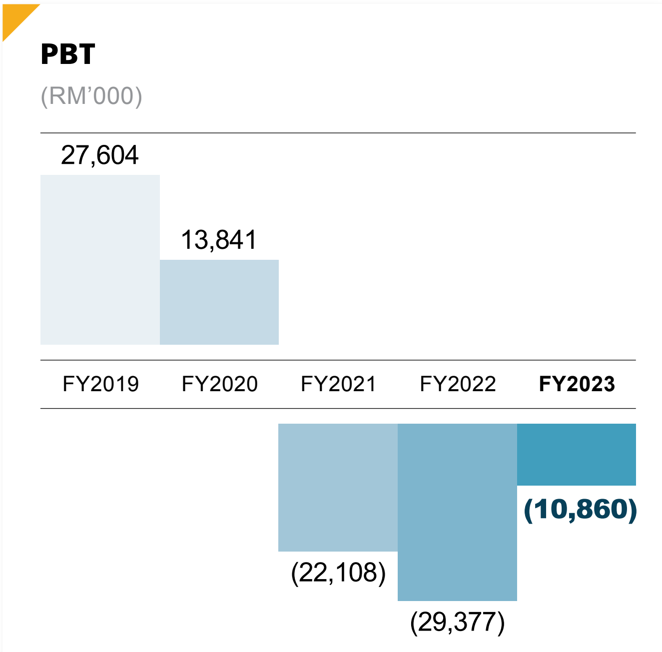
CORPORATE STRUCTURE

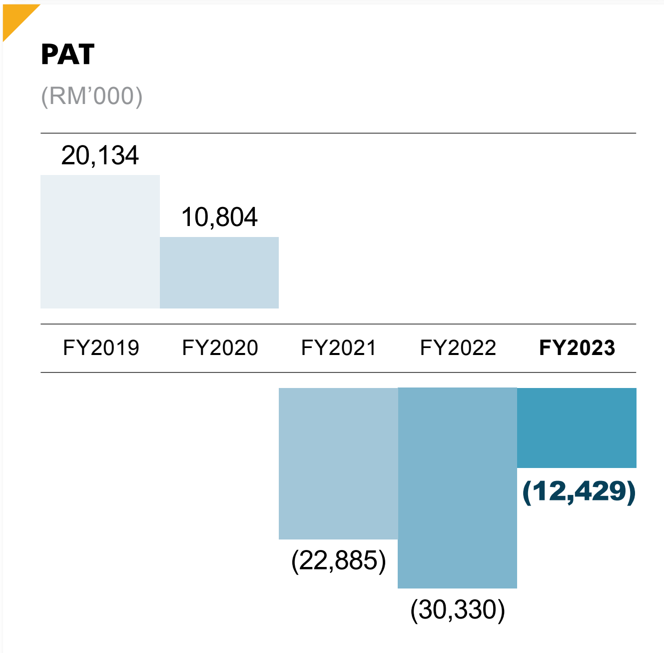


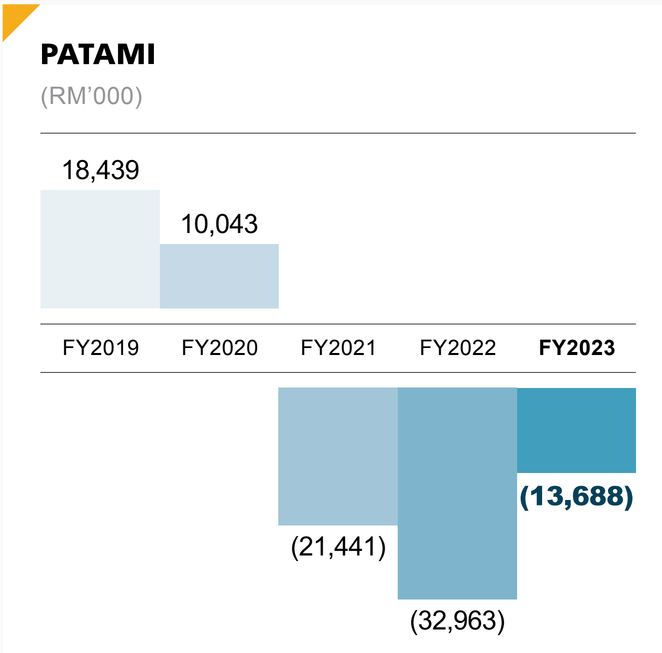
FINANCIAL HIGHLIGHTS

	FY2019 RM'000	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000
Revenue	221,172	135,346	122,102	169,303	**189,932**
Profit/(Loss) Before Tax (PBT)	27,604	13,841	(22,108)	(29,377)	**(10,860)**
Profit/(Loss) After Tax (PAT)	20,134	10,804	(22,885)	(30,330)	**(12,429)**
Profit/(Loss) After Tax and Minority Interest (PATAMI)	18,439	10,043	(21,441)	(32,963)	**(13,688)**









BOARD OF DIRECTORS

Pang Tse Fui
Managing Director

Dato' Ir. Tan Gim Foo
Independent Non-Executive Chairman

Ir. Chong Ngit Sooi
Executive Director

Loke Kien Tuck
Executive Director

Dato' Noraini binti Abdul Rahman
Independent Non-Executive Director

Wee Kee Hong
Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILES

Dato' Ir. Tan Gim Foo

Independent Non-Executive Chairman

Age:
65

Gender:
Male

Nationality:
Malaysian

Dato' Ir. Tan Gim Foo is our Independent Non-Executive Chairman. He was appointed to our Board on 15 January 2020. He serves as the Chairman of the Remuneration Committee and is a member of the Audit and Risk Management Committee and Nomination Committee.

He graduated with a Bachelor of Engineering (Civil) from University of Malaya in 1983, followed by a Master of Business Administration from the Charles Sturt University of New South Wales, Australia in 2005. He is a corporate member of the Institution of Engineers, Malaysia and a Professional Engineer registered with the Board of Engineers Malaysia.

He began his career as a Site Engineer in Mudajaya Construction Sdn. Bhd. in 1983. His responsibilities included assisting site supervisors in monitoring and managing site technical activities. In 1986, following the completion of acquisition of Mudajaya Construction Sdn. Bhd. by IJM Engineering & Construction Sdn. Bhd. (currently known as IJM Corporation Berhad) ("IJM Corporation"), he was redesignated as Planning & Design Engineer of IJM Corporation where he was primarily involved in monitoring on-site activities and ensuring project specifications are met. He assumed the role of Deputy Project Manager in IJM Construction Sdn. Bhd., a wholly-owned subsidiary of IJM Corporation, in 1990 and was responsible for assisting the Project Manager in supervising the construction projects.

He was promoted to Project Manager in 1991. His responsibilities included managing day-to-day work of projects in construction phases. In 1994, he was promoted to Senior Manager and was responsible for supervising construction projects at all stages and liaising with other subcontractors and consultants for construction works. He was promoted to Project Director in 1998 and was responsible for the overall planning and implementation of construction projects. In 2005, he was appointed as Executive Director, and subsequently as Managing Director of IJM Construction Sdn. Bhd. in 2010 to head the Construction Division of the IJM Corporation group of companies. His responsibilities included setting targets and objectives for the company and managing daily operations of the company.

He was also the Vice President of Master Builders Association Malaysia ("MBAM") and the Chairman of the Contracts & Practices Committee of MBAM from 2008 to 2013.

Between 2011 and 2013, in addition to his role in IJM Construction Sdn. Bhd., he concurrently held the positions of Deputy Chief Executive Officer and Deputy Managing Director of IJM Corporation Berhad. His responsibilities included assisting the Chief Executive Officer and Managing Director in implementing policies to achieve commercial objectives, short-term and long-term goals. In 2013, he retired from his positions in IJM Corporation group of companies. At the end of March 2021, he resigned from his position as Director of ICE Far East Sdn. Bhd. He has been an Independent Non-Executive Director of IJM Corporation Berhad since 23 November 2021. He also held the position as an Independent Non-Executive Director of Hume Cement Industries Berhad from 2014 to 2023.

BOARD OF DIRECTORS' PROFILES

Pang Tse Fui

Managing Director

Age:
58

Gender:
Male

Nationality:
Malaysian

Mr. Pang Tse Fui is our Managing Director. He was appointed to our Board on 24 August 2018 and is responsible for overseeing the business growth direction, strategic business planning, business development and operations of our Group.

He graduated with a Bachelor of Civil Engineering from Universiti Teknologi Malaysia in 1989.

He started his career as a Site Engineer in Pilecon Engineering Berhad group of companies in 1989 upon graduation. As a Site Engineer, he was responsible for assisting the site supervisor in monitoring and managing site technical activities.

During his tenure with the group, he was involved in coordinating various foundation and substructure works including bored piling and diaphragm wall works for projects in Malaysia and Singapore.

Subsequently in 1991, he left Pilecon Engineering Berhad group to join Bachy Soletanche (M) Sdn. Bhd. as a Project Manager where he was in charge of monitoring and facilitating the overall planning of on-site operations. In 1994, he was promoted to Senior Project Manager, responsible for managing the overall site technical and operational activities which included coordinating and supervising the progress of foundation and substructure work projects. In 1996, he left Bachy Soletanche (M) Sdn. Bhd. to join Geopancar Sdn. Bhd. as General Manager and was responsible for the overall operational matters of the company, overseeing the tender process for all the projects and negotiating with subcontractors in the tendering of projects.

In 2002, he joined Aneka Jaringan Sdn. Bhd. ("Aneka Jaringan") as a shareholder and Executive Director where he was responsible for the company's overall operational matters. He assumed his current position as Managing Director of Aneka Jaringan Holdings Berhad ("Aneka Holdings") in 2018. He brings with him more than 33 years of experience in the construction industry, with over 20 years of experience with our Group.

BOARD OF DIRECTORS' PROFILES

Ir. Chong Ngit Sooi

Executive Director

Age:
58

Gender:
Male

Nationality:
Malaysian

Ir. Chong Ngit Sooi is our Executive Director. He was appointed to our Board on 24 August 2018 and is responsible for overseeing our Group's overall construction operations in Malaysia and Indonesia.

He graduated with a Bachelor of Engineering (Civil) from University of Malaya in 1990.

He started his career with Hume Industries (M) Berhad group of companies as a Sales Engineer in 1990 upon graduation where he was responsible for the sales and marketing of concrete products for the northern region of Peninsular Malaysia. In 1992, he assumed the position of Product Engineer where he was responsible for design calculations and liaising with factory, customers and local authorities for matters relating to the production of concrete products.

In 1994, he left Hume Industries (M) Berhad group to join Kien Sinar Sdn. Bhd. as a Project Manager where he was responsible for the daily execution and supervision of substructure projects including bored piling and basement construction works. In 1995, he joined Nuhito Sdn. Bhd. as a Project Manager where he was mainly involved in managing projects relating to construction works for upgrading of factory facilities and provision of project management services to property developer clients.

After leaving Nuhito Sdn. Bhd. in 1996, he founded Tepat Jaya Construction, an enterprise firm involved in the provision of reinforced concrete piling works. After the cessation of operations of Tepat Jaya Construction in 1997, he was the General Manager of Geomech (M) Sdn. Bhd. from 1997 to 2001 and was responsible for overseeing the day-to-day operations of the company. He was also involved in securing substructure work projects and supervising site operational matters pertaining to bored piling works for buildings and bridges.

In 2001, he joined Aneka Jaringan as General Manager where he was responsible for its overall operations as well as business development and planning. In 2003, he became a shareholder of Aneka Jaringan and was subsequently appointed as a Director of Aneka Jaringan in 2004. He assumed his current position as Executive Director of Aneka Holdings in 2018. He brings with him more than 32 years of experience in the construction industry, with over 21 years of experience with our Group.

BOARD OF DIRECTORS' PROFILES

Loke Kien Tuck

Executive Director

Age:
62

Gender:
Male

Nationality:
Malaysian

Mr. Loke Kien Tuck is our Executive Director. He was appointed to our Board on 24 August 2018. He is responsible for the overall management of our construction machinery and equipment and he also advises on the organisation and planning of our on-site construction activities.

He completed his Higher School Certificate Examination with Tunku Abdul Rahman College in 1980.

Upon completion of his studies, he joined Pilecon Engineering Berhad (then known as Pilecon Engineering Sdn. Bhd.) group of companies as a Site Clerk in 1981 where he was responsible for clerical and administrative support duties including preparation of piling records and invoice processing. He was promoted to Junior Site Supervisor in 1982 and Site Supervisor in 1983 and was responsible for assisting the Senior Site Supervisor in on-site operational matters including supervision and coordination of substructure works. Subsequently in 1991, he was promoted to Senior Site Supervisor with the responsibilities of overseeing and coordinating on-site construction activities and managing on-site administrative matters.

In 1991, he left Pilecon Engineering Berhad group of companies to join Bachy Soletanche (M) Sdn. Bhd. as an Executive Supervisor. During his tenure with the company, he was responsible for the daily on-site operational matters and organising site works to meet job targets which include site safety measurements and execution of on-site activities. In 1996, he left the company to join Geopancar Sdn. Bhd. as a Plant Manager and was tasked with supervising the Plant and Machinery Division. He was responsible for project procurement, maintenance and repairing services of plant, machinery and equipment as well as on-site coordination for site activities to ensure projects are completed within the stipulated timeframe and funding parameters.

In 2002, he joined Aneka Jaringan as a shareholder and Director where he was mainly responsible for the overall management of construction machinery and equipment including deployment planning and maintenance scheduling. He assumed his current position as Executive Director of Aneka Holdings in 2018. He brings with him more than 41 years of experience in the construction industry, with over 20 years of experience with our Group.

BOARD OF DIRECTORS' PROFILES

Dato' Noraini binti Abdul Rahman

Independent Non-Executive Director

Age:
72

Gender:
Female

Nationality:
Malaysian

Dato' Noraini binti Abdul Rahman is our Independent Non-Executive Director. She was appointed to our Board on 15 January 2020. She serves as the Chairman of the Nomination Committee and is a member of the Audit and Risk Management Committee and Remuneration Committee.

She graduated with a Bachelor of Laws from the Queen Mary College, University of London, England in 1974. She has over 30 years of experience in the Judicial and Legal Service of Malaysia which she served from 1975 to 2008, and she was also a High Court Judge of Malaya from 2011 to 2017. Her scope of work throughout her judicial and legal career included supervising trial procedures and settling legal disputes.

In 1975, she started her career as a Legal Officer at the High Court Kuala Lumpur and she spent the subsequent 10 years from 1975 to 1985 serving in various judicial and legal capacities in government service including as President of Sessions Court, Departmental Solicitor in the Department of Public Trustee and Assistant Parliamentary Draftsman. From 1985 to 1990, she was a Senior Federal Counsel with the Attorney General's Chambers of Malaysia ("AGC") where her roles involved advising the Malaysian Government and representing the Malaysian Government in civil proceedings as well as representing the Attorney General in matters of public interest.

In 1990, she was appointed as the Deputy Head of Advisory and International Division of the AGC where her involvement included providing legal advice on all areas of law and drafting or vetting legal documents. She subsequently became the Deputy Head of Civil Division of the AGC in 1994 and the Commissioner of Law Revision and Law Reform Division of the AGC in 1995. In 1996, she was appointed as the Director General of the Judicial and Legal Training Institute (ILKAP) under Prime Minister's Department, overseeing the organisation tasked with enhancing the knowledge, expertise and quality of judicial, legal and law enforcement officers in public service, statutory bodies and local authorities through systematic and planned training. She subsequently served as the Deputy Head of Advisory and International Division of the AGC in 2001, later as Director, Certificate in Legal Practice ("CLP") Examination of the Legal Profession Qualifying Board from 2002 to 2007 heading the office entrusted with all matters pertaining to the CLP Examination. She served as Consultant of the Legal Profession Qualifying Board from 2007 to 2008.

In 2008, she was appointed as a Judicial Commissioner of the High Court of Malaya and 3 years later in 2011, she was appointed as a High Court Judge of Malaya. During her tenure as a High Court Judge of Malaya, she presided over civil and family cases. She retired from her position as High Court Judge of Malaya in 2017.

BOARD OF DIRECTORS' PROFILES

Wee Kee Hong

Independent Non-Executive Director

Age:
56

Gender:
Male

Nationality:
Malaysian

Mr. Wee Kee Hong is our Independent Non-Executive Director. He was appointed to our Board on 15 January 2020. He serves as the Chairman of the Audit and Risk Management Committee and is a member in the Remuneration Committee and Nomination Committee.

He graduated with a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College in 1990. In 1993, he was admitted as an associate of the Chartered Institute of Management Accountants, United Kingdom, and subsequently was admitted as a Chartered Accountant with the Malaysian Institute of Accountants ("MIA") in 1995. He is currently a member of the MIA.

Upon graduation in 1990, he commenced his career as an audit executive with Boon & Co. In 1991, he joined IJM Corporation as Assistant Accountant cum Project Accountant where he was mainly responsible for assisting in preparing financial projections and project feasibility appraisals, as well as coordinating project accounting for construction projects and monthly consolidation of all project accounts. In 1993, he was promoted to the position of Accountant where he continued his involvement in the accounting functions of the company.

In 1996, he assumed the role of Assistant Finance Manager, and later as Finance Manager from 1999 to 2003, where he was mainly responsible for the finance and treasury functions including liquidity and funding management, fund raising and supporting the construction division in project tender, implementation and execution. He was also involved in the start-up of the company's water concession business in Vietnam and power plant operations in India.

In 2003, he was promoted to the position of Senior Manager (Accounts & Finance). While he continued to be in-charge of IJM Corporation group of companies' finance and treasury functions, his job responsibilities also included heading the accounting functions of the group's construction division and overseeing the group's overseas investments.

In May 2007, he left IJM Corporation to join Ireka Development Management Sdn. Bhd. as Chief Investment Officer where he was mainly responsible for managing the investment property portfolio of the company's client. He left the company in October 2007 for a career break.

Since 2009, he has been a director and shareholder of Esteemile Sdn. Bhd., a company which is a commission agent for land acquisition transactions. In 2014, he was appointed as an Independent Non-Executive Director of Lysaght Galvanized Steel Berhad until 2015.

Family Relationships and additional notes on Directors:-

None of the Directors has any family relationship with any Directors and/or Major Shareholders of the Company nor any conflict of interests with the Company.

The Directors have no convictions for offences, other than traffic offences (if any), within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILES

Ir. Ooi Chong Ping

General Manager

Age:
52

Gender:
Male

Nationality:
Malaysian

Ir. Ooi Chong Ping is our General Manager. He oversees our Group's Operations Department, Technical Department and Contract Department and is responsible for the overall administration of our construction operations in Malaysia. He graduated with a Bachelor of Civil Engineering in 1995 from University of Technology Malaysia. He is a member of the Institution of Engineers, Malaysia and a Professional Engineer registered with the Board of Engineers Malaysia.

On 15 March 2007, he joined Aneka Jaringan as a Senior Project Manager and was responsible for the design and construction for ground engineering works. He assumed his current position as General Manager on 1 July 2012. He brings with him more than 27 years of experience in the construction industry, with over 15 years of experience with our Group.

Steven Koh

Chief Financial Officer

Age:
58

Gender:
Male

Nationality:
Malaysian

Mr. Steven Koh is our CFO. He is responsible for overseeing our Group's Finance. He graduated with a Bachelor of Business (Accountancy) from Charles Sturt University, Australia in 1993. He has been a member of MIA since 1996 and a Chartered Accountant registered with MIA since 2008. His background in finance includes experiences in banking, manufacturing, oil & gas, trading, retail and fast-moving consumer goods industries.

On 1 June 2018, he joined Aneka Jaringan as our CFO. He is responsible for our Group's overall finance, and is tasked with overseeing and managing our Group's statutory reporting, internal management reporting and cash flow planning functions as well as corporate finance related matters. He brings with him more than 29 years of experience in finance, accounting and internal audit.

Tham Kai How

Contract Manager

Age:
47

Gender:
Male

Nationality:
Malaysian

Mr. Tham Khai How is our Contract Manager. He is responsible for overseeing our Contract Department. He graduated with a Certificate in Technology (Architecture) in 1997 from Tunku Abdul Rahman College. He has experience as Site Supervisor and Quantity Surveyor within the construction industry.

He joined Aneka Jaringan as a Senior Quantity Surveyor in 2006, and was promoted to his current position as Contract Manager on 29 June 2011. He is responsible for overseeing our contract administration functions including tender preparation and submission, project cost management, and contract work evaluation for progress claim and payment purposes. He brings with him over 25 years of experience in the construction industry, with over 16 years of experience with our Group.

KEY SENIOR MANAGEMENT PROFILES

Tung Sin Thian

President Director - PT. Aneka Jaringan Indonesia

Age:
49

Gender:
Male

Nationality:
Indonesian

Mr. Tung Sin Thian is our President Director – PT. Aneka Jaringan Indonesia ("PTAJI"). He is responsible for the strategic business planning, business development activities and overall operations of PTAJI in Indonesia. He graduated with a Bachelor of Civil Engineering in 1999 from Borobudur University, Jakarta, Indonesia. He is a member of the Indonesian Society for Geotechnical Engineering. He is also a registered geotechnical engineer (Ahli Geoteknik - Madya) under the Construction Services Development Board, Indonesia. He has experience in design and site supervision of geotechnical projects within the construction industry.

On 31 March 2008, he joined Aneka Jaringan as a Civil Engineer - Project Manager where he was responsible for project design and scheduling, preparation of construction documents, planning and procurement of resources, and liaising with customers and consultants for diaphragm wall and bored piling works. Subsequently on 29 March 2014, he co-founded PTAJI as a shareholder and assumed his current position as President Director – PTAJI where he oversees the company's operations in Indonesia. He brings with him over 23 years of experience in the construction industry, with over 14 years of experience with our Group.

Ngoi Tong King

Director - PT. Aneka Jaringan Indonesia

Age:
49

Gender:
Male

Nationality:
Malaysian

Mr. Ngoi Tong King is our Director – PT. Aneka Jaringan Indonesia ("PTAJI"). He is responsible for overseeing the construction operations of PTAJI in Indonesia. He graduated with a Certificate in Technology (Building) from Tunku Abdul Rahman College in 1995. He has experience as Assistant Quantity Surveyor and Site Supervisor within the construction industry.

In 2008, he joined Aneka Jaringan as a Senior Site Supervisor and his responsibilities included day-to-day site management of geotechnical projects covering diaphragm walls, ground anchor works, earthworks and micro pile works. In 2012, he was promoted to Site Manager and was responsible for managing overall site operations.

Subsequently on 29 March 2014, he co-founded PTAJI as a shareholder and assumed his current position as Director – PTAJI where he is responsible for supervising all construction works of PTAJI. He brings with him more than 27 years of experience in the construction industry, with over 14 years of experience with our Group.

KEY SENIOR MANAGEMENT PROFILES

Shaik Ameruddin bin A Shaik Nabi

President Director – PT. Aneka Jaringan Energy

Age:
50

Gender:
Male

Nationality:
Singaporean

Mr. Shaik Ameruddin bin A Shaik Nabi is our President Director of PT. Aneka Jaringan Energy ("PTAJE"). He is mainly responsible for managing and overseeing the day-to-day operations of PTAJE. He completed the Singapore General Certificate of Education (Ordinary Level) with Bedok View Secondary School, Singapore in 1990. He has extensive experience in business operations, logistic and procurement areas and also setting up of foreign operations.

In August 2022, he joined PTAJE as a shareholder. Subsequently, on 1 November 2022, he assumed his current position as President Director - PTAJE, overseeing the company's operations in Indonesia. He brings with him approximately 31 years of experience in various business operations matter in a variety of industries including property development and construction, manufacturing and telecommunications.

Amir bin Surato

Director – PT. Aneka Jaringan Energy

Age:
56

Gender:
Male

Nationality:
Singaporean

Mr. Amir bin Surato is our Director – PT. Aneka Jaringan Energy ("PTAJE"). He oversees the business development matters of PTAJE in Indonesia. He graduated with a Bachelor of Engineering (Honours), specialising in electrical engineering, from the University of Queensland, Australia in 2000. He is also a certified Green Mark Manager by the Building and Construction Authority, Singapore ("BCA"), skilled in designing and construction of green buildings, sustainable building and energy conservation. He has extensive experience in business development and project management.

On 1 September 2023, he joined PTAJE as Director - PTAJE. He is responsible for the company's business development matters. He brings with him approximately 27 years of experience in the solar and electrical engineering industry.

Family Relationship and additional notes on Key Senior Management:-

None of the Key Senior Management has any family relationship with any Directors and/or Major Shareholders of the Company nor any conflict of interests with the Company.

The Key Senior Management have no convictions for offences, other than traffic offences (if any), within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATO' IR. TAN GIM FOO
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Aneka Jaringan Holdings Berhad ("Aneka Holdings" or "the Group") ("the Board"), I am pleased to present to you the Annual Report for the financial year ended 31 August 2023 ("FY2023"). Following two (2) years of grappling with the pandemic and its lingering effects, FY2023 stands as a year that encapsulates both achievements and invaluable lessons. Throughout the financial year, we have steadfastly adhered to our core values and our unwavering long-term vision for the Group. In this Annual Report, we will share with you our performance during FY2023, highlighting the significant milestones we have achieved, the challenges we had faced and the strategic approach we have embraced within the ever-evolving construction landscape.

CHAIRMAN'S STATEMENT

OPERATIONAL AND FINANCIAL OVERVIEW

For FY2023, our revenue stream originates from both our Malaysian and Indonesian operations and amounted to RM168.21 million and RM21.72 million respectively. For the Group, we achieved a total revenue of RM189.93 million against revenue of RM169.30 million generated in the financial year ended 31 August 2022 ("FY2022"), marking a notable increase driven by the expansion of work within Malaysia's private sector. We reported a loss after taxation of RM12.43 million, an improvement from FY2022's loss after taxation of RM30.33 million, underscoring our commitment to financial stability and sustainable growth.

Our total contract value secured for FY2023 is RM346.09 million, with our Malaysian and Indonesian operations contributing RM329.57 million and RM16.52 million as at 31 August 2023, respectively. This has boosted our order book to a healthy RM294.09 million, with Malaysian and Indonesian operations accounting for RM281.15 million and RM12.94 million respectively. Our tender book, as at 31 August 2023, amounted to RM1,125.49 million, split between Malaysian and Indonesian operations at RM688.20 million and RM437.29 million respectively. With a healthy order book and tender book, we have high revenue visibility for the financial year ending 31 August 2024 ("FY2024"), particularly for our Malaysian operations.

We are delighted to announce that our Malaysian operations have successfully secured our largest single contract value in the Group's history, amounting to RM168.00 million. Moreover, this achievement has contributed to our largest total value of new contracts secured within a single financial year amounting to RM346.09 million. Focusing on our Indonesia operations, we have also secured our very first Indonesia diaphragm wall project in the beginning of FY2024. Reaching these milestones serves as a source of encouragement for the Group, and we hope to maintain this momentum going into FY2024.

OUR STRATEGY

For our growth strategy adopted in FY2023 and heading into FY2024, we have and will continue to focus on expanding our operations in Indonesia. Our commitment to this strategy is demonstrated by our Indonesian subsidiary, PT. Aneka Jaringan Indonesia's ("PTAJI") continuous acquisition of new machinery in anticipation of future growth.

Running in parallel to PTAJI, our other Indonesian subsidiary, PT. Aneka Jaringan Energy ("PTAJE"), is also working diligently to secure their first project in Indonesia. We believe that this new venture into Indonesia's renewable energy market will diversify our revenue stream and strengthen the Aneka Jaringan brand in Indonesia. Our team has been in active discussions with various potential clients, off-takers, and developers, and we hope to report positive updates on our new venture soon.

For our operations in Malaysia, we will continue to play to our strengths and focus on private sector contracts within the Klang Valley. With a large order book on hand, Malaysian operations will need to focus on the timely execution of these projects and monitor its order book replenishment closely, particularly for the second half of FY2024.

TOTAL REVENUE

RM189.93 million

in FY2023

TOTAL ORDER BOOK

RM294.09 million

as at 31 August 2023

TOTAL TENDER BOOK

RM1,125.49 million

as at 31 August 2023

REACHING THESE MILESTONES SERVES AS A SOURCE OF ENCOURAGEMENT FOR THE GROUP, AND WE HOPE TO MAINTAIN THIS MOMENTUM GOING INTO FY2024.

CHAIRMAN'S STATEMENT

CORPORATE DEVELOPMENT

On 26 May 2023, the shareholders of the joint-venture company Sunway Aneka Geotechnics (PH) Inc. ("SAPGeo") had announced that the company is under voluntary dissolution. While we are disheartened by this decision, we see this as an opportunity for the Group as it allows us to focus our attention on our ongoing operations in both Malaysia and Indonesia as the core of our business strategy.

We had via the shareholders' mandate obtained in our 4th Annual General Meeting ("AGM"), issued 59,248,500 new ordinary shares in the Company ("Placement Shares") or 10% of our shareholdings. The Placement Shares were placed out in two (2) tranches and listed on 22 June 2023 and 24 July 2023, raising total proceeds of RM9.94 million for the Group. These proceeds allowed us to fund the necessary working capital for the new projects secured by our Malaysian operations and repayment of borrowings.

We had also conducted an Extraordinary General Meeting ("EGM") on 26 October 2023 and obtained shareholders' approval for three (3) ordinary resolutions, all of which aligned with the plans we have previously outlined for both our Malaysian and Indonesian operations.

Ordinary Resolutions passed:

- Proposed diversification of the existing business activities of the Group to include engineering, procurement, construction and commissioning of solar photovoltaic systems and renewable energy facilities, provision of renewable energy and environmental consulting services, operations, and maintenance services, and built-own-operate-transfer of renewable energy facilities;
- Proposed private placement of up to 94,711,350 new ordinary shares in the Company, which represent up to 10% of the total number of issued shares of the Company; and
- Proposed variation of the utilisation of proceeds raised from the initial public offering ("IPO") of the Company.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my heartfelt appreciation to our diligent management team, our hardworking staff, the government for its support and our esteemed business partners. Your support and collaboration continue to be the driving force behind our accomplishments.

To my fellow colleagues at the Board, I thank everyone for your continued wisdom and stewardship and look forward to working with the Board next year as well.

To our Shareholders, I extend my deepest gratitude to each of you for your trust, support, and unwavering belief in our vision.

PANG TSE FUI
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

We are pleased to present our Management Discussion and Analysis of Aneka Jaringan Holdings Berhad ("Aneka Holdings" or "the Group") for the financial year ended 31 August 2023 ("FY2023"). FY2023 was a year of recovery for us as we continued to strengthen our operations after two (2) years of unprecedented challenges in the construction industry. Our tagline for FY2023 "*Constructing Resilience. Rebuilding Stronger.*" encapsulates these efforts as we remain resilient and continue to focus on our strategic goals for a better year ahead.

MANAGEMENT DISCUSSION & ANALYSIS

MALAYSIAN OPERATIONS REVENUE

RM168.21 million
in FY2023

INDONESIAN OPERATIONS REVENUE

RM21.72 million
in FY2023

MALAYSIA'S ECONOMIC RECOVERY IS ALSO EVIDENT IN ITS CONSTRUCTION INDUSTRY AS THE GAP BETWEEN CURRENT TOTAL CONSTRUCTION WORK DONE AND PRE-PANDEMIC CONSTRUCTION WORK DONE HAS CONTINUED TO NARROW SINCE THE UPLIFTMENT OF THE MOVEMENT CONTROL ORDER.

Economy and Industry Review

After grappling with the COVID-19 pandemic for more than two (2) years, the World Health Organisation ("WHO") made a significant announcement on 25 May 2023, stating that the COVID-19 virus no longer posed a global health emergency to the world. Simultaneously, Malaysia has also made commendable strides in its journey of economic recovery, recording a strong gross domestic product ("GDP") growth of 3.3% in Q3 2023, as the country continues to steadily transition into its endemic phase of COVID-19.

(Source: The BNM Quarterly Bulletin in the 3rd Quarter of 2023, published on 17 November 2023, Bank Negara Malaysia)

Malaysia's economic recovery is also evident in its construction industry as the gap between current total construction work done and pre-pandemic construction work done has continued to narrow since the upliftment of the Movement Control Order. According to the data published by the Department of Statistics Malaysia ("DOSM"), Malaysia witnessed a 9.00% rebound in total value of work done in the construction sector, reaching RM98.01 billion in the first nine (9) months of calendar year 2023 ("Jan – Sep 2023"), compared to RM89.92 billion in the first nine (9) months of calendar year 2022 ("Jan – Sep 2022"). Focusing specifically on the private sector, the total work done completed continued to show growth, increasing by 12.12% to RM59.77 billion in Jan – Sep 2023, up from RM53.31 billion in Jan – Sep 2022.

(Source: Quarterly Construction Statistics Third Quarter 2023 published on 8 November 2023, Department of Statistics Malaysia)

Operational Review

Aneka Jaringan Sdn. Bhd. and PT. Aneka Jaringan Indonesia

We concluded FY2023 with a total Group revenue of RM189.93 million, signifying an increase in revenue by RM20.63 million or 12.19% compared to the total revenue of RM169.30 million generated in the financial year ended 31 August 2022 ("FY2022"). Our revenue drivers were our subsidiary companies specialising in basement and foundation work: Aneka Jaringan Sdn. Bhd. ("AJSB"), our wholly owned subsidiary based in Malaysia and PT. Aneka Jaringan Indonesia ("PTAJI"), our subsidiary based in Indonesia.

Our strategic approach for both AJSB and PTAJI remained consistent with FY2022. AJSB continued to leverage its strength in executing projects for high-rise residential, commercial, and mixed development within the private sector, contributing RM168.21 million in revenue for the Group. Meanwhile, PTAJI maintained its focus on infrastructure projects, contributing the remaining RM21.72 million.

MANAGEMENT DISCUSSION & ANALYSIS

Taman OUG Plaza, Kuala Lumpur.

For FY2023, we are delighted to report that we have successfully secured contracts with a total value of RM346.09 million. This accomplishment was significantly driven by AJSB which contributed RM329.57 million, while PTAJI contributed the remaining RM16.52 million. This marks a significant milestone for the Group, as this is the largest total contract value secured in a single financial year.

At the subsidiary level, AJSB has secured its largest project to date being the Taman OUG Plaza project, with a contract sum of RM168.00 million, making a significant contribution to the total contract value secured in FY2023. Additionally, PTAJI has also accomplished a noteworthy milestone by securing its very first diaphragm wall project in October 2023 or the financial year ending 31 August 2024 ("FY2024"). These milestones underscore the Company's technical prowess and exemplify the confidence our clients have in our expertise and capabilities as one of the leading players in the basement and foundation construction industry.

Our order book has exceeded our annual target for the year, closing FY2023 at a healthy RM294.09 million as at 31 August 2023. When broken down by subsidiary companies, AJSB accounts for RM281.15 million, while PTAJI holds the remaining RM12.94 million. Additionally, our tender book for the Group stood at RM1,125.49 million with a breakdown between AJSB and PTAJI at RM688.20 million and RM437.29 million respectively. This robust order book and tender book will provide us a better visibility of our financial performance for FY2024.

As at 31 August 2023, the Group has a total of fifteen (15) on-going projects. Among these, AJSB is overseeing eleven (11) on-going projects while PTAJI is managing four (4).

MANAGEMENT DISCUSSION & ANALYSIS

Tiara Tasik PH. 5, Sungai Besi, Kuala Lumpur.

PT. Aneka Jaringan Energy

PT. Aneka Jaringan Energy ("PTAJE") operates as our direct subsidiary in Indonesia, with a primary focus of providing Engineering, Procurement, Construction and Commissioning ("EPCC") services of Solar Photovoltaic ("Solar PV") systems. Holding a total effective interest of 90.5% in the subsidiary, PTAJE signifies our unwavering commitment to diversifying the Group's revenue stream into Indonesia's Solar PV EPCC market. This strategic decision was driven by several factors, including Indonesia's abundant solar potential and the government's proactive initiatives to promote renewable energy, among others.

Despite the initial challenges we faced, PTAJE has persevered and is actively expanding its network, building upon the foundation established by PTAJI in Indonesia. The subsidiary has successfully accumulated a substantial tender book for Solar PV EPCC projects, spanning both consumer & industrial ("C&I") and utility-scale projects. Currently, PTAJE is in active discussions with potential off-takers and clients.

On 26 October 2023, we have received shareholder's approval through an Extraordinary General Meeting for the diversification of the Group's business into renewable energy. We are confident in the team's technical prowess and expertise and will continue to work diligently towards securing our first EPCC project.

We firmly believe that our strategic decision to enter Indonesia's Solar PV EPCC market is a step in the right direction for the Group, one that will create long-term shareholder value. We remain dedicated to driving the growth and success of our new venture in Indonesia.

Sunway Aneka Pertama Geotechnics (PH) Inc.

Regarding our joint venture company, Sunway Aneka Pertama Geotechnics (PH) Inc. ("SAPGeo"), shareholders of SAPGeo had on 26 May 2023 announced that the company is under voluntary dissolution. This decision was made because SAPGeo has been dormant prior to the voluntary dissolution and does not have any intention of carrying out future businesses. We see this as an opportunity for us to take a step back and concentrate on our operations in Malaysia and Indonesia.

MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Statement of Comprehensive Income

As highlighted in our operational review, the Group experienced significant revenue growth in FY2023, surging from RM169.30 million to RM189.93 million. This increase can be directly attributed to the substantial rise in project contract values secured by AJSB, especially during the second half of FY2023.

In FY2023, we achieved a gross profit of RM9.08 million, marking a significant improvement compared to the gross loss of RM10.85 million incurred in FY2022. Several factors contributed to this enhancement, including project budget revisions in FY2022 to account for the extended project durations caused by lockdowns and rising material prices. Furthermore, we also had a significant reduction in depreciation costs. This depreciation cost reduction can be categorised into two (2) components: firstly, the complete depreciation of certain machinery, and secondly, the extension of the estimated useful life for some machinery after conducting a thorough review of the Group's accounting estimates.

Other income generated in FY2023 amounted to RM0.45 million, comprising of interest income, rental of premises and the recovery of unclaimed money. Total administrative expenses increased by RM1.78 million to RM11.15 million. AJSB was the primary contributor to this increase, with its administrative expenses rising by RM1.14 million. This increase was partially due to the loss of RM0.49 million incurred for the disposal for one (1) condominium unit, while the balance increase stemmed from the general increase in administrative cost relating to AJSB's staff expenses. Following the consolidation of PTAJE into our Group, the subsidiary incurred administrative expenses amounting to RM0.21 million.

For FY2023, AJSB had to make impairments and write offs of contract assets amounting to RM4.65 million. These impairments were necessitated by discrepancies between AJSB's final claims and final accounts for some of its older projects secured prior to the pandemic.

Our total finance costs in FY2023 amounted to RM4.44 million, reflecting an increase of RM0.41 million compared to FY2022. This rise was primarily due to the interest rate hikes in Malaysia and the increase in total bank guarantees utilised by AJSB corresponding to the increase in total new project value secured by the subsidiary.

Tax expenses incurred in FY2023 reached RM1.57 million, in contrast to tax expenses of RM0.95 million incurred in FY2022. This increase was primarily due to the additional tax expenses incurred by our wholly owned subsidiary, Aneka Geotechnics Sdn. Bhd. ("AGSB").

Lastly, our loss after taxation for FY2023 significantly decreased to RM12.43 million from the loss after taxation of RM30.33 million recorded in FY2022. This loss after taxation was cushioned by PTAJI's profit after taxation of RM3.29 million.

Statement of Financial Position

Our total assets and total liabilities were recorded at RM238.45 million and RM146.56 million respectively. Notably, we observed our trade and other receivables increased by RM8.34 million to RM88.27 million, while our contract assets decreased by RM9.04 million to RM58.85 million. As our legacy projects which were delayed by the pandemic were completed, AJSB actively pursued the certification of work completed, subsequently, reclassifying these contract assets as trade receivables. Simultaneously, we successfully resolved several long outstanding debts from our clients.

Conversely, trade and other payables experienced a rise by RM13.79 million, reaching RM79.91 million. This increase was due to the commencement of multiple new projects nearing the end of FY2023.

In terms of significant capital expenditures for FY2023, PTAJI purchased a new crawler crane and excavator, enhancing their operational capacity, aligning with our growth objectives in Indonesia. For AJSB, we deemed it appropriate to reallocate the remaining RM2.50 million proceeds raised from the IPO for the purchase of crawler crane as working capital for AJSB's operations.

Our gearing ratio for FY2023 was a reasonable 0.75 times, a reduction from FY2022's gearing ratio of 0.86 times. This reduction was attributed to our substantial decrease in our loans and borrowings in FY2023, down by RM12.85 million to RM63.10 million. Additionally, our share capital increased from RM133.13 million in FY2022 to RM143.07 million in FY2023. This increase was due to the issuance of two (2) tranches of placement shares on 22 June 2023 and 24 July 2023, raising total proceeds of RM9.94 million. These funds helped to recapitalise our financial position as we allocated it to our working capital and repayment of borrowings for trade purposes. During FY2023, we had issued 1,478,000 new ordinary shares from the conversion of 1,478,000 units of Warrants 2022/2025 at an exercise price of RM0.135 per warrant, raising a total of RM0.20 million.

MANAGEMENT DISCUSSION & ANALYSIS

Future Outlook

Malaysia

Current trends suggest that Malaysia's construction industry is on a path to recovery, albeit at a slower pace than initially anticipated in comparison to other key sectors of the nation. The recently unveiled Budget 2024 includes several major infrastructure projects, such as the reinstatement of the five (5) LRT 3 stations, an extension of the North-South Expressway, the Penang LRT and the Pan-Borneo highway. These developments provide some comfort to the construction industry, and we hope this would inject a much-needed momentum into it. However, we hope to see more support from the government as work done in the public sector has yet to recover since the pandemic.

Nevertheless, our strategy for our Malaysian operations remains unchanged, focusing on the private sector and the timely completion of our existing order book. AJSB has seen a significant surge in its order book during FY2023, increasing from RM109.26 million as at 31 August 2022 to RM281.15 million as at 31 August 2023. This order book is expected to sustain Malaysian operations for at least a year, and we will diligently seek to replenish it as we complete these projects.

We continue to maintain a cautiously optimistic outlook of the recovery of our Malaysian operations.

Indonesia

Our commitment to our strategy of expanding our foothold in Indonesia continues to yield positive results, consistently meeting and even exceeding our expectations year after year. This year is no exception, as PTAJI has achieved a total net profit increase of RM1.23 million or 59.71% from RM2.06 million in FY2022 to RM3.29 million in FY2023.

As highlighted in our Financial Position overview, we have made additional investments in our operational capacity by purchasing an extra crawler crane and excavator. In October 2023 or FY2024, we have also acquired two (2) more boring rigs in anticipation of the increase in work for PTAJI.

Our plans to enter the new capital Nusantara in East Kalimantan remain firm as PTAJI Management continues to monitor the progress of the development in Nusantara closely. However, we are also vigilant of the risks of committing our equipment into Nusantara. We need to ascertain that the necessary infrastructure is readily available in East Kalimantan to avoid unnecessary idling of machinery. Therefore, timing is key to ensure PTAJI's successful entry into Nusantara.

PTAJE demonstrates significant potential, and the timing of our entry into the market is opportune. However, similar to our experience with PTAJI, we understand that it will take time for the subsidiary to fully realise its potential. We remain committed to providing guidance and support to the management of PTAJE, ensuring that the subsidiary becomes an integral part of our Group's revenue stream.

To summarise, our ongoing efforts to expand PTAJI's operational capacity and our new venture into another market within Indonesia through PTAJE align with our strategy of expanding our foothold in Indonesia as we will continue to tap into the country's potential.

ACKNOWLEDGEMENTS

As always, I would like to express my sincere gratitude to the Board for their invaluable guidance and wisdom. I would also like to extend my appreciation to our dedicated Management for their exceptional skills and expertise that they have contributed to the Company. To my esteemed colleagues, your commitment and hard work are greatly acknowledged. To our valued business partners, we extend our gratitude for your continued support of the Company, and we look forward to maintaining this strong and fruitful business relationship as we move into FY2024.

Last and certainly not least, I want to express my heartfelt thanks to our fellow Shareholders for their unwavering support for the Group as we charter into FY2024.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Steering through the intricacies of sustainable foundation and basement construction projects is a significant endeavour. Aneka Jaringan's unwavering commitment strikes a balance between maximising quality and efficiency while minimising the impact on the community and the environment.

This Sustainability Statement serves as a testament to our journey. It chronicles the challenges we have overcome, the milestones we have achieved, and the ongoing progress we continue to make in our steadfast dedication to sustainable construction practices.

ANEKA JARINGAN'S UNWAVERING COMMITMENT STRIKES A BALANCE BETWEEN MAXIMISING QUALITY AND EFFICIENCY WHILE MINIMISING THE IMPACT ON THE COMMUNITY AND THE ENVIRONMENT.

Reporting Period	1 September 2022 to 31 August 2023
Reporting Cycle	Annually
Reporting Coverage	Aneka Jaringan and all entities as included in the Group's consolidated financial statements
Reference and Guidelines	**Principle Guideline:** Global Reporting Initiative (GRI) Universal Standards **Additional Guidelines:** • Bursa Malaysia Enhanced Sustainability Reporting Framework • United Nations Sustainable Development Goals (UNSDGs) • International Organization for Standardisation (ISO) 26000:2010 Guidance on Social Responsibility
Reporting Approach	This Sustainability Statement centres on the Group's sustainability strategies and practices, shedding light on its economic, environmental, social and governance facets within operations and advancements. It offers insights into the Group's methodology and key priorities and evaluates its performance in critical sustainability domains.
Reliability of Information Disclosed	The accuracy of the content in this Sustainability Statement has been: • Reviewed by the Environment, Social and Governance (ESG) Committee • Approved by the Board
Feedback	Aneka Jaringan is fully committed to listening to stakeholders and welcomes feedback on its sustainability reporting and performance. Please send your comments or questions to: Aneka Jaringan Holdings Berhad K-2-1 Pusat Perdagangan Bandar Bukit Jalil Persiaran Jalil 2, 57000 Kuala Lumpur Phone: 03-8657 5150 Fax: 03-2771 3827 Email: info@ajgroup.my

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY AND GOVERNANCE

Undertaking sustainable foundation and basement projects is an intricate and demanding task in the realm of construction. Balancing between delivering exceptional quality and efficiency and minimising the impact on the community and the environment is challenging. Aneka Jaringan wholeheartedly embraces this challenge, driven by a steadfast commitment to sustainable practices and responsible construction.

Our unwavering focus on quality and sustainability paved the way for innovative solutions and practices that shape the future of foundation and basement construction. With over two (2) decades of expertise, sustainable construction is pivotal for the future — the vision of constructing robust foundations and a sustainable and resilient future for all is the driver of our undertakings.

We are deeply committed to reducing our footprint through responsible and sustainable practices. Our dedication extends to environmental concerns and a sincere focus on fostering community well-being and individual development.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

The Board of Directors ("the Board") steers Aneka Jaringan's sustainability governance, providing the overarching direction and strategic vision. Assisting the Board, our ESG Committee comprises of representatives from various organisational functions. It effectively integrates, coordinates, and implements sustainability initiatives throughout operations. This collaborative approach reinforces our commitment to responsible and ethical decision-making, allowing us to advance our sustainability agenda with confidence and purpose.

MATERIALITY MATTERS

A strategic materiality assessment helps identify the business's most critical sustainability concerns, opportunities, and risks. It encompasses a dual perspective: the significance of these factors to stakeholders and their relevance to the organisation. Insights from this evaluation serve as a compass for shaping the company's strategic direction, allowing us to seamlessly integrate sustainability principles into the core business strategy.

Aneka Jaringan conducted a comprehensive materiality assessment, establishing a matrix that delineates the sustainability impact of operations across the entire value chain. This matrix will play a pivotal role in guiding the company's sustainability strategy, aiding in prioritising and aligning actions accordingly.

Identifying and Mapping the Material Matters

Identifying Sustainability Topics

We meticulously examined and assessed a broad spectrum of sustainability topics related to Aneka Jaringan operations, spanning various economic, environmental, social, and governance aspects.

Assessing Stakeholder and Organisational Significance

Our assessment considered two critical dimensions of importance: the extent to which these sustainability topics matter to stakeholders and their relevance within the Group's strategic direction.

Materiality Matrix Creation

We developed a materiality matrix to visualise the assessment results, which graphically shows the relative importance of each sustainability topic.

Review and Approval

After creating the materiality matrix, the ESG Committee meticulously reviewed the findings before presenting them to the Board for consideration and approval.

SUSTAINABILITY STATEMENT

OUR STAKEHOLDERS UNIVERSE

A commitment to robust stakeholder engagement is the foundation for our sustainability efforts. Involving stakeholders in decision-making constructs solid foundations, delivering transparency and alignment with their concerns. This collaborative approach is central to our pursuit of environmental and social responsibility.

We engage with our stakeholders through various channels to update them about the Group's developments and gather their feedback.

Stakeholder Group	Method of Engagement	Areas of Interest
Government and Authorities	• Site inspections • Licensing renewals	• Operational compliance • Effective safety management
Shareholders and Investors	• Investor relations meetings • Quarterly reports • Annual reports • Corporate governance reports • Annual general meetings • Extraordinary general meetings	• Good governance • Ethical operations and compliance • Business investments
Business Partners	• Tender meetings • Progress reports and meetings	• Prospects and outlook • Good governance • Compliance
Employees	• Employee engagement events • Dialogue with top management • Departmental meetings • Management meetings	• Training and development • Occupational safety, health, and well-being • Business strategies and development plans
Contractors, Suppliers and Subcontractors	• Supplier relationship management • Joint events • Dialogue and engagement	• Effective communication • Sustainable supply chain
Professional Bodies	• Consultation and negotiations • Dialogue and engagement • Site visits • Training	• Good governance • Ethical operations and compliance • Socio-environmental impact

SUSTAINABILITY STATEMENT

ECONOMIC PRINCIPLES OF SUSTAINABLE CONSTRUCTION

Financial stability and long-term profitability ensure Aneka Jaringan remains a reliable and value-adding partner for all current and future stakeholders. Economic performance represents an essential cornerstone in:

- Maintaining total innovative solutions to client's needs;
- Staying close to customers; and
- Serving all markets in every development stage with sustainable, high-performing solutions.

Aneka Jaringan focuses on economic sustainability in particular. An unwavering commitment to financial stability and long-term profitability solidifies our position as a trusted, value-driven partner for all stakeholders. This economic strength is the cornerstone for providing innovative, tailored solutions to clients, connecting closely with customers and serving diverse markets at every development stage with high-performing, sustainable solutions.

PROMISING OUTLOOK

In the financial year ended 31 August 2023 ("FY2023"), Aneka Jaringan Sdn. Bhd. ("AJSB") achieved significant milestones by securing RM329.57 million in new projects, with the largest project valued at RM168.00 million. Our overseas subsidiary, PT. Aneka Jaringan Indonesia ("PTAJI"), secured RM16.52 million in new projects, predominantly in the public sector. As at 31 August 2023, AJSB oversees eleven (11) ongoing projects, primarily focused on high-rise property development in the Klang Valley and one (1) in Malacca, while PTAJI oversees four (4) ongoing projects.

The Malaysian government's substantial budget allocation for construction signifies optimism for the future, aiming to strengthen the national industry by creating jobs, stimulating economic growth, and progressing infrastructure development within Malaysia. As we look to the future, we anticipate improved financial performance driven by the strategic selection of projects with increased profit margins. Our strategic emphasis for Malaysian operations remains on private high-rise buildings, capitalising on our core strengths to deliver quality and value, solidifying our industry position.

The Group's persistent focus on expanding in Indonesia has resulted in consistent positive outcomes. Recent investments in operational capacity reflect this commitment, preparing for increased work in PTAJI and a planned entry into Nusantara. Despite the promising potential, PT. Aneka Jaringan Energy's ("PTAJE") growth will take time, and the company will support its development. These endeavours align with the overarching strategy of expanding in Indonesia, leveraging its rapid growth potential.

ETHICAL BUSINESS CONDUCT

Aneka Jaringan applies the most stringent standards of ethical conduct, integrity, and accountability in conducting all business activities and operations, complying with all rules, regulations, and laws concerning anti-bribery and corruption ("ABAC").

Aneka Jaringan's core values drive operations that prioritise delivering high-quality construction and services while maintaining a solid commitment to integrity, ethics, and responsibility. The Group's Code of Conduct and Ethics sets high standards for these principles in all business dealings. The Board establishes, approves, and evaluates policies, including ABAC Policy and whistleblowing procedures. This applies to all employees, subcontractors, suppliers, and business associates.

Employees and workers must not solicit, accept, or offer any gratification. Aneka Jaringan terminates those caught breaching the ABAC Policy immediately. They are also subject to the penalties of the local laws and regulations.

A comprehensive business risk management programme encompasses ABAC risks, conducting assessments covering bribery, fraud, fair competition, gifts, and conflicts of interest for all operations in various locations. Employees receive tailored training, and board members and management undergo ABAC training to stay updated on current ABAC issues.

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT

Aneka Jaringan maintains a diverse supplier network that delivers various products and services essential for business operations. Collaborations with suppliers who are vital to our supply chain fosters a more responsible future. We support an ongoing dialogue with our supply chain to communicate our expectations in several key areas. These discussions also provide a platform for suppliers to address issues, propose alternative solutions, and participate in our safety, sustainability and other engagements.

We integrate our expectations of suppliers and subcontractors into tender invitations and supplier contracts. Compliance with local laws, regulations, and our Code of Conduct and Ethics is essential, promoting integrity and rigorous corporate governance standards. Delivering regular training to suppliers and subcontractors helps them meet these standards.

LOCAL SUPPLY CHAIN SPENDING

Engaging local suppliers in our procurement strategy minimises carbon emissions associated with material transportation and improves the economic well-being of the local community. The majority of subcontractors operate within the same locality as our projects. Locally sourcing most of our materials, such as steel rebar and concrete, minimises the need for imports.

SOCIAL AND ENVIRONMENTAL SUPPLY CHAIN

Aneka Jaringan maintains high environmental and social standards throughout its supply chain, prioritising ethical working conditions, labour practices, safety and health. All contractors are required to follow these standards.

ENVIRONMENTAL SUSTAINABILITY

Aneka Jaringan recognises the construction industry's significant environmental impact and minimises its ecological footprint. Introducing innovative techniques, utilising green materials whenever possible and incorporating energy-efficient solutions across all projects helps mitigate these factors.

The ESG Committee is responsible for environmental sustainability at Aneka Jaringan. This committee oversees and ensures compliance with a range of critical environmental laws and regulations, including:

- Environmental Quality Act 1974
- Environmental Quality (Clean Air) Regulations 2014
- Factory and Machinery (Noise Exposure) Regulations 1989
- Environmental Quality (Industrial Effluents) Regulations 2009
- Environmental Quality (Sewage) Regulations 2009

SUSTAINABILITY STATEMENT

SUSTAINABILITY BY DESIGN

In basement and foundation construction, Aneka Jaringan recognises the critical significance of the design phase. Leveraging this stage offers a prime opportunity to limit adverse construction impacts. Embedding sustainability principles from inception allows us to craft conscientious structures, curb waste, and foster environmental responsibility. This proactive approach aligns with our commitment to building sturdy foundations and sustainable legacies. Embracing sustainability in the design phase underscores our dedication to constructing resilient, eco-conscious infrastructures that harmonise with the environment while delivering lasting value to communities and stakeholders.

ENERGY MANAGEMENT

Our recent machine acquisitions over the past years prioritise energy efficiency, dynamically reducing fuel in line with the energy demand of specific tasks. These machines conserve energy by optimising fuel consumption based on the workload's energy requirements, contributing to sustainable operations.

UNVEILING THE POWER OF RENEWABLES

Embarking on Indonesia's renewable energy frontier, Aneka Jaringan ventures into the sector through PTAJE. This milestone achievement of securing a purchase order for a 30MWp solar project feasibility study in West Java signifies a pivotal step forward.

This project demonstrates a commitment to advancing sustainable energy solutions and dedication to contributing to the country's renewable energy landscape. Aneka Jaringan's foray into renewable energy marks a significant milestone, highlighting its proactive role in shaping a more sustainable future renewable energy ecosystem.

WASTE MANAGEMENT

Waste management is a central focus for Aneka Jaringan. Our sustainability commitment starts with the efficient utilisation of input materials in construction and operations and a strong emphasis on recycling to reduce waste generation. A project's design and planning stage presents the best opportunity to minimise the negative environmental impact of construction.

We have implemented various waste reduction activities. Optimising operations planning and streamlining process layouts minimises material wastage. We actively seek performance improvements through increased use of recycled materials. Construction waste is handled responsibly by licensed collectors.

We hold recycling initiatives at construction sites and in our offices. Employing innovative methods such as polymer drilling fluids improves operational efficiency and minimises concrete wastage. We continually explore ways to use water as a stabiliser fluid to reduce reliance on chemical additives such as bentonite and polymer. These efforts underscore our commitment to responsible construction and environmental stewardship.

SUSTAINABILITY STATEMENT

WATER MANAGEMENT

Water management is crucial for constructing a foundation and basement to keep them dry and structurally sound. Proper water management involves ensuring that our designs comply to the code requirements and employing construction techniques to prevent water seepage or infiltration and protect the foundation from moisture-related issues such as dampness and rust.

Salient Aspects of Water Management for Foundation and Basement Construction

1 SITE SELECTION AND PREPARATION

- We ensure proper drainage systems to direct surface water away from the foundation construction areas.
- Sloping the terrain away from the building facilitates water runoff.

2 FOUNDATION DESIGN

- We ensure that our foundation and basement designs are in compliance with the relevant code requirements.

3 WATERPROOFING

- We use high-qualtiy, waterproof admixture, membranes, and construction methods to ensure the foundation and basement structures are free from moisture-related issues.

4 PERIMETER DRAINS

- Installing and connecting perimeter drains to a pump sump system which efficiently removes collected water.

5 SCUPPER DRAINS, TEMPORARY EARTH DRAINS, SILT TRAP, AND PUMP SUMPS

- We installed temporary earth drains to channel water away from the site.
- We also install scupper drains, silt traps, and pump sumps to remove water from the site.

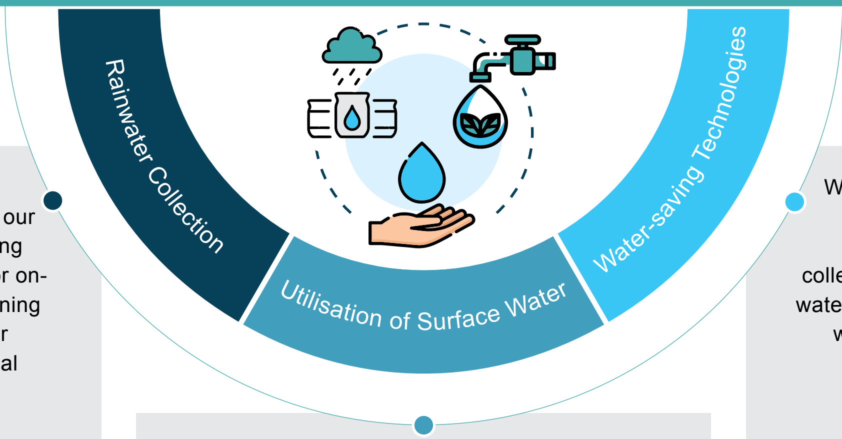
Drilling fluids have several functions, including carrying bore cuttings to the surface, cooling and lubricating the drilling tools, and controlling subsurface lateral pressures. We use surface water as stabilising drilling fluid as an effort to avoid any water wastage.

We leverage any water source available on site as part of our water reuse and conservation measures. Typically, we use alternative water sources for mixing slurry. This slurry helps stabilise boring holes to prevent them from collapsing.

SUSTAINABILITY STATEMENT

The efficient usage of water use during construction is essential for both environmental sustainability and cost-effectiveness.

Water-Conserving Strategies



We proactively collect and store rainwater at our construction sites. Using harvested rainwater for on-site activities and cleaning equipment reduces our dependency on external water sources.

We use surface water for drilling fluid stabilisation, promote water reuse and utilise alternative sources for slurry mixing. This approach balances the need for efficient water use during construction, benefiting both the environment and cost-effectiveness.

We employ water-saving technologies such as recycling and reusing collected water to enhance water efficiency and reduce wastage throughout our projects.

NOISE MANAGEMENT

Foundation and basement construction processes involve various activities, such as site preparation and earthworks, retaining wall construction, piling works, basement excavation, basement reinforced concrete ("RC") works, and mechanical and electrical ("M&E") works. These activities can generate significant noise. Introducing comprehensive noise management practices throughout the construction process address these concerns.

Noise Assessments

Conducting noise assessments during project planning identifies potential noise sources and assesses their impact on the surrounding environment and community.

Engineering Controls

Utilising engineering controls such as noise barriers and acoustic enclosures contains noise emissions from heavy machinery and equipment.

Time Scheduling

Carefully scheduling construction activities, including piling and other noisy operations, minimises their impact during sensitive hours or in areas affecting residents.

Noise Mitigation

Developing and implementing noise mitigation plans that outline specific measures to reduce noise, including using quieter machinery, sound-insulated equipment, and restricting high-noise activities during particular times.

Communication and Notification

Maintaining open lines of communication with nearby residents and local authorities allows us to inform them about construction schedules, potential noise impacts, and available contact points for their concerns.

SUSTAINABILITY STATEMENT

PEOPLE AND COMMUNITY

People are the cornerstone of our success. We take great pride in our dedicated team and are committed to investing in their growth and development. Effective people management is the foundation for enabling progress. We merge valuable work experiences with technical expertise, demonstrating our unwavering commitment to delivering innovative solutions that fully address our clients' needs.

DIVERSITY

Aneka Jaringan is firmly committed to diversity, inclusivity, and zero tolerance for discrimination and harassment. A robust Code of Conduct and Ethics enforces compliance with these principles, fostering a culture of respect and equality for all individuals within our organisation.

Our discrimination-free environment fully respects and celebrates age, gender, race, nationality, and other individual backgrounds and traits. We promote equality and inclusivity among our team members.

REVITALISING EMPLOYEE WELL-BEING

Aneka Jaringan is dedicated to employee well-being and has introduced several enhanced health benefits to support their health and vitality.

These new health benefits underscore Aneka Jaringan's commitment to fostering a healthier and more engaged workforce. Making preventive healthcare more accessible and simplifying the healthcare experience demonstrates the company's dedication to its valued employees' well-being and job satisfaction.

HEALTH-SCREENING

We understand the importance of preventive healthcare and took the initiative to offer company-sponsored medical checkups to our employees. These checkups include performing blood and urine analysis, cardiac and cancer markers, and other vital tests. Qualified medical practitioners conduct these tests, followed by a medical consultation to discuss their results and address any health concerns, delivering convenience and accessibility.

PANEL CLINIC

Aneka Jaringan now provides employees with convenient cashless medical treatment through a strategic partnership with Healthmetrics. This collaboration brings a digital dimension to healthcare by offering an application that empowers employees to monitor their medical history in real time through the Healthmetrics app. The app increases accessibility and significantly reduces administrative work and the potential for human error within Aneka Jaringan's HR and Administration departments.

UNITING THROUGH ENGAGEMENT

We nurture an engaged and vibrant workforce and celebrate diversity and togetherness through various celebratory activities, including festive Halloween and Christmas parties and an annual dinner. Special events, such as Women's Day and Buka Puasa dinners, foster a sense of unity and inclusivity among employees.

SUSTAINABILITY STATEMENT

SAFETY

Aneka Jaringan is deeply committed to safety, with a 'Zero Harm' approach. Rigorous safety protocols protect employees, staff and subcontractors, including mandatory PPE use and a zero-tolerance policy for unsafe practices. Comprehensive hazard identification, risk assessment, and incident investigation are integral to our proactive safety approach, which begins at the tendering stage. We evaluate the effectiveness of our H&S management system through risk management, KPI assessments, audits, and assurance processes as we continually enhance our safety practices.

Mandatory induction training for all site employees and contractors ensures a detailed understanding of site-specific hazards and mitigation methods. We strictly adhere to statutory training and certification requirements, guaranteeing that only adequately trained individuals handle high-risk tasks. Our experienced operatives provide on-the-job training and mentoring.

Specific roles require specialised training, including traffic controllers, riggers, scaffolding, and temporary works. Some examples of our training programs held during the year include:

- Understanding OSH (Amendment) Act 2022 and the Implementation of Effective Self-Regulatory OSH Management System
- Slinging, Rigging, and Signalman Training

Promoting employees to seek further skills training and obtain trade certificates ensures an enhanced understanding of occupational safety hazards and preventive measures within their trades.

Preventative measures and risk control strategies are integral to our day-to-day operations. We conduct morning assemblies, toolbox talks, and pre-work briefings to raise safety awareness among staff and workers.

SUSTAINABILITY STATEMENT

TRAINING AND DEVELOPMENT

Aneka Jaringan prioritises workplace growth and development as critical factors in nurturing high-quality human capital. We offer a comprehensive array of development opportunities, including on-the-job training, skills-based training, mentorship programmes, and sponsorship for further education. We financially support and encourage employees to seek external training courses to meet identified or mandatory training needs relevant to their current roles and future career aspirations.

A comprehensive annual performance appraisal process supports our training commitment. This process includes setting objectives, formulating individual learning and development plans, and guiding each employee's professional growth.

Examples of in-house and external training sessions attended by the team

- Seminar on Slurry Solution for Construction Underground Permanent Structures
- Together Shaping the Future of Construction in ASEAN
- Series of Seminar on Machinery Technologies In Construction
- In-house machinery operator training (excavators and drilling rigs)
- Briefing on the Latest Foreign Employment Policies for the Construction Sector
- Seminar on Budget 2023 and Tax Corporate Governance Framework
- Program Pendidikan Perubahan Anjuran Jabatan Tenaga Kerja Kuala Lumpur
- SAFE v20 Hands on Training
- Construction Industry Payment and Adjudication Act ("CIPAA") Updates Webinar
- Effective Communication in the Workplace
- Certified Construction Project Manager Accreditation Programme
- One-day Seminar and Exhibition on Underground Construction
- Practical Guide for Human Resources Practitioners
- Corporate Tax Strategies
- ESG Reporting and Disclosures
- Business Tax Solutions For Non-Accountants
- Beyond Box-Ticking – Enhancing Effectiveness for Nominating Committees
- Financial Fraud and Forensics Conference 2023
- In-House Corporate Training on Corporate Liability

HUMAN RIGHTS

Aneka Jaringan's unwavering commitment to human rights is constructed on a foundation of respect, upholding the principles of dignity, equality, and fairness across the organisation.

SUSTAINABILITY STATEMENT

Aneka Jaringan's Human Rights Principles

Employment by Choice

We ensure that employment is voluntary, free from coercion or duress.

Fair Compensation

Fair and equitable wages are paid to all employees.

Child Labor Prohibition

We strictly prohibit the use of child labour in any form.

Freedom of Association

We respect the freedom of association and the right to collective bargaining.

Non-Discrimination

Discrimination based on all factors, including age, gender, race, nationality, or other personal attributes, is strictly prohibited.

Open Communication

Systems for workers to voice complaints and provide feedback are readily available and encouraged.

Dignity and Respect

We maintain a work environment that upholds human dignity, where harsh or inhumane treatment is never tolerated.

Safe Working Conditions

We are unwavering in our commitment to providing all employees with safe and hygienic working conditions.

LOOKING AFTER OUR FOREIGN WORKERS

Aligning with the Group's stand on respect to human rights, especially with the increasing reliance on foreign labour in the construction industry, we are committed to fair and reasonable treatment of our foreign workers.

We are implementing multiple safeguards that support the well-being of foreign workers, including equitable compensation in full adherence to Malaysian labour laws. All workers receive payment above the national minimum wage and equal remuneration and compensation packages encompassing medical benefits, outstation allowances, overtime pay, and additional welfare perks.

Aneka Jaringan provides adequate and well-maintained living quarters, with monthly inspections ensuring compliance with Act 446 Laws of Malaysia: Employees' Minimum Standards of Housing, Accommodation, and Amenities Act 1990.

SUSTAINABILITY STATEMENT

MANAGING IMPACTS AND ADDRESSING GRIEVANCES

We are committed to operating a responsible business and will cooperate on and remediate any significant adverse impacts we have caused or contributed to. Our Code of Conduct and Ethics details our commitment to protecting employees' rights. It also provides an avenue to raise grievances about business conduct or human rights. Other than contacting project managers or legal teams directly, sub-contractors, suppliers, employees, and other stakeholders can direct their concerns through the Group's established whistleblowing procedure.

Aneka Jaringan conducts a proper investigation and report according to the Group's whistleblowing policy. The whistleblower receives the necessary protection against any reprisal or retaliation, including any form of harassment or victimisation from anyone within the Group due to his or her reporting, provided the reporting is made in good faith.

SAFETY, QUALITY, AND RELIABILITY

Aneka Jaringan prioritises safety, quality, and reliability in all endeavours. Construction projects continue to bring indirect economic benefits to the local community and the industry through Group quality and productivity enhancement efforts.

Aneka Jaringan's quality management commitment is exemplified through its technical expertise, offering clients alternative designs that meet their requirements and generate cost-saving opportunities. We proudly hold ISO 9001 certification, which is a philosophy deeply ingrained in all our ongoing projects, including Parkland Avenue, Taman OUG Plaza, Tiara Tasik and Mont Kiara Specialist Hospital.

COMMUNITY

Success is intricately linked with the well-being of the communities in which we operate. We prioritise social responsibility as a core value through active engagement, partnerships, and contributions. The Group actively supports various causes through donations, philanthropic efforts and community contributions. In the past, we have made significant contributions to support multiple causes, including healthcare, education, community development, and infrastructure. These efforts reflect our enduring commitment to making a positive difference in the lives of individuals and communities.

SUSTAINABILITY STATEMENT

OPERATING SUSTAINABLY

Aneka Jaringan emphasises innovation and conscientious planning to drive sustainable operations. These advancement in practices that minimise our footprint and improve efficiency and client satisfaction can include more efficient construction techniques, sustainable materials and energy-saving solutions.

CLIENT RELATIONSHIP AND SATISFACTION

The 'Customer First' principle is at the heart of our corporate culture, emphasising unwavering dedication to providing top-quality construction, project management and services while fostering lasting customer relationships. A dedicated client relationship unit collects feedback, addresses concerns, and ensures outstanding service. Management and project managers actively engage with clients through annual satisfaction surveys and proactively reach out to clients, with a critical focus on timely project delivery. The customer satisfaction score for 2023 was an impressive 86.3.

CYBERSECURITY

We implemented security measures to uphold the highest privacy, data protection, and cybersecurity standards:

All individuals accessing our systems and data are required to use MFA. This additional layer of security ensures that only authorised users can access sensitive information, reducing the risk of unauthorised access.

Multi-Factor Authentication ("MFA")

Password Renewal

All users must change their passwords every six (6) months to further improve security. Regular password updates reduce the likelihood of compromised accounts and help safeguard our data and customer information.

These practices are integral to our commitment to safeguarding customer data and maintaining robust cybersecurity measures. By adhering to these guidelines, we aim to protect our network and customer information from potential threats and vulnerabilities.

LOOKING AHEAD

Our steadfast commitment to construction sustainability stands firm. With meticulous planning, innovative methods, and resource-conscious strategies, we've laid a robust foundation and made significant progress in lessening environmental impact. This dedication to sustainable construction aligns progress, environmental care, and community well-being, nurturing a brighter and greener future.

SUSTAINABILITY STATEMENT

PERFORMANCE DATA

Indicator	Unit	FY2023
Economic		
Procurement		
New suppliers that were screened using environmental criteria	%	0
Suppliers assessed for environmental impacts	Number	0
New suppliers that were screened using social criteria	%	0
Suppliers assessed for social impacts	Number	0
Social		
Diversity		
Total employees	Number	471
By Gender		
Male	Number/%	434 (92.14%)
Female	Number/%	37 (7.86%)
By Age		
<30 years old	Number/%	168 (35.67%)
31-50 years old	Number/%	250 (53.08%)
>50 years old	Number/%	53 (11.25%)
By Employee Contract		
Full-time employees	Number/%	187 (39.70%)
Contractors/temporary employees	Number/%	284 (60.30%)
By Ethnicity		
Bumiputera	Number/%	84 (17.83%)
Chinese	Number/%	78 (16.56%)
Indian	Number/%	6 (1.27%)
Others	Number/%	1 (0.21%)
Foreigners	Number/%	302 (64.12%)
By Employee Category		
Management	Number/%	39 (8.28%)
Executive	Number/%	99 (21.02%)
Non-executive	Number/%	132 (28.03%)
General worker	Number/%	201 (42.68%)
Gender by Employee Category		
Management: Male	Number/%	34 (87.18%)
Management: Female	Number/%	5 (12.82%)
Executive: Male	Number/%	74 (74.75%)
Executive: Female	Number/%	25 (25.25%)
Non-executive: Male	Number/%	125 (94.70%)
Non-executive: Female	Number/%	7 (5.30%)
General worker: Male	Number/%	201 (100.00%)
General worker: Female	Number/%	0 (0.00%)

SUSTAINABILITY STATEMENT

Indicator	Unit	FY2023
Social (cont'd.)		
Diversity (cont'd.)		
Age by Employee Category		
Management: <30 years old	Number/%	5 (12.82%)
Management: 30-50 years old	Number/%	21 (53.85%)
Management: >50 years old	Number/%	13 (33.33%)
Executive: <30 years old	Number/%	37 (37.37%)
Executive: 30-50 years old	Number/%	54 (54.55%)
Executive: >50 years old	Number/%	8 (8.08%)
Non-executive: <30 years old	Number/%	18 (13.64%)
Non-executive: 30-50 years old	Number/%	83 (62.88%)
Non-executive: >50 years old	Number/%	31 (23.48%)
General worker: <30 years old	Number/%	108 (53.73%)
General worker: 30-50 years old	Number/%	92 (45.77%)
General worker: >50 years old	Number/%	1 (0.50%)
Key Senior Management Team		
Men in key senior management	Number/%	7 (100.00%)
Women in key senior management	Number/%	0 (0.00%)
Disabilities		
Disabled staff (number)	Number/%	0 (0.00%)
Board of Directors		
Total directors	Number	6 (0.00%)
Male directors	Number/%	5 (83.33%)
Female directors	Number/%	1 (16.67%)
<30 years old	Number/%	0 (0.00%)
30-50 years old	Number/%	0 (0.00%)
>50 years old	Number/%	6 (100.00%)
Turnover		
Total Employee Turnover (Number)	Number	86
Employee turnover by Gender (Number of People)		
Female	Number	72
Male	Number	14
Employee Turnover by Age (Number of People)		
<30 years old	Number	31
30-50 years old	Number	53
>50 years old	Number	2
Employee Turnover by Employee Category (Number of People)		
Management	Number	4
Executive	Number	37
Non-executive	Number	28
General worker	Number	17

SUSTAINABILITY STATEMENT

Indicator	Unit	FY2023
Social (cont'd.)		
Turnover (cont'd.)		
Voluntary/Involuntary Turnover		
Voluntary turnover	Number	81
Involuntary turnover	Number	5
Training and Development		
Total training time	Hours	2247
Total training for management	Hours	485
Total training for executive	Hours	610
Total training for non-executive	Hours	948
Total training for general worker	Hours	205
Total employees trained	Number	410
Corruption		
Total management receiving anti-corruption training	Number/%	24 (61.54%)
Total executive receiving anti-corruption training	Number/%	23 (23.23%)
Total non-executives receiving anti-corruption training	Number/%	60 (45.45%)
Total general workers receiving anti-corruption training	Number/%	2 (1.00%)
Total employees receiving anti-corruption training	Number/%	109 (23.14%)
Proportion of operations assessed for corruption-related risks	%	0 (0.00%)
Confirmed incidents of corruption and action taken	Number	0
Staff disciplined or dismissed due to non-compliance with anti-corruption policy/ policies	Number	0
Cost of fines, penalties, or settlements in relation to corruption		0
Total political contributions	RM	0
Community		
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	0
Total number of beneficiaries of the investment in communities	Number	0
Health and Safety		
Number of work-related fatalities	Number	0
Number of employees trained on health and safety standards	Number	2
Complaints		
Substantiated complaints concerning human rights violations	Number	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS ("THE BOARD") OF ANEKA JARINGAN HOLDINGS BERHAD IS COMMITTED TO UPHOLDING EFFECTIVE CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES THROUGHOUT THE GROUP AS TO PROTECT THE SHAREHOLDERS' INTERESTS.

THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT DELINEATES THE COMPANY'S APPLICATION OF THE CORPORATE GOVERNANCE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG"). THE CORPORATE GOVERNANCE REPORT OF THE COMPANY IS AVAILABLE FOR VIEWING AT THE COMPANY'S WEBSITE AT WWW.ANEKAJARINGAN.COM.

The Board

The Board is guided by its Board Charter which outlines the roles, responsibilities, processes, and operations of the Board.

The Board is responsible for establishing the overarching strategic direction of the Group through the annual planning of the Group's budget and business plan, encapsulating the Board's vision and goals for the Group. The Board must ensure that the Group's vision and goals not only promote long-term sustainable shareholder value but also consider the current business, economic and social environment.

Management is entrusted by the Board with the duty of implementing the Group's business plan and is guided by the Group's annual budget as set by the Board. The Board monitors the status and progress of Management's execution of these business plans, providing the necessary guidance and advice to ensure that the Group's targets are achieved, and that effective leadership and professionalism are in place to ensure sound corporate governance. During the Board's quarterly meetings or any additional meetings as required, the Board deliberates on such matters and adjusts the Group's goals as necessary.

The Board acknowledges that all business decisions involve a certain level of risk and that it is the duty of the Board to ensure that these business decisions are based on sound corporate governance and risk management that appropriately reflects the Group's risk appetite. To achieve this, the Board is assisted by the Audit and Risk Management Committee ("ARMC"), which is tasked with reviewing and monitoring the Group's financial and operational performance. Management holds monthly management and operational meetings to deliberate on potential issues and consults the ARMC and the Board for guidance and advice.

The Group's Whistle-Blowing Policy sets out the guidance and procedures by which employees and third parties can report any genuine improprieties within the Group. An Anti-Bribery and Corruption Policy is also in place to ensure that all Directors, Management, staff, workers, suppliers, and subcontractors are aware of the consequences of their actions in daily business dealings to prevent the Group from contravening any laws.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The ARMC assists the Board in monitoring and reviewing the Group's risk management and internal control systems. The ARMC continuously monitors and reviews the processes to identify, analyse, evaluate, and manage both financial and non-financial risks, ensuring that they are robust and effective. In discharging its duties, the ARMC is assisted by the Internal Auditors.

Board Composition

The Board comprises of individuals with diverse skills and professional backgrounds, enhancing the impartiality of any decisions made by the Board. In line with Rule 15.02 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), half of the Board, or three (3) out of six (6) Board members are Independent Directors, including a female representation. This composition ensures that there are proper checks and balances to safeguard the interests of the Minority Shareholders. This diversity of the Independent Directors significantly contributed to the objectivity in all decision-making processes, as they bring their skills and experience from various backgrounds and industries into the deliberation processes.

The Board comprises of three (3) Executive Directors and three (3) Independent Non-Executive Directors, as follows:-

- Dato' Ir. Tan Gim Foo (Independent Non-Executive Chairman)
- Mr. Pang Tse Fui (Managing Director)
- Ir. Chong Ngit Sooi (Executive Director)
- Mr. Loke Kien Tuck (Executive Director)
- Dato' Noraini binti Abdul Rahman (Independent Non-Executive Director)
- Mr. Wee Kee Hong (Independent Non-Executive Director)

The positions of Chairman of the Board and Managing Director are held by different individuals. The Chairman is responsible for the effective discharge of the Board's duties. This involves providing leadership to the Board and ensuring the adoption and implementation of good corporate governance practices within the Group. The Chairman sets the agenda, leads Board meetings and discussions, and encourages active participation while also allowing dissenting views to be heard.

The Managing Director is assisted by the Executive Directors and Management in implementing the Group's strategy and executing business plans as laid out by the Board.

Board of Directors' Meeting

A total of six (6) Board of Directors' Meetings were conducted during the financial year ended 31 August 2023 ("FY2023"), as follows:-

Directors	No. of Meetings Attended
Dato' Ir. Tan Gim Foo	6/6
Mr. Pang Tse Fui	6/6
Ir. Chong Ngit Sooi	6/6
Mr. Loke Kien Tuck	6/6
Dato' Noraini binti Abdul Rahman	6/6
Mr. Wee Kee Hong	6/6

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Training

The Directors of the Company had attended the following training sessions during FY2023:-

Name of Directors	Date of Trainings	Subject
Dato' Ir. Tan Gim Foo	7 September 2022	Carbon Footprint Assessment Report
	4 October 2022	Annual Training on Section 17A of the MACC Act 2009
	2 November 2022	An Awareness Session "Transforming Your Business with Data"
	14 February 2023	Webinar on Building Defects and QLASSIC
	27 March 2023	Climate Transition Risk & Opportunity Presentation
	29 March 2023	Carbon Reduction Strategy and Physical Climate Risk & Opportunities
	15 June 2023	In-House Corporate Training Programme – Corporate Liabilities Training
	31 July 2023	Briefing Session on Sustainability Reporting Requirements
Mr. Pang Tse Fui	15 June 2023	In-House Corporate Training Programme – Corporate Liabilities Training
	25 August 2023	Business Tax Solutions for Non-Accountants
Ir. Chong Ngit Sooi	15 June 2023	In-House Corporate Training Programme – Corporate Liabilities Training
	17 June 2023 and 1 July 2023	Certified Construction Project Manager (CCPM) Accreditation Programme
	3 July 2023	Sick Leave Reduction through Chronic Disease Management
Mr. Loke Kien Tuck	15 June 2023	In-House Corporate Training Programme – Corporate Liabilities Training
	25 August 2023	Business Tax Solutions for Non-Accountants
Dato' Noraini binti Abdul Rahman	9 September 2022	Beyond Box-Ticking: Enhancing Effectiveness of Nominating Committees
	15 June 2023	In-House Corporate Training Programme – Corporate Liabilities Training
Mr. Wee Kee Hong	8 May 2023	Financial Fraud & Forensics Conference 2023
	15 June 2023	In-House Corporate Training Programme – Corporate Liabilities Training

The Board received briefings on changes to the Listing Requirements, relevant laws and regulations. They were also updated on any changes to the accounting standards that may affect the Group's financial statements from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of Directors staying informed about recent developments in capital markets, business environments and also any relevant changes to the rules and regulations from time to time. The Board, with the assistance of the Nomination Committee, will continuously assess the training needs of its members and will seek the relevant programme necessary to enhance the Board's knowledge, ensuring effective discharge of their duties.

Audit and Risk Management Committee

Chairman – Mr. Wee Kee Hong
Member – Dato' Ir. Tan Gim Foo
Member – Dato' Noraini binti Abdul Rahman

Details of the ARMC can be found in the Audit and Risk Management Committee Report.

Nomination Committee

Chairman – Dato' Noraini binti Abdul Rahman
Member – Dato' Ir. Tan Gim Foo
Member – Mr. Wee Kee Hong

The Nomination Committee ("NC") is guided by its Terms of Reference and has the duty of recommending candidate(s) to the Board for the appointment of new Board members. In its assessment of all potential candidates, the NC will consider the criteria as set out in the Company's Directors' Fit and Proper Policy, including but not limited to the candidate's knowledge, experience, skills, integrity and ability while keeping in mind gender and ethnic diversity, and any potential conflict of interest.

The NC has met once during FY2023 with full attendance and has carried out the following activities during the financial year under review:-

(i) Reviewed the Board's and Board Committees' structure, size and composition; the required mix of skills, experiences and other qualities of the Board and the individual Directors;
(ii) Assessed and evaluated the effectiveness and performance of each individual Director, Board Committees and the Board as a whole via evaluation forms;
(iii) Reviewed the independence of the Independent Non-Executive Directors via their self-declaration of independence forms;
(iv) Noted the trainings attended by the Directors;
(v) Reviewed the term of office and performance of the ARMC; and
(vi) Reviewed and recommended to the Board the re-election of the Directors.

For the annual assessment for FY2023, the NC was satisfied with the Board's composition in terms of size, mix of skills, integrity, experience, and gender diversity. The NC is of the opinion that there is an adequate balance between Executive and Independent Directors and that the Board had been functioning effectively.

The Board recognises that diversity in the composition of the Board would facilitate more effective discussions and weighing of management issues. The selection of female candidates will be, in part, dependent on the pool of women candidates with the necessary skills, knowledge and experience. However, the ultimate decision to appoint any female candidate will be based upon merit and contribution that the chosen candidates would be able to bring to the Board and the Company. Where suitable candidates are found in future, the Board and the Company may seek to increase representation from female members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Remuneration Committee

Chairman – Dato' Ir. Tan Gim Foo
Member – Mr. Wee Kee Hong
Member – Dato' Noraini binti Abdul Rahman

The Remuneration Committee ("RC") is guided by its Terms of Reference and its main functions include among others:-

(i) Ensuring the Group adopts a transparent remuneration policy and procedures framework for the Board and Key Senior Management;
(ii) Reviewing and recommending to the Board the remuneration of the Directors and Key Senior Management, taking into consideration market best practices and the responsibilities, functions, performance, experience, and the Group's operating results; and
(iii) Ensuring that the Group's remuneration is sufficiently attractive to retain, attract and motivate Directors and Key Senior Management to drive the Group's long-term goals.

The RC met once during FY2023 with full attendance and had carried out, amongst others, the following activities:-

(i) Reviewed and recommended to the Board the fees and benefits of the Independent Non-Executive Directors; and
(ii) Reviewed and recommended to the Board the Executive Directors' and Key Senior Management's remuneration.

The remuneration of the Directors for FY2023 is as follows:-

The Company Category	Fees RM'000	Salaries, Bonus and Allowance RM'000	Defined Contribution Plans RM'000	Benefits-in-Kind and Other Emoluments RM'000	Total RM'000
Executive Directors					
Mr. Pang Tse Fui	-	-	-	-	-
Ir. Chong Ngit Sooi	-	-	-	-	-
Mr. Loke Kien Tuck	-	-	-	-	-
Non-Executive Directors					
Dato' Ir. Tan Gim Foo	47	-	-	14	61
Dato' Noraini binti Abdul Rahman	39	-	-	7	46
Mr. Wee Kee Hong	42	-	-	11	53

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Group Category	Fees RM'000	Salaries, Bonus and Allowance RM'000	Defined Contribution Plans RM'000	Benefits-in-Kind and Other Emoluments RM'000	Total RM'000
Executive Directors					
Mr. Pang Tse Fui	-	336	65	-	401
Ir. Chong Ngit Sooi	-	336	65	-	401
Mr. Loke Kien Tuck	-	336	64	-	400
Non-Executive Directors					
Dato' Ir. Tan Gim Foo	47	-	-	14	61
Dato' Noraini binti Abdul Rahman	39	-	-	7	46
Mr. Wee Kee Hong	42	-	-	11	53

Company Secretaries

The Board is assisted by suitably qualified Company Secretaries that provide the Board with advice on sound corporate governance, help to ensure the Company's adherence to regulatory requirements and recommend to the Board the adoption of sound corporate governance practices.

Stakeholders Communication

The Board values ongoing communication between the Company and its stakeholders, fostering mutual understanding of each other's expectations. The Board emphasises the importance of promptly communicating material business events to enable informed decision-making. Such events are announced and quarterly results are released on the Bursa Securities' website at www.bursamalaysia.com and the announcements are also available on the Company's website at www.anekajaringan.com.

General Meetings

The Company conducted its Annual General Meeting on 16 February 2023 and Extraordinary General Meeting on 26 October 2023, with the full presence of the Board members and Key Senior Management. These meetings offered the Shareholders the opportunity to seek clarifications on matters disclosed in the Annual Report and Circular to Shareholders; and the corporate developments. The outcomes of the resolutions put to vote by polling were then announced to Bursa Securities on the same day.

The Board Charter, Terms of Reference of the Board Committees and Directors' Fit and Proper Policy are available at the Company's website at www.anekajaringan.com.

This Corporate Governance Overview Statement was approved by the Board on 22 December 2023.

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required to prepare the audited financial statements for each financial year in accordance with the provisions of the Companies Act 2016 ("Act"), the applicable approved accounting standards and the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") to give a true and fair view of the state of affairs of the Group and of the Company for the financial year under review, as well as the financial performance and cash flows of the Group and of the Company for the financial year.

The Directors consider that in the preparation of the audited financial statements of the Group and the Company for the financial year ended 31 August 2023, the Group and the Company have:

- Applied the appropriate accounting policies consistently;
- Applied reasonable and prudent judgements and estimates;
- Ensured that the audited financial statements are in compliance with all applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the requirements of the Act and the Listing Requirements of Bursa Securities; and
- Prepared the audited financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep such accounting and other records in a manner that sufficiently explains the financial position of the Group and the Company.

The Directors are also responsible for taking steps as are reasonably available to them to ensure that adequate risk management and internal control systems are in place to safeguard the assets of the Group and the Company and to prevent and detect any fraud and other irregularities.

The above statement was reviewed and approved by the Board of Directors on 22 December 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee ("ARMC") is pleased to present the ARMC Report for the financial year ended 31 August 2023 ("FY2023").

The ARMC is guided by its Terms of Reference, which outlines the committee's composition, authorities, roles, and responsibilities. The Terms of Reference are available on the Group's website at www.anekajaringan.com.

The ARMC comprises the following three (3) members, all of whom are Independent Non-Executive Directors:-

Chairman – Mr. Wee Kee Hong *(Independent Non-Executive Director)*
Member – Dato' Ir. Tan Gim Foo *(Independent Non-Executive Chairman)*
Member – Dato' Noraini binti Abdul Rahman *(Independent Non-Executive Director)*

The Chairman of the ARMC, Mr. Wee Kee Hong is a member of the Malaysian Institute of Accountants and an associate of the Chartered Institute of Management Accountants, United Kingdom.

The ARMC assists the Board of Directors ("the Board") in discharging its duties and responsibilities by providing an independent and objective view of the Group's financials, operations, and administrative processes.

The ARMC reviews the financial reporting, internal audit, and external audit processes of the Group. The ARMC also ensures the robustness and effectiveness of the Group's risk management and internal control systems.

The Chairman of the ARMC, together with the other members of the ARMC, shall ensure among others things, that:-

(i) The ARMC is fully informed about all significant matters related to the Group's audit and its financial statements and addresses these matters;
(ii) The ARMC communicates its concerns, insights and views about the relevant transactions and events to the Internal and External Auditors;
(iii) The ARMC raises its concerns on matters that may have an effect on the Group's audit and its financial statements to the External Auditors; and
(iv) There is coordination between both the Internal and External Auditors.

In the discharge of its duties, the ARMC is assisted by the Internal Auditors and External Auditors. When deemed necessary, the ARMC has authority to seek independent advice from external professionals.

The Internal Auditors assist the ARMC in reviewing and monitoring the Group's risk management and internal controls systems. The ARMC reviews the internal audit plan, which outlines the key areas that Internal Auditors would review during the financial year.

The ARMC assesses the External Auditors in regard to their independence, suitability, and objectivity. The External Auditors would provide a written assurance confirming their independence in their conduct of the audit of the Group. The ARMC also has private sessions with the External Auditors without the presence of Management to discuss on any matters that the External Auditors may need to highlight to the ARMC.

The ARMC annually conducts an assessment to review the performance of the Internal and External Auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE'S MEETING

The ARMC had five (5) meetings during FY2023 with the details of attendance as follows:-

ARMC Members	No. of Meetings Attended
Mr. Wee Kee Hong	5/5
Dato' Ir. Tan Gim Foo	5/5
Dato' Noraini binti Abdul Rahman	5/5

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

For FY2023, the ARMC had, in discharging its functions and duties in accordance with its Terms of Reference, carried out amongst others the following activities:-

Financial Reporting

- Reviewed the unaudited consolidated quarterly reports of the Group before recommending to the Board for approval prior to submission to Bursa Malaysia Securities Berhad ("Bursa Securities"); and
- Reviewed the audited financial statements for the financial year ended 31 August 2022 ("FY2022") prior to recommending it to the Board for approval.

Internal Audit

- Reviewed the Internal Audit Plan for FY2023 to ensure the adequacy of the audit coverage and scope of review;
- Reviewed the internal audit reports, recommendations made by the Internal Auditors and Management's responses to those recommendations, as well as the internal audit follow-up reports to ensure that the appropriate actions were taken and to monitor the status of the implementation; and
- Held a private session with the Internal Auditors without the presence of Management on any matters that they wished to bring up to the attention of the ARMC.

External Audit

- Reviewed the External Auditors' report arising from the final audit for FY2022;
- Held private sessions with the External Auditors without the presence of Management on any matters that they wished to bring up to the attention of the ARMC;
- Reviewed and recommended the re-appointment of the External Auditors to the Board for approval, taking into consideration the assessment and other criteria for the re-appointment; and
- Reviewed the External Audit Plan for FY2023, which includes, amongst others, the audit approach, communication of key audit matters, and financial reporting standards adopted and review of the Statement on Risk Management and Internal Control.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Related Party Transactions

- Reviewed the Related Party Transactions of the Group on a quarterly basis;
- Reviewed the Related Party Transaction Policy & Procedures; and
- Reviewed the announcements and Circular to Shareholders in relation to the Recurrent Related Party Transactions of a revenue or trading nature.

Others

- Reviewed the ARMC Report and Statement on Risk Management and Internal Control to be incorporated into the Annual Report;
- Reviewed the Group's Risk Register; and
- Reviewed the amendments to the Terms of Reference of the ARMC and the Whistle-Blowing Policy and Procedures prior to recommendation to the Board for approval.

Internal Audit Function

The Group has outsourced its Internal Audit Function to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"). Sterling is an independent professional consultancy firm which provides the Group with independent, objective, and systematic reviews of the Group's internal control systems.

Sterling adopted the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as their basis when evaluating the Group's internal control systems.

The internal audit activities conducted during FY2023 includes the following:-

- Performed internal audit reviews of the Group's internal control systems for the following functions in accordance with the approved audit plan:
  - Finance and Accounts;
  - Contract Management;
- Reported to the ARMC of the internal audit findings, recommendations, and Management's responses and/or actions; and
- Conducted follow-up reviews on the status of the implementation of the recommendations made and report to the ARMC on the results.

Sterling has confirmed that it does not have any relationships or conflict of interests that could potentially threaten its ability to carry out its duties independently and objectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG") REQUIRES THAT THE BOARD OF DIRECTORS OF A LISTED COMPANY TO ESTABLISH SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEMS TO SAFEGUARD THE SHAREHOLDERS' INTERESTS. IN ACCORDANCE WITH RULE 15.26(B) OF THE ACE MARKET LISTING REQUIREMENTS, THE BOARD OF DIRECTORS OF ANEKA JARINGAN HOLDINGS BERHAD ("THE BOARD") IS PLEASED TO PRESENT THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 ("FY2023").

Board Responsibilities

The Board is tasked with ensuring the adequacy and effectiveness of the Group's risk management framework and internal control systems across all facets of the Group's business including but not limited to operations, financials, and compliances. In discharging its duties, the Board would undertake various activities including but not limited to:-

(i) Establishing the Group's risk appetite that is appropriate for the Group's business environment; and
(ii) Reviewing the adequacy and effectiveness of the Group's existing risk management framework and internal control systems in alignment with the Group's corporate objectives, strategies, and the evolving business environment of the Group.

The Board acknowledges that, although the Group's risk management framework and internal control systems are designed to manage the Group's risks, it would not be able to entirely eliminate them. These measures would offer reasonable but not exhaustive assurance against any misstatement, loss, or fraud. The Board will maintain a continuous process for identifying, assessing, and managing the significant risks confronting the Group.

The Board delegates the responsibility of identifying and managing the Group's key business risks to the Audit and Risk Management Committee ("ARMC") to ensure the strength and effectiveness of the Group's risk management and internal control systems. In the discharge of its duties, the ARMC would review the quarterly reports from the Internal Auditors concerning the assessment of potential risks and internal control issues, along with their recommendations for corrective actions that Management should implement to mitigate or rectify these weaknesses.

The ARMC possesses direct communication with the External Auditors and conducts private sessions with them without the presence of Management at least once a year to gain understanding and guidance on any potential risks that the Group may face. The ARMC is empowered to enlist external consultants in specialised areas of expertise as and when the ARMC deems necessary to evaluate any risks or exposures.

Following the assessment of reports from both the Internal and External Auditors, the ARMC will report to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The Group's existing risk management policy encompasses the governance structure and groupwide processes for identifying, evaluating, and managing various levels and types of risks associated with the Group's business operations and performance. The roles and responsibilities of the Board, ARMC, and risk owners are outlined in the Group's risk management policy as follows:-

(i) Develop, review, and implement the risk management policy as approved by the Board, including identifying and developing action plans to counter and mitigate the key risks;
(ii) Ensure alignment of the risk management policy with the Group's strategies, risk appetite, and risk tolerance;
(iii) Continuously monitor, review, and update the risk registers in response to change in business processes, environment and strategies;
(iv) Keep the ARMC informed of any changes in the risk registers and Management's actions to mitigate the Group's risks and provide updates to the Board accordingly; and
(v) Review and assess all major business decisions pertaining to acquisitions, divestments, and strategic business decisions.

Risk owners at the operational level take ownership and responsibility of the risks within their capacity as risk owners in their respective areas and levels. Their responsibilities include:-

(i) Managing the risks under their controls within the business processes;
(ii) Continuously evaluating existing controls, and if found ineffective or inadequate, reviewing and implementing additional controls to ensure effectiveness;
(iii) Continuously monitoring, assessing, and reporting any new emerging risks or changes in business risks due to changes in the business environment;
(iv) Designing the necessary controls and Management action plans and implementing them as necessary to mitigate such risks;
(v) Updating the risk register with new risks and the status of highlighted risks along with the Management action plans; and
(vi) Communicating to lower-level staff about the risk exposures and the importance of the related controls.

As part of the Group's risk management process, the internal audit function acts as the monitoring agent. The Internal Auditors would collaborate with the ARMC to identify key areas of concern to be audited before developing the annual internal audit plan. The finalised internal audit plan would be presented to the ARMC for review and approval.

Similarly, the External Auditors would also formulate an external audit plan for the financial year under review. The plan would outline the timeline of the audit and the key focus areas. The ARMC will also conduct private sessions with the External Auditors without the presence of Management to discuss any potential business or internal control risks that the Group might be faced with to ensure independence.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit Function

The internal audit function of the Group has been outsourced to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), an independent professional consultancy firm. Sterling performed its internal audit review in two (2) cycles:

(i) Identified risks within the risk management and internal control systems; and
(ii) Conducted two (2) follow-up reviews to ensure Management addressed any risks identified during the internal audit review.

The ARMC is authorised to conduct ad-hoc reviews when necessary and if the situation warrants any special unscheduled audits.

For FY2023, the following key areas were audited:-

Key Areas	Scope
Finance and Accounts	• Existing policies and procedures • Capital asset management • Intercompany transactions • Cash flow management • Limits of authority
Contract Management	• Existing policies and procedures • Processes related to tender including documentation, evaluation, monitoring of status and deposits • Pre-contract cost estimations • Project costing • Letter of awards received and binding contracts received • Preparation of project baseline budgeting • Submission of progress billing • Evaluation and selection of contractors/sub-contractors • Monitoring of contract performance

The Internal Auditors would present quarterly reports to the ARMC during the quarterly meetings, outlining the following details:-

(i) Findings from the internal audits, categorised into various risk levels based on the risk register;
(ii) Suggestions for the appropriate actions that Management should take to rectify or mitigate the identified risks; and
(iii) Subsequent follow-up audits to ensure that Management has implemented the recommended actions to address all risks highlighted in the reports from previous audits.

The ARMC would conduct private sessions at least once a year with the Internal Auditors without the presence of Management to provide the Internal Auditors opportunities to raise any other issues encountered during the audit.

The cost of the internal audits function for FY2023 amounted to RM57,221.24.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Assurance by Managing Director

The Managing Director has affirmed that the Group's risk management and internal control systems are sufficient and operational in all aspects for the financial year under review.

Opinion from the Board on the Adequacy and Effectiveness of the Group's Risk Management and Internal Control Systems

The Board, through the ARMC, has assessed the adequacy and effectiveness of the risk management and internal control systems. Necessary actions have been taken to address internal control deficiencies highlighted by the Internal Auditors and External Auditors during the quarterly meetings.

Given the assurance provided by the Managing Director and the aforementioned actions, the Board is of the opinion that the current risk management and internal control systems in place are adequate and there are no significant material weaknesses requiring any separate disclosures.

The Board and Management remain committed to ongoing reviews, enhancements, and maintaining the robustness of the Group's risk management and internal control systems.

Review of Statement by External Auditors

The External Auditors have reviewed the Statement on Risk Management and Internal Control pursuant to the scope as set out in AAPG3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control to be included in the Annual Report for FY2023.

Through this review, the External Auditors have assessed whether the Statement on Risk Management and Internal Control is reflective of the processes the Directors have adopted in reviewing the risks faced by the Group and the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their review, the External Auditors have reported that there is nothing that has come to their attention that would cause them to believe that the Statement is inconsistent with their understanding of the processes that the Board has undertaken in reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

This Statement was reviewed and approved by the Board on 22 December 2023.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING ("IPO")

The Company completed its IPO exercise on 20 October 2020 ("Listing Date"), which raised gross proceeds of RM46,163,700.00. The actual utilisation of proceeds raised from the IPO ("IPO Proceeds") are as follows:-

No.	Purpose	Proposed utilisation RM'000	%	Revised utilisation as at 14 February 2022[(1)] RM'000	Actual utilisation as at 31 August 2023 RM'000	Revised utilisation as at 26 October 2023[(2)] RM'000	Balance to be utilised RM'000	Revised timeframe for utilisation[(2)]
1.	Purchase of new rotary drilling rigs and crawler crane	17,300	37.48	18,040	15,540	(2,500)	-	
2.	Repayment of borrowings	24,264	52.56	21,064	21,064	-	-	
3.	Estimated listing expenses	4,600	9.96	4,600	4,600	-	-	
4.	Working capital	-	0.00	460	460	2,500	2,500	Within 12 months from the date of shareholders' approval on 26 October 2023
5.	Purchase of 5 units of excavator	-	0.00	2,000	2,000	-	-	
	Total	**46,164**	**100.00**	**46,164**	**43,664**	**2,500**	**2,500**	

Notes:

(1) The Company had on 14 February 2022 announced the variation of utilisation of IPO Proceeds. Please refer to the Company's announcement dated 14 February 2022 for further details.

(2) The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 1 October 2020, as well as the Company's announcements dated 29 January 2021, 24 March 2021, 14 February 2022, 10 April 2023 and 19 October 2023.

The Company had on 26 October 2023 obtained approval from its Shareholders on the variation of utilisation of IPO proceeds. Please refer to the Circular to Shareholders dated 11 October 2023 and the Company's announcement dated 26 October 2023 for further details.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT(3)

On 24 July 2023, the Company completed the Private Placement which involved the issuance of 59,248,500 new ordinary shares pursuant to the Private Placement ("Placement Shares"). The Company had raised a total proceeds of RM9,938,134.60 from the Private Placement, which had been utilised in the following manner:-

No.	Purpose	Actual Proceeds Raised RM'000	%	Actual utilisation as at 31 August 2023 RM'000	Balance to be utilised RM'000	Intended timeframe for utilisation (from the date of listing of the Placement Shares)(1)
1.	Working capital	7,688	77.36	7,688	-	Within 12 months
2.	Repayment of borrowings for trade purposes	2,000	20.12	2,000	-	Within 6 months
3.	Estimated expenses in relation to the Proposals(2)	250	2.52	250	-	Within 6 months
	Total	**9,938**	**100.00**	**9,938**	**-**	

Notes:

(1) The listing of and quotation for (i) 46,300,000 Placement Shares at RM0.1633 per Placement Share on 22 June 2023; and (ii) 12,948,500 Placement Shares at RM0.1836 per Placement Share on 24 July 2023.

(2) In relation to the following proposals which approvals had been obtained at the Extraordinary General Meeting held on 26 October 2023:-
- (i) Proposed diversification of the existing business activities of the Group to include engineering, procurement, construction and commissioning of solar photovoltaic systems and renewable energy ("RE") facilities, provision of RE and environmental consulting services, operations and maintenance services, and built-own-operate-transfer of RE facilities;
- (ii) Proposed private placement of up to 94,711,350 new ordinary shares in the Company ("Aneka Shares"), which represent up to 10% of the total number of issued Aneka Shares; and
- (iii) Proposed variation of the utilisation of proceeds raised from the IPO.

(3) The utilisation of the proceeds in relation to the Private Placement as disclosed above should be read together with the announcements made by the Company on 10 April 2023, 11 April 2023, 10 May 2023, 12 May 2023, 26 May 2023, 12 June 2023, 21 June 2023, 22 June 2023, 14 July 2023, 21 July 2023, and 24 July 2023.

UTILISATION OF PROCEEDS FROM EXERCISE OF WARRANTS

During the financial year, the Company issued 1,478,000 new Aneka Shares from the conversion of 1,478,000 Warrants 2022/2025 at an exercise price of RM0.135 per Warrant which raised a total of RM199,530.00. The proceeds raised from the exercise of Warrants 2022/2025 are used for general working capital purposes, such as payment to suppliers for construction material supplied and subcontractors for work done. As at 31 August 2023, the proceeds raised from the exercise of Warrants 2022/2025 had been fully utilised.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT FEE AND NON-AUDIT FEE

Details of statutory audit, audited related and non-audit fees paid/payable to the External Auditors for the financial year ended 31 August 2023 ("FY2023") are set out as follows:-

Description	Fees Paid/Payable (RM)		
	Company	Subsidiaries	Total
Audit services rendered	44,000	139,340	183,340
Non-audit services rendered	5,500	-	5,500
Total	**49,500**	**139,340**	**188,840**

There were no non-audit fees incurred for the subsidiaries during FY2023.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors and Major Shareholders which were still subsisting at the end of the financial year or which were entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”)

The existing shareholders’ mandate for the Group to enter into RRPT of a revenue or trading nature (“Shareholders’ Mandate”) which is necessary for its day-to-day operations shall expire at the conclusion of the forthcoming Annual General Meeting (“AGM”) and is subject to shareholders’ approval for renewal at the forthcoming AGM. The aggregate value of the RRPT conducted pursuant to the Shareholders’ Mandate obtained at the Fourth AGM held on 16 February 2023 is as follows:-

Nature of Transaction	Company in the Aneka Group involved in the RRPT	Related Party	Relationship of the Related Party with Aneka Group	Actual value transacted from 16 February 2023 up to 31 August 2023 (RM)
Purchase of consumables[1] and all kinds of pump for the construction activities from Hup Leong Trading Company (“Hup Leong”)	Aneka Jaringan Sdn. Bhd.	Hup Leong	Tan Hoon Thean, a Major Shareholder of the Company, is also a partner of Hup Leong	935,248.28

Note:-

(1) Consumables include but are not limited to welding electrodes, spanners, cutting nozzles, hose clips, and hand gloves.

As announced on 7 December 2023, the Company will be seeking shareholders’ mandate for new and renewal of RRPT of a revenue or trading nature at the Fifth AGM.

FINANCIAL STATEMENTS

For the Financial Year Ended 31 August 2023

SECTION 5
FINANCIAL

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries 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.

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(12,428,979)	(665,746)
Attributable to:		
Owners of the Company	(13,688,482)	(665,746)
Non-controlling interests	1,259,503	-
	(12,428,979)	(665,746)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 August 2023.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps 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 had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances 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.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

DIRECTORS' REPORT

ITEMS OF MATERIAL AND UNUSUAL NATURE (CONTINUED)

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(i) issued 46,300,000 and 12,948,500 new ordinary shares via private placement ("Placement Shares") at an issue price of RM0.1633 and RM0.1836 per Placement Share respectively for working capital and repayment of borrowings for trade purposes; and

(ii) issued 1,478,000 ordinary shares arising from the exercise of 1,478,000 Warrants at the exercise price of RM0.135 per Warrant.

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

There were no debentures issued by the Company.

ISSUE OF WARRANTS

The Company had undertaken a bonus issue of 295,955,000 Warrants on the basis of 1 Warrant for every 2 existing ordinary shares held, which were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 24 June 2022. The Warrants are constituted by a Deed Poll dated 2 June 2022.

The movement of Warrants during the financial year ended 31 August 2023 are stated as below:

	Number of Warrants			
	At 1 September 2022	Entitled	Exercised	At 31 August 2023
Warrants	295,930,000	-	(1,478,000)	**294,452,000**

The salient features of the Warrants are as follows:

(i) Each Warrant entitles the registered holders to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.135 per Warrant during the exercise period, subject to adjustments in accordance with the provisions of the Deed Poll constituting the Warrants;

(ii) The exercise period is three (3) years commencing from and inclusive of the date of issuance and allotment of the Warrants;

DIRECTORS' REPORT

ISSUE OF WARRANTS (CONTINUED)

The salient features of the Warrants are as follows: (continued)

(iii) The holders of the Warrants are not entitled to any voting rights in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders are issued with new ordinary shares arising from their exercise of the Warrants; and

(iv) The new ordinary shares of the Company to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing issued ordinary shares of the Company, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid in respect of which the entitlement date is prior to the date of allotment and issuance of the new shares to be issued pursuant to the exercise of the Warrants.

As at the date of this report, 294,452,000 Warrants remain unexercised.

OPTIONS GRANTED OVER UNISSUED SHARES

Other than warrants, no options were granted to any person to take up the unissued shares of the Company during the financial year.

DIRECTORS

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

Dato' Ir. Tan Gim Foo
Pang Tse Fui *
Ir. Chong Ngit Sooi *
Loke Kien Tuck *
Dato' Noraini binti Abdul Rahman
Wee Kee Hong

* *Directors of the Company and certain subsidiaries*

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tung Sin Thian
Ngoi Tong King
Aziz bin Hassan
Shaik Ameruddin bin A Shaik Nabi
Amir bin Surato (Appointed on 1 September 2023)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporation during the financial year were as follows:

Interest in the Company

	Number of ordinary shares			
	At 1 September 2022	Bought	Sold	At 31 August 2023
Direct interests:				
Dato' Ir. Tan Gim Foo	200,000	-	-	**200,000**
Pang Tse Fui	99,552,500	-	-	**99,552,500**
Ir. Chong Ngit Sooi	99,552,500	-	-	**99,552,500**
Loke Kien Tuck	99,552,500	-	-	**99,552,500**
Dato' Noraini binti Abdul Rahman	200,000	-	-	**200,000**
Wee Kee Hong	50,000	-	-	**50,000**
Indirect interests:				
Loke Kien Tuck *	13,000	-	-	**13,000**

* *Indirect interest by virtue of his child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.*

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transaction as disclosed in Note 32 to the financial statements.

DIRECTORS' REPORT

DIRECTORS' BENEFITS (CONTINUED)

The directors' benefits of the Group and of the Company are as follows:

	Group RM	Company RM
Directors of the Company		
- Fees	128,000	128,000
- Salaries and allowances	1,221,337	19,000
- Monetary value of benefits-in-kind	12,341	12,341
	1,361,678	159,341

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is 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.

INDEMNITY TO DIRECTORS AND OFFICERS

The directors and officers of the Company and its subsidiaries are covered by Directors and Officers Liability Insurance up to a limit of RM10 million for the period from 23 October 2022 to 22 October 2023. The insurance premium for the Directors and Officers Liability Insurance paid during the financial year amounted to RM18,500.

SUBSIDIARIES

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

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company during the financial year are RM183,340 and RM44,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

…………………………………………..
PANG TSE FUI
Director

…………………………………………..
LOKE KIEN TUCK
Director

Date: 22 December 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 August 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	**62,110,249**	62,457,528	**-**	-
Investment properties	6	**4,935,510**	6,366,864	**-**	-
Investment in subsidiaries	7	**-**	-	**121,890,024**	110,832,280
Investment in associates	8	**223,361**	1,613,686	**-**	1,067,570
Total non-current assets		**67,269,120**	70,438,078	**121,890,024**	111,899,850
Current assets					
Current tax assets		**2,900,581**	4,907,514	**-**	-
Trade and other receivables	9	**88,268,738**	79,927,380	**1,000**	1,000
Contract assets	10	**58,854,655**	67,891,354	**-**	-
Other current assets	11	**3,734,875**	6,773,539	**31,233**	48,311
Short term investments	12	**101,115**	1,894,493	**101,115**	1,894,493
Cash and short-term deposits	13	**17,323,533**	8,100,488	**136,582**	11,062
Total current assets		**171,183,497**	169,494,768	**269,930**	1,954,866
TOTAL ASSETS		**238,452,617**	239,932,846	**122,159,954**	113,854,716
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	14	**143,070,569**	133,130,905	**143,070,569**	133,130,905
Reorganisation deficit	15	**(76,341,996)**	(76,341,996)	**-**	-
Retained earnings/(Accumulated losses)		**17,603,495**	31,314,200	**(21,163,510)**	(20,497,764)
Other reserve	16	**191,766**	124,720	**-**	-
		84,523,834	88,227,829	**121,907,059**	112,633,141
Non-controlling interests		**7,371,563**	6,184,904	**-**	-
TOTAL EQUITY		**91,895,397**	94,412,733	**121,907,059**	112,633,141

STATEMENTS OF FINANCIAL POSITION

As at 31 August 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non-current liabilities					
Loans and borrowings	17	**11,089,315**	21,478,828	**-**	-
Employee benefits	18	**1,032,634**	802,848	**-**	-
Deferred tax liabilities	19	**1,991,536**	1,505,620	**-**	-
Total non-current liabilities		**14,113,485**	23,787,296	**-**	-
Current liabilities					
Loans and borrowings	17	**52,009,639**	54,467,897	**-**	-
Current tax liabilities		**404,949**	221,918	**-**	-
Trade and other payables	20	**79,912,664**	66,123,005	**252,895**	1,221,575
Contract liabilities	10	**116,483**	919,997	**-**	-
Total current liabilities		**132,443,735**	121,732,817	**252,895**	1,221,575
TOTAL LIABILITIES		**146,557,220**	145,520,113	**252,895**	1,221,575
TOTAL EQUITY AND LIABILITIES		**238,452,617**	239,932,846	**122,159,954**	113,854,716

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 August 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	21	**189,931,574**	169,303,412	**-**	-
Cost of sales	22	**(180,850,677)**	(180,150,287)	**-**	-
Gross profit/(loss)		**9,080,897**	(10,846,875)	**-**	-
Other income	23	**449,106**	6,030,065	**13,662**	-
Administrative expenses		**(11,147,040)**	(9,365,354)	**(690,883)**	(666,114)
Net loss on impairment of financial instrument and contract assets		**(1,148,079)**	(10,926,093)	**-**	-
Other expenses		**(3,752,092)**	(387,976)	**-**	(17,000,000)
Operating loss		**(6,517,208)**	(25,496,233)	**(677,221)**	(17,666,114)
Finance income	24	**214,603**	277,758	**11,475**	72,895
Finance costs	24	**(4,435,096)**	(4,029,283)	**-**	-
Share of results of associates, net of tax		**(122,152)**	(128,924)	**-**	-
Loss before tax	25	**(10,859,853)**	(29,376,682)	**(665,746)**	(17,593,219)
Income tax expense	27	**(1,569,126)**	(953,580)	**-**	-
Loss for the financial year		**(12,428,979)**	(30,330,262)	**(665,746)**	(17,593,219)
Other comprehensive income/(loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plan		**(40,406)**	(9,498)	**-**	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**139,330**	495,725	**-**	-
Other comprehensive income for the financial year	28	**98,924**	486,227	**-**	-
Total comprehensive loss for the financial year		**(12,330,055)**	(29,844,035)	**(665,746)**	(17,593,219)
Loss attributable to:					
Owners of the Company		**(13,688,482)**	(32,963,194)	**(665,746)**	(17,593,219)
Non-controlling interests		**1,259,503**	2,632,932	**-**	-
		(12,428,979)	(30,330,262)	**(665,746)**	(17,593,219)
Total comprehensive loss attributable to:					
Owners of the Company		**(13,643,659)**	(32,695,770)	**(665,746)**	(17,593,219)
Non-controlling interests		**1,313,604**	2,851,735	**-**	-
		(12,330,055)	(29,844,035)	**(665,746)**	(17,593,219)
Loss per share (sen)					
- Basic	29	**(2.27)**	(5.96)		
- Diluted	29	**(2.27)**	(5.96)		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 August 2023

	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital RM	Exchange reserve RM	Reorganisation deficit RM	Retained earnings RM	Sub-total RM	RM	RM
Group								
At 1 September 2022		133,130,905	124,720	(76,341,996)	31,314,200	88,227,829	6,184,904	94,412,733
Total comprehensive (loss)/ income for the financial year								
Loss for the financial year		-	-	-	(13,688,482)	(13,688,482)	1,259,503	(12,428,979)
Other comprehensive income/(loss) for the financial year		-	67,046	-	(22,223)	44,823	54,101	98,924
Total comprehensive (loss)/ income		-	67,046	-	(13,710,705)	(13,643,659)	1,313,604	(12,330,055)
Transactions with owners:								
Issuance of ordinary shares	14	9,740,134	-	-	-	9,740,134	-	9,740,134
Issuance of ordinary shares pursuant to exercise of warrants	14	199,530	-	-	-	199,530	-	199,530
Dividend paid to non-controlling shareholders		-	-	-	-	-	(396,900)	(396,900)
Non-controlling interests arising from acquisition of a new subsidiary	7	-	-	-	-	-	269,955	269,955
Total transactions with owners		9,939,664	-	-	-	9,939,664	(126,945)	9,812,719
At 31 August 2023		**143,070,569**	**191,766**	**(76,341,996)**	**17,603,495**	**84,523,834**	**7,371,563**	**91,895,397**

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 August 2023

	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Exchange reserve	Reorganisation deficit	Retained earnings	Sub-total		
		RM	RM	RM	RM	RM	RM	RM
Group								
At 1 September 2021		123,617,950	(147,928)	(76,341,996)	64,282,618	111,410,644	3,333,169	114,743,813
Total comprehensive (loss)/ income for the financial year								
Loss for the financial year		-	-	-	(32,963,194)	(32,963,194)	2,632,932	(30,330,262)
Other comprehensive income for the financial year		-	272,648	-	(5,224)	267,424	218,803	486,227
Total comprehensive (loss)/ income		-	272,648	-	(32,968,418)	(32,695,770)	2,851,735	(29,844,035)
Transactions with owners:								
Issuance of ordinary shares	14	9,509,580	-	-	-	9,509,580	-	9,509,580
Issuance of ordinary shares pursuant to exercise of warrants	14	3,375	-	-	-	3,375	-	3,375
Total transactions with owners		9,512,955	-	-	-	9,512,955	-	9,512,955
At 31 August 2022		**133,130,905**	**124,720**	**(76,341,996)**	**31,314,200**	**88,227,829**	**6,184,904**	**94,412,733**

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 August 2023

	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At 31 August 2021	14	123,617,950	(2,904,545)	120,713,405
Loss for the financial year, representing total comprehensive loss for the financial year		-	(17,593,219)	(17,593,219)
Transactions with owners:				
Issuance of ordinary shares	14	9,509,580	-	9,509,580
Issuance of ordinary shares pursuant to exercise of warrants	14	3,375	-	3,375
At 31 August 2022		133,130,905	(20,497,764)	112,633,141
Loss for the financial year, representing total comprehensive loss for the financial year		-	(665,746)	(665,746)
Transactions with owners:				
Issuance of ordinary shares	14	9,740,134	-	9,740,134
Issuance of ordinary shares pursuant to exercise of warrants	14	199,530	-	199,530
At 31 August 2023		**143,070,569**	**(21,163,510)**	**121,907,059**

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 August 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
Loss before tax		**(10,859,853)**	(29,376,682)	**(665,746)**	(17,593,219)
Adjustments for:					
Bad debts written off		**-**	7,175	**-**	-
Contract assets written off	10	**3,500,184**	380,801	**-**	-
Depreciation of investment properties	6	**98,020**	80,636	**-**	-
Depreciation of property, plant and equipment	5	**10,443,966**	19,067,488	**-**	-
Interest income of financial assets that are carried at fair value through profit or loss	24	**(5,902)**	(52,565)	**(5,902)**	(52,565)
Finance costs	24	**4,435,096**	4,029,283	**-**	-
Finance income	24	**(208,701)**	(225,193)	**(5,573)**	(20,330)
Gain on disposal of property, plant and equipment	23	**-**	(1,722,506)	**-**	-
Loss on written off of property, plant and equipment		**-**	143	**-**	-
Loss on disposal of investment properties	25	**433,334**	-	**-**	-
Insurance compensation		**-**	(1,070,345)	**-**	-
Impairment loss on:					
- goodwill	7	**251,908**	-	**-**	-
- investment in subsidiary	7	**-**	-	**-**	17,000,000
- contract assets	10	**1,145,518**	11,119,027	**-**	-
- trade receivables	9	**2,561**	178,084	**-**	-
Reversal of impairment loss on trade receivable	9	**-**	(371,018)	**-**	-
Recovery of contract assets		**-**	(2,781,000)	**-**	-
Provision for post employee benefits	18	**176,314**	169,920	**-**	-
Share of results of associates	8	**122,152**	128,924	**-**	-
Operating profit/(loss) before changes in working capital		**9,534,597**	(437,828)	**(677,221)**	(666,114)
<u>Changes in working capital</u>					
Trade and other receivables		**(3,971,079)**	(16,421,990)	**17,078**	(10,321)
Contract assets		**4,379,121**	(1,684,515)	**-**	-
Trade and other payables		**14,828,913**	13,460,360	**98,890**	106,240
Contract liabilities		**(794,002)**	919,997	**-**	-

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 August 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Net cash from/(used in) from operations		**23,977,550**	(4,163,976)	**(561,253)**	(570,195)
Income tax paid		**(606,711)**	(1,596,487)	**-**	-
Income tax refund		**1,473,400**	-	**-**	-
Interests received		**208,701**	225,193	**5,573**	20,330
Interests paid		**(351,625)**	(255,496)	**-**	-
Payment for post employee benefits	8	**-**	(74,426)	**-**	-
Net cash from/(used in) operating activities		**24,701,315**	(5,865,192)	**(555,680)**	(549,865)
Cash flows from investing activities					
Advances to subsidiaries		**-**	-	**(11,057,744)**	(11,187,533)
Net cash flows from acqusition of subsidiary	7	**8,908**	-	**-**	-
Interest income from money market funds		**5,902**	52,565	**5,902**	52,565
Purchase of property, plant and equipment	(a)	**(9,944,176)**	(16,815,668)	**-**	-
Proceeds from disposal of property, plant and equipment		**-**	1,858,388	**-**	-
Proceeds from insurance compensation		**-**	1,070,345	**-**	-
Changes in pledged deposits		**1,364,616**	1,133,804	**-**	-
Changes in restricted cash		**(1,252,815)**	91,261	**-**	-
Net cash used in investing activities		**(9,817,565)**	(12,609,305)	**(11,051,842)**	(11,134,968)
Cash flows from financing activities					
Dividends paid to non-controlling interests		**(396,900)**	-	**-**	-
Interest paid		**(4,083,471)**	(3,773,787)	**-**	-
Net proceeds from issuance of ordinary shares	14	**9,939,664**	9,512,955	**9,939,664**	9,512,955
Drawdown of term loans	(d)	**1,830,000**	302,000	**-**	-
Repayment of term loans	(d)	**(2,373,710)**	(242,657)	**-**	-
Drawdown of hire purchase payables	(d)	**904,098**	5,288,502	**-**	-
Payment of hire purchase payables	(d)	**(11,345,109)**	(9,871,332)	**-**	-
Drawdown of bankers' acceptances	(d)	**49,045,178**	43,045,186	**-**	-
Repayment of bankers' acceptances	(d)	**(48,817,370)**	(42,071,349)	**-**	-
Drawdown of invoice financing	(d)	**14,866,902**	18,425,623	**-**	-
Repayment of invoice financing	(d)	**(14,949,672)**	(17,359,908)	**-**	-
Drawdown of promissory notes	(d)	**30,992,600**	38,478,600	**-**	-
Repayment of promissory notes	(d)	**(31,789,400)**	(39,167,665)	**-**	-
Drawdown of revolving credit	(d)	**1,500,000**	7,500,000	**-**	-
Repayment of revolving credit	(d)	**(1,425,000)**	(800,000)	**-**	-
Net cash (used in)/from financing activities		**(6,102,190)**	9,266,168	**9,939,664**	9,512,955

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 August 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Net change in cash and cash equivalents		**8,781,560**	(9,208,329)	**(1,667,858)**	(2,171,878)
Cash and cash equivalents at the beginning of the financial year		**(3,564,044)**	5,596,198	**1,905,555**	4,077,433
Effect of exchange rate changes on cash and cash equivalents		**79,038**	48,087	**-**	-
Cash and cash equivalents at the end of the financial year	13	**5,296,554**	(3,564,044)	**237,697**	1,905,555

(a) Purchase of property, plant and equipment:

	Note	Group 2023 RM	Group 2022 RM
Purchase of property, plant and equipment	5	**9,977,018**	16,815,668
Financed by way of lease arrangements		**(32,842)**	-
Cash payments on purchase of property, plant and equipment		**9,944,176**	16,815,668

During the financial year, the Group had total cash outflows for leases of RM24,452,187 (2022: RM23,159,724).

(b) Purchase of investment property:

	Note	Group 2023 RM	Group 2022 RM
Purchase of investment property	6	**-**	1,351,800
Contra with trade debtors		**-**	(1,351,800)
Cash payments on investment property		**-**	-

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 August 2023

(c) Disposal of investment property:

	Note	Group 2023 RM	Group 2022 RM
Proceeeds from disposal of investment property	6	**900,000**	-
Contra with trade payables		**(900,000)**	-
Cash receipts on investment property		**-**	-

(d) Reconciliation of liabilities arising from financing activities:

	At 1.9.2022 RM	Cash flows RM	Non-cash items RM	At 31.8.2023 RM
Group				
Term loans	4,292,577	(543,710)	-	**3,748,867**
Hire purchase payables	32,347,642	(10,441,011)	-	**21,906,631**
Lease liabilities	-	-	32,842	**32,842**
Bankers' acceptances	13,807,199	227,808	-	**14,035,007**
Invoice financing	4,663,934	(82,770)	-	**4,581,164**
Promissory notes	7,795,000	(796,800)	-	**6,998,200**
Revolving credit	6,700,000	75,000	-	**6,775,000**

	At 1.9.2021 RM	Cash flows RM	At 31.8.2022 RM
Group			
Term loans	4,233,234	59,343	4,292,577
Hire purchase payables	36,930,472	(4,582,830)	32,347,642
Bankers' acceptances	12,833,362	973,837	13,807,199
Invoice financing	3,598,219	1,065,715	4,663,934
Promissory notes	8,484,065	(689,065)	7,795,000
Revolving credit	-	6,700,000	6,700,000

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Aneka Jaringan Holdings Berhad (the “Company”) is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur. The principal place of business of the Company is located at K-2-1, Pusat Perdagangan Bandar Bukit Jalil, Persiaran Jalil 2, 57000 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There has been no significant change in the nature of its principal activity during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 December 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#/ 1 January 2024
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023#
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#/ 1 January 2024
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(a) The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective: (continued)

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (continued)		
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

\# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (continued)

Amendments to MFRS 101 Presentation of Financial Statements (continued)

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(c) The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Change in estimate of computation for depreciation of plant and machinery

During the financial year, the Directors had reassessed the expected useful lives of their plant and machineries and concluded that a useful life of 10 years reflects more accurately the consumption or use of these assets. As such, with effect from 1 September 2022, depreciation of plant and machinery has been computed based on the straight-line basis over their useful lives of 10 years. The effect of the change in estimate of computation has been applied prospectively, commencing in the current financial year ended 31 August 2023. This change has resulted in a decrease in depreciation expense of RM4,427,476 for the current financial year. It is impracticable to estimate the effect of this change in estimate in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial period presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and joint venture used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

In connection with the Group's reorganisation scheme as a result of the initial public offering exercise, the Company acquired the entire share capital of Aneka Jaringan Sdn. Bhd. and Aneka Geotechnics Sdn. Bhd..

Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

- the assets and liabilities of the acquired entity are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries (continued)

For other acquisitions, goodwill is initially measured at cost, being the excess of the following: (continued)

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any 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 (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisitions-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combinations occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiaries from the consolidated statements of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiaries, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non- controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

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

Investment in associates are accounted for in the consolidated financial statements using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(c) Associates (continued)

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

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

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

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

(d) Transactions eliminated on consolidation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b) to the financial statements.

Contribution to subsidiaries are amounts for which the settlements is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (continued)

(a) Translation of foreign currency transactions (continued)

The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign 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 of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(i) Financial assets (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when its business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(i) Financial assets (continued)

Debt instruments (continued)

- **Fair value through other comprehensive income (“FVOCI”)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **Fair value through profit or loss (“FVPL”)**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(i) Financial assets (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(ii) Financial liabilities (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liablities are derecognised and through the amortisation process.

(b) 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 guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 *Financial Instruments* and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (continued)

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire; or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset; or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

(d) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.15 to the financial statements.

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

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (continued)

(c) Depreciation (continued)

	Useful lives
Freehold building	50 years
Excavators, cranes, plant and machinery	5 - 10 years
Tools, equipment and container	4 - 10 years
Motor vehicles	4 - 5 years
Computer and office equipment	4 - 5 years
Furniture and fittings	4 - 10 years
Renovation	10 years
Right-of-use asset	1 - 72 years

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

(d) Derecognition

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

3.6 Leases

(a) Definition of lease

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

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(b) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company use its incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership. All other leases that do not meet this criterion are classified as operating leases.

If an entity in the Group is a lessor in a finance lease, it deregconises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit and loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated amortisation or depreciation.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.15 to the financial statements.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than passage of time (for example, the Group's future performance).

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

3.9 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investment with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value. Cash and cash equivalents are presented net of restricted cash, pledged deposits and bank overdrafts.

3.10 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 *Financial Instruments* to measure the loss allowance at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 120 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for contract assets 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 Group and the Company make an estimate of the asset's recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash- generating units ("CGU").

The recoverable amount of an asset of a CGU is the higher of its fair value less costs of disposal and its value-in-use. 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds the recoverable amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit of groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.12 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non- monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund (“EPF”), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Defined benefit plans

The Group recognises post-employment benefits liability in Indonesia in accordance with PSAK 24 (Revised 2013), taking into account amendment of PSAK-24 in 2018 “Employee Benefits” and Job Creation Law No. 11/2020 and Government Regulation No. 35/2021 dated 2 February 2021.

Liability recognised in respect of post-employment benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Provisions

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.14 Revenue and other income

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the standalone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

Revenue from contract with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customers is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income (continued)

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

The Group involves in foundation and basement construction works including bored piling works, retaining wall construction and basement construction under long-term and short-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

(a) Construction contracts

Under the terms of contracts, control of the infrastructure is transferred over time as the Group creates or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

As stipulated in the contract, the Group's obligations to repair and made good of any defect in the construction works which have become apparent within a period of 12 to 30 months after the completion period are recognised as a provision, if any.

Billings are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction projects based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income (continued)

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentive granted are recognised as an integral part of the total rental income, over the term of the lease.

3.15 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

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

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

3.16 Income tax

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

(a) Current tax

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

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Income tax (continued)

(a) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Income tax (continued)

(b) Deferred tax (continued)

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

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Funding requirements

The Group and the Company apply judgement in determining the funding requirements and their ability to meet short term obligations. The Group and the Company consider the facts and circumstances and make assumptions about the future, including the cash flows to be generated from the operations of the Group and the Company and the available financing activities.

The details of funding requirements and ability to meet short term obligations are disclosed in Note 30(b)(ii) to the financial statements.

4.2 Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets are disclosed in Note 30(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.3 Construction revenue

The Group and the Company recognised construction revenue in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue, as well as the recoverability of the construction projects. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 10 to the financial statements.

4.4 Impairment in investment in a subsidiary

As at the reporting date, the Company determines whether there is any indication of impairment on its investment in a subsidiary. Where there is indication of impairment, the Company carries out the impairment test based on value-in-use of the cash generating unit.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiary, which involve uncertainties and are significantly affected by the assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's test for impairment of investment in a subsidiary.

The carrying amount of investment in a subsidiary are disclosed in Note 7 to the financial statements.

4.5 Depreciation and useful lives of property, plant and equipment

As disclosed in Note 3.5, the Company reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Company's property, plant and equipment are disclosed in Note 5 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Freehold building RM	Excavators, cranes, plant and machinery RM	Tools, equipment and containers RM	Motor vehicles RM	Computers and office equipment RM	Furniture and fittings RM	Renovation RM	Right-of-use assets RM	Total RM
Group										
Cost										
At 1 September 2022	3,420,215	5,003,004	144,647,911	30,015,691	2,020,372	1,016,209	850,529	10,200	2,441,973	189,426,104
Additions	-	159,025	1,775,387	7,732,153	132,547	115,021	3,320	-	59,565	9,977,018
Written off	-	-	-	-	-	(5,214)	-	-	-	(5,214)
Derecognition	-	-	-	-	-	-	-	-	(26,075)	(26,075)
Exchange difference	7,878	14,286	194,429	31,171	7,798	1,806	318	-	(49,992)	207,694
At 31 August 2023	3,428,093	5,176,315	146,617,727	37,779,015	2,160,717	1,127,822	854,167	10,200	2,425,471	199,579,527
Accumulated depreciation										
At 1 September 2022	-	486,183	105,759,119	17,239,756	1,893,060	694,573	366,910	2,253	526,722	126,968,576
Depreciation charge for the financial year	-	137,181	6,806,561	3,159,776	75,356	101,023	82,828	1,020	80,221	10,443,966
Written off	-	-	-	-	-	(5,214)	-	-	-	(5,214)
Derecognition	-	-	-	-	-	-	-	-	(26,075)	(26,075)
Exchange difference	-	1,503	117,989	12,781	5,352	1,026	232	-	(50,858)	88,025
At 31 August 2023	-	624,867	112,683,669	20,412,313	1,973,768	791,408	449,970	3,273	530,010	137,469,278
Carrying amount										
At 31 August 2023	3,428,093	4,551,448	33,934,058	17,366,702	186,949	336,414	404,197	6,927	1,895,461	62,110,249

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Freehold building RM	Excavators, cranes, plant and machinery RM	Tools, equipment and containers RM	Motor vehicles RM	Computers and office equipment RM	Furniture and fittings RM	Renovation RM	Capital work in progress RM	Right-of-use assets RM	Total RM
Group											
Cost											
At 1 September 2021	2,627,257	3,940,885	137,712,555	22,170,289	2,000,075	849,003	845,705	3,100	950,127	2,847,835	173,946,831
Additions	342,963	499,263	7,912,590	7,808,426	-	194,957	3,861	7,100	-	46,508	16,815,668
Disposal	-	-	(1,553,713)	-	-	(22,500)	-	-	-	-	(1,576,213)
Written off	-	-	(74,600)	-	-	(9,068)	-	-	-	-	(83,668)
Derecognition	-	-	-	-	-	-	-	-	-	(462,889)	(462,889)
Transfer from/(to)	422,837	527,290	-	-	-	-	-	-	(950,127)	-	-
Exchange difference	27,158	35,566	651,079	36,976	20,297	3,817	963	-	-	10,519	786,375
At 31 August 2022	3,420,215	5,003,004	144,647,911	30,015,691	2,020,372	1,016,209	850,529	10,200	-	2,441,973	189,426,104
Accumulated depreciation											
At 1 September 2021	-	394,088	91,053,763	14,582,264	1,761,269	634,389	283,096	878	-	875,867	109,585,614
Depreciation charge for the financial year	-	91,787	15,942,459	2,639,417	113,315	89,323	83,034	1,375	-	106,778	19,067,488
Disposal	-	-	(1,417,831)	-	-	(22,500)	-	-	-	-	(1,440,331)
Written off	-	-	(74,600)	-	-	(8,925)	-	-	-	-	(83,525)
Derecognition	-	-	-	-	-	-	-	-	-	(462,889)	(462,889)
Exchange difference	-	308	255,328	18,075	18,476	2,286	780	-	-	6,966	302,219
At 31 August 2022	-	486,183	105,759,119	17,239,756	1,893,060	694,573	366,910	2,253	-	526,722	126,968,576
Carrying amount											
At 31 August 2022	3,420,215	4,516,821	38,888,792	12,775,935	127,312	321,636	483,619	7,947	-	1,915,251	62,457,528

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets pledged as security

	Group	
	2023 RM	2022 RM
Freehold land	**2,627,257**	2,627,257
Leasehold land	**1,815,916**	1,842,803
Freehold building	**3,389,162**	3,467,977
	7,832,335	7,938,037

Freehold land, leasehold land and freehold building have been pledged as security to secure term loan of the Group as disclosed in Note 17(a) to the financial statements.

Included in property, plant and equipment of the Company are assets acquired under hire purchase instalment plan with carrying amount as follows:

	Group	
	2023 RM	2022 RM
Excavators cranes, plant and machinery	**23,232,626**	26,967,916
Tools, equipment and containers	**159,386**	328,665
Motor vehicles	**12,455**	29,063
	23,404,467	27,325,644

(b) The legal title for the freehold land and building amounting to RM1,942,459 (2022: RM1,792,353) have yet to be transferred to the Group.

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Right-of-use assets

The Group leases several assets including leasehold land, hostel and office.

Information about leases for which the Group is a lessee is presented below:

	Leasehold land RM	Hostel and office RM	Total RM
Group			
Carrying amount			
At 1 September 2021	1,862,823	109,145	1,971,968
Additions	7,420	39,088	46,508
Depreciation	(27,440)	(79,338)	(106,778)
Exchange difference	-	3,553	3,553
At 31 August 2022	1,842,803	72,448	1,915,251
Additions	657	58,908	59,565
Depreciation	(27,544)	(52,677)	(80,221)
Exchange difference	-	866	866
At 31 August 2023	1,815,916	79,545	1,895,461

The Group leases land for its warehouse. The leases for land has remaining lease term of 69 years (2022: 70 years).

The Group leases apartments, house and shoplot for the use as the hostel and office. The leases are mainly for an initial lease of one (1) to two (2) years with options to renew for another one (1) year.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT PROPERTIES

	Leasehold land * RM	Leasehold buildings RM	Apartment RM	Apartment under construction RM	Total RM
Group					
2023					
Cost					
At 1 September 2022	**1,687,532**	**2,531,297**	**2,295,416**	**528,720**	**7,042,965**
Disposal	**-**	**-**	**(1,351,800)**	**-**	**(1,351,800)**
At 31 August 2023	**1,687,532**	**2,531,297**	**943,616**	**528,720**	**5,691,165**
Accumulated depreciation					
At 1 September 2022	**163,313**	**455,630**	**57,158**	**-**	**676,101**
Depreciation charge for the financial year	**18,146**	**68,551**	**11,323**	**-**	**98,020**
Disposal	**-**	**-**	**(18,466)**	**-**	**(18,466)**
At 31 August 2023	**181,459**	**524,181**	**50,015**	**-**	**755,655**
Carrying amount					
At 31 August 2023	**1,506,073**	**2,007,116**	**893,601**	**528,720**	**4,935,510**
2022					
Cost					
At 1 September 2021	1,687,532	2,531,297	943,616	528,720	5,691,165
Additions	-	-	1,351,800	-	1,351,800
At 31 August 2022	1,687,532	2,531,297	2,295,416	528,720	7,042,965
Accumulated depreciation					
At 1 September 2021	145,167	405,004	45,294	-	595,465
Depreciation charge for the financial year	18,146	50,626	11,864	-	80,636
At 31 August 2022	163,313	455,630	57,158	-	676,101
Carrying amount					
At 31 August 2022	1,524,219	2,075,667	2,238,258	528,720	6,366,864

* *Classified as right-of-use asset.*

The Group's investment properties comprise a number of properties that are leased to third parties. Each lease contains an initial non-cancellable period of one (1) or two (2) years with option to renew for subsequent years. Subsequent renewals are negotiated with the lessee.

Investment properties of the Group with an aggregate carrying amount of RM4,406,790 (2022: RM4,486,885) have been pledged as security to secure banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT PROPERTIES (CONTINUED)

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2023 RM	2022 RM
Rental income	**162,500**	146,200
Direct operating expenses:		
- income generating investment properties	**44,429**	58,959
- non-income generating investment properties	**-**	4,265

Fair value information

The fair value of the investment properties of approximately RM7,090,600 (2022: RM6,820,200) is categorised at Level 3 of the fair value hierarchy.

Level 3 fair value

The fair values for certain investment properties of the Group were determined by external, independent valuers or based on information available through internal research and the directors' best estimation by reference to comparable properties in the same location or close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of the properties.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
At cost		
Unquoted shares	**80,138,925**	79,641,996
Loan that are part of net investments	**58,751,099**	48,190,284
	138,890,024	127,832,280
Less: Accumulated impairment loss	**(17,000,000)**	(17,000,000)
	121,890,024	110,832,280

Loans that are part of net investments represent amount owing by subsidiaries which is non- trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
Held by the Company				
Aneka Jaringan Sdn. Bhd.	Malaysia	**100**	100	Foundation and basement construction and other civil engineering works.
Aneka Geotechnics Sdn. Bhd.	Malaysia	**100**	100	Rental of construction machineries and equipment.
PT. Aneka Jaringan Energy* ("PTAJE")	Indonesia	**85**	-	Engineering, Procurement, Construction and Commissioning of solar photovoltaic systems and renewable energy ("RE") facilities, provision of RE and environmental consulting services, operations and maintenance services, and built-own-operate-transfer of RE facilities.
Held through Aneka Jaringan Sdn. Bhd.				
Aneka Jaringan & Persis Waja JV Sdn. Bhd. ("AJPW")	Malaysia	**55**	55	Foundation and basement construction and other civil engineering works.
PT. Aneka Jaringan Indonesia* ("PTAJI")	Indonesia	**55**	55	Foundation and basement construction and other civil engineering works.
Held through PT. Aneka Jaringan Indonesia				
PT. Aneka Jaringan Energy* ("PTAJE")	Indonesia	**5.5**	-	Engineering, Procurement, Construction and Commissioning of solar photovoltaic systems and RE facilities, provision of RE and environmental consulting services, operations and maintenance services, and built-own-operate-transfer of RE facilities.

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT*

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of additional equity interest in PT. Aneka Jaringan Energy (Formerly Known As PT. Sam Anergi Indonesia)

During the financial year, the Company acquired additional 50% of equity interest of PT. Aneka Jaringan Energy ("PTAJE") from PTAJE's major shareholder. As a result of the acquisition, the Company holds 85% of direct equity interest and 5.5% indirect interest through PTAJI in PTAJE and PTAJE has become a subsidiary of the Company.

Fair value of the identifiable assets acquired and liabilities recognised:

	RM
Property, plant and equipment	5,083
Other receivables	1,276,105
Cash and cash equivalents	8,908
Other payables	(3,876)
Total identifiable net assets acquired	1,286,220
Goodwill arising from acquisition	251,908
Non-controlling interest at share of net tangible assets	(269,955)
Fair value of consideration transferred	1,268,173

Effect of acquisition on cash flows:

	RM
Fair value of consideration transferred	1,268,173
Less: Cash and cash equivalents of a subsidiary acquired	(8,908)
Less: Transfer of investment in associates	(1,268,173)
Net cash inflows on acquisition	(8,908)

Goodwill

The goodwill arising from acquisition has been impaired in current financial year.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests in subsidiaries

The financial information of the Group's subsidiaries that have non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of Companies	Principal place of business/Country of incorporation	Ownership interest and voting interest	
		2023 %	2022 %
AJPW	Malaysia	**45**	45
PTAJI	Indonesia	**45**	45
PTAJE	Indonesia	**9.5**	-

Carrying amount of non-controlling interests:

Name of Companies	Group	
	2023 RM	2022 RM
AJPW	**(2,176)**	316,642
PTAJI	**7,127,009**	5,868,262
PTAJE	**246,730**	-
	7,371,563	6,184,904

Profit or loss allocated to non-controlling interests:

Name of Companies	Group	
	2023 RM	2022 RM
AJPW	**(318,818)**	1,707,936
PTAJI	**1,202,081**	924,996
PTAJE	**(20,660)**	-

Other comprehensive income allocated to non-controlling interests:

Name of Companies	Group	
	2023 RM	2022 RM
PTAJI	**56,666**	218,803
PTAJE	**(2,565)**	-

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Summarised financial information (before intra-group elimination) of the Group's subsidiaries that have non-controlling interests are as follows:

	AJPW RM	PTAJI RM	PTAJE RM
Summarised statement of financial position			
As at 31 August 2023			
Current assets	7,398	10,432,958	2,634,354
Non-current assets	-	12,928,881	45,724
Current liabilities	(12,233)	(6,620,600)	(72,903)
Non-current liabilities	-	(1,826,217)	-
Net (liabilities)/assets	(4,835)	14,915,022	2,607,175
Summarised statement of comprehensive income			
Financial year ended 31 August 2023			
Revenue	-	21,717,022	-
(Loss)/Profit for the financial year, net of tax	(708,485)	3,290,498	(207,442)
Total comprehensive (loss)/income	(708,485)	3,250,092	(207,442)
Summarised statement of cash flow information			
Financial year ended 31 August 2023			
Cash flows (used in)/from operating activities	(180,225)	6,711,892	(449,034)
Cash flows used in investing activities	-	(1,424,443)	(32,743)
Cash flows (used in)/from financing activities	-	(2,203,520)	540,143
Net change in cash and cash equivalents	(180,225)	3,083,929	58,366

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Summarised financial information (before intra-group elimination) of the Group's subsidiaries that have non-controlling interests are as follows: (continued)

	AJPW RM	PTAJI RM
Summarised statement of financial position		
As at 31 August 2022		
Current assets	808,218	8,851,841
Non-current assets	-	13,218,541
Current liabilities	(104,569)	(7,481,749)
Non-current liabilities	-	(2,208,032)
Net assets	703,649	12,380,601
Summarised statement of comprehensive income		
Financial year ended 31 August 2022		
Revenue	-	24,962,372
Profit for the financial year, net of tax	3,795,413	2,527,287
Total comprehensive income	3,795,413	1,732,859
Summarised cash flow information		
Financial year ended 31 August 2022		
Cash flows (used in)/from operating activities	(17,133)	2,478,510
Cash flows used in investing activities	-	(2,449,524)
Cash flows used in financing activities	-	(1,871,909)
Net change in cash and cash equivalents	(17,133)	(1,842,923)

(d) Impairment loss

During the previous financial year, an impairment loss of RM17,000,000 was provided in the profit or loss under other expense, representing the impairment of a subsidiary due to adverse business conditions affecting the subsidiary.

The recoverable amount of the investment in subsidiary as at 31 August 2022 was based on value-in-use calculations using cash flow projections approved by management. In determining the value-in-use, the cash flows were discounted at a rate of 9.23% on a pre-tax basis.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN ASSOCIATES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares, at cost				
At 1 September	**1,742,610**	370,020	**1,067,570**	-
Additions	**-**	1,372,590	**-**	1,067,570
Deemed disposal	**(1,372,590)**	-	**(1,067,570)**	-
At 31 August	**370,020**	1,742,610	**-**	1,067,570
Share of post-acquisition reserves	**(146,659)**	(128,924)	**-**	-
At 31 August	**223,361**	1,613,686	**-**	1,067,570

Details of the associates are as follow:

Name of Companies	Principal place of business/Country of incorporation	Effective equity interest and voting interest		Principal activities
		2023 %	2022 %	
Held by the Company				
PT. Aneka Jaringan Energy ("PTAJE") (FKA PT. Sam Anergi Indonesia)	Indonesia	**-**	35	EPCC of solar PV systems and RE facilities, provision of RE and environmental consulting services, O&M services, and built-own-operate-transfer of RE facilities.
Held through Aneka Jaringan Sdn. Bhd.				
Sunway Aneka Pertama Geotechnics (PH) Inc. ^*#	Philippines	**42**	42	Construction.
Held through PT. Aneka Jaringan Indonesia				
PT. Aneka Jaringan Energy ("PTAJE") (FKA PT. Sam Anergi Indonesia)	Indonesia	**-**	5.5	EPCC of solar PV systems and RE facilities, provision of RE and environmental consulting services, O&M services, and built-own-operate-transfer of RE facilities.

^ *Equity-accounted using unaudited management financial statements.*

* *The financial year end of this associate is not coterminous with the Company. As such for the purpose of applying equity method of accounting, the management financial statements of the associates for the financial year ended 31 August 2023 have been used.*

Associate is under strike off process, pending approval from the Philippines's Authority.

8. INVESTMENT IN ASSOCIATES (CONTINUED)

(a) Investment in associate company

PT. Aneka Jaringan Energy

During the financial year, the Company has acquired 50% of the equity interest from PTAJE's major shareholder. Hence, with this acquisition, PTAJE has become a subsidiary of the Company.

In previous financial year, the Company and its subsidiary PT. Aneka Jaringan Indonesia referred as ("Aneka Group") had invest in PTAJE by subscribing for 4,545 ordinary shares of PTAJE at an issue price of IDR1,000,000 per share, representing 45% of the issued share capital of PTAJE.

In previous financial year, these investment amounts in PTAJE were yet to be paid and hence is recorded in other payables.

(b) The Group's share of results of associates and the summarised financial information are as follows:

	Sunway Aneka Pertama Geotechnics (PH) Inc. RM
Group	
2023	
Assets and liabilities	
Current assets	**682,359**
Current liabilities	**(150,547)**
Net assets	**531,812**
Results:	
Loss for the financial year	**(42,225)**
Other comprehensive loss for the financial year	**-**
Reconciliation of net assets to carrying amount:	
Group's share of net assets	**223,361**
Carrying amount in statements of financial position	**223,361**
Group's share of results:	
Group's share of loss for the financial year	**(17,735)**
Group's share of other comprehensive income	**-**
Group's share of total comprehensive loss	**(17,735)**

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) The Group's share of results of the associates and the summarised financial information are as follows: (continued)

	Sunway Aneka Pertama Geotechnics (PH) Inc. RM	PT. Aneka Jaringan Energy RM
Group		
2022		
Assets and liabilities		
Current assets	675,248	3,050,200
Current liabilities	(101,211)	-
Net assets	574,037	3,050,200
Results:		
Loss for the financial year	(306,963)	-
Other comprehensive loss for the financial year	-	-
Reconciliation of net assets to carrying amount:		
Group's share of net assets	241,096	1,372,590
Carrying amount in statements of financial position	241,096	1,372,590
Group's share of results:		
Group's share of loss for the financial year	(128,924)	-
Group's share of other comprehensive income	-	-
Group's share of total comprehensive loss	(128,924)	-

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Trade receivables					
- Third parties		**53,566,590**	48,235,558	**-**	-
Retention sums		**30,533,632**	28,365,576	**-**	-
		84,100,222	76,601,134	**-**	-
Less: Impairment for trade receivables		**(384,879)**	(449,264)	**-**	-
Total trade receivables	(a)	**83,715,343**	76,151,870	**-**	-
Non-trade					
Other receivables		**3,683,065**	2,816,864	**-**	-
Deposits		**870,330**	958,646	**1,000**	1,000
Total other receivables		**4,553,395**	3,775,510	**1,000**	1,000
Total trade and other receivables		**88,268,738**	79,927,380	**1,000**	1,000

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranges from 30 days to 60 days (2022: 30 days to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

The retention sums which are receivable upon the expiry of defect liability period as provided in the contracts with customers expected to be collected are as follows:

	Group	
	2023 RM	2022 RM
Within one year	**16,243,425**	12,929,701
Later than one year	**14,290,207**	15,435,875
	30,533,632	28,365,576

NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Receivables that are impaired

The Group's trade and other receivables that are impaired at the reporting date and the reconciliation of the movement in the impairment of trade and other receivables are as follows:

		Group	
	Note	2023 RM	2022 RM
Trade receivables			
At 1 September		**449,264**	1,567,579
Charge for the financial year			
- Individually assessed	26	**2,561**	178,084
Reversal of impairment	26	**-**	(371,018)
Written off		**(68,493)**	(929,594)
Exchange difference		**1,547**	4,213
At 31 August		**384,879**	449,264

		Group	
	Note	2023 RM	2022 RM
Other receivables			
At 1 September		**-**	31,756
Written off		**-**	(31,756)
At 31 August		**-**	-

The information about the credit exposures are disclosed in Note 30(b)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

10. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM	2022 RM
Contract assets relating to construction service contracts	**58,854,655**	67,891,354
Contract liabilities relating to construction service contracts	**(116,483)**	(919,997)

(a) Significant changes in contract balances

	2023 RM	2022 RM
Group		
At 1 September	**66,971,357**	79,450,933
Revenue recognised during the year	**189,931,574**	169,303,412
Progress billings issued during the year	**(194,220,578)**	(170,303,874)
Contract assets written off	**(3,500,184)**	(380,801)
Impairment losses of contract assets	**(1,145,518)**	(11,119,027)
Change in transaction prices	**690,000**	-
Exchange differences	**11,521**	20,714
At 31 August	**58,738,172**	66,971,357

(b) Revenue recognised in relation to contract balances

	Group	
	2023 RM	2022 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	**919,997**	-

Revenue recognised that was included in the balances of contract liabilities at the beginning of the year represented primarily revenue from the construction services contracts when percentage of completion increases.

NOTES TO THE FINANCIAL STATEMENTS

10. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(c) Impairment

The movement in the impairment of contract assets is as follows:

		Group	
	Note	2023 RM	2022 RM
At 1 September		**13,316,004**	2,193,392
Charge for the financial year			
- Individually assessed	25	**1,145,518**	11,119,027
Exchange difference		**1,536**	3,585
At 31 August		**14,463,058**	13,316,004

11. OTHER CURRENT ASSETS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Prepayments	**3,734,875**	6,773,539	**31,233**	48,311

Included in the prepayments of the Group is an amount of RM3,029,686 (2022: RM5,874,410) being advances paid to the suppliers for the purchase of goods.

12. SHORT TERM INVESTMENTS

	Group and Company	
	2023 RM	2022 RM
Financial assets at fair value through profit or loss		
Money market funds	**101,115**	1,894,493

Investment in money market funds are placed with investment fund management company in Malaysia which are subject to an insignificant risk of changes in value, highly liquid and readily convertible to cash.

The money market funds of the Group are carried at fair value. The fair value hierarchy for money market funds are classified as Level 1.

There is no maturity period for money market funds as these money are callable within 1 working day.

13. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	**10,216,682**	881,836	**136,582**	11,062
Fixed deposits placed with licensed banks	**5,680,386**	7,045,002	**-**	-
Restricted cash	**1,426,465**	173,650	**-**	-
	17,323,533	8,100,488	**136,582**	11,062

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short term investments (Note 12)	**101,115**	1,894,493	**101,115**	1,894,493
Fixed deposits placed with licensed banks	**5,680,386**	7,045,002	**-**	-
Restricted cash	**1,426,465**	173,650	**-**	-
Less: Pledged deposits	**(5,680,386)**	(7,045,002)	**-**	-
Restricted cash	**(1,426,465)**	(173,650)	**-**	-
	101,115	1,894,493	**101,115**	1,894,493
Cash and bank balances	**10,216,682**	881,836	**136,582**	11,062
Bank overdrafts (Note 17)	**(5,021,243)**	(6,340,373)	**-**	-
	5,296,554	(3,564,044)	**237,697**	1,905,555

The deposits placed with licensed banks amounting to RM5,680,386 (2022: RM7,045,002) and restricted cash amounting to RM1,426,465 (2022: RM173,650) have been pledged to licensed banks to secure banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid up (no par value):				
At 1 September	**591,935,000**	538,100,000	**133,130,905**	123,617,950
Issuance of shares during the financial year through:				
- Exercise of Warrants	**1,478,000**	25,000	**199,530**	3,375
- Private Placement	**59,248,500**	53,810,000	**9,938,134**	9,685,800
Transaction costs of share issue	**-**	-	**(198,000)**	(176,220)
At 31 August	**652,661,500**	591,935,000	**143,070,569**	133,130,905

During the financial year, the Company:

(i) issued 46,300,000 and 12,948,500 new ordinary shares via private placement (“Placement Shares”) at an issue price of RM0.1633 and RM0.1836 respectively per Placement Share for working capital and repayment of borrowings for trade purposes; and
(ii) issued 1,478,000 ordinary shares arising from the exercise of 1,478,000 Warrants at the exercise price of RM0.135 per Warrant.

In previous financial year, the Company:

(i) issued 53,810,000 new ordinary shares via private placement (“Placement Shares”) at an issue price of RM0.18 per Placement Share for working capital and repayment of borrowings for trade purposes; and
(ii) issued 25,000 ordinary shares arising from the exercise of 25,000 Warrants at the exercise price of RM0.135 per Warrant.

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 meetings of the Company. All ordinary shares rank equally with regard to the Company’s residual assets.

Warrants

The Company had undertaken a bonus issue of 295,955,000 Warrants on the basis of 1 Warrant for every 2 existing ordinary shares held, which were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 24 June 2022. The Warrants are constituted by a Deed Poll dated 2 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

14. SHARE CAPITAL (CONTINUED)

Warrants (continued)

The movement of Warrants during the financial year ended 31 August 2023 are stated as below:

	Number of Warrants			
	At 1 September 2022	Entitled	Exercised	At 31 August 2023
Warrants	295,930,000	-	(1,478,000)	**294,452,000**

The salient features of the Warrants are as follows:

(i) Each Warrant entitles the registered holders to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.135 per Warrant during the exercise period, subject to adjustments in accordance with the provisions of the Deed Poll constituting the Warrants;

(ii) The exercise period is three (3) years commencing from and inclusive of the date of issuance and allotment of the Warrants;

(iii) The holders of the Warrants are not entitled to any voting rights in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders are issued with new ordinary shares arising from their exercise of the Warrants; and

(iv) The new ordinary shares of the Company to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the then existing issued ordinary shares of the Company, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid in respect of which the entitlement date is prior to the date of allotment and issuance of the new shares to be issued pursuant to the exercise of the Warrants.

As at the date of this report, 294,452,000 Warrants remain unexercised.

15. REORGANISATION DEFICIT

The reorganisation deficit was resulted from the difference between the carrying value of the investment in subsidiaries and the nominal value of the shares of the Company's subsidiaries upon consolidation under the reorganisation scheme.

NOTES TO THE FINANCIAL STATEMENTS

16. OTHER RESERVE

	Group	
	2023 RM	2022 RM
Exchange reserve	**191,766**	124,720

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of a foreign subsidiary whose functional currency is different from that of the Group's presentation currency.

17. LOANS AND BORROWINGS

		Group	
	Note	2023 RM	2022 RM
Non-current:			
Term loans	(a)	**439,444**	463,955
Hire purchase payables	(b)	**10,649,871**	21,014,873
		11,089,315	21,478,828
Current:			
Term loans	(a)	**3,309,423**	3,828,622
Hire purchase payables	(b)	**11,256,760**	11,332,769
Lease liabilities	(c)	**32,842**	-
Bank overdrafts	(d)	**5,021,243**	6,340,373
Bankers' acceptances	(e)	**14,035,007**	13,807,199
Invoice financing	(f)	**4,581,164**	4,663,934
Promissory notes	(g)	**6,998,200**	7,795,000
Revolving credit	(h)	**6,775,000**	6,700,000
		52,009,639	54,467,897
		63,098,954	75,946,725
Total loans and borrowings			
Term loans	(a)	**3,748,867**	4,292,577
Hire purchase payables	(b)	**21,906,631**	32,347,642
Lease liabilities	(c)	**32,842**	-
Bank overdrafts	(d)	**5,021,243**	6,340,373
Bankers' acceptances	(e)	**14,035,007**	13,807,199
Invoice financing	(f)	**4,581,164**	4,663,934
Promissory notes	(g)	**6,998,200**	7,795,000
Revolving credit	(h)	**6,775,000**	6,700,000
		63,098,954	75,946,725

NOTES TO THE FINANCIAL STATEMENTS

17. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans

Term loan 1 of the Group of RM466,026 (2022: RM490,561) bears interest at 4.34% (2022: 3.59%) per annum and is repayable by monthly instalments of RM3,570 to RM3,751 over 16 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over an investment property as disclosed in Note 6 to the financial statements; and
(ii) Joint and several guarantee by certain directors of the Group.

Term loan 2 of the Group of RM3,282,242 (2022: RM3,500,016) bears interest at 4.85% (2022: 4.10%) per annum and is repayable by monthly instalments of RM30,382 to RM31,647 over 13 years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the leasehold land of the Group as disclosed in Note 5 to the financial statements;
(ii) Loan agreement cum deed of assignment over certain investment properties as disclosed in Note 6 to the financial statements;
(iii) Joint and several guarantee by certain directors of the Group; and
(iv) Corporate guarantee by the Company.

In the previous financial year, term loan 3 of the Group of RM302,000 bears interest at 9.75% per annum and is repayable before 30 October 2022. For this disbursement, bank will block 50% of the Company's account in PT Bank UOB Indonesia (Restricted Cash in Bank) amounting to Rp500,000,000 or approximately RM151,000.

(b) Hire purchase payables

Certain excavators, crane, plant and machinery, tools, equipment and containers, and motor vehicles of the Group as disclosed in Note 5 to the financial statements are pledged for hire purchases. Such hire purchases do not have terms for renewal but would give the Group an option to purchase at nominal values at the end of the lease term. The average interest rate ranges from 4.52% to 5.87% (2022: 4.52% to 5.87%).

NOTES TO THE FINANCIAL STATEMENTS

17. LOANS AND BORROWINGS (CONTINUED)

(b) Hire purchase payables (continued)

Future minimum hire purchase payments under hire purchase together with the present value of net minimum hire purchase payments are as follows:

	Group	
	2023 RM	2022 RM
Minimum hire purchase payments:		
- Not later than 1 year	**12,878,361**	12,882,126
- Later than 1 year and not later than 5 years	**10,423,458**	22,278,279
	23,301,819	35,160,405
Less: Future finance charges	**(1,395,188)**	(2,812,763)
Present value of minimum hire purchase payments	**21,906,631**	32,347,642
Present value of minimum hire purchase payments payable:		
- Not later than 1 year	**11,256,760**	11,332,769
- Later than 1 year and not later than 5 years	**10,649,871**	21,014,873
	21,906,631	32,347,642
Less: Amount due within 12 months	**(11,256,760)**	(11,332,769)
Amount due after 12 months	**10,649,871**	21,014,873

NOTES TO THE FINANCIAL STATEMENTS

17. LOANS AND BORROWINGS (CONTINUED)

(c) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023 RM	2022 RM
Minimum lease payments:		
Not later than 1 year	33,978	-
	33,978	-
Less: Future finance charges	(1,136)	-
Present value of minimum lease payments	32,842	-
Present value of minimum lease payments payable:		
- Not later than one year	32,842	-
	32,842	-
Less: Amount due within 12 months	(32,842)	-
Amount due after 12 months	-	-

(d) Bank overdrafts

Bank overdrafts bear interests ranging from 7.35% to 7.85% (2022: 6.42% to 7.25%) per annum. The bank overdrafts are secured by way of:

(i) Legal charge over the leasehold land of the Group as disclosed in Note 5 to financial statements;
(ii) Legal charge over the freehold land and buildings of the Group as disclosed in Note 5 to financial statements;
(iii) Loan agreement cum deed of assignment over certain investment properties of the Group as disclosed in Note 6 to financial statements;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

17. LOANS AND BORROWINGS (CONTINUED)

(e) Bankers' acceptances

Bankers' acceptances bear interests ranging from 5.06% to 5.50% (2022: 4.26% to 4.37%) per annum. The bankers' acceptances are secured by way of:

(i) Legal charge over the leasehold land of the Group as disclosed in Note 5 to the financial statements;
(ii) Legal charge over the freehold land and building of the Group as disclosed in Note 5 to the financial statements;
(iii) Legal charge over the investment properties of the Group as disclosed in Note 6;
(iv) Pledge of short-term deposits;
(v) Joint and several guarantee by certain directors of the Group; and
(vi) Corporate guarantee by the Company.

(f) Invoice financing

Invoice financing bear interests ranging from 5.16% to 6.52% (2022: 5.67%) per annum. The invoice financing are secured by way of:

(i) Pledge of short-term deposits;
(ii) Legal charge over the investment properties of the Group as disclosed in Note 6 to the financial statements;
(iii) Joint and several guarantee by certain directors of the Group; and
(iv) Corporate guarantee by the Company.

(g) Promissory notes

Promissory notes bear interests ranging at 5.39 to 5.59% (2022: 4.67%) per annum. The promissory notes are secured by way of:

(i) Legal charge over the freehold land and building of the Group as disclosed in Note 5 to the financial statements; and
(ii) Corporate guarantee by the Company.

17. LOANS AND BORROWINGS (CONTINUED)

(h) Revolving credit

Revolving credit bear interests ranging at 4.85% to 6.26% (2022: 4.05% to 4.56%) per annum. The revolving credit are secured by way of:

(i) Pledge of short-term deposits;
(ii) Joint and several guarantee by certain directors of the Group;
(iii) Corporate guarantee by the Company;
(iv) Legal charge over the leasehold land of the Group as disclosed in Note 5 to the financial statements;
(v) Loan agreement cum deed of assignment over certain investment properties as disclosed in Note 6 to the financial statements; and
(vi) Assignment of rental proceeds from the Company.

18. EMPLOYEE BENEFITS

	Group	
	2023 RM	2022 RM
Liability:		
Post-employment benefit plan	**1,032,634**	802,848
Present value of defined benefits obligation	**1,032,634**	802,848
Profit or loss - included in operating profit for (Note 26):		
Post-employment benefit plan	**176,314**	169,920

Post-employment benefit plan

The amount of estimated liabilities for post-employment benefits is determined based on Job Creation Law No. 11 year 2020 in November 2020 and Government Regulation No. 35 Year 2021 dated February 2, 2021. No specific funding has been made to date for such estimated liabilities for post-employment benefits.

The latest actuarial valuation upon the estimated liabilities for post-employment benefits was conducted by KKA Steven & Mouritz, an independent actuary, dated 19 October 2023.

There were 49 and 42 employees eligible for such post-employment benefits in financial year ended 31 August 2023 and 31 August 2022 respectively.

NOTES TO THE FINANCIAL STATEMENTS

18. EMPLOYEE BENEFITS (CONTINUED)

Post-employment benefit plan (continued)

Movement in the defined benefit liability in the statements of financial position are as follows:

	Group	
	2023 RM	2022 RM
At 1 September	**802,848**	665,551
Benefit expenses	**176,314**	169,920
Actuarial gain charged to other comprehensive income	**40,406**	9,498
Benefits paid	**-**	(74,426)
Effects of changes in foreign exchange rates	**13,066**	32,305
At 31 August	**1,032,634**	802,848

Significant actuarial assumptions

The significant actuarial assumptions applied in the measurement of post-employment benefit plan is as follows:

	Group	
	2023 RM	2022 RM
Discount rate	**6.50%**	7.30%
Future salary growth	**5.00%**	5.00%

Assumption on future mortality is determined based on the published past statistics and actual experience in each jurisdiction. The measurements assume an average life expectancy of 25 years for an employee retiring at age of 55.

Sensitivity analysis

The sensitivity of defined benefit obligation to the significant actuarial assumptions at the end of reporting period are as shown below:

		Group	
		2023 RM	2022 RM
Discount rate	+ 1%	**973,104**	749,569
	- 1%	**1,097,659**	861,972
Future salary growth	+ 1%	**1,103,811**	867,781
	- 1%	**966,506**	743,602

NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED TAX ASSETS/(LIABILITIES)

Group	At 1 September 2022 RM	Recognised in profit or loss RM	At 31 August 2023 RM
Deferred tax liabilities:			
Property, plant and equipment	(1,505,620)	(551,914)	**(2,057,534)**
Deferred tax assets:			
Unabsorbed capital allowance	-	65,998	**65,998**
	(1,505,620)	(485,916)	**(1,991,536)**

Group	At 1 September 2021 RM	Recognised in profit or loss RM	At 31 August 2022 RM
Deferred tax liabilities:			
Property, plant and equipment	(1,575,168)	69,548	(1,505,620)
Deferred tax assets:			
Expected credit losses on receivables	55,471	(55,471)	-
	(1,519,697)	14,077	(1,505,620)

	Group	
	2023 RM	2022 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	**65,998**	-
Deferred tax liabilities	**(2,057,534)**	(1,505,620)
	(1,991,536)	(1,505,620)

NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

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

	Group	
	2023 RM	2022 RM
Temporary difference	**(8,462,764)**	(4,133,337)
Unused tax losses	**40,382,171**	31,127,580
Unabsorbed capital allowance	**13,903,664**	7,374,051
Others	**14,306,860**	13,229,835
	60,129,931	47,598,129
Potential deferred tax assets at 24% (2022: 24%)	**14,431,183**	11,423,551

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group	
	2023 RM	2022 RM
Year of assessment		
2031	**10,598,099**	10,598,099
2032	**20,529,481**	20,529,481
2033	**9,254,591**	-
	40,382,171	31,127,580

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE AND OTHER PAYABLES

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Current:					
Trade					
Trade payables					
- Third parties		**54,757,194**	47,736,146	**-**	-
- Amount owing to related parties		**3,509,613**	2,323,479	**-**	-
Retention sums					
- Third parties		**5,258,726**	4,419,215	**-**	-
- Amount owing to related parties		**173,113**	175,086	**-**	-
Trade accrual		**10,193,982**	7,635,786	**-**	-
	(a)	**73,892,628**	62,289,712	**-**	-
Non-trade					
Other payables		**3,027,181**	1,577,015	**124,178**	1,136,855
Accruals		**2,945,554**	2,210,527	**128,717**	84,720
Deposits		**47,301**	45,751	**-**	-
		6,020,036	3,833,293	**252,895**	1,221,575
Total trade and other payables		**79,912,664**	66,123,005	**252,895**	1,221,575

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 14 to 60 days (2022: 14 to 60 days).

The retention sums which are payable upon expiry of defect liability period as provided in the contracts with contractors are expected to be settled as follows:

	Group 2023 RM	Group 2022 RM
Within one year	**937,306**	3,310,227
Later than one year	**4,494,533**	1,284,074
	5,431,839	4,594,301

For explanation on the Group's liquidity risk management processes, refer to Note 30(b)(ii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

21. REVENUE

	Group	
	2023 RM	2022 RM
Revenue from contract customers:		
Construction contracts	**189,931,574**	169,303,412
Timing of revenue recognition:		
Over time	**189,931,574**	169,303,412

(a) Disaggregation of revenue

The Group report the segment: foundation and basement construction and rental of construction machinery and equipment in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into primary geographical markets.

	Group	
	Foundation and basement construction RM	Total RM
2023		
Malaysia	**168,214,551**	**168,214,551**
Indonesia	**21,717,023**	**21,717,023**
	189,931,574	**189,931,574**
Timing of revenue recognition:		
Over time	**189,931,574**	**189,931,574**
2022		
Malaysia	144,341,040	144,341,040
Indonesia	24,962,372	24,962,372
	169,303,412	169,303,412
Timing of revenue recognition:		
Over time	169,303,412	169,303,412

(b) Transaction price allocated to the remaining performance obligations

As of 31 August 2023, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM294.09 million (2022: RM113.13 million) and the Group is expected to recognise this revenue over the next 2 years.

NOTES TO THE FINANCIAL STATEMENTS

22. COST OF SALES

	Group	
	2023 RM	2022 RM
Contract cost	**174,126,022**	161,147,812
Machinery cost	**6,724,655**	19,002,475
	180,850,677	180,150,287

23. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Gain on foreign exchange				
- realised	**13,747**	26	**13,662**	-
Gain on disposal of property, plant and equipment	**-**	1,722,506	**-**	-
Government wages subsidy	**99,831**	222,140	**-**	-
Insurance compensation	**-**	1,070,345	**-**	-
Rental income	**162,500**	146,200	**-**	-
Recovery of contract assets	**-**	2,781,000	**-**	-
Miscellaneous income	**173,028**	87,848	**-**	-
	449,106	6,030,065	**13,662**	-

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCE INCOME AND COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Finance income:				
Interest income	**208,701**	225,193	**5,573**	20,330
Interest income of financial assets that are carried at fair value through profit or loss	**5,902**	52,565	**5,902**	52,565
	214,603	277,758	**11,475**	72,895
Finance cost:				
Interest expense on:				
- Term loans	**456,885**	477,640	**-**	-
- Hire purchase payales	**1,333,558**	1,649,735	**-**	-
- Lease liabilities	**1,127**	-	**-**	-
- Bank overdrafts	**351,625**	255,496	**-**	-
- Bankers' acceptances	**1,217,043**	871,761	**-**	-
- Invoice financing	**308,111**	233,196	**-**	-
- Promissory notes	**413,885**	351,511	**-**	-
- Revolving credit	**352,862**	189,944	**-**	-
	4,435,096	4,029,283	**-**	-

25. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at loss before tax:

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Auditors' remuneration					
- Statutory audit					
- Current year		**183,340**	178,630	**44,000**	40,000
- Prior year		**1,000**	23,200	**1,000**	7,000
- Non-statutory audit					
- Current year		**5,500**	5,000	**5,500**	5,000
- Prior year		**-**	5,000	**-**	5,000
Bad debts written off		**-**	7,175	**-**	-
Contract assets written off	10	**3,500,184**	380,801	**-**	-
Depreciation of investment properties	6	**98,020**	80,636	**-**	-
Depreciation of property, plant and equipment	5	**10,443,966**	19,067,488	**-**	-
Loss on written off of property, plant and equipment		**-**	143	**-**	-
Loss on disposal of investment property		**433,334**	-	**-**	-
Employee benefits expenses	26	**24,131,733**	21,289,808	**159,341**	156,000
Expenses relating to short term lease:					
- Cylinder		**53,624**	29,407	**-**	-
- Equipment		**12,414,127**	12,470,476	**-**	-
- Site house and store		**623,727**	766,013	**-**	-
- Office premises		**15,600**	21,200	**-**	-
Impairment loss on:					
- investment in subsidiary		**-**	-	**-**	17,000,000
- contract assets	10	**1,145,518**	11,119,027	**-**	-
- trade receivables	9	**2,561**	178,084	**-**	-
- goodwill	7	**251,908**	-	**-**	-
Loss on foreign exchange:					
- realised		**8,264**	2,524	**-**	-
Reversal of impairment loss on trade receivables	9	**-**	(371,018)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

26. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' fee	**128,000**	128,000	**128,000**	128,000
Salaries, allowances and bonuses	**22,107,734**	19,069,161	**19,000**	28,000
Defined contribution plans	**1,548,359**	1,496,190	**-**	-
Defined benefit plans	**224,606**	280,882	**-**	-
Other staff related expenses	**110,693**	315,575	**-**	-
Monetary value of benefits-in-kind	**12,341**	-	**12,341**	-
	24,131,733	21,289,808	**159,341**	156,000

The following table shows the directors' remuneration, directors' defined contribution plans, directors' defined benefit plans and directors' other staff related expenses:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Included in employee benefits expenses are:				
Directors' fee	**128,000**	128,000	**128,000**	128,000
Directors' salaries, allowances and bonuses	**1,027,000**	1,544,611	**19,000**	28,000
Directors' defined contribution plans	**191,277**	322,065	**-**	-
Directors' defined benefit plans	**3,060**	2,676	**-**	-
Directors' monetary value of benefits-in-kind	**12,341**	-	**12,341**	-
	1,361,678	1,997,352	**159,341**	156,000

NOTES TO THE FINANCIAL STATEMENTS

27. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 August 2023 and 31 August 2022 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	**575,501**	1,031,128	**-**	-
- Adjustment in respect of prior year	**507,709**	(63,471)	**-**	-
	1,083,210	967,657	**-**	-
Deferred tax:				
- Origination of temporary differences	**1,124,175**	(137,081)	**-**	-
- Adjustment in respect of prior year	**(638,259)**	123,004	**-**	-
	485,916	(14,077)	**-**	-
Income tax expense recognised in profit or loss	**1,569,126**	953,580	**-**	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

PTAJI is entitled to 2.65% (2022: 2.65%) of the final tax rate on its revenue for the financial year (2022: effective from 21 February 2022).

All revenue from PTAJI are subjected to final tax, therefore, no deferred tax asset or liability is recognised on the difference between the financial statement carrying amounts of assets and liabilities and their respective tax bases.

NOTES TO THE FINANCIAL STATEMENTS

27. INCOME TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	**(10,859,853)**	(29,376,682)	**(665,746)**	(17,593,219)
Taxation at Malaysian statutory income tax rate of 24% (2022: 24%)	**(2,606,365)**	(7,050,404)	**(159,779)**	(4,222,373)
Tax effects arising from:				
- Non-deductible expenses	**1,697,115**	695,603	**165,812**	4,239,867
- Non-taxable income	**(46,367)**	(17,617)	**(6,033)**	(17,494)
Effect of different tax rate in foreign jurisdictions	**(352,339)**	178,381	**-**	-
Deferred tax assets not recognised on tax losses and temporary differences	**3,007,632**	7,088,084	**-**	-
Adjustments in respect of prior years:				
- income tax	**507,709**	(63,471)	**-**	-
- deferred tax	**(638,259)**	123,004	**-**	-
Income tax expense	**1,569,126**	953,580	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

28. OTHER COMPREHENSIVE INCOME/(LOSS)

	Exchange reserve RM	Non-controlling interests RM	Total RM
Group			
2023			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	**(22,223)**	**(18,183)**	**(40,406)**
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	**67,046**	**72,284**	**139,330**
	44,823	**54,101**	**98,924**
2022			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	(5,224)	(4,274)	(9,498)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	272,648	223,077	495,725
	267,424	218,803	486,227

NOTES TO THE FINANCIAL STATEMENTS

29. LOSS PER SHARE

(i) Basic loss per ordinary share

Basic loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2023 RM	2022 RM
Loss attributable to owners of the Company	**(13,688,482)**	(32,963,194)
Weighted average number of ordinary shares for basic loss per share	**602,675,558**	552,844,521
Basic loss per ordinary share (sen)	**(2.27)**	(5.96)

(ii) Diluted loss per ordinary share

Diluted loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2023 RM	2022 RM
Loss attributable to owners of the Company	**(13,688,482)**	(32,963,194)
Weighted average number of ordinary shares for basic loss per share	**602,675,558**	552,844,521
Effect of dilution from:		
- Warrants	**N/A ^**	N/A ^
Weighted average number of ordinary shares for diluted loss per share	**602,675,558**	552,844,521
Diluted loss per ordinary share (sen)	**(2.27)**	(5.96)

^ Diluted loss per ordinary share is equivalent to basic loss per ordinary share as the warrants had an anti-dilutive effect of the basic loss per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost ("AC")
(ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM	AC RM	FVPL RM
Group			
2023			
Financial assets			
Trade and other receivables	**88,268,738**	**88,268,738**	**-**
Short term investments	**101,115**	**-**	**101,115**
Cash and short-term deposits	**17,323,533**	**17,323,533**	**-**
	105,693,386	**105,592,271**	**101,115**
Financial liabilities			
Loans and borrowings	**(63,066,112)**	**(63,066,112)**	**-**
Trade and other payables	**(79,912,664)**	**(79,912,664)**	**-**
	(142,978,776)	**(142,978,776)**	**-**
2022			
Financial assets			
Trade and other receivables	79,927,380	79,927,380	-
Short term investments	1,894,493	-	1,894,493
Cash and short-term deposits	8,100,488	8,100,488	-
	89,922,361	88,027,868	1,894,493
Financial liabilities			
Loans and borrowings	(75,946,725)	(75,946,725)	-
Trade and other payables	(66,123,005)	(66,123,005)	-
	(142,069,730)	(142,069,730)	-

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

(i) Amortised cost ("AC")
(ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM	AC RM	FVPL RM
Company			
2023			
Financial assets			
Trade and other receivables	**1,000**	**1,000**	**-**
Short term investments	**101,115**	**-**	**101,115**
Cash and short-term deposits	**136,582**	**136,582**	**-**
	238,697	**137,582**	**101,115**
Financial liability			
Trade and other payables	**(252,895)**	**(252,895)**	**-**
2022			
Financial assets			
Trade and other receivables	1,000	1,000	-
Short term investments	1,894,493	-	1,894,493
Cash and short-term deposits	11,062	11,062	-
	1,906,555	12,062	1,894,493
Financial liability			
Trade and other payables	(1,221,575)	(1,221,575)	-

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk arises primarily from trade receivables and contract assets. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals and monitoring procedures.

Trade receivables and contract assets

As at the end of the reporting period, the Group's maximum exposure to credit risk arising from trade receivables and contract assets are represented by their carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Company does not have trade receivables as at reporting date.

<u>Credit risk concentration profile</u>

At the end of the reporting period, the Group has a significant concentration of credit risk in the form of six (6) (2022: 5) trade receivables, representing approximately 82% (2022: 32%) of the Group's total trade receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all the trade receivables and contract assets. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Gross carrying amount RM	Impairment losses RM	Net balance RM
Group			
2023			
Contract assets			
Current (not past due)	73,317,713	14,463,058	58,854,655
Retention sum			
Current (not past due)	30,533,632	-	30,533,632
Current trade receivables			
Current (not past due)	17,575,353	-	17,575,353
1 - 30 days past due	7,966,192	-	7,966,192
31 - 60 days past due	4,255,478	-	4,255,478
61 - 90 days past due	644,484	-	644,484
91 - 120 days past due	1,506,544	-	1,506,544
> 120 days past due	21,618,539	384,879	21,233,660
	157,417,935	14,847,937	142,569,998

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

	Gross carrying amount RM	Impairment losses RM	Net balance RM
Group			
2022			
Contract assets			
Current (not past due)	81,207,358	13,316,004	67,891,354
Retention sum			
Current (not past due)	28,365,576	-	28,365,576
Current trade receivables			
Current (not past due)	23,560,963	-	23,560,963
1 - 30 days past due	4,500,458	-	4,500,458
31 - 60 days past due	4,710,130	-	4,710,130
91 - 120 days past due	500,000	-	500,000
> 120 days past due	14,964,007	449,264	14,514,743
	157,808,492	13,765,268	144,043,224

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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

As at the end of the report date, the Group considers these other receivables and other financial assets to be of low credit risk. As such, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than as disclosed in Note 9 to the financial statements. Refer to Note 3.10 (a) for the Group's other accounting policies for impairment of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Financial guarantee contracts

The Group and the Company are exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries and borrowings granted to a third party. The amount relating to the corporate guarantee provided by the Group is as follows:

	Group	
	2023 RM	2022 RM
Maximum exposure on corporate guarantees given to:		
- Bank for banking facilities granted to subsidiaries	**45,482,847**	48,118,293

The maximum exposure to credit risks amounts to RM45,482,847 (2022: RM48,118,293) representing the maximum amount the Group could pay if the guarantees are called. Generally, the Company considers the financial guarantees have low credit risk. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since their fair value on initial recognition was not material.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

The Group and the Company incurred continuous net losses of RM12,428,979 and RM665,746 respectively. Meanwhile, the Group's short-term loans and borrowings were RM52,009,639 as at 31 August 2023.The Group has prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial year. Significant assumption and judgements are used in the preparation of the cash flow forecast.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Group					
2023					
Trade and other payables	**79,912,664**	**79,912,664**	**-**	**-**	**79,912,664**
Term loans	**3,748,867**	**424,776**	**1,699,105**	**2,759,582**	**4,883,463**
Hire purchase payables	**21,906,631**	**12,878,361**	**10,423,458**	**-**	**23,301,819**
Bank overdrafts	**5,021,243**	**5,021,243**	**-**	**-**	**5,021,243**
Bankers' acceptances	**14,035,007**	**14,035,007**	**-**	**-**	**14,035,007**
Invoice financing	**4,581,164**	**4,581,164**	**-**	**-**	**4,581,164**
Promissory notes	**6,998,200**	**6,998,200**	**-**	**-**	**6,998,200**
Revolving credit	**6,775,000**	**6,775,000**	**-**	**-**	**6,775,000**
	142,978,776	**130,626,415**	**12,122,563**	**2,759,582**	**145,508,560**
2022					
Trade and other payables	66,123,005	66,123,005	-	-	66,123,005
Term loans	4,292,577	704,276	1,609,104	3,181,898	5,495,278
Hire purchase payables	32,347,642	12,882,126	22,278,279	-	35,160,405
Bank overdrafts	6,340,373	6,340,373	-	-	6,340,373
Bankers' acceptances	13,807,199	13,807,199	-	-	13,807,199
Invoice financing	4,663,934	4,663,934	-	-	4,663,934
Promissory notes	7,795,000	7,795,000	-	-	7,795,000
Revolving credit	6,700,000	6,700,000	-	-	6,700,000
	142,069,730	119,015,913	23,887,383	3,181,898	146,085,194

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

		Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Company					
2023					
Financial guarantees	**-**	**45,482,847**	**-**	**-**	**45,482,847**
Trade and other payables	**252,895**	**252,895**	**-**	**-**	**252,895**
	252,895	**45,735,742**	**-**	**-**	**45,735,742**
2022					
Financial guarantees	-	48,118,293	-	-	48,118,293
Trade and other payables	1,221,575	1,221,575	-	-	1,221,575
	1,221,575	49,339,868	-	-	49,339,868

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and loss for the financial year:

	Carrying amount RM	Change in basis points	Effect on loss for the financial year RM
Group			
2023			
- Term loans	**3,748,867**	**+ 50**	**(14,246)**
		- 50	**14,246**
2022			
- Term loans	4,292,577	+ 50	(16,312)
		- 50	16,312

(c) Fair value measurement

The carrying amounts of cash and bank balances, receivables and payables and borrowings are reasonably approximate to their fair value due to relatively short-term nature of these financial instruments.

As at 31 August 2023, the fair value of other investment as disclosed in Note 12 to the financial statements is measured under level 1, of which is determined directly by reference to redemption price provided by investment management company.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year (2022: no transfer in either directions).

The carrying amount of these financial liability are reasonable approximations of fair values due to floating rate instruments that are re-priced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2023 RM	2022 RM
Property, plant and equipment		
- Approved and contracted for	**156,000**	422,000
- Approved and not contracted for	**9,788,000**	11,704,000
Investment property		
- Approved and contracted for	**1,619,000**	1,619,000
- Approved and not contracted for	**1,600,000**	1,600,000

32. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Joint ventures,
(iii) Entities in which certain directors have substantial financial interests;
(iv) Entities in which a shareholder has substantial financial interests;
(v) Entity owned by persons connected to a director; and
(vi) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

32. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	2023 RM	2022 RM
Purchase of materials		
Transactions with entities in which directors have substantial financial interest		
- Fuchi Engineering (M) Sdn. Bhd.	**1,360,552**	187,479
- Panoramont Development Sdn. Bhd.	**437,954**	202,508
Transactions with entities in which shareholder has substantial financial interest		
- Hup Leong Trading Co.	**1,186,333**	1,013,799
Purchase of property, plant and equipment		
Transactions with entities in which shareholder has substantial financial interest		
- Hup Leong Trading Co.	**-**	95,725
Transactions with entities in which directors have substantial financial interest		
- Fuchi Engineering (M) Sdn. Bhd.	**430,000**	-
Rental expenses		
Transactions with entities in which directors have substantial financial interest		
- Panoramont Development Sdn. Bhd.	**327,012**	299,761

NOTES TO THE FINANCIAL STATEMENTS

32. RELATED PARTIES (CONTINUED)

(c) Compensation of key management personnel

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Short-term employee benefits				
- Directors' fee	**128,000**	128,000	**128,000**	128,000
- Salaries, allowances and bonuses	**2,503,290**	2,260,127	**19,000**	28,000
- Defined contribution plans	**308,178**	408,033	**-**	-
- Defined benefits plans	**6,537**	5,446	**-**	-
- Monetary value of benefits-in-kind	**12,341**	-	**12,341**	-
	2,958,346	2,801,606	**159,341**	156,000

33. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 August 2023 and 31 August 2022.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity of the Group and the Company. The gearing ratio as at 31 August 2023 and financial year ended 31 August 2022 are as follows:

		Group	
	Note	**2023 RM**	**2022 RM**
Trade and other payables	20	**79,912,664**	66,123,005
Loans and borrowings	17	**63,098,954**	75,946,725
Total debts		**143,011,618**	142,069,730
Total equity		**91,895,397**	94,412,733
Gearing ratio (times)		**1.56**	1.50

NOTES TO THE FINANCIAL STATEMENTS

33. CAPITAL MANAGEMENT (CONTINUED)

The Company and certain of its subsidiaries are required to comply with externally-imposed capital requirements for debt-to-equity ratio and to maintain certain level of shareholders' equity in respect of their bank borrowings.

Gearing ratio are not governed by the MFRSs and their definitions and calculation may vary between reporting entities.

34. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follow:

Segments	Product and services
Malaysia	- Foundation and basement construction; and - Rental of construction machinery and equipment.
Indonesia	- Foundation and basement construction

Inter-segment pricing is determined on negotiated basis.

NOTES TO THE FINANCIAL STATEMENTS

34. SEGMENT INFORMATION (CONTINUED)

	Note	Malaysia RM	Indonesia RM	Adjustment and elimination RM	Total RM
2023					
Revenue:					
Revenue from external customer		168,214,551	21,717,023	-	189,931,574
Inter-segment revenue	A	11,740,560	-	(11,740,560)	-
		179,955,111	21,717,023	(11,740,560)	189,931,574
Results:					
Included in the measure of segment (loss)/ profit are:					
Interest income		190,960	17,741	-	208,701
Interest income of financial assets that are carried at fair value through profit or loss		5,902	-	-	5,902
Interest expenses		(3,715,948)	(719,148)	-	(4,435,096)
Depreciation of investment properties		(98,020)	-	-	(98,020)
Depreciation of property, plant and equipment		(7,967,578)	(2,713,557)	237,169	(10,443,966)
Employee benefits expense		(19,805,909)	(4,325,824)	-	(24,119,392)
Expenses relating to short term lease		(23,971,614)	(876,024)	11,740,560	(13,107,078)
Impairment loss on:					
- contract assets		(1,145,518)	-	-	(1,145,518)
- trade receivables		-	(2,561)	-	(2,561)
- goodwill		(251,908)	-	-	(251,908)
Contract assets written off		(3,500,184)	-	-	(3,500,184)
Loss on disposal of investment property		(433,334)	-	-	(433,334)
Segment (loss)/profit		(14,903,257)	3,083,056	(608,778)	(12,428,979)
Assets:					
Non-current assets		180,012,615	12,974,606	(125,718,101)	67,269,120
Segment assets		373,822,323	26,041,918	(161,411,624)	238,452,617
Liabilities:					
Segment liabilities		173,593,415	8,519,719	(35,555,914)	146,557,220

NOTES TO THE FINANCIAL STATEMENTS

34. SEGMENT INFORMATION (CONTINUED)

	Note	Malaysia RM	Indonesia RM	Adjustment and elimination RM	Total RM
2022					
Revenue:					
Revenue from external customer		144,341,040	24,962,372	-	169,303,412
Inter-segment revenue	A	17,660,328	-	(17,660,328)	-
		162,001,368	24,962,372	(17,660,328)	169,303,412
Results:					
Included in the measure of segment profit are:					
Interest income		196,936	28,257	-	225,193
Interest income of financial assets that are carried at fair value through profit or loss		52,565	-	-	52,565
Interest expenses		(3,428,876)	(600,407)	-	(4,029,283)
Depreciation of investment properties		(80,636)	-	-	(80,636)
Depreciation of property, plant and equipment		(17,132,752)	(2,170,982)	236,246	(19,067,488)
Employee benefits expense		(18,300,711)	(2,989,097)	-	(21,289,808)
Expenses relating to short term lease		(29,831,508)	(1,115,916)	17,660,328	(13,287,096)
Impairment loss on:					
- contract assets		(10,967,950)	(151,077)	-	(11,119,027)
- trade receivables		(68,493)	(109,591)	-	(178,084)
- other receivables		(380,801)	-	-	(380,801)
Contract assets written off		(7,175)	-	-	(7,175)
Reversal of impairment loss on trade receivable		371,018	-	-	371,018
Recovery of contract asset		2,781,000	-	-	2,781,000
Gain on disposal of property, plant and equipment		1,504,135	218,371	-	1,722,506
Segment (loss)/profit		(32,385,808)	2,055,546	-	(30,330,262)
Assets:					
Non-current assets		169,665,238	13,218,541	(112,445,701)	70,438,078
Segment assets		364,545,925	22,070,382	(146,683,461)	239,932,846
Liabilities:					
Segment liabilities		218,104,525	9,689,781	(82,274,193)	145,520,113

A. Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

34. SEGMENT INFORMATION (CONTINUED)

Information about major customers

The major customers with revenue equal to or more than 10% of the Group revenue are as follow:

	Segment	Group 2023 RM
Customer A	Malaysia	**27,588,211**
Customer B	Malaysia	**39,703,211**
		67,291,422

	Segment	Group 2022 RM
Customer A	Malaysia	24,817,456
Customer C	Malaysia	33,127,157
Customer D	Malaysia	16,537,381
		74,481,994

STATEMENT BY DIRECTORS

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

We, **PANG TSE FUI** and **LOKE KIEN TUCK**, being two of the directors of ANEKA JARINGAN HOLDINGS BERHAD, 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 requirement of 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 August 2023 and of their financial performance and cash flows for the financial year then ended.

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

……………………………...

PANG TSE FUI

Director

………………………………

LOKE KIEN TUCK

Director

Kuala Lumpur

Date: 22 December 2023

STATUTORY DECLARATION

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

I, **STEVEN KOH,** being the officer primarily responsible for the financial management of ANEKA JARINGAN HOLDINGS 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.

…………………………………………..

STEVEN KOH

(MIA Membership No: 10420)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 22 December 2023.

Before me,

…………………………………………..

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aneka Jaringan Holdings Berhad, which comprise the statements of financial position as at 31 August 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 68 to 170.

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 August 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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (Incorporated in Malaysia)

Key Audit Matters (continued)

Group

Revenue recognition for construction activities (Note 4.3 and Note 21 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction cost incurred for works performed to date bear to the estimated total costs for each project (input method).

We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as recoverability of the construction contracts projects.

Our audit response:

Our audit procedures included, among others,

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing Group's major assumptions to contractual terms and discussing with project manager on the changes in the assumptions from previous financial year; and
- checking the mathematical computation of recognised revenue for the projects during the year.

Trade receivables and contract assets (Note 4.2, Note 9 and Note 10 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 August 2023. We focused on this area because the Group made significant judgements and the level of uncertainty involved on assessing customer's specific conditions, credit history as well as forward looking information. In making these assumptions, the Group has assessed the allowances for impairment loss of trade receivables and contract assets on an individual basis.

Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- developing an understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances; and
- assessing the reasonableness of impairment loss provided as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (Incorporated in Malaysia)

Key Audit Matters (continued)

Group (continued)

Funding requirements and ability to meet short term obligations (Note 4.1 to the financial statements)

At 31 August 2023, the Group and the Company incurred continuous net losses of RM12,428,979 and RM665,746 respectively. Meanwhile, the Group's short-term loans and borrowings were RM52,009,639 as at 31 August 2023.

The Group has prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial year. Significant assumptions and judgements are used in the preparation of the cash flow forecast.

We focused on this area because significant assumptions and judgements by directors are used in the preparation of the cash flow forecast.

Our audit response:

Our audit procedures included, among others:

- reading and discussing the cash flow forecast prepared by the Group;
- reviewing the Group's assumptions in the cash flow forecast in relation to key inputs;
- performing stress tests for a range of reasonably possible scenarios; and
- testing the mathematical accuracy of the cash flow forecast calculation.

Company

Investment in a subsidiary (Note 4.4 and Note 7 to the financial statements)

The Company has significant balance of investment in a subsidiary, namely Aneka Jaringan Sdn. Bhd.. The Company has assessed whether there is any indication that the cost of investment in the subsidiary is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use ("VIU").

We focused on this area because the Company's assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in the subsidiary was determined based on VIU. Cash flow projections used in the VIU calculation is based on forecasts approved by management and applied in the recoverable amount calculation. The assumption supporting the underlying cash flow projections which include future revenue, gross profit margins, discount rate and operation expenses.

Our audit response:

Our audit procedures focused on evaluating the cash flow projections and the Company's forecasting procedures which included, among others:

- comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;
- comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections; and
- testing the mathematical accuracy of the cash flow forecast calculation.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (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 the 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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANEKA JARINGAN HOLDINGS BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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, related safeguards.

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 of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Jou Yin
No. 03460/11/2025 J
Chartered Accountant

Kuala Lumpur
Date: 22 December 2023

LIST OF PROPERTIES HELD BY THE GROUP

	Location/Description	Tenure/ Usage	Approximate Land Area/ Built Up (sq ft)	Approximate Age/(Years)	Date of Acquisition	Net Book Value as at 31 August 2023 (RM)
1	PT 1319, Kawasan Perusahaan Sungai Bakau, Mukim Rawang, 48000 Rawang, Selangor Title Details PM 2686, Lot 1290, Bandar Kundang, Tempat Sungai Bakau, Daerah Gombak, Negeri Selangor Industrial Land	99 years' leasehold expiring on 14 December 2091/Storage, repair and maintenance area for construction machinery equipment	109,060/-	15	15 February, 2008	1,815,918
2	Parcel No. K-2-1, K-2-1M, K-2-2 and K-2-3, Pusat Perdagangan Bandar Bukit Jalil, Persiaran Jalil 2, Bukit Jalil, 57000 Wilayah Persekutuan Kuala Lumpur Title Details Geran 79551, Lot 101900, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur 4-storey stratified shop offices	Freehold/ Head office	-/8,569	5	22 January, 2016	6,016,418
3	S-17-06, Idaman Robertson, 109, Jalan Pudu, 50150 Wilayah Persekutuan Kuala Lumpur Title Details Geran 78365, Lot 20018 seksyen 56, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur Service apartment	Freehold/ Investment property	-/624	8	6 February, 2015	875,676

LIST OF PROPERTIES HELD BY THE GROUP

	Location/Description	Tenure/ Usage	Approximate Land Area/ Built Up (sq ft)	Approximate Age/(Years)	Date of Acquisition	Net Book Value as at 31 August 2023 (RM)
4	Parcel No. B-G-25, B-1-25, B-2-25, B-3-25, Dataran Cascades, 13A, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor <u>Title Details</u> PN 97964, Lot 53298, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Service apartment	99 years' leasehold expiring on 01 February 2106/ Investment property	-/5,590	13	18 October, 2010	2,984,313
5	D-21-06, Menara Mitraland, 13A, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor <u>Title Details</u> PN 97964, Lot 53298, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Office unit	99 years' leasehold expiring on 01 February 2106/ Investment property	-/1,020	12	23 August, 2011	546,801
6	Parcel No. A-35-05 <u>Title Details</u> Geran 10567, Lot 258 Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur Condominium	Freehold/ Investment property	-/710	NIL	18 May, 2020	N/A (work in progress)
7	Parcel No. A-35-07 <u>Title Details</u> Geran 10567, Lot 258 Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur Condominium	Freehold/ Investment property	-/554	NIL	18 May, 2020	N/A (work in progress)

ANALYSIS OF SHAREHOLDINGS

as at 1 December 2023

Class of Shares	:	Ordinary shares (“Shares”)
Voting Rights	:	One (1) vote per Share
Total Number of Issued Shares	:	652,661,500

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 DECEMBER 2023 AS PER RECORD OF DEPOSITORS (“ROD”)

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	5	0.20	280	0.00
100 - 1,000	191	7.77	104,200	0.02
1,001 - 10,000	842	34.26	5,524,700	0.84
10,001 - 100,000	1,137	46.26	42,818,720	6.56
100,001 to 32,633,074	276	11.23	269,803,600	41.34
32,633,075 and above	7	0.28	334,410,000	51.24
Total	2,458	100.00	652,661,500	100.00

DIRECTORS’ SHAREHOLDINGS AS AT 1 DECEMBER 2023

(based on the Register of Directors’ Shareholdings)

	Direct		Indirect	
Name of Directors	No. of Shares Held	%	No. of Shares Held	%
Dato’ Ir. Tan Gim Foo	200,000	0.03	-	-
Pang Tse Fui	99,552,500	15.25	-	-
Ir. Chong Ngit Sooi	99,552,500	15.25	-	-
Loke Kien Tuck	99,552,500	15.25	13,000*	Negligible
Dato’ Noraini binti Abdul Rahman	200,000	0.03	-	-
Wee Kee Hong	50,000	0.01	-	-

* *Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 through shareholding held by his daughter, Loke Cheng Mun.*

ANALYSIS OF SHAREHOLDINGS

as at 1 December 2023

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 1 DECEMBER 2023

(based on the Register of Substantial Shareholders' Shareholdings)

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Pang Tse Fui	99,552,500	15.25	-	-
Ir. Chong Ngit Sooi	99,552,500	15.25	-	-
Loke Kien Tuck	99,552,500	15.25	13,000(1)	Negligible
Tan Hoon Thean	81,802,500	12.53	5,000(2)	Negligible

(1) Deemed interest by virtue of the shareholding of his daughter, Loke Cheng Mun.
(2) Deemed interest by virtue of the shareholding of his son, Tan Chun Xiang.

THIRTY LARGEST SHAREHOLDERS AS AT 1 DECEMBER 2023 AS PER ROD

No.	Name	No. of Shares Held	%
1	TAN HOON THEAN	81,752,500	12.526
2	LOKE KIEN TUCK	59,552,500	9.125
3	PANG TSE FUI	54,552,500	8.358
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG NGIT SOOI	35,000,000	5.363
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOKE KIEN TUCK	35,000,000	5.363
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG TSE FUI	35,000,000	5.363
7	CHONG NGIT SOOI	33,552,500	5.141
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG	29,000,000	4.443
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK	27,124,800	4.156
10	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	22,000,000	3.371
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	21,240,000	3.254
12	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG NGIT SOOI	21,000,000	3.218

ANALYSIS OF SHAREHOLDINGS

as at 1 December 2023

THIRTY LARGEST SHAREHOLDERS AS AT 1 DECEMBER 2023 AS PER ROD (CONTINUED)

No.	Name	No. of Shares Held	%
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG (MY3923)	12,100,000	1.854
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG NGIT SOOI (M04)	10,000,000	1.532
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG TSE FUI (M04)	10,000,000	1.532
16	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON (MGNM43006)	8,150,000	1.249
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOKE KIEN TUCK (M04)	5,000,000	0.766
18	KHOO KEOW PIN	3,500,000	0.536
19	CHEAH HAM CHEIA	3,000,000	0.460
20	LIM KOON CHEE	2,894,700	0.444
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK (MY2975)	2,450,000	0.375
22	TERENCE NGU TAI LOONG	2,262,000	0.347
23	LIEW HAU SENG	2,200,000	0.337
24	CHUAH TEONG PENG	2,130,000	0.326
25	CHEN FARN KEITH	2,000,000	0.306
26	SOW SIAN	2,000,000	0.306
27	SELISA SYNERGY SDN BHD	1,850,000	0.283
28	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TEH ENG HAI	1,665,900	0.255
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOY SIONG HAY (MY4612)	1,660,000	0.254
30	CHONG MEE SIN	1,594,500	0.244

ANALYSIS OF WARRANT HOLDINGS

as at 1 December 2023

Total number of unexercised Warrants	:	294,452,000
Exercise price per Warrant	:	RM0.135
Issue date	:	21 June 2022
Maturity date	:	20 June 2025

DISTRIBUTION OF WARRANT HOLDINGS AS AT 1 DECEMBER 2023 AS PER ROD

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants Held	%
Less than 100	100	5.66	4,873	0.00
100 - 1,000	194	10.98	99,907	0.03
1,001 - 10,000	675	38.20	3,535,400	1.20
10,001 - 100,000	624	35.31	23,887,520	8.11
100,001 to 14,722,599	168	9.51	102,991,650	34.98
14,722,600 and above	6	0.34	163,932,650	55.68
Total	1,767	100.00	294,452,000	100.00

DIRECTORS' WARRANT HOLDINGS AS AT 1 DECEMBER 2023

(based on the Register of Directors' Warrant Holdings)

	Direct		Indirect	
Name of Directors	No. of Warrants Held	%	No. of Warrants Held	%
Dato' Ir. Tan Gim Foo	100,000	0.03	-	-
Pang Tse Fui	49,776,250	16.90	-	-
Ir. Chong Ngit Sooi	49,680,050	16.87	-	-
Loke Kien Tuck	47,276,250	16.06	6,500*	Negligible
Dato' Noraini binti Abdul Rahman	100,000	0.03	-	-
Wee Kee Hong	25,000	0.01	-	-

* *Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 through warrant holding held by his daughter, Loke Cheng Mun.*

ANALYSIS OF WARRANT HOLDINGS

as at 1 December 2023

THIRTY LARGEST WARRANT HOLDERS AS AT 1 DECEMBER 2023 AS PER ROD

No.	Name	No. of Warrants Held	%
1	CHONG NGIT SOOI	34,980,050	11.880
2	PANG TSE FUI	34,976,500	11.879
3	LOKE KIEN TUCK	32,476,500	11.029
4	TAN HOON THEAN	31,900,100	10.834
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOKE KIEN TUCK	14,799,750	5.026
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG TSE FUI	14,799,750	5.026
7	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG NGIT SOOI	14,700,000	4.992
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIGNATURE INTERNATIONAL BERHAD	7,214,900	2.450
9	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HOON THEAN	7,000,000	2.377
10	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	5,849,900	1.987
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN BOON GUAT (028)	5,492,000	1.865
12	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOONG DING TONG (MY3120)	4,727,500	1.606
13	LIM WOI KOK	4,500,000	1.528
14	LOW LAY PING	1,610,300	0.547
15	CHEAH HAM CHEIA	1,500,000	0.509
16	LIM KOON CHEE	1,447,350	0.492
17	CHANG SIM KAT	1,400,000	0.475
18	LOH YU TEE	1,200,200	0.408
19	CHE WAN ABDUL FATAH BIN CHE WAN DAUD	1,159,600	0.394
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HOCK CHAI (E-KLG)	1,129,300	0.384
21	CHONG KOK KEONG	1,000,000	0.340
22	NG TIEN ENG	966,100	0.328
23	TERENCE NGU TAI LOONG	900,000	0.306
24	CHE WAN AHMAD SHAHRUDY BIN CHE WAN DAUD	850,100	0.289
25	SOW TAI TON	842,500	0.286
26	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TEH ENG HAI	832,950	0.283
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD HARTTZERY NAZRY BIN HATTA	805,000	0.273
28	CHEE CHEN CHI	800,000	0.272
29	KHOO KEOW PIN	800,000	0.272
30	TO KONG HAI	800,000	0.272

NOTICE OF FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting ("AGM") of Aneka Jaringan Holdings Berhad ("the Company") will be conducted on a fully virtual basis and entirely via remote participation and voting via the online meeting platform https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Thursday, 22 February 2024 at 10.00 a.m. or at any adjournment thereof, to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2023 and the Reports of Directors and Auditors thereon. ***Please refer to Explanatory Note***

2. To approve the payment of Directors' Fees and benefits of up to RM220,000.00 from 23 February 2024 until the conclusion of the next AGM of the Company. ***Resolution 1***

3. To re-elect Pang Tse Fui as Director who is retiring by rotation pursuant to the Company's Constitution. ***Resolution 2***

4. To re-elect Loke Kien Tuck as Director who is retiring by rotation pursuant to the Company's Constitution. ***Resolution 3***

5. To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 4***

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification(s), the following resolutions:-

6. **ORDINARY RESOLUTION**
AUTHORITY FOR DIRECTORS TO ISSUE SHARES ***Resolution 5***

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to issue and allot new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, without first offer to holders of existing issued shares of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company at the time of issue AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing and quotation of the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.

THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 63 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares to be issued pursuant to Sections 75 and 76 of the Companies Act 2016.

AND THAT the Board of Directors is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the issuance and allotment of such new shares pursuant to Sections 75 and 76 of the Companies Act 2016."

NOTICE OF FIFTH ANNUAL GENERAL MEETING

7. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") ***Resolution 6***

"THAT subject always to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature as stated in Section 2.6 of the Circular to Shareholders dated 28 December 2023 ("Circular") with the specified classes of related parties mentioned therein which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular."

8. To transact any other business for which due notice shall have been given.

By Order of the Board
ANEKA JARINGAN HOLDINGS BERHAD

TAN FONG SHIAN (SSM PC No. 201908004045) (MAICSA 7023187)
LIEW CHAK HOOI (SSM PC No. 201908004042) (MAICSA 7055965)
Secretaries
Kuala Lumpur

28 December 2023

NOTICE OF FIFTH ANNUAL GENERAL MEETING

Notes:-

(1) *The Fifth AGM will be conducted on a fully virtual basis. Shareholders are to participate and vote remotely at the Fifth AGM via the remote participation and voting platform.*

Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fifth AGM in order to participate remotely.

(2) *A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy to participate and vote instead of him. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*

(3) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

(4) *Only a depositor whose name appears in the Company's Record of Depositors as at 15 February 2024 shall be regarded as a member and entitled to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.*

(5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

(6) *The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting, or by electronic means through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. Kindly refer to the Administrative Guide for the Fifth AGM on the procedures for electronic lodgement.*

(7) *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this notice of Fifth AGM will be put to vote by poll.*

(8) *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.*

NOTICE OF FIFTH ANNUAL GENERAL MEETING

EXPLANATORY NOTES

Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, shall not be put forward for voting.

Resolutions 2 and 3 – Re-election of Directors

The profiles of the Directors seeking for re-election are set out in the Board of Directors' Profiles section of the Company's Annual Report 2023. In accordance with Clause 109 of the Company's Constitution, an election of Directors shall take place every year. One-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Both Mr. Pang Tse Fui ("Mr. Pang") and Mr. Loke Kien Tuck ("Mr. Loke"), being eligible, have offered themselves for re-election.

The Nomination Committee and the Board of Directors ("the Board") had considered and were satisfied with the management and contributions of Mr. Pang and Mr. Loke.

The Board recommends the re-election of Mr. Pang and Mr. Loke.

Resolution 5 – Authority for Directors to Issue Shares

This proposed resolution, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the number of shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital, repayment of banking facilities and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The Company had on 10 May 2023 announced to Bursa Securities to undertake a private placement of up to 88,786,500 new ordinary shares in the Company ("Placement Shares") ("Private Placement"). The Private Placement had been completed on 24 July 2023 and a total of 59,248,500 Placement Shares had been issued and allotted, with total proceeds raised amounting to RM9,938,134.60. The proceeds raised were utilised as follows:-

NOTICE OF FIFTH ANNUAL GENERAL MEETING

	Details of utilisation	Proceeds raised RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
1.	Working capital	7,688	7,688	-
2.	Repayment of borrowings for trade purposes	2,000	2,000	-
3.	Estimated expenses in relation to the Proposals*	250	250	-
	Total	**9,938**	**9,938**	**-**

**Proposals - Proposed diversification of the existing business activities of the Company and its subsidiaries to include engineering, procurement, construction and commissioning of solar photovoltaic systems and renewable energy ("RE") facilities, provision of RE and environmental consulting services, operations and maintenance services, and built-own-operate-transfer of RE facilities; proposed private placement of up to 94,711,350 new ordinary shares in the Company, which represent up to 10% of the total number of issued ordinary shares in the Company; and proposed variation of the utilisation of proceeds raised from the Initial Public Offering of the Company.*

The approval of Resolution 5 shall have the effect of the shareholders having agreed to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 63 of the Constitution pertaining to the issuance and allotment of new shares pursuant to Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholdings percentage in the Company.

Resolution 6 – Proposed Shareholders' Mandate

This proposed resolution, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are as set out in the Circular to Shareholders dated 28 December 2023. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Securities)

No individual is standing for election as Director at the forthcoming Fifth AGM of the Company.

FORM OF PROXY

Aneka Jaringan Holdings Berhad

(Registration No. 201801030681 (1292707-D))
(Incorporated in Malaysia)

Number of Shares Held	
CDS Account No.	

I/We ______________________________ NRIC/Passport/Company No. ______________________
(full name in block letters)

of ____
(full address)

being a member of Aneka Jaringan Holdings Berhad ("Company"), hereby appoint

Full name and NRIC/Passport No.	**Address**	**Proportion of shareholding (%) to be represented**
Contact No.	**Email Address**	

*and/or failing him/her,

Full name and NRIC/Passport No.	**Address**	**Proportion of shareholding (%) to be represented**
Contact No.	**Email Address**	

or failing him/her, #the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the **Fifth Annual General Meeting** ("AGM") of the Company to be conducted on a fully virtual basis and entirely via remote participation and voting via the online meeting platform https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Thursday, 22 February 2024 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:-

NO.	**RESOLUTIONS**	**FOR**	**AGAINST**
ORDINARY BUSINESS			
1.	To approve the payment of Directors' Fees and benefits of up to RM220,000.00 from 23 February 2024 until the conclusion of the next AGM of the Company		
2.	To re-elect Pang Tse Fui as Director		
3.	To re-elect Loke Kien Tuck as Director		
4.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
5.	Authority for Directors to issue shares		
6.	Proposed Shareholders' Mandate		

(Please indicate with a " √ " or " X " in the spaces above on how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.)

* Delete if not applicable.

\# Delete the words "Chairman of the Meeting" if you wish to only appoint other person(s) to be your proxy(ies).

Dated this:

____
Signature/Common Seal of Shareholder

Notes:-

(1) *The Fifth AGM will be conducted on a fully virtual basis. Shareholders are to participate and vote remotely at the Fifth AGM via the remote participation and voting platform.*

Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fifth AGM in order to participate remotely.

(2) *A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy to participate and vote instead of him. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*

(3) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

(4) *Only a depositor whose name appears in the Company's Record of Depositors as at 15 February 2024 shall be regarded as a member and entitled to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.*

(5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

(6) *The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting, or by electronic means through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. Kindly refer to the Administrative Guide for the Fifth AGM on the procedures for electronic lodgement.*

(7) *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in the notice of Fifth AGM will be put to vote by poll.*

(8) *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.*

FOLD HERE

AFFIX
STAMP

The Share Registrar of
ANEKA JARINGAN HOLDINGS BERHAD
Registration No. 201801030681 (1292707-D)

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

FOLD HERE

a n e k a j a r i n g a n . c o m

Head Office

Aneka Jaringan Holdings Berhad
(Registration No. 201801030681 (1292707-D))
K-2-1, Pusat Perdagangan Bandar Bukit Jalil,
Persiaran Jalil 2, 57000 Kuala Lumpur, Malaysia

Tel : +603-8657 5150
Fax : +603-2771 3827
Email : info@ajgroup.my

Indonesia

PT. Aneka Jaringan Indonesia
(NIB 8120001741315)
Rukan Boulevard Selatan Blok A No. 51 (SCBSA51),
Jl Sedayu City Kelapang Gading, Cakung Barat,
Cakung, Jakarta Timur 13920, Indonesia

Tel : +62-21-210-57940
Fax : +62-21-210-57940
Email : marketing@ptaji.co.id
Website : www.ptaji.co.id